

Exponent<sup>®</sup>

$x$



# Investor Presentation

# Forward Looking Statements & Non-GAAP Financial Measures

*This presentation release contains, and incorporates by reference, certain “forward-looking” statements (as such term is defined in the Private Securities Litigation Reform Act of 1995, and the rules promulgated pursuant to the Securities Act of 1933, as amended, and the Securities Exchange Act of 1934, as amended) that are based on the beliefs of the Company’s management, as well as assumptions made by and information currently available to the Company’s management. When used in this document and in the documents incorporated herein by reference, the words “intend,” “anticipate,” “believe,” “estimate,” “expect” and similar expressions, as they relate to the Company or its management, identify such forward-looking statements. Such statements reflect the current views of the Company or its management with respect to future events and are subject to certain risks, uncertainties and assumptions. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, the Company’s actual results, performance, or achievements could differ materially from those expressed in, or implied by, any such forward-looking statements. Factors that could cause or contribute to such material differences include the COVID-19 pandemic (including factors relating to measures implemented by governmental authorities or by us to promote the safety of our employees, vendors and clients; other direct and indirect impacts on our business and the businesses of our clients, vendors and other partners; impacts which may, among other things, adversely affect our clients’ ability to utilize our services at the levels they have previously; disruptions of access to our facilities or those of our clients or third parties; and increased and potentially significant economic uncertainty and volatility, including credit and collectability risks and potential disruptions of capital and credit markets), the possibility that the demand for our services may decline as a result of changes in generally applicable and industry-specific economic conditions, the timing of engagements for our services, the effects of competitive services and pricing, the absence of backlog related to our business, our ability to attract and retain key employees, the effect of tort reform and government regulation on our business, and liabilities resulting from claims made against us. Additional risks and uncertainties are discussed in our Annual Report on Form 10-K under the heading “Risk Factors” and elsewhere in the report. The inclusion of such forward-looking information should not be regarded as a representation by the Company or any other person that the future events, plans, or expectations contemplated by the Company will be achieved. The Company undertakes no obligation to release publicly any updates or revisions to any such forward-looking statements.*

# When Getting It Right Matters

Exponent harnesses the power of technical excellence, objectivity and disciplinary diversity to solve our clients' toughest science, engineering and business challenges



# Empowering Our Clients with Solutions for a Safe, Healthy, Sustainable and Technologically Complex World

## Overview

- Multidisciplinary Consulting Capabilities
- World Class Talent Leveraging Robust Scientific and Engineering Expertise
- Solving High Exposure Challenges Across the Globe



<sup>1</sup>Refer to non-GAAP reconciliation on slide 22  
<sup>2</sup>EBITDA Margin % = EBITDA/Revenues before Reimbursements

