

EXPONENT, INC.
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
For the Quarters Ended March 29, 2019 and March 30, 2018
(unaudited)
(in thousands, except per share data)

	Quarters Ended	
	March 29, 2019	March 30, 2018
<u>Revenues</u>		
Revenues before reimbursements	\$ 93,401	\$ 90,684
Reimbursements	5,630	5,773
Revenues	<u>99,031</u>	<u>96,457</u>
<u>Operating expenses</u>		
Compensation and related expenses	65,093	57,579
Other operating expenses	8,008	7,465
Reimbursable expenses	5,630	5,773
General and administrative expenses	4,546	4,042
	<u>83,277</u>	<u>74,859</u>
Operating income	15,754	21,598
<u>Other income</u>		
Interest income, net	1,055	530
Miscellaneous income, net	6,513	322
	<u>7,568</u>	<u>852</u>
Income before income taxes	23,322	22,450
Income taxes	<u>610</u>	<u>2,110</u>
Net income	<u>\$ 22,712</u>	<u>\$ 20,340</u>
<u>Net income per share:</u>		
Basic	\$ 0.43	\$ 0.39
Diluted	\$ 0.42	\$ 0.38
<u>Shares used in per share computations:</u>		
Basic	52,536	52,744
Diluted	53,814	54,012

EXPONENT, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
March 29, 2019 and December 28, 2018
(unaudited)
(in thousands)

	March 29, 2019	December 28, 2018
Assets		
Current assets:		
Cash and cash equivalents	\$ 79,080	\$ 127,059
Short-term investments	92,680	81,495
Accounts receivable, net	118,864	105,814
Prepaid expenses and other assets	13,986	12,244
Total current assets	304,610	326,612
Property, equipment and leasehold improvements, net	50,854	46,103
Operating lease right-of-use asset	23,852	-
Goodwill	8,607	8,607
Other assets	101,297	87,614
	<u>\$ 489,220</u>	<u>\$ 468,936</u>
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 12,377	\$ 12,283
Accrued payroll and employee benefits	46,406	76,855
Deferred revenues	7,567	9,166
Operating lease liability	5,843	-
Total current liabilities	72,193	98,304
Other liabilities	69,372	55,256
Deferred rent	-	1,467
Operating lease liability	18,478	-
Total liabilities	160,043	155,027
Stockholders' equity:		
Common stock	66	66
Additional paid-in capital	238,916	227,283
Accumulated other comprehensive loss	(2,582)	(2,853)
Retained earnings	350,506	342,024
Treasury stock, at cost	(257,729)	(252,611)
Total stockholders' equity	329,177	313,909
	<u>\$ 489,220</u>	<u>\$ 468,936</u>

EXPONENT, INC.
EBITDA and EBITDAS (1)
For the Quarters Ended March 29, 2019 and March 30, 2018
(unaudited)
(in thousands)

	Quarters Ended	
	March 29, 2019	March 30, 2018
Net Income	\$ 22,712	\$ 20,340
Add back (subtract):		
Income taxes	610	2,110
Interest income, net	(1,055)	(530)
Depreciation and amortization	1,590	1,555
EBITDA (1)	23,857	23,475
Stock-based compensation	5,731	6,289
EBITDAS (1)	\$ 29,588	\$ 29,764

(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.