

**EXPONENT, INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF INCOME**  
For the Quarters Ended September 30, 2022 and October 1, 2021  
(unaudited)  
(in thousands, except per share data)

	<u>Quarter Ended</u>		<u>Nine Months Ended</u>	
	<u>September 30, 2022</u>	<u>October 1, 2021</u>	<u>September 30, 2022</u>	<u>October 1, 2021</u>
<b><u>Revenues</u></b>				
Revenues before reimbursements	\$ 115,143	\$ 108,467	\$ 351,231	\$ 330,514
Reimbursements	12,036	7,938	34,707	22,249
Revenues	<u>127,179</u>	<u>116,405</u>	<u>385,938</u>	<u>352,763</u>
<b><u>Operating expenses</u></b>				
Compensation and related expenses	62,779	64,138	189,982	210,491
Other operating expenses	8,822	8,017	25,742	23,848
Reimbursable expenses	12,036	7,938	34,707	22,249
General and administrative expenses	6,729	4,193	16,700	10,626
	<u>90,366</u>	<u>84,286</u>	<u>267,131</u>	<u>267,214</u>
Operating income	36,813	32,119	118,807	85,549
<b><u>Other income (expense), net</u></b>				
Interest income, net	638	13	834	54
Miscellaneous income (expense), net	(3,975)	257	(17,926)	11,579
	<u>(3,337)</u>	<u>270</u>	<u>(17,092)</u>	<u>11,633</u>
Income before income taxes	33,476	32,389	101,715	97,182
<b>Income taxes</b>	<u>9,034</u>	<u>7,815</u>	<u>21,909</u>	<u>16,360</u>
Net income	<u>\$ 24,442</u>	<u>\$ 24,574</u>	<u>\$ 79,806</u>	<u>\$ 80,822</u>
<b><u>Net income per share:</u></b>				
Basic	\$ 0.47	\$ 0.47	\$ 1.54	\$ 1.54
Diluted	\$ 0.47	\$ 0.46	\$ 1.52	\$ 1.52
<b><u>Shares used in per share computations:</u></b>				
Basic	51,492	52,618	51,934	52,597
Diluted	52,008	53,312	52,489	53,316

**EXPONENT, INC.**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**  
**September 30, 2022 and December 31, 2021**  
**(unaudited)**  
**(in thousands)**

	<b>September 30, 2022</b>	<b>December 31, 2021</b>
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 148,443	\$ 297,687
Accounts receivable, net	166,014	139,861
Prepaid expenses and other assets	18,055	15,214
Total current assets	<u>332,512</u>	<u>452,762</u>
Property, equipment and leasehold improvements, net	64,289	59,971
Operating lease right-of-use asset	18,088	14,370
Goodwill	8,607	8,607
Other assets	135,507	148,029
	<u>\$ 559,003</u>	<u>\$ 683,739</u>
<b>Liabilities and Stockholders' Equity</b>		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 31,825	\$ 24,504
Accrued payroll and employee benefits	84,938	103,552
Deferred revenues	15,791	19,762
Operating lease liability	5,363	5,164
Total current liabilities	<u>137,917</u>	<u>152,982</u>
Other liabilities	88,092	103,885
Operating lease liability	13,194	9,807
Total liabilities	<u>239,203</u>	<u>266,674</u>
Stockholders' equity:		
Common stock	66	66
Additional paid-in capital	298,589	281,419
Accumulated other comprehensive loss	(5,136)	(1,983)
Retained earnings	518,631	478,370
Treasury stock, at cost	(492,350)	(340,807)
Total stockholders' equity	<u>319,800</u>	<u>417,065</u>
	<u>\$ 559,003</u>	<u>\$ 683,739</u>

**EXPONENT, INC.**  
**EBITDA and EBITDAS (1)**  
**For the Quarters Ended September 30, 2022 and October 1, 2021**  
**(unaudited)**  
**(in thousands)**

	Quarter Ended		Nine Months Ended	
	September 30, 2022	October 1, 2021	September 30, 2022	October 1, 2021
Net Income	\$ 24,442	\$ 24,574	\$ 79,806	\$ 80,822
Add back (subtract):				
Income taxes	9,034	7,815	21,909	16,360
Interest income, net	(638)	(13)	(834)	(54)
Depreciation and amortization	1,723	1,645	5,224	4,943
<b>EBITDA (1)</b>	<u>34,561</u>	<u>34,021</u>	<u>106,105</u>	<u>102,071</u>
Stock-based compensation	4,605	4,365	16,072	15,239
<b>EBITDAS (1)</b>	<u>\$ 39,166</u>	<u>\$ 38,386</u>	<u>\$ 122,177</u>	<u>\$ 117,310</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.