## EXPO by the Numbers



**\$513M**  
FY22  
Revenue



**\$1.96**  
FY22  
EPS



**30%**  
FY22 EBITDA  
Margin<sup>1,2</sup>



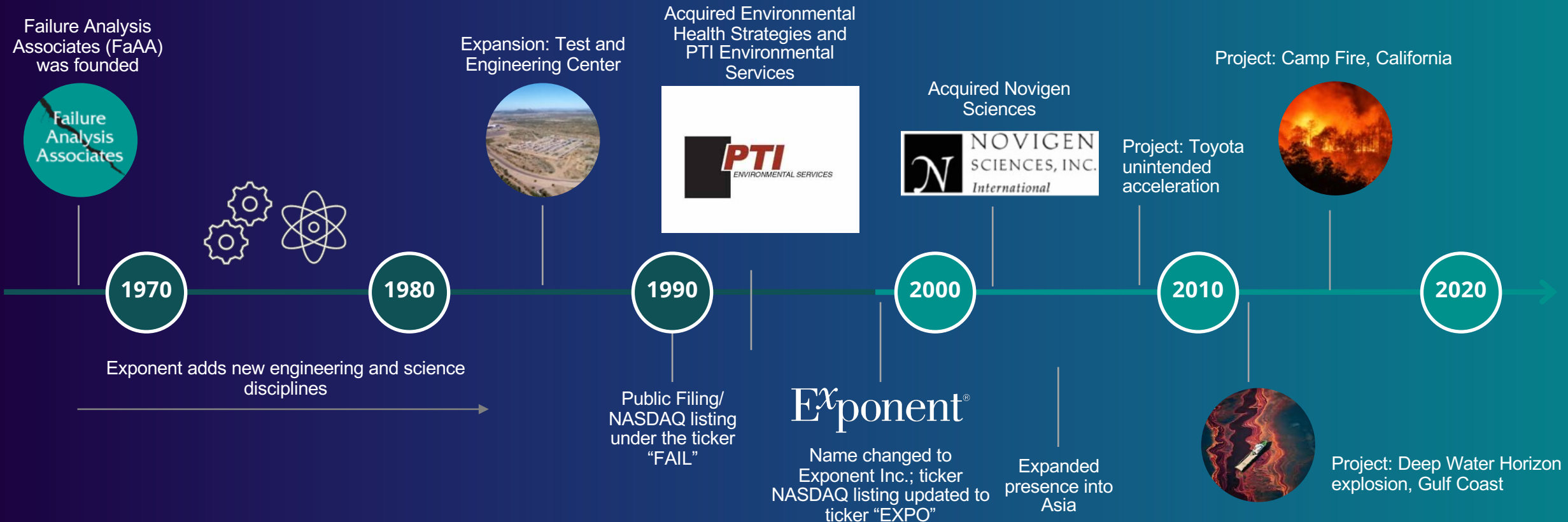
**\$0.26**  
Quarterly  
Dividend

## Awards & Recognitions



# 50+ Years of Positioning Exponent and Our Clients for the Future

Our ecosystem of knowledge has grown and evolved to help our clients meet the challenges they face



