

EXPONENT, INC.
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
For the Quarters Ended April 3, 2020 and March 29, 2019
(unaudited)
(in thousands, except per share data)

	Quarters Ended	
	April 3, 2020	March 29, 2019
<u>Revenues</u>		
Revenues before reimbursements	\$ 99,720	\$ 93,401
Reimbursements	6,233	5,630
Revenues	<u>105,953</u>	<u>99,031</u>
<u>Operating expenses</u>		
Compensation and related expenses	49,985	65,093
Other operating expenses	8,216	8,008
Reimbursable expenses	6,233	5,630
General and administrative expenses	5,531	4,546
	<u>69,965</u>	<u>83,277</u>
Operating income	35,988	15,754
<u>Other income</u>		
Interest income, net	875	1,055
Miscellaneous income, net	(12,808)	6,513
	<u>(11,933)</u>	<u>7,568</u>
Income before income taxes	24,055	23,322
Income taxes	<u>(2,227)</u>	<u>610</u>
Net income	<u>\$ 26,282</u>	<u>\$ 22,712</u>
<u>Net income per share:</u>		
Basic	\$ 0.50	\$ 0.43
Diluted	\$ 0.49	\$ 0.42
<u>Shares used in per share computations:</u>		
Basic	52,575	52,536
Diluted	53,657	53,814

EXPONENT, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
April 3, 2020 and January 3, 2020
(unaudited)
(in thousands)

	April 3, 2020	January 3, 2020
Assets		
Current assets:		
Cash and cash equivalents	\$ 105,594	\$ 176,436
Short-term investments	46,449	55,165
Accounts receivable, net	127,212	120,138
Prepaid expenses and other assets	14,141	12,305
Total current assets	293,396	364,044
Property, equipment and leasehold improvements, net	60,840	61,587
Operating lease right-of-use asset	21,500	23,003
Goodwill	8,607	8,607
Other assets	99,320	106,170
	<u>\$ 483,663</u>	<u>\$ 563,411</u>
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 14,038	\$ 18,583
Accrued payroll and employee benefits	45,729	86,723
Deferred revenues	11,684	12,710
Operating lease liability	5,648	5,944
Total current liabilities	77,099	123,960
Other liabilities	66,823	71,042
Operating lease liability	16,244	18,158
Total liabilities	<u>160,166</u>	<u>213,160</u>
Stockholders' equity:		
Common stock	66	66
Additional paid-in capital	257,389	244,935
Accumulated other comprehensive loss	(3,265)	(1,760)
Retained earnings	395,646	384,668
Treasury stock, at cost	(326,339)	(277,658)
Total stockholders' equity	<u>323,497</u>	<u>350,251</u>
	<u>\$ 483,663</u>	<u>\$ 563,411</u>

EXPONENT, INC.
EBITDA and EBITDAS (1)
For the Quarters Ended April 3, 2020 and March 29, 2019
(unaudited)
(in thousands)

	Quarters Ended	
	April 3, 2020	March 29, 2019
Net Income	\$ 26,282	\$ 22,712
Add back (subtract):		
Income taxes	(2,227)	610
Interest income, net	(875)	(1,055)
Depreciation and amortization	1,786	1,590
EBITDA (1)	24,966	23,857
Stock-based compensation	6,138	5,731
EBITDAS (1)	\$ 31,104	\$ 29,588

(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.