

**EXPONENT, INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF INCOME**  
**For the Quarters Ended June 29, 2018 and June 30, 2017**  
**(unaudited)**  
**(in thousands, except per share data)**

	Quarter Ended		Six Months Ended	
	June 29, 2018	June 30, 2017	June 29, 2018	June 30, 2017
<b><u>Revenues</u></b>				
Revenues before reimbursements	\$ 89,972	\$ 84,120	\$ 180,656	\$ 164,587
Reimbursements	5,649	3,720	11,422	7,375
Revenues	95,621	87,840	192,078	171,962
<b><u>Operating expenses</u></b>				
Compensation and related expenses	55,458	51,536	113,037	105,954
Other operating expenses	7,566	7,275	15,031	14,466
Reimbursable expenses	5,649	3,720	11,422	7,375
General and administrative expenses	4,470	4,992	8,512	9,216
	73,143	67,523	148,002	137,011
Operating income	22,478	20,317	44,076	34,951
<b><u>Other income</u></b>				
Interest income, net	543	266	1,073	500
Miscellaneous income (expense), net	1,898	1,765	2,220	4,307
	2,441	2,031	3,293	4,807
Income before income taxes	24,919	22,348	47,369	39,758
<b>Income taxes</b>	6,494	8,557	8,604	9,391
Net income	\$ 18,425	\$ 13,791	\$ 38,765	\$ 30,367
<b><u>Net income per share:</u></b>				
Basic	\$ 0.35	\$ 0.26	\$ 0.73	\$ 0.58
Diluted	\$ 0.34	\$ 0.26	\$ 0.72	\$ 0.56
<b><u>Shares used in per share computations:</u></b>				
Basic	53,008	52,830	52,876	52,716
Diluted	54,195	53,936	54,111	53,960

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

	<b>June 29, 2018</b>	<b>December 29, 2017</b>
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 117,773	\$ 124,794
Short-term investments	75,534	71,604
Accounts receivable, net	116,532	110,100
Prepaid expenses and other assets	9,184	9,011
Total current assets	319,023	315,509
Property, equipment and leasehold improvements, net	41,357	35,014
Goodwill	8,607	8,607
Other assets	86,706	80,459
	<u>\$ 455,693</u>	<u>\$ 439,589</u>
<b>Liabilities and Stockholders' Equity</b>		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 12,403	\$ 14,741
Accrued payroll and employee benefits	56,843	70,064
Deferred revenues	8,007	8,302
Total current liabilities	77,253	93,107
Other liabilities	58,535	56,102
Deferred rent	1,139	1,292
Total liabilities	136,927	150,501
Stockholders' equity:		
Common stock	66	66
Additional paid-in capital	223,696	210,230
Accumulated other comprehensive loss	(2,679)	(2,029)
Retained earnings	322,437	303,990
Treasury stock, at cost	(224,754)	(223,169)
Total stockholders' equity	318,766	289,088
	<u>\$ 455,693</u>	<u>\$ 439,589</u>

**EXPONENT, INC.**  
**EBITDA and EBITDAS (1)**  
**For the Quarters Ended June 29, 2018 and June 30, 2017**  
**(unaudited)**  
**(in thousands)**

	<u>Quarter Ended</u>		<u>Six Months Ended</u>	
	<u>June 29, 2018</u>	<u>June 30, 2017</u>	<u>June 29, 2018</u>	<u>June 30, 2017</u>
Net Income	\$ 18,425	\$ 13,791	\$ 38,765	\$ 30,367
Add back (subtract):				
Income taxes	6,494	8,557	8,604	9,391
Interest income, net	(543)	(266)	(1,073)	(500)
Depreciation and amortization	1,594	1,629	3,149	3,195
<b>EBITDA (1)</b>	<u>25,970</u>	<u>23,711</u>	<u>49,445</u>	<u>42,453</u>
Stock-based compensation	3,744	3,532	10,033	9,187
<b>EBITDAS (1)</b>	<u>\$ 29,714</u>	<u>\$ 27,243</u>	<u>\$ 59,478</u>	<u>\$ 51,640</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.