# Our Global Footprint

## North America

**Atlanta**

**Austin**

**Boston**

Maynard  
Natick

**Chicago**

Chicago  
Warrenville

**Denver**

**Detroit**

**Houston**

**Miami**

**New York**

**Philadelphia**

**Phoenix**

**Sacramento**

**Seattle**

Bellevue  
Seattle

**SF Bay Area**

Menlo Park  
Oakland

**Southern  
California**

Irvine  
Los Angeles  
Pasadena

**Tampa**

**Washington DC**

Washington DC  
Alexandria  
Bowie

**Canada**

## Europe

**Edinburgh**

**Germany**

**Harrogate**

**Ireland**

**London**

Acton  
London

**Nottingham**

**Switzerland**

## Asia

**Hong Kong**

**Shanghai**

**Singapore**



# Why Invest in Exponent?



**Strong Growth Momentum Through Safety, Health and Environmental Trends**



**Multidisciplinary Solutions Driven by Data, Speed and Scale**



**Deep Bench of Scientists and Engineers Across Industries and Geographies**

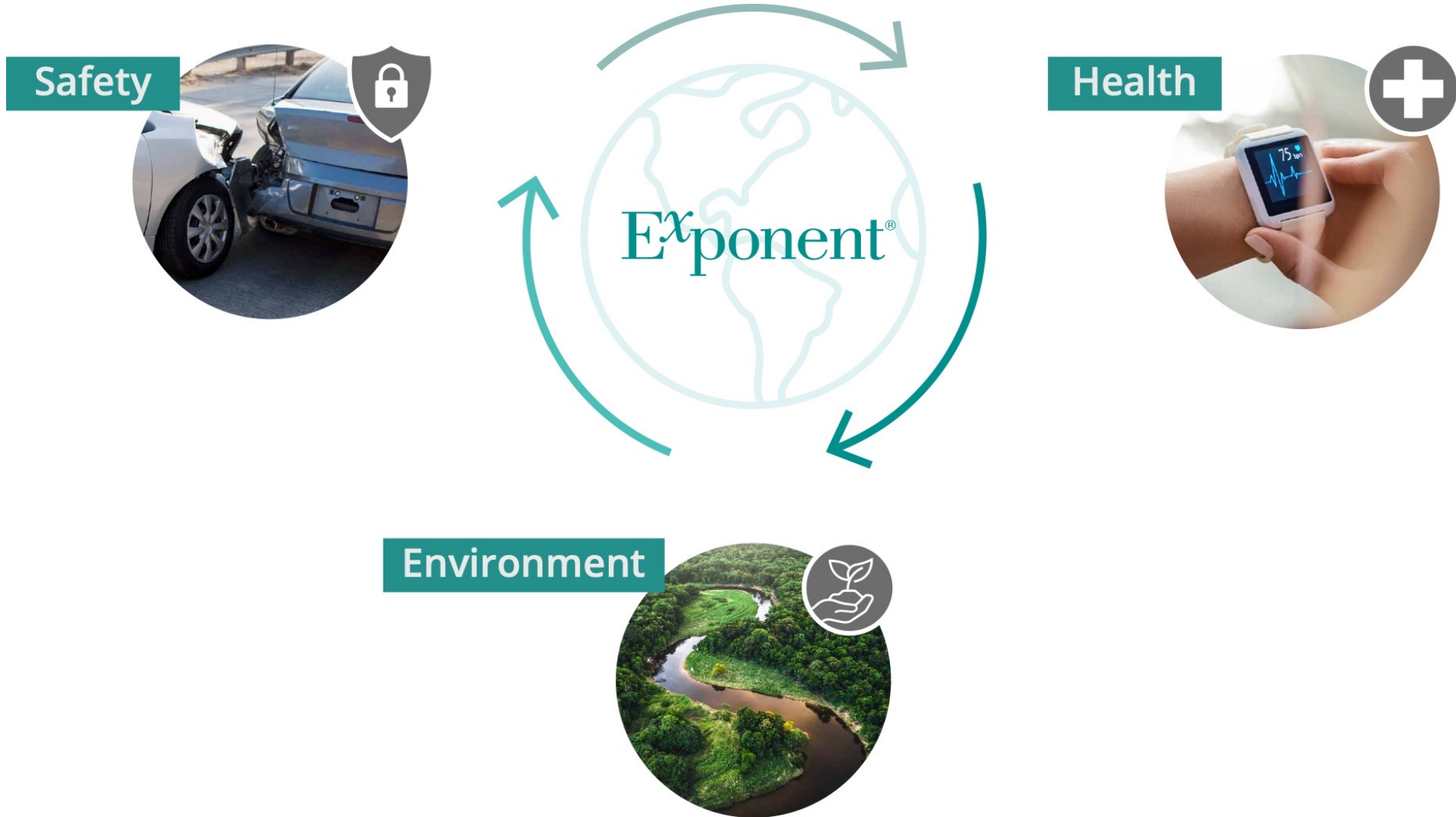


**Scientific Rigor Positions Our Clients Ahead of the Curve**



**Healthy Balance Sheet and Strong Free Cash Flow Generation**

# Exponent Is in the Center of Global Macro Trends



# Providing a Multidisciplinary Set of Offerings

## Reactive

*Understanding the past with the ultimate goal of determining root causes of events*

- Litigation Support
- Insurance Investigations
- Product Recalls
- Regulatory Actions

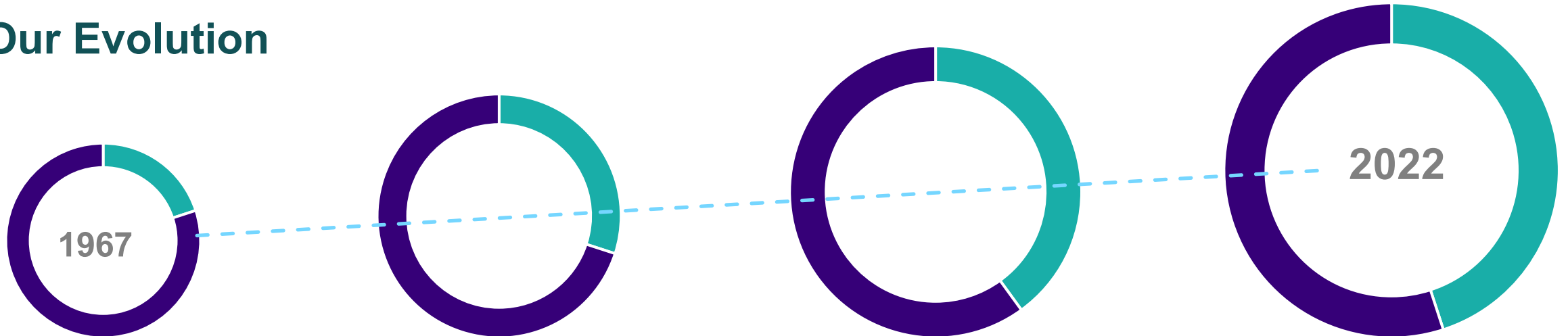
Leverage Insights

## Proactive

*Empowering our clients to chart a course for the future across a full product life cycle*

- Risk Management
- Design Consulting
- Product & Process Improvement
- Research & Development

## Our Evolution



■ Reactive  
■ Proactive

# Our World Class Talent

950+

Consulting  
Staff

640+

Doctoral-level  
professionals

50+

Staff working  
at Universities

35+

Staff serving  
on editorial  
review  
boards/peer  
reviewers

250+

Standards  
committees  
and advisory  
boards served

1200+

Staff academic  
articles  
published

# Attracting, Developing and Rewarding Exceptional People with Diverse Backgrounds and Expertise Is Central to Exponent's Mission

## Outreach

Leveraging science, technology, engineering and math (STEM) to empower the communities around us

