

EXPONENT, INC.
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
For the Quarters Ended July 3, 2020 and June 28, 2019
(unaudited)
(in thousands, except per share data)

	Quarter Ended		Six Months Ended	
	July 3, 2020	June 28, 2019	July 3, 2020	June 28, 2019
<u>Revenues</u>				
Revenues before reimbursements	\$ 87,863	\$ 100,263	\$ 187,583	\$ 193,664
Reimbursements	4,182	6,243	10,415	11,873
Revenues	92,045	106,506	197,998	205,537
<u>Operating expenses</u>				
Compensation and related expenses	68,137	61,997	118,122	127,090
Other operating expenses	7,681	8,095	15,897	16,103
Reimbursable expenses	4,182	6,243	10,415	11,873
General and administrative expenses	2,925	5,348	8,456	9,894
	82,925	81,683	152,890	164,960
Operating income	9,120	24,823	45,108	40,577
<u>Other income</u>				
Interest income, net	305	924	1,180	1,979
Miscellaneous income (expense), net	11,989	3,104	(819)	9,617
	12,294	4,028	361	11,596
Income before income taxes	21,414	28,851	45,469	52,173
Income taxes	5,068	7,857	2,841	8,467
Net income	\$ 16,346	\$ 20,994	\$ 42,628	\$ 43,706
<u>Net income per share:</u>				
Basic	\$ 0.31	\$ 0.40	\$ 0.81	\$ 0.83
Diluted	\$ 0.31	\$ 0.39	\$ 0.80	\$ 0.81
<u>Shares used in per share computations:</u>				
Basic	52,259	52,745	52,417	52,641
Diluted	53,139	53,872	53,404	53,849

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

	July 3, 2020	January 3, 2020
Assets		
Current assets:		
Cash and cash equivalents	\$ 155,932	\$ 176,436
Short-term investments	34,220	55,165
Accounts receivable, net	109,341	120,138
Prepaid expenses and other assets	14,777	12,305
Total current assets	314,270	364,044
Property, equipment and leasehold improvements, net	60,301	61,587
Operating lease right-of-use asset	20,124	23,003
Goodwill	8,607	8,607
Other assets	109,885	106,170
	<u>\$ 513,187</u>	<u>\$ 563,411</u>
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 16,218	\$ 18,583
Accrued payroll and employee benefits	59,295	86,723
Deferred revenues	8,910	12,710
Operating lease liability	5,360	5,944
Total current liabilities	89,783	123,960
Other liabilities	75,503	71,042
Operating lease liability	15,334	18,158
Total liabilities	<u>180,620</u>	<u>213,160</u>
Stockholders' equity:		
Common stock	66	66
Additional paid-in capital	259,617	244,935
Accumulated other comprehensive loss	(3,405)	(1,760)
Retained earnings	401,956	384,668
Treasury stock, at cost	(325,667)	(277,658)
Total stockholders' equity	<u>332,567</u>	<u>350,251</u>
	<u>\$ 513,187</u>	<u>\$ 563,411</u>

EXPONENT, INC.
EBITDA and EBITDAS (1)
For the Quarters Ended July 3, 2020 and June 28, 2019
(unaudited)
(in thousands)

	Quarter Ended		Six Months Ended	
	July 3, 2020	June 28, 2019	July 3, 2020	June 28, 2019
Net Income	\$ 16,346	\$ 20,994	\$ 42,628	\$ 43,706
Add back (subtract):				
Income taxes	5,068	7,857	2,841	8,467
Interest income, net	(305)	(924)	(1,180)	(1,979)
Depreciation and amortization	1,701	1,642	3,487	3,232
EBITDA (1)	<u>22,810</u>	<u>29,569</u>	<u>47,776</u>	<u>53,426</u>
Stock-based compensation	3,462	4,010	9,600	9,741
EBITDAS (1)	<u>\$ 26,272</u>	<u>\$ 33,579</u>	<u>\$ 57,376</u>	<u>\$ 63,167</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.