

EXPONENT, INC.
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
For the Quarters Ended March 30, 2018 and March 31, 2017
(unaudited)
(in thousands, except per share data)

	Quarters Ended	
	March 30, 2018	March 31, 2017
<u>Revenues</u>		
Revenues before reimbursements	\$ 90,684	\$ 80,467
Reimbursements	5,773	3,655
Revenues	96,457	84,122
<u>Operating expenses</u>		
Compensation and related expenses	57,579	54,418
Other operating expenses	7,465	7,191
Reimbursable expenses	5,773	3,655
General and administrative expenses	4,042	4,224
	74,859	69,488
Operating income	21,598	14,634
<u>Other income</u>		
Interest income, net	530	234
Miscellaneous income, net	322	2,542
	852	2,776
Income before income taxes	22,450	17,410
Income taxes	2,110	834
Net income	\$ 20,340	\$ 16,576
<u>Net income per share:</u>		
Basic	\$ 0.77	\$ 0.63
Diluted	\$ 0.75	\$ 0.61
<u>Shares used in per share computations:</u>		
Basic	26,372	26,302
Diluted	27,006	26,981

EXPONENT, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
March 30, 2018 and December 29, 2017
(unaudited)
(in thousands)

	March 30, 2018	December 29, 2017
Assets		
Current assets:		
Cash and cash equivalents	\$ 103,152	\$ 124,794
Short-term investments	75,485	71,604
Accounts receivable, net	117,239	110,100
Prepaid expenses and other assets	9,585	9,011
Total current assets	305,461	315,509
Property, equipment and leasehold improvements, net	40,420	35,014
Goodwill	8,607	8,607
Other assets	85,971	80,459
	<u>\$ 440,459</u>	<u>\$ 439,589</u>
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 16,492	\$ 14,741
Accrued payroll and employee benefits	45,240	70,064
Deferred revenues	7,912	8,302
Total current liabilities	69,644	93,107
Other liabilities	62,972	56,102
Deferred rent	1,218	1,292
Total liabilities	133,834	150,501
Stockholders' equity:		
Common stock	33	33
Additional paid-in capital	221,972	210,263
Accumulated other comprehensive loss	(1,330)	(2,029)
Retained earnings	310,978	303,990
Treasury stock, at cost	(225,028)	(223,169)
Total stockholders' equity	306,625	289,088
	<u>\$ 440,459</u>	<u>\$ 439,589</u>

EXPONENT, INC.
EBITDA and EBITDAS (1)
For the Quarters Ended March 30, 2018 and March 31, 2017
(unaudited)
(in thousands)

	Quarters Ended	
	March 30, 2018	March 31, 2017
Net Income	\$ 20,340	\$ 16,576
Add back (subtract):		
Income taxes	2,110	834
Interest income, net	(530)	(234)
Depreciation and amortization	1,555	1,566
EBITDA (1)	23,475	18,742
Stock-based compensation	6,289	5,655
EBITDAS (1)	\$ 29,764	\$ 24,397

(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.