

**EXPONENT, INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF INCOME**  
**For the Three and Six Months Ended July 1, 2022 and July 2, 2021**  
**(unaudited)**  
**(in thousands, except per share data)**

	<u>Quarter Ended</u>		<u>Six Months Ended</u>	
	<u>July 1, 2022</u>	<u>July 2, 2021</u>	<u>July 1, 2022</u>	<u>July 2, 2021</u>
<b><u>Revenues</u></b>				
Revenues before reimbursements	\$ 118,218	\$ 112,468	\$ 236,088	\$ 222,047
Reimbursements	12,063	7,409	22,671	14,311
Revenues	<u>130,281</u>	<u>119,877</u>	<u>258,759</u>	<u>236,358</u>
<b><u>Operating expenses</u></b>				
Compensation and related expenses	58,446	71,815	127,203	146,353
Other operating expenses	8,755	8,121	16,920	15,831
Reimbursable expenses	12,063	7,409	22,671	14,311
General and administrative expenses	5,740	3,160	9,971	6,433
	<u>85,004</u>	<u>90,505</u>	<u>176,765</u>	<u>182,928</u>
Operating income	45,277	29,372	81,994	53,430
<b><u>Other income</u></b>				
Interest income, net	175	12	196	41
Miscellaneous income (expense), net	(10,020)	5,283	(13,951)	11,322
	<u>(9,845)</u>	<u>5,295</u>	<u>(13,755)</u>	<u>11,363</u>
Income before income taxes	35,432	34,667	68,239	64,793
<b>Income taxes</b>	<u>9,677</u>	<u>9,267</u>	<u>12,875</u>	<u>8,545</u>
Net income	<u>\$ 25,755</u>	<u>\$ 25,400</u>	<u>\$ 55,364</u>	<u>\$ 56,248</u>
<b><u>Net income per share:</u></b>				
Basic	\$ 0.50	\$ 0.48	\$ 1.06	\$ 1.07
Diluted	\$ 0.49	\$ 0.48	\$ 1.05	\$ 1.06
<b><u>Shares used in per share computations:</u></b>				
Basic	51,890	52,637	52,154	52,587
Diluted	52,394	53,285	52,725	53,313

**EXPONENT, INC.**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**  
**July 1, 2022 and December 31, 2021**  
**(unaudited)**  
**(in thousands)**

	<b>July 1, 2022</b>	<b>December 31, 2021</b>
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 165,619	\$ 297,687
Accounts receivable, net	161,774	139,861
Prepaid expenses and other assets	15,141	15,214
Total current assets	<u>342,534</u>	<u>452,762</u>
Property, equipment and leasehold improvements, net	63,921	59,971
Operating lease right-of-use asset	16,139	14,370
Goodwill	8,607	8,607
Other assets	135,503	148,029
	<u>\$ 566,704</u>	<u>\$ 683,739</u>
<b>Liabilities and Stockholders' Equity</b>		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 26,668	\$ 24,504
Accrued payroll and employee benefits	80,603	103,552
Deferred revenues	15,225	19,762
Operating lease liability	5,038	5,164
Total current liabilities	<u>127,534</u>	<u>152,982</u>
Other liabilities	90,193	103,885
Operating lease liability	11,483	9,807
Total liabilities	<u>229,210</u>	<u>266,674</u>
Stockholders' equity:		
Common stock	66	66
Additional paid-in capital	296,098	281,419
Accumulated other comprehensive loss	(3,643)	(1,983)
Retained earnings	506,605	478,370
Treasury stock, at cost	(461,632)	(340,807)
Total stockholders' equity	<u>337,494</u>	<u>417,065</u>
	<u>\$ 566,704</u>	<u>\$ 683,739</u>

**EXPONENT, INC.**  
**EBITDA and EBITDAS (1)**  
**For the Three and Six Months Ended July 1, 2022 and July 2, 2021**  
**(unaudited)**  
**(in thousands)**

	Quarter Ended		Six Months Ended	
	July 1, 2022	July 2, 2021	July 1, 2022	July 2, 2021
Net Income	\$ 25,755	\$ 25,400	\$ 55,364	\$ 56,248
Add back (subtract):				
Income taxes	9,677	9,267	12,875	8,545
Interest income, net	(175)	(12)	(196)	(41)
Depreciation and amortization	1,812	1,642	3,501	3,298
<b>EBITDA (1)</b>	<b>37,069</b>	<b>36,297</b>	<b>71,544</b>	<b>68,050</b>
Stock-based compensation	4,597	4,592	11,467	10,874
<b>EBITDAS (1)</b>	<b>\$ 41,666</b>	<b>\$ 40,889</b>	<b>\$ 83,011</b>	<b>\$ 78,924</b>

(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.