

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

FORM 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended April 3, 2026

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission File Number 0-18655

EXPONENT, INC.

(Exact name of registrant as specified in its charter)

DELAWARE

(State or other jurisdiction of
incorporation or organization)

**149 COMMONWEALTH DRIVE,
MENLO PARK, CALIFORNIA**

(Address of principal executive office)

77-0218904

(I.R.S. Employer Identification No.)

94025

(Zip Code)

(650) 326-9400

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol	Name of each exchange on which registered
Common Stock, par value \$0.001 per share	EXPO	Nasdaq Global Select Market

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).

Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input checked="" type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
Emerging growth company	<input type="checkbox"/>		

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. []

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes No

As of May 1, 2026, the latest practicable date, the registrant had 48,511,629 shares of common stock outstanding.

EXPONENT, INC.
FORM 10-Q

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PART I – FINANCIAL INFORMATION

Item 1. Financial Statements

EXPONENT, INC.

**Condensed Consolidated Balance Sheets
April 3, 2026 and January 2, 2026
(unaudited)**

(In thousands, except par value)	April 3, 2026	January 2, 2026
Assets		
Current assets:		
Cash and cash equivalents	\$ 118,553	\$ 221,930
Accounts receivable, net of allowance for contract losses and doubtful accounts of \$6,830 and \$7,478 at April 3, 2026 and January 2, 2026, respectively	197,336	181,507
Prepaid expenses and other current assets	24,999	24,143
Total current assets	340,888	427,580
Property, equipment and leasehold improvements, net of accumulated depreciation and amortization of \$124,443 and \$122,072 at April 3, 2026 and January 2, 2026, respectively	71,875	71,981
Operating lease right-of-use assets	70,451	73,376
Goodwill	8,607	8,607
Deferred income taxes	63,911	67,075
Deferred compensation plan assets	126,511	123,454
Other assets	5,138	5,446
Total assets	\$ 687,381	\$ 777,519
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 37,354	\$ 30,942
Accrued payroll and employee benefits	82,561	121,302
Deferred revenues	15,568	18,868
Operating lease liabilities	6,715	6,890
Total current liabilities	142,198	178,002
Other liabilities	4,311	4,587
Deferred compensation plan liabilities	128,212	128,645
Operating lease liabilities	74,323	75,944
Total liabilities	349,044	387,178
Stockholders' equity:		
Common stock, \$0.001 par value; 120,000 shares authorized; 65,707 shares issued at April 3, 2026 and January 2, 2026, respectively	66	66
Additional paid-in capital	386,329	369,747
Accumulated other comprehensive loss		
Foreign currency translation adjustments	(2,571)	(2,290)
Retained earnings	682,013	668,423
Treasury stock, at cost; 17,092 and 16,087 shares held at April 3, 2026 and January 2, 2026, respectively	(727,500)	(645,605)
Total stockholders' equity	338,337	390,341
Total liabilities and stockholders' equity	\$ 687,381	\$ 777,519

The accompanying notes are an integral part of these Unaudited Condensed Consolidated Financial Statements.

EXPONENT, INC.

**Condensed Consolidated Statements of Income
For the Three Months Ended April 3, 2026 and April 4, 2025
(unaudited)**

(In thousands, except per share data)	Three Months Ended	
	April 3, 2026	April 4, 2025
Revenues:		
Revenues before reimbursements	\$ 151,817	\$ 137,437
Reimbursements	14,486	8,070
Revenues	166,303	145,507
Operating expenses:		
Compensation and related expenses	91,409	75,903
Other operating expenses	12,825	12,095
Reimbursable expenses	14,486	8,070
General and administrative expenses	6,204	5,007
Total operating expenses	124,924	101,075
Operating income	41,379	44,432
Other income, net:		
Interest income, net	1,718	2,714
Miscellaneous loss, net	(758)	(9,386)
Total other income (loss), net	960	(6,672)
Income before income taxes	42,339	37,760
Income taxes	12,770	11,110
Net income	\$ 29,569	\$ 26,650
Net income per share:		
Basic	\$ 0.59	\$ 0.52
Diluted	\$ 0.59	\$ 0.52
Shares used in per share computations:		
Basic	49,790	51,283
Diluted	50,119	51,650
Cash dividends declared per common share	\$ 0.31	\$ 0.30

The accompanying notes are an integral part of these Unaudited Condensed Consolidated Financial Statements.

EXPONENT, INC.

