

**EXPONENT, INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF INCOME**  
**For the Quarters Ended January 3, 2020 and December 28, 2018**  
(unaudited)  
(in thousands, except per share data)

	Quarters Ended		Years Ended	
	January 3, 2020 (14 weeks)	December 28, 2018 (13 weeks)	January 3, 2020 (53 weeks)	December 28, 2018 (52 weeks)
<b><u>Revenues</u></b>				
Revenues before reimbursements	\$ 102,220	\$ 85,269	\$ 391,390	\$ 354,639
Reimbursements	7,894	6,874	25,809	24,884
Revenues	110,114	92,143	417,199	379,523
<b><u>Operating expenses</u></b>				
Compensation and related expenses	66,581	46,376	252,197	215,052
Other operating expenses	9,114	7,742	33,562	30,599
Reimbursable expenses	7,894	6,874	25,809	24,884
General and administrative expenses	5,175	4,365	20,520	17,532
Total operating expenses	88,764	65,357	332,088	288,067
Operating income	21,350	26,786	85,111	91,456
<b><u>Other income (expense), net</u></b>				
Interest income, net	1,018	938	3,912	2,751
Miscellaneous income, net	4,438	(5,765)	15,167	(890)
Total other income (expense), net	5,456	(4,827)	19,079	1,861
Income before income taxes	26,806	21,959	104,190	93,317
<b>Income taxes</b>	7,685	5,923	21,730	21,063
Net income	\$ 19,121	\$ 16,036	\$ 82,460	\$ 72,254
<b><u>Net income per share:</u></b>				
Basic	\$ 0.36	\$ 0.30	\$ 1.56	\$ 1.37
Diluted	\$ 0.36	\$ 0.30	\$ 1.53	\$ 1.33
<b><u>Shares used in per share computations:</u></b>				
Basic	52,681	52,839	52,691	52,906
Diluted	53,817	54,119	53,884	54,168

**EXPONENT, INC.**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**  
**January 3, 2020 and December 28, 2018**  
(unaudited)  
(in thousands)

	<b>January 3, 2020</b>	<b>December 28, 2018</b>
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 176,436	\$ 127,059
Short-term investments	55,165	81,495
Accounts receivable, net	120,138	105,814
Prepaid expenses and other assets	12,305	12,244
Total current assets	364,044	326,612
Property, equipment and leasehold improvements, net	61,587	46,103
Operating lease right-of-use asset	23,003	-
Goodwill	8,607	8,607
Other assets	106,170	87,614
Total Assets	<u>\$ 563,411</u>	<u>\$ 468,936</u>
<b>Liabilities and Stockholders' Equity</b>		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 18,583	\$ 12,283
Accrued payroll and employee benefits	86,723	76,855
Deferred revenues	12,710	9,166
Operating lease liability	5,944	-
Total current liabilities	123,960	98,304
Other liabilities	71,042	55,256
Deferred rent	-	1,467
Operating lease liability	18,158	-
Total liabilities	<u>213,160</u>	<u>155,027</u>
Stockholders' equity:		
Common stock	66	66
Additional paid-in capital	244,935	227,283
Accumulated other comprehensive loss	(1,760)	(2,853)
Retained earnings	384,668	342,024
Treasury stock, at cost	(277,658)	(252,611)
Total stockholders' equity	<u>350,251</u>	<u>313,909</u>
	<u>\$ 563,411</u>	<u>\$ 468,936</u>

**EXPONENT, INC.**  
**EBITDA and EBITDAS (1)**  
**For the Quarters Ended January 3, 2020 and December 28, 2018**  
**(unaudited)**  
**(in thousands)**

	<u>Quarter Ended</u>		<u>Years Ended</u>	
	<u>January 3, 2020 (14 weeks)</u>	<u>December 28, 2018 (13 weeks)</u>	<u>January 3, 2020 (53 weeks)</u>	<u>December 28, 2018 (52 weeks)</u>
Net Income	\$ 19,121	\$ 16,036	\$ 82,460	\$ 72,254
Add back (subtract):				
Income taxes	7,685	5,923	21,730	21,063
Interest income, net	(1,018)	(938)	(3,912)	(2,751)
Depreciation and amortization	1,902	1,582	6,806	6,292
<b>EBITDA (1)</b>	<u>27,690</u>	<u>22,603</u>	<u>107,084</u>	<u>96,858</u>
Stock-based compensation	3,881	3,388	17,466	16,993
<b>EBITDAS (1)</b>	<u>\$ 31,571</u>	<u>\$ 25,991</u>	<u>\$ 124,550</u>	<u>\$ 113,851</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.