

EXPONENT, INC.
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
For the Quarters Ended October 2, 2020 and September 27, 2019
(unaudited)
(in thousands, except per share data)

	<u>Quarter Ended</u>		<u>Nine Months Ended</u>	
	<u>October 2, 2020</u>	<u>September 27, 2019</u>	<u>October 2, 2020</u>	<u>September 27, 2019</u>
<u>Revenues</u>				
Revenues before reimbursements	\$ 93,499	\$ 95,506	\$ 281,082	\$ 289,170
Reimbursements	5,164	6,042	15,579	17,915
Revenues	<u>98,663</u>	<u>101,548</u>	<u>296,661</u>	<u>307,085</u>
<u>Operating expenses</u>				
Compensation and related expenses	62,419	58,526	180,541	185,616
Other operating expenses	7,839	8,345	23,736	24,448
Reimbursable expenses	5,164	6,042	15,579	17,915
General and administrative expenses	2,834	5,451	11,290	15,345
	<u>78,256</u>	<u>78,364</u>	<u>231,146</u>	<u>243,324</u>
Operating income	20,407	23,184	65,515	63,761
<u>Other income (expense), net</u>				
Interest income, net	316	915	1,496	2,894
Miscellaneous income, net	3,915	1,112	3,096	10,729
	<u>4,231</u>	<u>2,027</u>	<u>4,592</u>	<u>13,623</u>
Income before income taxes	24,638	25,211	70,107	77,384
Income taxes	<u>6,554</u>	<u>5,578</u>	<u>9,395</u>	<u>14,045</u>
Net income	<u>\$ 18,084</u>	<u>\$ 19,633</u>	<u>\$ 60,712</u>	<u>\$ 63,339</u>
<u>Net income per share:</u>				
Basic	\$ 0.35	\$ 0.37	\$ 1.16	\$ 1.20
Diluted	\$ 0.34	\$ 0.36	\$ 1.14	\$ 1.17
<u>Shares used in per share computations:</u>				
Basic	52,316	52,802	52,383	52,694
Diluted	53,209	54,002	53,342	53,906

EXPONENT, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
October 2, 2020 and January 3, 2020
(unaudited)
(in thousands)

	October 2, 2020	January 3, 2020
Assets		
Current assets:		
Cash and cash equivalents	\$ 187,632	\$ 176,436
Short-term investments	20,086	55,165
Accounts receivable, net	109,964	120,138
Prepaid expenses and other assets	10,967	12,305
Total current assets	328,649	364,044
Property, equipment and leasehold improvements, net	60,395	61,587
Operating lease right-of-use asset	20,085	23,003
Goodwill	8,607	8,607
Other assets	116,930	106,170
	<u>\$ 534,666</u>	<u>\$ 563,411</u>
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 18,552	\$ 18,583
Accrued payroll and employee benefits	62,740	86,723
Deferred revenues	9,390	12,710
Operating lease liability	5,689	5,944
Total current liabilities	96,371	123,960
Other liabilities	79,934	71,042
Operating lease liability	15,164	18,158
Total liabilities	<u>191,469</u>	<u>213,160</u>
Stockholders' equity:		
Common stock	66	66
Additional paid-in capital	261,713	244,935
Accumulated other comprehensive loss	(2,984)	(1,760)
Retained earnings	409,995	384,668
Treasury stock, at cost	(325,593)	(277,658)
Total stockholders' equity	<u>343,197</u>	<u>350,251</u>
	<u>\$ 534,666</u>	<u>\$ 563,411</u>

EXPONENT, INC.
EBITDA and EBITDAS (1)
For the Quarters Ended October 2, 2020 and September 27, 2019
(unaudited)
(in thousands)

	Quarter Ended		Nine Months Ended	
	October 2, 2020	September 27, 2019	October 2, 2020	September 27, 2019
Net Income	\$ 18,084	\$ 19,633	\$ 60,712	\$ 63,339
Add back (subtract):				
Income taxes	6,554	5,578	9,395	14,045
Interest income, net	(316)	(915)	(1,496)	(2,894)
Depreciation and amortization	1,689	1,672	5,176	4,904
EBITDA (1)	26,011	25,968	73,787	79,394
Stock-based compensation	3,726	3,844	13,326	13,585
EBITDAS (1)	\$ 29,737	\$ 29,812	\$ 87,113	\$ 92,979

(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.