Condensed Consolidated Statements of Comprehensive Income
For the Three Months Ended April 3, 2026 and April 4, 2025
(unaudited)

(In thousands)	Three Months Ended	
	April 3, 2026	April 4, 2025
Net income	\$ 29,569	\$ 26,650
Other comprehensive income (loss):		
Foreign currency translation adjustments, net of tax	(281)	946
Comprehensive income	<u>\$ 29,288</u>	<u>\$ 27,596</u>

The accompanying notes are an integral part of these Unaudited Condensed Consolidated Financial Statements.

EXPONENT, INC

**Condensed Consolidated Statements of Stockholders' Equity
For the Three Months Ended April 3, 2026 and April 4, 2025
(unaudited)**

(In thousands)	Three Months Ended April 3, 2026								
	Common Stock		Additional paid-in capital	Accumulated other comprehensive loss	Retained earnings	Treasury Stock		Total	
	Shares	Amount				Shares	Amount		
Balance at January 2, 2026	65,707	\$ 66	\$ 369,747	\$ (2,290)	\$ 668,423	16,087	\$ (645,605)	\$ 390,341	
Employee stock purchase plan	-	-	249	-	-	(5)	58	307	
Amortization of unrecognized stock-based compensation	-	-	5,087	-	-	-	-	5,087	
Purchase of treasury shares	-	-	-	-	-	1,157	(79,445)	(79,445)	
Foreign currency translation adjustments	-	-	-	(281)	-	-	-	(281)	
Grant of restricted stock units to settle accrued bonus	-	-	13,381	-	-	-	-	13,381	
Settlement of restricted stock units	-	-	(2,391)	-	-	(129)	(2,722)	(5,113)	
Exercise of stock options	-	-	256	-	-	(18)	214	470	
Dividends and dividend equivalent rights	-	-	-	-	(15,979)	-	-	(15,979)	
Net income	-	-	-	-	29,569	-	-	29,569	
Balance at April 3, 2026	65,707	\$ 66	\$ 386,329	\$ (2,571)	\$ 682,013	17,092	\$ (727,500)	\$ 338,337	

(In thousands)	Three Months Ended April 4, 2025								
	Common Stock		Additional paid-in capital	Accumulated other comprehensive income (loss)	Retained earnings	Treasury Stock		Total	
	Shares	Amount				Shares	Amount		
Balance at January 3, 2025	65,707	\$ 66	\$ 345,689	\$ (3,791)	\$ 624,151	14,893	\$ (545,047)	\$ 421,068	
Employee stock purchase plan	-	-	326	-	-	(5)	58	384	
Amortization of unrecognized stock-based compensation	-	-	5,028	-	-	-	-	5,028	
Purchase of treasury shares	-	-	-	-	-	65	(5,000)	(5,000)	
Foreign currency translation adjustments	-	-	-	946	-	-	-	946	
Grant of restricted stock units to settle accrued bonus	-	-	12,179	-	-	-	-	12,179	
Settlement of restricted stock units	-	-	(1,499)	-	-	(95)	(2,667)	(4,166)	
Exercise of stock options	-	-	53	-	-	(5)	47	100	
Dividends and dividend equivalent rights	-	-	-	-	(15,781)	-	-	(15,781)	
Net income	-	-	-	-	26,650	-	-	26,650	
Balance at April 4, 2025	65,707	\$ 66	\$ 361,776	\$ (2,845)	\$ 635,020	14,853	\$ (552,609)	\$ 441,408	

The accompanying notes are an integral part of these Unaudited Condensed Consolidated Financial Statements.

EXPONENT, INC.

**Condensed Consolidated Statements of Cash Flows
For the Three Months Ended April 3, 2026 and April 4, 2025
(unaudited)**

(In thousands)	Three Months Ended	
	April 3, 2026	April 4, 2025
Cash flows from operating activities:		
Net income	\$ 29,569	\$ 26,650
Adjustments to reconcile net income to net cash used in operating activities:		
Depreciation and amortization of property, equipment and leasehold improvements	2,515	2,492
Provision for contract losses and doubtful accounts	268	256
Stock-based compensation	9,058	8,179
Deferred income tax provision	3,164	(3,226)
Changes in operating assets and liabilities:		
Accounts receivable	(16,097)	(5,637)
Prepaid expenses and other current assets	(4,755)	(3,331)
Change in operating leases	1,129	454
Accounts payable and accrued liabilities	6,100	11,595
Accrued payroll and employee benefits	(28,626)	(27,571)
Deferred revenues	(3,300)	(2,587)
Net cash (used in) provided by operating activities	(975)	7,274
Cash flows from investing activities:		
Capital expenditures	(2,453)	(1,754)
Net cash used in investing activities	(2,453)	(1,754)
Cash flows from financing activities:		
Payroll taxes for restricted stock units	(5,113)	(4,166)
Repurchase of common stock	(78,761)	-
Exercise of stock-based payment awards	777	484
Dividends and dividend equivalents rights	(16,583)	(16,367)
Net cash used in financing activities	(99,680)	(20,049)
Effect of foreign currency exchange rates on cash and cash equivalents	(269)	741
Net decrease in cash and cash equivalents	(103,377)	(13,788)
Cash and cash equivalents at beginning of period	221,930	258,901
Cash and cash equivalents at end of period	\$ 118,553	\$ 245,113