## Communication

Employee engagement and staff surveys to ensure voices are heard



## Recruiting

Sourcing candidates from increasingly diverse backgrounds and skill sets

## People Development

Seminar series, mentoring, and continuing education programs

**Constantly curating our world class culture and team through a thoughtful recruitment and retention process**

# Environmental, Social & Governance (“ESG”)

## Our Commitments



**Advancement of  
Science**

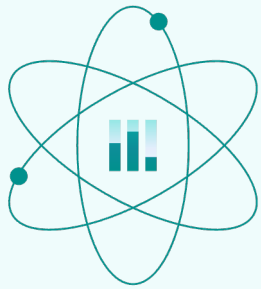


**Diversity and Investment in  
Our People**



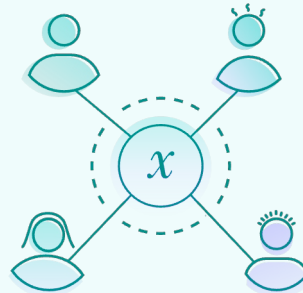
**Safety and the  
Environment**

# How We Make an Impact



## Advancing Science

We are committed to objectivity and the advancement of science and supporting clients as they pursue enduring, positive impacts on society.



## Investing in Our People

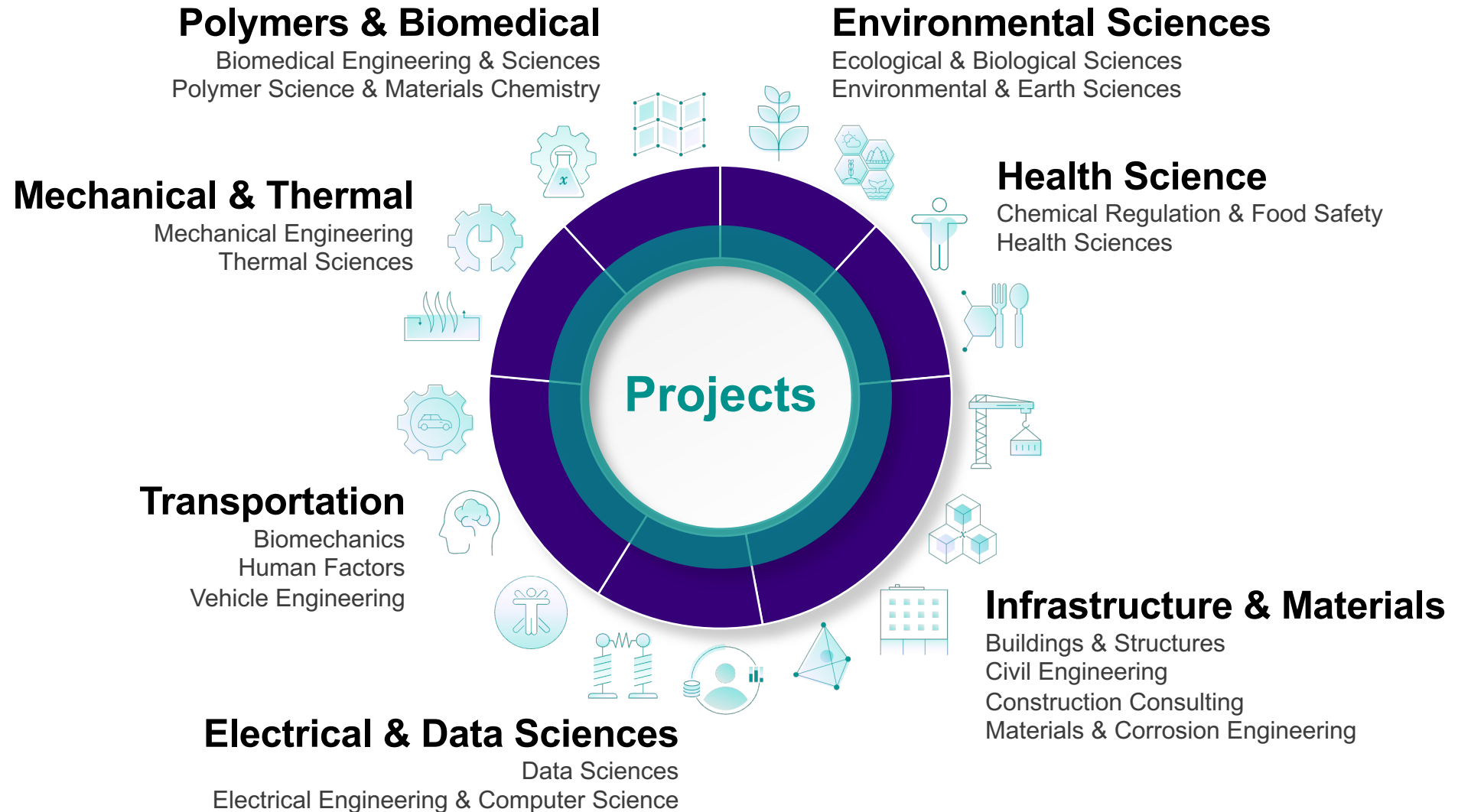
Attracting, exciting, developing, and rewarding exceptional people with diverse backgrounds and expertise are central to our corporate culture.



