

EXPONENT, INC.
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
For the Quarters Ended March 31, 2017 and April 1, 2016
(unaudited)
(in thousands, except per share data)

	Quarters Ended	
	March 31, 2017	April 1, 2016
<u>Revenues</u>		
Revenues before reimbursements	\$ 80,467	\$ 78,950
Reimbursements	3,655	4,206
Revenues	84,122	83,156
<u>Operating expenses</u>		
Compensation and related expenses	54,418	52,017
Other operating expenses	7,191	6,983
Reimbursable expenses	3,655	4,206
General and administrative expenses	4,224	3,514
	69,488	66,720
Operating income	14,634	16,436
<u>Other income</u>		
Interest income, net	234	139
Miscellaneous income, net	2,542	1,159
	2,776	1,298
Income before income taxes	17,410	17,734
Income taxes	834	2,384
Net income	\$ 16,576	\$ 15,350
<u>Net income per share:</u>		
Basic	\$ 0.63	\$ 0.58
Diluted	\$ 0.61	\$ 0.56
<u>Shares used in per share computations:</u>		
Basic	26,302	26,513
Diluted	26,981	27,239

EXPONENT, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
March 31, 2017 and December 30, 2016
(unaudited)
(in thousands)

	March 31, 2017	December 30, 2016
Assets		
Current assets:		
Cash and cash equivalents	\$ 87,086	\$ 114,967
Short-term investments	67,817	58,755
Accounts receivable, net	96,346	87,409
Prepaid expenses and other assets	12,368	12,913
Total current assets	<u>263,617</u>	<u>274,044</u>
Property, equipment and leasehold improvements, net	36,572	36,710
Goodwill	8,607	8,607
Other assets	89,366	84,383
	<u>\$ 398,162</u>	<u>\$ 403,744</u>
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 10,204	\$ 10,073
Accrued payroll and employee benefits	41,067	62,539
Deferred revenues	6,145	7,624
Total current liabilities	<u>57,416</u>	<u>80,236</u>
Other liabilities	54,516	48,508
Deferred rent	1,525	1,654
Total liabilities	<u>113,457</u>	<u>130,398</u>
Stockholders' equity:		
Common stock	33	33
Additional paid-in capital	205,273	194,632
Accumulated other comprehensive loss	(2,954)	(3,126)
Retained earnings	296,025	291,243
Treasury stock, at cost	(213,672)	(209,436)
Total stockholders' equity	<u>284,705</u>	<u>273,346</u>
	<u>\$ 398,162</u>	<u>\$ 403,744</u>

EXPONENT, INC.
EBITDA and EBITDAS (1)
For the Quarters Ended March 31, 2017 and April 1, 2016
(unaudited)
(in thousands)

	Quarters Ended	
	March 31, 2017	April 1, 2016
Net Income	\$ 16,576	\$ 15,350
Add back (subtract):		
Income taxes	834	2,384
Interest income, net	(234)	(139)
Depreciation and amortization	1,566	1,403
EBITDA (1)	18,742	18,998
Stock-based compensation	5,655	5,220
EBITDAS (1)	\$ 24,397	\$ 24,218

(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.