The accompanying notes are an integral part of these Unaudited Condensed Consolidated Financial Statements.

EXPONENT, INC.
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Note 1: Basis of Presentation

Exponent, Inc. (referred to as the “Company” or “Exponent”) is an engineering and scientific consulting firm that provides solutions to complex problems. The Company operates on a 52-53 week fiscal year ending on the Friday closest to the last day of December.

The accompanying unaudited condensed consolidated financial statements are prepared in accordance with accounting principles generally accepted in the United States of America for interim financial information, the instructions to Form 10-Q and Article 10 of Regulation S-X promulgated by the U.S. Securities and Exchange Commission. Accordingly, they do not contain all the information and notes required by accounting principles generally accepted in the United States of America for complete financial statements. In the opinion of management, all adjustments which are necessary for the fair presentation of the condensed consolidated financial statements have been included and all such adjustments are of a normal and recurring nature. The operating results for the three months ended April 3, 2026 are not necessarily representative of the results of future quarterly or annual periods. The following information should be read in conjunction with the audited consolidated financial statements and accompanying notes thereto included in the Company’s Annual Report on Form 10-K for the fiscal year ended January 2, 2026, which was filed with the U.S. Securities and Exchange Commission on February 27, 2026.

The unaudited condensed consolidated financial statements include the accounts of Exponent and its subsidiaries, which are all wholly owned. All intercompany accounts and transactions have been eliminated in consolidation.

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Items subject to such estimates and assumptions include accounting for revenue recognition and estimating the allowance for contract losses and doubtful accounts. Actual results could differ from those estimates.

Recent Accounting Pronouncement Not Yet Adopted

In November 2024, the FASB issued ASU 2024-03, Income Statement - Reporting Comprehensive Income - Expense Disaggregation Disclosures (subtopic 220-40), which requires disclosure of disaggregation of certain relevant expenses included in the statements of operations on an annual and interim basis. ASU 2024-03 will be effective for our annual periods beginning January 2, 2027 and interim periods beginning January 1, 2028. The amendments must be applied retrospectively, and early adoption is permitted. The Company is evaluating the effect that this standard may have on its consolidated financial statements and related disclosures.

Note 2: Revenue Recognition

Substantially all of the Company’s engagements are performed under time and materials or fixed-price arrangements. For time and materials contracts, the Company utilizes the practical expedient under Accounting Standards Codification 606 – *Revenue from Contracts with Customers*, which states if an entity has a right to consideration from a customer in an amount that corresponds directly with the value of the entity’s performance completed to date (for example, a service contract in which an entity bills a fixed amount for each hour of service provided) then the entity may recognize revenue in the amount to which the entity has a right to invoice.

The following table discloses the percent of the Company's revenue generated from time and materials contracts:

	Three Months Ended	
	April 3, 2026	April 4, 2025
Engineering & Other Scientific	62%	66%
Environmental and Health	15%	16%
Total time and materials revenues	77%	82%

For fixed-price contracts, the Company recognizes revenue over time because of the continuous transfer of control to the customer. The customer typically controls the work in process as evidenced either by contractual termination clauses or by the Company's rights to payment for work performed to date to deliver services that do not have an alternative use to the Company. Revenue for fixed-price contracts is recognized based on the relationship of incurred labor hours at standard rates to the Company's estimate of the total labor hours at standard rates it expects to incur over the term of the contract. The Company believes this methodology achieves a reliable measure of the revenue from the consulting services it provides to its customers under fixed-price contracts given the nature of the consulting services the Company provides.

The following table discloses the percent of the Company's revenue generated from fixed price contracts:

	Three Months Ended	
	April 3, 2026	April 4, 2025
Engineering & Other Scientific	22%	17%
Environmental and Health	1%	1%
Total fixed price revenues	23%	18%

Deferred revenues represent amounts billed to clients in advance of services provided. During the first quarter of 2026, \$7,420,000 of revenues were recognized that were included in the deferred revenue balance at January 2, 2026. During the first quarter of 2025, \$5,877,000 of revenues were recognized that were included in the deferred revenue balance at January 3, 2025.

