

EXPONENT, INC.
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
For the Quarters Ended January 1, 2021 and January 3, 2020
(unaudited)
(in thousands, except per share data)

	<u>Quarters Ended</u>		<u>Years Ended</u>	
	<u>January 1, 2021 (13 weeks)</u>	<u>January 3, 2020 (14 weeks)</u>	<u>January 1, 2021 (52 weeks)</u>	<u>January 3, 2020 (53 weeks)</u>
<u>Revenues</u>				
Revenues before reimbursements	\$ 97,330	\$ 102,220	\$ 378,412	\$ 391,390
Reimbursements	5,909	7,894	21,488	25,809
Revenues	<u>103,239</u>	<u>110,114</u>	<u>399,900</u>	<u>417,199</u>
<u>Operating expenses</u>				
Compensation and related expenses	69,500	66,581	250,041	252,197
Other operating expenses	8,498	9,114	32,234	33,562
Reimbursable expenses	5,909	7,894	21,488	25,809
General and administrative expenses	1,598	5,175	12,888	20,520
Total operating expenses	<u>85,505</u>	<u>88,764</u>	<u>316,651</u>	<u>332,088</u>
Operating income	17,734	21,350	83,249	85,111
<u>Other income (expense), net</u>				
Interest income, net	209	1,018	1,705	3,912
Miscellaneous income, net	8,886	4,438	11,982	15,167
Total other income (expense), net	<u>9,095</u>	<u>5,456</u>	<u>13,687</u>	<u>19,079</u>
Income before income taxes	26,829	26,806	96,936	104,190
Income taxes	<u>4,989</u>	<u>7,685</u>	<u>14,384</u>	<u>21,730</u>
Net income	<u>\$ 21,840</u>	<u>\$ 19,121</u>	<u>\$ 82,552</u>	<u>\$ 82,460</u>
<u>Net income per share:</u>				
Basic	\$ 0.42	\$ 0.36	\$ 1.58	\$ 1.56
Diluted	\$ 0.41	\$ 0.36	\$ 1.55	\$ 1.53
<u>Shares used in per share computations:</u>				
Basic	52,402	52,681	52,388	52,691
Diluted	53,260	53,817	53,323	53,884

EXPONENT, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
January 1, 2021 and January 3, 2020
(unaudited)
(in thousands)

	<u>January 1, 2021</u>	<u>January 3, 2020</u>
Assets		
Current assets:		
Cash and cash equivalents	\$ 197,525	\$ 176,436
Short-term investments	45,001	55,165
Accounts receivable, net	111,565	120,138
Prepaid expenses and other assets	12,741	12,305
Total current assets	<u>366,832</u>	<u>364,044</u>
Property, equipment and leasehold improvements, net	59,823	61,587
Operating lease right-of-use asset	19,322	23,003
Goodwill	8,607	8,607
Other assets	125,512	106,170
Total Assets	<u>\$ 580,096</u>	<u>\$ 563,411</u>
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 16,327	\$ 18,583
Accrued payroll and employee benefits	83,194	86,723
Deferred revenues	11,800	12,710
Operating lease liability	5,987	5,944
Total current liabilities	<u>117,308</u>	<u>123,960</u>
Other liabilities	86,947	71,042
Operating lease liability	14,343	18,158
Total liabilities	<u>218,598</u>	<u>213,160</u>
Stockholders' equity:		
Common stock	66	66
Additional paid-in capital	265,328	244,935
Accumulated other comprehensive loss	(1,932)	(1,760)
Retained earnings	421,809	384,668
Treasury stock, at cost	(323,773)	(277,658)
Total stockholders' equity	<u>361,498</u>	<u>350,251</u>
	<u>\$ 580,096</u>	<u>\$ 563,411</u>

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

	Quarter Ended		Years Ended	
	January 1, 2021 (13 weeks)	January 3, 2020 (14 weeks)	January 1, 2021 (52 weeks)	January 3, 2020 (53 weeks)
Net Income	\$ 21,840	\$ 19,121	\$ 82,552	\$ 82,460
Add back (subtract):				
Income taxes	4,989	7,685	14,384	21,730
Interest income, net	(209)	(1,018)	(1,705)	(3,912)
Depreciation and amortization	1,695	1,902	6,871	6,806
EBITDA (1)	<u>28,315</u>	<u>27,690</u>	<u>102,102</u>	<u>107,084</u>
Stock-based compensation	3,952	3,881	17,278	17,466
EBITDAS (1)	<u>\$ 32,267</u>	<u>\$ 31,571</u>	<u>\$ 119,380</u>	<u>\$ 124,550</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.