

**EXPONENT, INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF INCOME**  
**For the Quarters Ended July 2, 2021 and July 3, 2020**  
**(unaudited)**  
**(in thousands, except per share data)**

	<u>Quarter Ended</u>		<u>Six Months Ended</u>	
	<u>July 2, 2021</u>	<u>July 3, 2020</u>	<u>July 2, 2021</u>	<u>July 3, 2020</u>
<b><u>Revenues</u></b>				
Revenues before reimbursements	\$ 112,468	\$ 87,863	\$ 222,047	\$ 187,583
Reimbursements	7,409	4,182	14,311	10,415
Revenues	<u>119,877</u>	<u>92,045</u>	<u>236,358</u>	<u>197,998</u>
<b><u>Operating expenses</u></b>				
Compensation and related expenses	71,815	68,137	146,353	118,122
Other operating expenses	8,121	7,681	15,831	15,897
Reimbursable expenses	7,409	4,182	14,311	10,415
General and administrative expenses	3,160	2,925	6,433	8,456
	<u>90,505</u>	<u>82,925</u>	<u>182,928</u>	<u>152,890</u>
Operating income	29,372	9,120	53,430	45,108
<b><u>Other income</u></b>				
Interest income, net	12	305	41	1,180
Miscellaneous income (expense), net	5,283	11,989	11,322	(819)
	<u>5,295</u>	<u>12,294</u>	<u>11,363</u>	<u>361</u>
Income before income taxes	34,667	21,414	64,793	45,469
<b>Income taxes</b>	<u>9,267</u>	<u>5,068</u>	<u>8,545</u>	<u>2,841</u>
Net income	<u>\$ 25,400</u>	<u>\$ 16,346</u>	<u>\$ 56,248</u>	<u>\$ 42,628</u>
<b><u>Net income per share:</u></b>				
Basic	\$ 0.48	\$ 0.31	\$ 1.07	\$ 0.81
Diluted	\$ 0.48	\$ 0.31	\$ 1.06	\$ 0.80
<b><u>Shares used in per share computations:</u></b>				
Basic	52,637	52,259	52,587	52,417
Diluted	53,285	53,139	53,313	53,404

**EXPONENT, INC.**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**  
**July 2, 2021 and January 1, 2021**  
**(unaudited)**  
**(in thousands)**

	<b>July 2, 2021</b>	<b>January 1, 2021</b>
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 239,953	\$ 197,525
Short-term investments	-	45,001
Accounts receivable, net	142,743	111,565
Prepaid expenses and other assets	15,113	12,741
Total current assets	397,809	366,832
Property, equipment and leasehold improvements, net	60,329	59,823
Operating lease right-of-use asset	17,024	19,322
Goodwill	8,607	8,607
Other assets	135,102	125,512
	<u>\$ 618,871</u>	<u>\$ 580,096</u>
<b>Liabilities and Stockholders' Equity</b>		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 26,973	\$ 16,327
Accrued payroll and employee benefits	79,050	83,194
Deferred revenues	10,984	11,800
Operating lease liability	5,959	5,987
Total current liabilities	122,966	117,308
Other liabilities	96,605	86,947
Operating lease liability	11,533	14,343
Total liabilities	<u>231,104</u>	<u>218,598</u>
Stockholders' equity:		
Common stock	66	66
Additional paid-in capital	276,281	265,328
Accumulated other comprehensive loss	(1,786)	(1,932)
Retained earnings	454,583	421,809
Treasury stock, at cost	(341,377)	(323,773)
Total stockholders' equity	<u>387,767</u>	<u>361,498</u>
	<u>\$ 618,871</u>	<u>\$ 580,096</u>

**EXPONENT, INC.**  
**EBITDA and EBITDAS (1)**  
**For the Quarters Ended July 2, 2021 and July 3, 2020**  
**(unaudited)**  
**(in thousands)**

	Quarter Ended		Six Months Ended	
	July 2, 2021	July 3, 2020	July 2, 2021	July 3, 2020
Net Income	\$ 25,400	\$ 16,346	\$ 56,248	\$ 42,628
Add back (subtract):				
Income taxes	9,267	5,068	8,545	2,841
Interest income, net	(12)	(305)	(41)	(1,180)
Depreciation and amortization	1,642	1,701	3,298	3,487
<b>EBITDA (1)</b>	<u>36,297</u>	<u>22,810</u>	<u>68,050</u>	<u>47,776</u>
Stock-based compensation	4,592	3,462	10,874	9,600
<b>EBITDAS (1)</b>	<u>\$ 40,889</u>	<u>\$ 26,272</u>	<u>\$ 78,924</u>	<u>\$ 57,376</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.