Reimbursements, including those related to travel and other out-of-pocket expenses, and other similar third-party costs such as the cost of materials and certain subcontracts, are included in revenues, and an equivalent amount of reimbursable expenses are included in operating expenses. Any service fee associated with reimbursable expenses is included in revenues before reimbursements. The Company reports revenues net of subcontractor fees for certain subcontracts where the Company has determined that it is acting as an agent because its performance obligation is to arrange for the provision of goods or services by another party. The total amount of subcontractor fees not included in revenues because the Company was acting as an agent were \$6,775,000 and \$3,504,000 during the first quarter of 2026 and 2025, respectively.

Note 3: Fair Value Measurements

The Company measures certain financial assets and liabilities at fair value on a recurring basis, including money market securities, trading fixed income and equity securities held in its deferred compensation plan and the liability associated with its deferred compensation plan. There were no transfers between fair value measurement levels during the three months ended April 3, 2026 and April 4, 2025. Any transfers between fair value measurement levels would be recorded on the actual date of the event or change in circumstances that caused the transfer. The fair value of these financial assets and liabilities was determined using the following inputs at April 3, 2026:

(In thousands)	Fair Value Measurements at Reporting Date Using			
	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets				
Money market securities ⁽¹⁾	\$ 10,675	\$ 10,675	\$ -	\$ -
Fixed income trading securities held in deferred compensation plan ⁽²⁾	50,738	50,738	-	-
Equity trading securities held in deferred compensation plan ⁽²⁾	93,470	\$ 93,470	-	-
Total	\$ 154,883	\$ 154,883	\$ -	\$ -
Liabilities				
Deferred compensation plan ⁽³⁾	146,484	146,484	-	-
Total	\$ 146,484	\$ 146,484	\$ -	\$ -

⁽¹⁾ Included in cash and cash equivalents on the Company's unaudited condensed consolidated balance sheet.

⁽²⁾ Included in prepaid expenses and other current assets and deferred compensation plan assets on the Company's unaudited condensed consolidated balance sheet.

⁽³⁾ Included in accrued payroll and employee benefits and deferred compensation plan liabilities on the Company's unaudited condensed consolidated balance sheet.

The fair value of these certain financial assets and liabilities was determined using the following inputs at January 2, 2026:

(In thousands)	Fair Value Measurements at Reporting Date Using			
	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets				
Money market securities ⁽¹⁾	\$ 60,170	\$ 60,170	\$ -	\$ -
Fixed income trading securities held in deferred compensation plan ⁽²⁾	45,332	45,332	-	-
Equity trading securities held in deferred compensation plan ⁽²⁾	94,183	94,183	-	-
Total	\$ 199,685	\$ 199,685	\$ -	\$ -
Liabilities				
Deferred compensation plan ⁽³⁾	144,706	144,706	-	-
Total	\$ 144,706	\$ 144,706	\$ -	\$ -

- (1) Included in cash and cash equivalents on the Company's unaudited condensed consolidated balance sheet.
- (2) Included in prepaid expenses and other current assets and deferred compensation plan assets on the Company's unaudited condensed consolidated balance sheet.
- (3) Included in accrued payroll and employee benefits and deferred compensation plan liabilities on the Company's unaudited condensed consolidated balance sheet.

Money market securities as of April 3, 2026 and January 2, 2026 represent obligations of the United States Treasury. Fixed income and equity trading securities represent mutual funds held in the Company's deferred compensation plan. See Note 6 for additional information about the Company's deferred compensation plan.

Cash and cash equivalents consisted of the following as of April 3, 2026:

(In thousands)	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value
Classified as current assets:				
Cash	\$ 107,878	\$ -	\$ -	\$ 107,878
Cash equivalents:				
Money market securities	10,675	-	-	10,675
Total cash equivalents	10,675	-	-	10,675
Total cash and cash equivalents	\$ 118,553	\$ -	\$ -	\$ 118,553

Cash and cash equivalents consisted of the following as of January 2, 2026:

(In thousands)	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value
Classified as current assets:				
Cash	\$ 161,760	\$ -	\$ -	\$ 161,760
Cash equivalents:				
Money market securities	60,170	-	-	60,170
Total cash equivalents	60,170	-	-	60,170
Total cash and cash equivalents	\$ 221,930	\$ -	\$ -	\$ 221,930

At April 3, 2026 and January 2, 2026, the Company did not have any assets or liabilities valued using significant unobservable inputs.

