

EXPONENT, INC.
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
For the Quarters Ended October 1, 2021 and October 2, 2020
(unaudited)
(in thousands, except per share data)

	<u>Quarter Ended</u>		<u>Nine Months Ended</u>	
	<u>October 1, 2021</u>	<u>October 2, 2020</u>	<u>October 1, 2021</u>	<u>October 2, 2020</u>
<u>Revenues</u>				
Revenues before reimbursements	\$ 108,467	\$ 93,499	\$ 330,514	\$ 281,082
Reimbursements	7,938	5,164	22,249	15,579
Revenues	<u>116,405</u>	<u>98,663</u>	<u>352,763</u>	<u>296,661</u>
<u>Operating expenses</u>				
Compensation and related expenses	64,138	62,419	210,491	180,541
Other operating expenses	8,017	7,839	23,848	23,736
Reimbursable expenses	7,938	5,164	22,249	15,579
General and administrative expenses	4,193	2,834	10,626	11,290
	<u>84,286</u>	<u>78,256</u>	<u>267,214</u>	<u>231,146</u>
Operating income	32,119	20,407	85,549	65,515
<u>Other income (expense), net</u>				
Interest income, net	13	316	54	1,496
Miscellaneous income, net	257	3,915	11,579	3,096
	<u>270</u>	<u>4,231</u>	<u>11,633</u>	<u>4,592</u>
Income before income taxes	32,389	24,638	97,182	70,107
Income taxes	<u>7,815</u>	<u>6,554</u>	<u>16,360</u>	<u>9,395</u>
Net income	<u>\$ 24,574</u>	<u>\$ 18,084</u>	<u>\$ 80,822</u>	<u>\$ 60,712</u>
<u>Net income per share:</u>				
Basic	\$ 0.47	\$ 0.35	\$ 1.54	\$ 1.16
Diluted	\$ 0.46	\$ 0.34	\$ 1.52	\$ 1.14
<u>Shares used in per share computations:</u>				
Basic	52,618	52,316	52,597	52,383
Diluted	53,312	53,209	53,316	53,342

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

	October 1, 2021	January 1, 2021
Assets		
Current assets:		
Cash and cash equivalents	\$ 229,785	\$ 197,525
Short-term investments	24,998	45,001
Accounts receivable, net	144,039	111,565
Prepaid expenses and other assets	18,738	12,741
Total current assets	417,560	366,832
Property, equipment and leasehold improvements, net	60,082	59,823
Operating lease right-of-use asset	15,777	19,322
Goodwill	8,607	8,607
Other assets	136,279	125,512
	\$ 638,305	\$ 580,096
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 21,443	\$ 16,327
Accrued payroll and employee benefits	87,179	83,194
Deferred revenues	12,192	11,800
Operating lease liability	5,604	5,987
Total current liabilities	126,418	117,308
Other liabilities	96,189	86,947
Operating lease liability	10,709	14,343
Total liabilities	233,316	218,598
Stockholders' equity:		
Common stock	66	66
Additional paid-in capital	279,250	265,328
Accumulated other comprehensive loss	(2,052)	(1,932)
Retained earnings	468,578	421,809
Treasury stock, at cost	(340,853)	(323,773)
Total stockholders' equity	404,989	361,498
	\$ 638,305	\$ 580,096

EXPONENT, INC.
EBITDA and EBITDAS (1)
For the Quarters Ended October 1, 2021 and October 2, 2020
(unaudited)
(in thousands)

	Quarter Ended		Nine Months Ended	
	October 1, 2021	October 2, 2020	October 1, 2021	October 2, 2020
Net Income	\$ 24,574	\$ 18,084	\$ 80,822	\$ 60,712
Add back (subtract):				
Income taxes	7,815	6,554	16,360	9,395
Interest income, net	(13)	(316)	(54)	(1,496)
Depreciation and amortization	1,645	1,689	4,943	5,176
EBITDA (1)	34,021	26,011	102,071	73,787
Stock-based compensation	4,365	3,726	15,239	13,326
EBITDAS (1)	\$ 38,386	\$ 29,737	\$ 117,310	\$ 87,113

(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.