

EXPONENT, INC.
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
For the Quarters Ended December 31, 2021 and January 1, 2021
(unaudited)
(in thousands, except per share data)

	<u>Quarters Ended</u>		<u>Years Ended</u>	
	<u>December 31, 2021</u>	<u>January 1, 2021</u>	<u>December 31, 2021</u>	<u>January 1, 2021</u>
<u>Revenues</u>				
Revenues before reimbursements	\$ 104,336	\$ 97,330	\$ 434,850	\$ 378,412
Reimbursements	9,170	5,909	31,419	21,488
Revenues	<u>113,506</u>	<u>103,239</u>	<u>466,269</u>	<u>399,900</u>
<u>Operating expenses</u>				
Compensation and related expenses	67,556	69,500	278,047	250,041
Other operating expenses	8,746	8,498	32,594	32,234
Reimbursable expenses	9,170	5,909	31,419	21,488
General and administrative expenses	4,656	1,598	15,282	12,888
Total operating expenses	<u>90,128</u>	<u>85,505</u>	<u>357,342</u>	<u>316,651</u>
Operating income	23,378	17,734	108,927	83,249
<u>Other income (expense), net</u>				
Interest income, net	12	209	66	1,705
Miscellaneous income, net	5,265	8,886	16,844	11,982
Total other income (expense), net	<u>5,277</u>	<u>9,095</u>	<u>16,910</u>	<u>13,687</u>
Income before income taxes	28,655	26,829	125,837	96,936
Income taxes	<u>8,275</u>	<u>4,989</u>	<u>24,635</u>	<u>14,384</u>
Net income	<u>\$ 20,380</u>	<u>\$ 21,840</u>	<u>\$ 101,202</u>	<u>\$ 82,552</u>
<u>Net income per share:</u>				
Basic	\$ 0.39	\$ 0.42	\$ 1.92	\$ 1.58
Diluted	\$ 0.38	\$ 0.41	\$ 1.90	\$ 1.55
<u>Shares used in per share computations:</u>				
Basic	52,647	52,402	52,610	52,388
Diluted	53,359	53,260	53,331	53,323

EXPONENT, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
December 31, 2021 and January 1, 2021
(unaudited)
(in thousands)

	December 31, 2021	January 1, 2021
Assets		
Current assets:		
Cash and cash equivalents	\$ 297,687	\$ 197,525
Short-term investments	-	45,001
Accounts receivable, net	139,861	111,565
Prepaid expenses and other assets	15,214	12,741
Total current assets	452,762	366,832
Property, equipment and leasehold improvements, net	59,971	59,823
Operating lease right-of-use asset	14,370	19,322
Goodwill	8,607	8,607
Other assets	148,029	125,512
Total Assets	<u>\$ 683,739</u>	<u>\$ 580,096</u>
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 24,504	\$ 16,327
Accrued payroll and employee benefits	103,552	83,194
Deferred revenues	19,762	11,800
Operating lease liability	5,164	5,987
Total current liabilities	152,982	117,308
Other liabilities	103,885	86,947
Operating lease liability	9,807	14,343
Total liabilities	<u>266,674</u>	<u>218,598</u>
Stockholders' equity:		
Common stock	66	66
Additional paid-in capital	281,419	265,328
Accumulated other comprehensive loss	(1,983)	(1,932)
Retained earnings	478,370	421,809
Treasury stock, at cost	(340,807)	(323,773)
Total stockholders' equity	<u>417,065</u>	<u>361,498</u>
	<u>\$ 683,739</u>	<u>\$ 580,096</u>

EXPONENT, INC.
EBITDA and EBITDAS (1)
For the Quarters Ended December 31, 2021 and January 1, 2021
(unaudited)
(in thousands)

	<u>Quarter Ended</u>		<u>Years Ended</u>	
	<u>December 31, 2021</u>	<u>January 1, 2021</u>	<u>December 31, 2021</u>	<u>January 1, 2021</u>
Net Income	\$ 20,380	\$ 21,840	\$ 101,202	\$ 82,552
Add back (subtract):				
Income taxes	8,275	4,989	24,635	14,384
Interest income, net	(12)	(209)	(66)	(1,705)
Depreciation and amortization	1,544	1,695	6,487	6,871
EBITDA (1)	<u>30,187</u>	<u>28,315</u>	<u>132,258</u>	<u>102,102</u>
Stock-based compensation	4,024	3,952	19,263	17,278
EBITDAS (1)	<u>\$ 34,211</u>	<u>\$ 32,267</u>	<u>\$ 151,521</u>	<u>\$ 119,380</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.