## Safety & the Environment

We help clients innovate creatively and sustainably, improve operational resiliency, protect health and safety, and enhance local ecosystems.

# Our Bespoke Multidisciplinary Teams



# Diverse Customer Relationships

## Our Clients



Corporate



Legal



Government

10K  
FY22  
Engagements

2K  
FY22  
Client Count

## Deep Industry Know-How



Construction



Chemicals



Consumer Products



Electronics



Energy



Food & Beverage



Government Sector



Industrial  
& Manufacturing



Life Sciences  
& Healthcare



Mining & Forestry



Software & Computer  
Science



Transportation



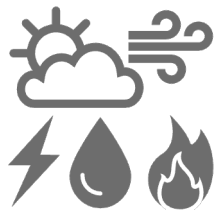
Utilities

# Strong Growth Momentum Through Safety, Health and Environmental Trends

## TRANSPORTATION



## UTILITIES



## CONSUMER ELECTRONICS



## LIFE SCIENCES & HEALTHCARE



## CHEMICAL



Key Drivers/Trends

Types of Exponent Solutions

<ul style="list-style-type: none"> <li>Automation</li> <li>Electrification</li> </ul>	<ul style="list-style-type: none"> <li>Aging infrastructure</li> <li>Climate resilience</li> </ul>	<ul style="list-style-type: none"> <li>Product safety and performance</li> <li>Augmented and virtual reality</li> </ul>	<ul style="list-style-type: none"> <li>Digital health</li> <li>Pharmaceuticals</li> </ul>	<ul style="list-style-type: none"> <li>Effects on humans</li> <li>Effects on environment</li> </ul>
<ul style="list-style-type: none"> <li>Advanced Driver Assistance System (ADAS) litigation</li> <li>Battery performance and safety studies</li> </ul>	<ul style="list-style-type: none"> <li>Asset risk and climate vulnerability studies</li> </ul>	<ul style="list-style-type: none"> <li>Product recalls/root cause analysis</li> <li>User experience studies</li> </ul>	<ul style="list-style-type: none"> <li>Medical device litigation</li> <li>Product design consulting</li> </ul>	<ul style="list-style-type: none"> <li>Regulatory consulting</li> <li>Toxic tort litigation</li> </ul>

# When Getting It Right Matters

Exponent harnesses the power of technical excellence, objectivity and disciplinary diversity to solve our clients' toughest science, engineering and business challenges