The following financial instruments are not measured at fair value on the Company's unaudited condensed consolidated balance sheet at April 3, 2026 and January 2, 2026, but require disclosure of their fair values: accounts receivable, other assets and accounts payable. The estimated fair value of such instruments at April 3, 2026 and January 2, 2026 approximates their carrying value as reported on the Company's unaudited condensed consolidated balance sheets.

Note 4: Net Income Per Share

Basic per share amounts are computed using the weighted-average number of shares of common stock outstanding during the period. Diluted per share amounts are calculated using the weighted-average number of shares of common stock outstanding during the period and, when dilutive, the weighted-average number of potential shares of common stock from the issuance of common stock to satisfy outstanding restricted stock units and the exercise of outstanding options to purchase common stock using the treasury stock method.

The following schedule reconciles the shares used to calculate basic and diluted net income per share:

(In thousands)	Three Months Ended	
	April 3, 2026	April 4, 2025
Shares used in basic per share computation	49,790	51,283
Effect of dilutive common stock options outstanding	47	103
Effect of dilutive restricted stock units outstanding	282	264
Shares used in diluted per share computation	50,119	51,650

Common stock options to purchase 215,833 shares were excluded from the diluted per share calculation for the three months ended April 3, 2026 due to their anti-dilutive effect. Common stock options to purchase 100,833 shares were excluded from the diluted per share calculation for the three months ended April 4, 2025 due to their anti-dilutive effect.

Note 5: Stock-Based Compensation

Restricted Stock Units

Restricted stock unit grants are designed to attract and retain employees, and to better align employee interests with those of the Company's stockholders. For a select group of employees, up to 40% of their annual bonus is settled with fully vested restricted stock unit awards. Under these fully vested restricted stock unit awards, the holder of each award has the right to receive one share of the Company's common stock for each fully vested restricted stock unit four years from the date of grant. Each individual who receives a fully vested restricted stock unit award is also granted a matching number of unvested restricted stock unit awards. Unvested restricted stock unit awards are also granted for select new hires and promotions. These unvested restricted stock unit awards generally cliff vest four years from the date of grant, at which time the holder of each award will have the right to receive one share of the Company's common stock for each restricted stock unit award provided the holder of each award has met certain employment conditions. In the case of retirement at 59½ years or older, all unvested restricted stock unit awards will continue to vest, provided that the holder of each award does all consulting work through the Company and does not become an employee for a past or present client, beneficial party or competitor of the Company.

The value of these restricted stock unit awards is determined based on the market price of the Company's common stock on the date of grant. The value of fully vested restricted stock unit awards issued is recorded as a reduction to accrued bonuses. The portion of bonus expense that the Company expects to settle with fully vested restricted stock unit awards is recorded as stock-based compensation during the period the bonus is earned. The Company recorded stock-based compensation expense associated with accrued bonus awards of \$3,971,000 and \$3,151,000 during the three months ended April 3, 2026 and April 4, 2025, respectively. The value of the unvested restricted stock unit awards granted is recognized on a straight-line basis over the shorter of the four-year vesting period or the period between the grant date and the date the award recipient turns 59½. If the award recipient is 59½ years or older on the date of grant, the value of the entire award is expensed upon grant. The Company recorded

stock-based compensation expense associated with the unvested restricted stock unit awards of \$4,414,000 and \$4,240,000 during the three months ended April 3, 2026 and April 4, 2025, respectively.

Stock Options

Stock options are granted for terms of ten years and generally vest 25% per year over a four-year period from the grant date. Unvested stock option awards will continue to vest in the case of retirement at 59½ years or older, provided that the holder of each award does all consulting work through the Company and does not become an employee for a past or present client, beneficial party or competitor of the Company. The value of the unvested stock option awards granted is recognized on a straight-line basis over the shorter of the four-year vesting period or the period between the grant date and the date the award recipient turns 59½. If the award recipient is 59½ years or older on the date of grant, the value of the entire award is expensed upon grant. The Company recorded stock-based compensation expense associated with stock option grants of \$673,000 and \$788,000 during the three months ended April 3, 2026 and April 4, 2025, respectively.

The Company uses the Black-Scholes option-pricing model to determine the fair value of options granted. The determination of the fair value of stock option awards on the date of grant using an option-pricing model is affected by the Company's stock price as well as assumptions regarding a number of complex and subjective variables. These variables include expected stock price volatility over the term of the award, actual and projected employee stock option exercise behaviors, the risk-free interest rate and expected dividends.

