

**EXPONENT, INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF INCOME**  
**For the Three and Six Months Ended June 30, 2023 and July 1, 2022**  
**(unaudited)**  
**(in thousands, except per share data)**

	<u>Quarter Ended</u>		<u>Six Months Ended</u>	
	<u>June 30, 2023</u>	<u>July 1, 2022</u>	<u>June 30, 2023</u>	<u>July 1, 2022</u>
<b><u>Revenues</u></b>				
Revenues before reimbursements	\$ 129,653	\$ 118,218	\$ 258,358	\$ 236,088
Reimbursements	10,568	12,063	22,172	22,671
Revenues	<u>140,221</u>	<u>130,281</u>	<u>280,530</u>	<u>258,759</u>
<b><u>Operating expenses</u></b>				
Compensation and related expenses	82,836	58,446	167,017	127,203
Other operating expenses	10,305	8,755	19,866	16,920
Reimbursable expenses	10,568	12,063	22,172	22,671
General and administrative expenses	6,637	5,740	12,480	9,971
	<u>110,346</u>	<u>85,004</u>	<u>221,535</u>	<u>176,765</u>
Operating income	29,875	45,277	58,995	81,994
<b><u>Other income</u></b>				
Interest income, net	1,593	175	3,363	196
Miscellaneous income (expense), net	4,785	(10,020)	9,433	(13,951)
	<u>6,378</u>	<u>(9,845)</u>	<u>12,796</u>	<u>(13,755)</u>
Income before income taxes	36,253	35,432	71,791	68,239
<b>Income taxes</b>	<u>10,505</u>	<u>9,677</u>	<u>16,919</u>	<u>12,875</u>
Net income	<u>\$ 25,748</u>	<u>\$ 25,755</u>	<u>\$ 54,872</u>	<u>\$ 55,364</u>
<b><u>Net income per share:</u></b>				
Basic	\$ 0.50	\$ 0.50	\$ 1.07	\$ 1.06
Diluted	\$ 0.50	\$ 0.49	\$ 1.06	\$ 1.05
<b><u>Shares used in per share computations:</u></b>				
Basic	51,255	51,890	51,193	52,154
Diluted	51,692	52,394	51,694	52,725

**EXPONENT, INC.**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**  
**June 30, 2023 and December 30, 2022**  
**(unaudited)**  
**(in thousands)**

	<b>June 30, 2023</b>	<b>December 30, 2022</b>
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 148,174	\$ 161,458
Accounts receivable, net	175,830	170,114
Prepaid expenses and other assets	20,624	17,585
Total current assets	<u>344,628</u>	<u>349,157</u>
Property, equipment and leasehold improvements, net	76,793	65,539
Operating lease right-of-use asset	25,636	18,007
Goodwill	8,607	8,607
Other assets	148,620	145,352
	<u>\$ 604,284</u>	<u>\$ 586,662</u>
<b>Liabilities and Stockholders' Equity</b>		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 19,838	\$ 29,115
Accrued payroll and employee benefits	87,609	105,822
Deferred revenues	11,343	18,834
Operating lease liability	5,750	5,258
Total current liabilities	<u>124,540</u>	<u>159,029</u>
Other liabilities	99,623	93,538
Operating lease liability	23,042	13,343
Total liabilities	<u>247,205</u>	<u>265,910</u>
Stockholders' equity:		
Common stock	66	66
Additional paid-in capital	317,346	301,002
Accumulated other comprehensive loss	(3,260)	(3,587)
Retained earnings	555,354	528,810
Treasury stock, at cost	<u>(512,427)</u>	<u>(505,539)</u>
Total stockholders' equity	<u>357,079</u>	<u>320,752</u>
	<u>\$ 604,284</u>	<u>\$ 586,662</u>

**EXPONENT, INC.**  
**EBITDA and EBITDAS (1)**  
**For the Three and Six Months Ended June 30, 2023 and July 1, 2022**  
**(unaudited)**  
**(in thousands)**

	<u>Quarter Ended</u>		<u>Six Months Ended</u>	
	<u>June 30, 2023</u>	<u>July 1, 2022</u>	<u>June 30, 2023</u>	<u>July 1, 2022</u>
Net Income	\$ 25,748	\$ 25,755	\$ 54,872	\$ 55,364
Add back (subtract):				
Income taxes	10,505	9,677	16,919	12,875
Interest income, net	(1,593)	(175)	(3,363)	(196)
Depreciation and amortization	<u>2,186</u>	<u>1,812</u>	<u>4,174</u>	<u>3,501</u>
<b>EBITDA (1)</b>	<u>36,846</u>	<u>37,069</u>	<u>72,602</u>	<u>71,544</u>
Stock-based compensation	<u>5,223</u>	<u>4,597</u>	<u>12,286</u>	<u>11,467</u>
<b>EBITDAS (1)</b>	<u>\$ 42,069</u>	<u>\$ 41,666</u>	<u>\$ 84,888</u>	<u>\$ 83,011</u>

(1) 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.