

EXPONENT, INC.
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
For the Quarters Ended June 28, 2019 and June 29, 2018
(unaudited)
(in thousands, except per share data)

	<u>Quarter Ended</u>		<u>Six Months Ended</u>	
	<u>June 28, 2019</u>	<u>June 29, 2018</u>	<u>June 28, 2019</u>	<u>June 29, 2018</u>
<u>Revenues</u>				
Revenues before reimbursements	\$ 100,263	\$ 89,972	\$ 193,664	\$ 180,656
Reimbursements	6,243	5,649	11,873	11,422
Revenues	<u>106,506</u>	<u>95,621</u>	<u>205,537</u>	<u>192,078</u>
<u>Operating expenses</u>				
Compensation and related expenses	61,997	55,458	127,090	113,037
Other operating expenses	8,095	7,566	16,103	15,031
Reimbursable expenses	6,243	5,649	11,873	11,422
General and administrative expenses	5,348	4,470	9,894	8,512
	<u>81,683</u>	<u>73,143</u>	<u>164,960</u>	<u>148,002</u>
Operating income	24,823	22,478	40,577	44,076
<u>Other income</u>				
Interest income, net	924	543	1,979	1,073
Miscellaneous income (expense), net	3,104	1,898	9,617	2,220
	<u>4,028</u>	<u>2,441</u>	<u>11,596</u>	<u>3,293</u>
Income before income taxes	28,851	24,919	52,173	47,369
Income taxes	<u>7,857</u>	<u>6,494</u>	<u>8,467</u>	<u>8,604</u>
Net income	<u>\$ 20,994</u>	<u>\$ 18,425</u>	<u>\$ 43,706</u>	<u>\$ 38,765</u>
<u>Net income per share:</u>				
Basic	\$ 0.40	\$ 0.35	\$ 0.83	\$ 0.73
Diluted	\$ 0.39	\$ 0.34	\$ 0.81	\$ 0.72
<u>Shares used in per share computations:</u>				
Basic	52,745	53,008	52,641	52,876
Diluted	53,872	54,195	53,849	54,111

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

	June 28, 2019	December 28, 2018
Assets		
Current assets:		
Cash and cash equivalents	\$ 104,452	\$ 127,059
Short-term investments	90,022	81,495
Accounts receivable, net	129,735	105,814
Prepaid expenses and other assets	10,452	12,244
Total current assets	334,661	326,612
Property, equipment and leasehold improvements, net	56,112	46,103
Operating lease right-of-use asset	22,729	-
Goodwill	8,607	8,607
Other assets	98,532	87,614
	<u>\$ 520,641</u>	<u>\$ 468,936</u>
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 19,678	\$ 12,283
Accrued payroll and employee benefits	58,910	76,855
Deferred revenues	8,550	9,166
Operating lease liability	5,746	-
Total current liabilities	92,884	98,304
Other liabilities	66,237	55,256
Deferred rent	-	1,467
Operating lease liability	17,668	-
Total liabilities	<u>176,789</u>	<u>155,027</u>
Stockholders' equity:		
Common stock	66	66
Additional paid-in capital	240,930	227,283
Accumulated other comprehensive loss	(2,574)	(2,853)
Retained earnings	362,959	342,024
Treasury stock, at cost	(257,529)	(252,611)
Total stockholders' equity	<u>343,852</u>	<u>313,909</u>
	<u>\$ 520,641</u>	<u>\$ 468,936</u>

EXPONENT, INC.
EBITDA and EBITDAS (1)
For the Quarters Ended June 28, 2019 and June 29, 2018
(unaudited)
(in thousands)

	<u>Quarter Ended</u>		<u>Six Months Ended</u>	
	<u>June 28, 2019</u>	<u>June 29, 2018</u>	<u>June 28, 2019</u>	<u>June 29, 2018</u>
Net Income	\$ 20,994	\$ 18,425	\$ 43,706	\$ 38,765
Add back (subtract):				
Income taxes	7,857	6,494	8,467	8,604
Interest income, net	(924)	(543)	(1,979)	(1,073)
Depreciation and amortization	1,642	1,594	3,232	3,149
EBITDA (1)	<u>29,569</u>	<u>25,970</u>	<u>53,426</u>	<u>49,445</u>
Stock-based compensation	4,010	3,744	9,741	10,033
EBITDAS (1)	<u>\$ 33,579</u>	<u>\$ 29,714</u>	<u>\$ 63,167</u>	<u>\$ 59,478</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.