The Company used historical exercise, forfeiture, and post-vesting expiration data to estimate the expected term of options granted. The historical volatility of the Company's common stock over a period of time equal to the expected term of the options granted was used to estimate expected volatility. The risk-free interest rate used in the option-pricing model was based on United States Treasury zero-coupon issues with remaining terms similar to the expected term of the options. The dividend yield assumption considers the expectation of continued declaration of dividends, offset by option holders' dividend equivalent rights.

The Company accounts for forfeitures of stock-based awards when they occur. All stock-based payment awards are recognized on a straight-line basis over the requisite service periods of the awards.

Note 6: Deferred Compensation Plans

The Company maintains nonqualified deferred compensation plans for the benefit of a select group of highly compensated employees. Under these plans, participants may elect to defer up to 100% of their compensation. Company assets that are earmarked to pay benefits under the plans are held in a rabbi trust and are subject to the claims of the Company's creditors. As of April 3, 2026 and January 2, 2026, the invested amounts under the plans totaled \$144,208,000 and \$139,515,000, respectively, and are recorded in prepaid expenses and other current assets and deferred compensation plan assets on the Company's unaudited condensed consolidated balance sheet. These assets are classified as trading securities and are recorded at fair value with changes recorded as adjustments to miscellaneous loss, net.

As of April 3, 2026 and January 2, 2026, vested amounts due under the plans totaled \$146,484,000 and \$144,706,000, respectively, and are recorded within accrued payroll and employee benefits and deferred compensation plan liabilities on the Company's unaudited condensed consolidated balance sheets. Changes in the liability are recorded as adjustments to compensation expense. During the three months ended April 3, 2026, the Company recognized a reduction to compensation expense of \$1,138,000 as a result of changes in the market value of the trust assets with the same amount being recorded as a loss in miscellaneous loss, net. During the three months ended April 4, 2025, the Company recognized a reduction to compensation expense of \$9,336,000 as a result of changes in the market value of the trust assets with the same amount being recorded as a loss in miscellaneous loss, net.

Note 7: Supplemental Cash Flow Information

The following is supplemental disclosure of cash flow information:

(In thousands)	Three Months Ended	
	April 3, 2026	April 4, 2025
Cash paid during period:		
Income taxes	\$ 1,204	\$ 1,461
Non-cash investing and financing activities:		
Vested stock unit awards issued to settle accrued bonuses	\$ 13,381	\$ 12,179
Right-of-use asset obtained in exchange for operating lease obligations	\$ 33	\$ -
Accrual for capital expenditures	\$ 198	\$ 73
Repurchases of common stock	\$ -	\$ 5,000

Note 8: Accounts Receivable, Net

At April 3, 2026 and January 2, 2026, accounts receivable, net, was comprised of the following:

(In thousands)	April 3, 2026	January 2, 2026
Billed accounts receivable	\$ 131,134	\$ 134,700
Unbilled accounts receivable	73,032	54,285
Allowance for contract losses and doubtful accounts	(6,830)	(7,478)
Total accounts receivable, net	<u>\$ 197,336</u>	<u>\$ 181,507</u>

The Company maintains allowances for estimated losses over the remaining contractual life of its receivables resulting from the inability of customers to meet their financial obligations or for disputes that affect the Company's ability to fully collect amounts due. In circumstances where the Company is aware of a specific customer's inability to meet its financial obligations or aware of a dispute with a specific customer, a specific allowance is recorded to reduce the net recognized receivable to the amount the Company reasonably believes will be collected. For all other customers the Company recognizes allowances for doubtful accounts based upon historical write-offs, customer concentration, customer creditworthiness, current economic conditions, aging of amounts due and future expectations.

A reconciliation of the beginning and ending amount of the allowance for contract losses and doubtful accounts is as follows:

(In thousands)		
Balance at January 2, 2026	\$	7,478
Provision for contract losses and doubtful accounts		268
Write-offs		(916)
Balance at April 3, 2026	\$	<u>6,830</u>

Note 9: Segment Reporting

The Company has two reportable operating segments based on two primary areas of service. The Engineering and Other Scientific segment is a broad service group providing technical consulting in different practices primarily in engineering. The Environmental and Health segment provides services in the areas of environmental, epidemiology and health risk analysis. This segment provides a wide range of consulting services relating to environmental hazards and risks, and the impact on both human health and the environment. Our Chief Executive Officer, the chief operating decision maker, reviews revenues and operating income for each of our reportable segments, but does not review total assets in evaluating segment performance and capital allocation.