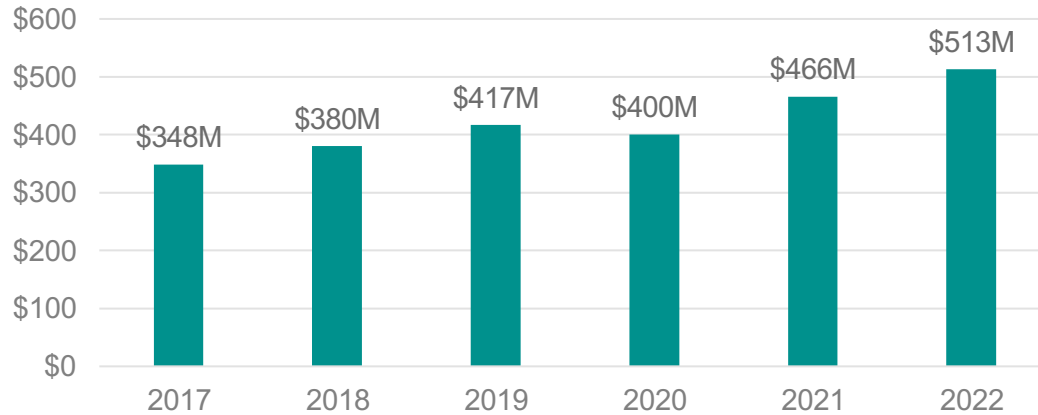


# Financial Highlights

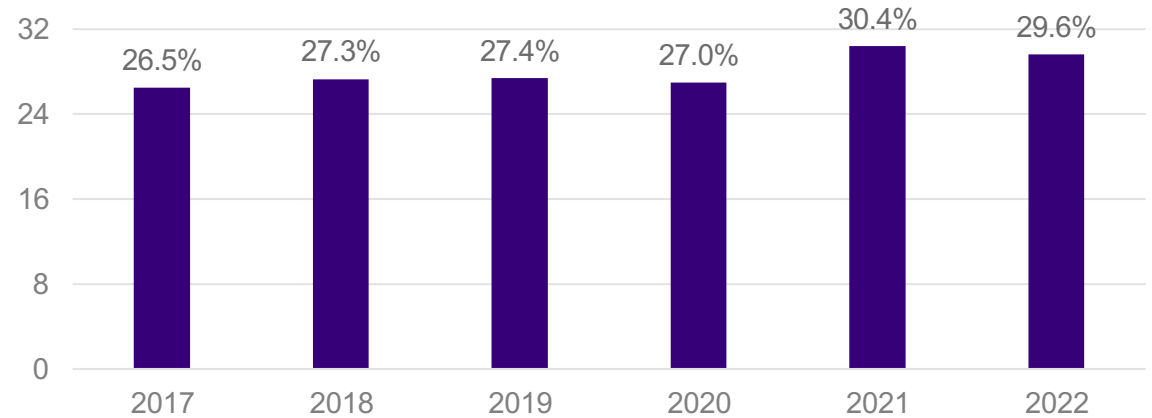


# Proven Financial Results

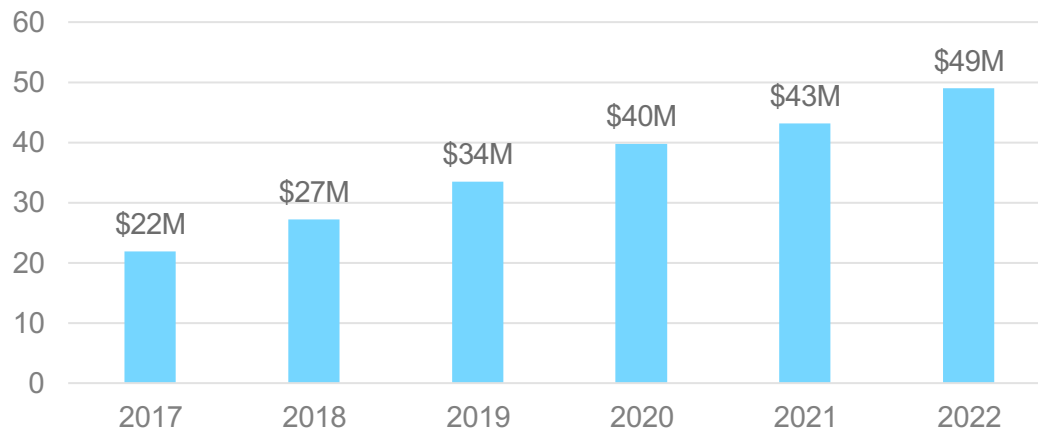
Revenue (\$M)



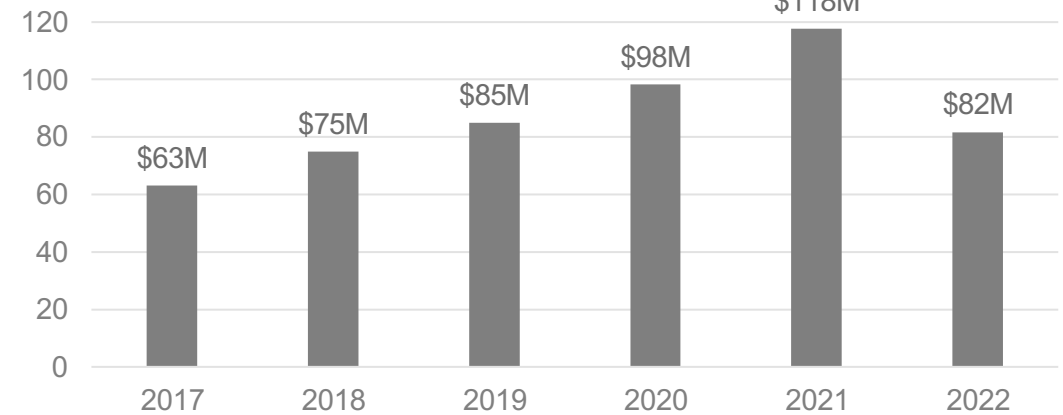
EBITDA Margin<sup>1,2</sup> (%)



Dividends Paid (\$M)



Free Cash Flow (\$M)



<sup>1</sup>Refer to non-GAAP reconciliation on slide 22

<sup>2</sup>EBITDA Margin % = EBITDA/Revenues before Reimbursements

# Capital Allocation

**2017-2022**

Cash Returned to  
Shareholders:

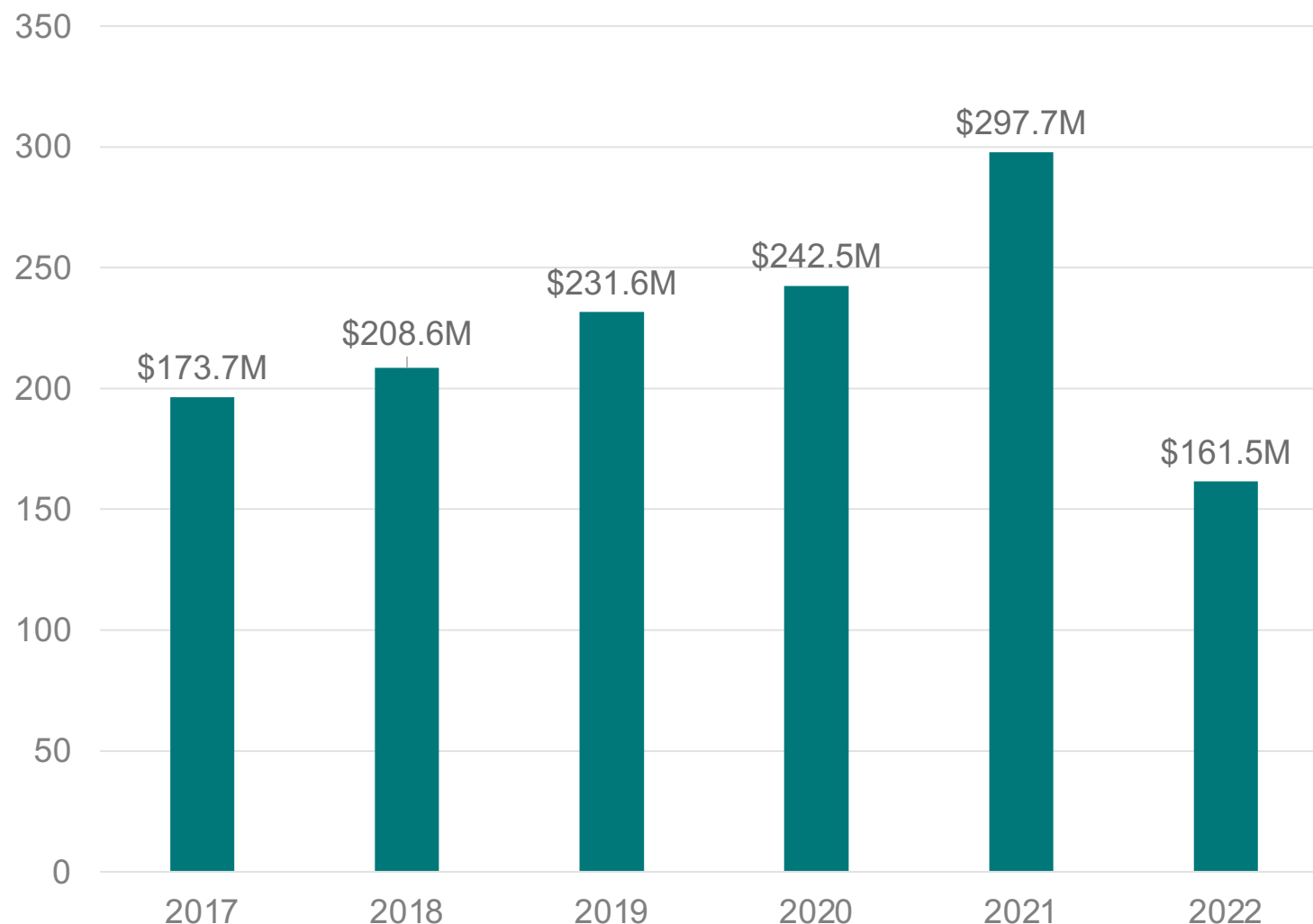
**\$215M**

Dividend Payments

**\$311M**

Repurchased Shares  
(or ~3.9M shares)

Cash and Short Term Investments (\$M):  
2017-2022



# Key Metrics – YTD (as of 9/30)

(\$ Millions, except where noted)

	YTD as of 9/30/2022	YTD as of 9/30/2023	<u>% Change</u>
Revenues Before Reimbursements	351.2	383.3	9%
Revenues	385.9	413.9	7%
EBITDA <sup>1</sup>	106.1	107.1	1%
EBITDA Margin <sup>2</sup> (%)	30.2%	27.9%	
Net Income	79.8	79.4	-0.5%
Earnings per share (\$)	1.52	1.54	1%
Average diluted shares outstanding (Millions)	52.5	51.7	-2%
Billable hours	1,110,591	1,153,227	4%
Utilization, technical	75%	70%	
Realized rate increase	3%	5%	
Technical full time equivalent employees	943	1,059	12%