Segment information for the three months ended April 3, 2026 and April 4, 2025 follows:

Revenues

(In thousands)		
	Three Months Ended	
	April 3, 2026	April 4, 2025
Engineering and Other Scientific	\$ 141,412	\$ 122,135
Environmental and Health	24,891	23,372
Total revenues	<u>\$ 166,303</u>	<u>\$ 145,507</u>

Compensation and related expenses

(In thousands)		
	Three Months Ended	
	April 3, 2026	April 4, 2025
Engineering and Other Scientific	\$ 64,058	\$ 57,248
Environmental and Health	12,897	12,448
Total segment compensation and related expenses	76,955	69,696
Corporate compensation and related expenses	14,454	6,207
Total compensation and related expenses	<u>\$ 91,409</u>	<u>\$ 75,903</u>

Operating Income

(In thousands)		
	Three Months Ended	
	April 3, 2026	April 4, 2025
Engineering and Other Scientific	\$ 50,415	\$ 45,113
Environmental and Health	8,385	8,698
Total segment operating income	58,800	53,811
Corporate operating expense	(17,421)	(9,379)
Total operating income	<u>\$ 41,379</u>	<u>\$ 44,432</u>

Certain operating expenses are excluded from the Company's measure of segment operating income. These expenses include costs associated with its human resources, finance, information technology, and business

development groups; the deferred compensation expense/benefit due to the change in value of assets associated with its deferred compensation plan; stock-based compensation associated with restricted stock unit and stock option awards; and the change in its allowance for contract losses and doubtful accounts.

Capital Expenditures

(In thousands)	Three Months Ended	
	April 3, 2026	April 4, 2025
Engineering and Other Scientific	\$ 632	\$ 475
Environmental and Health	39	62
Total segment capital expenditures	671	537
Corporate capital expenditures	1,738	715
Total capital expenditures	\$ 2,409	\$ 1,252

Certain capital expenditures associated with the Company's corporate cost centers and the related depreciation are excluded from the Company's segment information.

Depreciation and Amortization

(In thousands)	Three Months Ended	
	April 3, 2026	April 4, 2025
Engineering and Other Scientific	\$ 1,849	\$ 1,826
Environmental and Health	45	47
Total segment depreciation and amortization	1,894	1,873
Corporate depreciation and amortization	621	619
Total depreciation and amortization	\$ 2,515	\$ 2,492

No single client comprised more than 10% of the Company's revenues during the three months ended April 3, 2026 and April 4, 2025.

Note 10: Leases

The Company determines if an arrangement is a lease at the inception of the arrangement. Operating leases are included in operating lease right-of-use ("ROU") assets, current operating lease liabilities, and long-term operating lease liabilities in the Company's condensed consolidated balance sheet. The Company does not have any finance leases as of April 3, 2026.

ROU assets represent the Company's right to use an underlying asset for the lease term and lease liabilities represent the Company's obligation to make lease payments arising from the lease. Operating lease ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. As the Company's leases do not provide an implicit rate, the Company uses its incremental borrowing rate, based on the information available at commencement date, in determining the present value of lease payments. The operating lease ROU asset also includes any lease payments made and excludes lease incentives. The Company's lease terms may include options to extend or terminate the lease when it is reasonably certain that the Company will exercise that option. Lease expense for lease payments is recognized on a straight-line basis over the lease term. The amortization of operating lease ROU assets and the change in operating lease liabilities is disclosed as a single line item in the condensed consolidated statements of cash flows.

The Company leases office, laboratory, and storage space in 12 states and the District of Columbia, as well as in China, Hong Kong, Switzerland, and the United Kingdom. Leases for these office, laboratory, and storage facilities have terms generally ranging between one and ten years. Some of these leases include options to extend or terminate the lease, none of which are currently included in the lease term as the Company has determined that exercise of these options is not reasonably certain.

The Company has a Test and Engineering Center on 147 acres of land in Phoenix, Arizona. The Company leases this land from the State of Arizona under an agreement that expires in January of 2043 and includes an option to renew for one fifteen-year period.

The Company's equipment leases are included in the ROU asset and liability balances, but are not material.

The Company leases excess space in its Silicon Valley and Natick facilities. Rental income of \$333,000 and \$191,000 was included in other income for the three months ended April 3, 2026 and April 4, 2025, respectively.