<sup>1</sup>Refer to non-GAAP reconciliation on slide 22

<sup>2</sup>EBITDA Margin % = EBITDA/Revenues before Reimbursements

# EBITDAS – YTD (as of 9/30)

(\$ Millions)	YTD as of 9/30/2022	YTD as of 9/30/2023	<u>% Change</u>
Net Income	\$79.8	\$79.4	-1%
Add back:			
Income taxes	21.9	26.4	21%
Interest income, net	-0.8	-5.2	n/m
Depreciation and amortization	<u>5.2</u>	<u>6.5</u>	25%
EBITDA <sup>1</sup>	<u>106.1</u>	<u>107.1</u>	1%
Stock-based compensation	<u>16.1</u>	<u>17.2</u>	7%
EBITDAS <sup>1</sup>	<u>\$122.2</u>	<u>\$124.3</u>	2%

<sup>1</sup>EBITDA is a non-GAAP financial measure defined by the Company as net income before income taxes, interest income, depreciation and amortization. EBITDAS is a non-GAAP financial measure defined by the Company as EBITDA before stock-based compensation. The Company regards EBITDA and EBITDAS as useful measures of operating performance and cash flow to complement operating income, net income and other GAAP financial performance measures. Additionally, management believes that EBITDA and EBITDAS provide meaningful comparisons of past, present and future operating results. Generally, a non-GAAP financial measure is a numerical measure of a company's performance, financial position or cash flow that either excludes or includes amounts that are not normally excluded or included in the most directly comparable measure calculated and presented in accordance with GAAP. These measures, however, should be considered in addition to, and not as a substitute or superior to, operating income, cash flows, or other measures of financial performance prepared in accordance with GAAP.

# Key Metrics – Q3 2023

(\$ Millions, except where noted)

	<u>2022</u>	<u>2023</u>	<u>% Change</u>
Revenues Before Reimbursements	115.1	125.0	9%
Revenues	127.2	133.3	5%
EBITDA <sup>1</sup>	34.6	34.5	n/m
EBITDA Margin <sup>2</sup> (%)	30.0%	27.6%	
Net Income	24.4	24.5	n/m
Earnings per share (\$)	0.47	0.48	
Average diluted shares outstanding (Millions)	52.0	51.6	-1%
Billable hours	364,894	379,746	4%
Utilization, technical	73%	70%	
Realized rate increase	2%	4%	
Technical full time equivalent employees	958	1,050	10%

<sup>1</sup>Refer to non-GAAP reconciliation on slide 23

<sup>2</sup>EBITDA Margin % = EBITDA/Revenues before Reimbursements

# EBITDAS – Q3 2023

(\$ Millions)

	<u>2022</u>	<u>2023</u>	<u>% Change</u>
Net Income	\$24.4	\$24.5	n/m
Add back:			
Income taxes	9.0	9.5	5%
Interest income, net	0.6	1.9	n/m
Depreciation and amortization	<u>1.7</u>	<u>2.4</u>	37%
EBITDA <sup>1</sup>	<u>34.6</u>	<u>34.5</u>	n/m
Stock-based compensation	<u>4.6</u>	<u>4.9</u>	6%
EBITDAS <sup>1</sup>	<u>\$39.2</u>	<u>\$39.4</u>	1%

<sup>1</sup>EBITDA is a non-GAAP financial measure defined by the Company as net income before income taxes, interest income, depreciation and amortization. EBITDAS is a non-GAAP financial measure defined by the Company as EBITDA before stock-based compensation. The Company regards EBITDA and EBITDAS as useful measures of operating performance and cash flow to complement operating income, net income and other GAAP financial performance measures. Additionally, management believes that EBITDA and EBITDAS provide meaningful comparisons of past, present and future operating results. Generally, a non-GAAP financial measure is a numerical measure of a company's performance, financial position or cash flow that either excludes or includes amounts that are not normally excluded or included in the most directly comparable measure calculated and presented in accordance with GAAP. These measures, however, should be considered in addition to, and not as a substitute or superior to, operating income, cash flows, or other measures of financial performance prepared in accordance with GAAP.

# About Exponent

Exponent is the only premium engineering and scientific consulting firm with the depth and breadth of expertise to solve our clients' most profoundly unique and urgent challenges.

1967

50+ Years of  
Scientific Excellence

950+

Consulting  
Staff

90+

Technical  
Disciplines

30+

Offices Across North  
America, Europe & Asia