The components of lease expense included in other operating expenses on the condensed consolidated statements of income were as follows:

(In thousands)	Three Months Ended	
	April 3, 2026	April 4, 2025
Operating lease cost	\$ 3,196	\$ 3,212
Variable lease cost	630	303
Short-term lease cost	266	356

Supplemental cash flow information related to operating leases was as follows:

(In thousands)	Three Months Ended	
	April 3, 2026	April 4, 2025
Cash paid for amounts included in the measurement of operating lease liabilities	\$ 3,109	\$ 2,602

Supplemental balance sheet information related to operating leases was as follows:

	April 3, 2026	April 4, 2025
Weighted Average Remaining Lease Term	13.0 years	13.6 years
Weighted Average Discount Rate	6.3%	6.3%

Maturities of operating lease liabilities as of April 3, 2026:

(In thousands)	Operating Leases	
2026 (excluding the three months ended April 3, 2026)	\$	6,180
2027		8,194
2028		10,914
2029		9,600
2030		9,092
Thereafter		80,286
Total lease payments	\$	124,266
Less imputed interest		43,228
Total lease liability	\$	81,038

Note 11: Contingencies

The Company is a party to various legal actions from time to time and may be contingently liable in connection with claims and contracts arising in the normal course of business, the outcome of which the Company believes, after consultation with legal counsel, will not have a material adverse effect on its financial condition, results of operations or liquidity. However, due to the risks and uncertainties inherent in legal proceedings, actual results could differ from current expected results. All legal costs associated with litigation are expensed as incurred.

Note 12: Subsequent Events

On April 30, 2026, the Company announced that its Board of Directors approved a cash dividend of \$0.31 per share of the Company's common stock, payable June 18, 2026, to stockholders of record as of June 5, 2026. On April 30, 2026, the Company announced that its Board of Directors authorized \$50 million for the repurchase of the Company's common stock which is in addition to the amounts remaining under prior repurchase authorizations. These repurchase authorizations have no expiration date.

Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations

The following discussion should be read in conjunction with the unaudited condensed consolidated financial statements and notes thereto included herein and with our audited consolidated financial statements and notes thereto for the fiscal year ended January 2, 2026, which are contained in our fiscal 2025 Annual Report on Form 10-K, which was filed with the U.S. Securities and Exchange Commission on February 27, 2026 (our “2025 Annual Report”).

Forward-Looking Statements

This Quarterly Report on Form 10-Q contains certain “forward-looking” statements (as such term is defined in the Private Securities Litigation Reform Act of 1995, and the rules promulgated pursuant to the Securities Act of 1933, as amended, and the Securities Exchange Act of 1934, as amended) that are based on the beliefs of our management, as well as assumptions made by and information currently available to our management. Such forward-looking statements are subject to the safe harbor created by the Private Securities Litigation Reform Act of 1995. When used in this document, the words “intend,” “anticipate,” “believe,” “estimate,” “expect” and similar expressions, as they relate to us or our management, identify such forward-looking statements. Such statements reflect the current views of us or our management with respect to future events and are subject to certain risks, uncertainties and assumptions. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, our actual results, performance, or achievements could differ materially from those expressed in, or implied by, any such forward-looking statements. Factors that could cause or contribute to such material differences include the possibility that the demand for our services may decline as a result of changes in general and industry specific economic conditions, the timing of engagements for our services, the effects of competitive services and pricing, the absence of backlog related to our business, our ability to attract and retain key employees, the effect of tort reform and government regulation on our business and liabilities resulting from claims made against us. Additional risks and uncertainties are discussed in our 2025 Annual Report under the heading “Risk Factors” and elsewhere in this report. The inclusion of such forward-looking information should not be regarded as a representation by the Company or any other person that the future events, plans, or expectations we contemplated will be achieved. Due to such uncertainties and risks, you are warned not to place undue reliance on such forward-looking statements, which speak only as of the date hereof. We do not intend to release publicly any updates or revisions to any such forward-looking statements.

Business Overview

Exponent, Inc. is an engineering and scientific consulting firm providing solutions to complex problems. Our interdisciplinary organization of scientists, engineers, and business consultants draws from more than 90 technical disciplines to solve the most pressing and complicated challenges facing stakeholders today. The firm leverages over 55 years of experience in analyzing accidents and failures to advise clients as they innovate their technologically complex products and processes, ensure the safety and health of their users, and address the challenges of sustainability.

CRITICAL ACCOUNTING ESTIMATES

There have been no significant changes in our critical accounting estimates during the three months ended April 3, 2026, as compared to the critical accounting estimates disclosed in Management’s Discussion and Analysis of Financial Condition and Results of Operations included in our 2025 Annual Report.

RESULTS OF CONSOLIDATED OPERATIONS

Executive Summary

Revenues for the first quarter of 2026 increased 14% to \$166,303,000 as compared to \$145,507,000 during the same period last year. Revenues before reimbursements for the first quarter of 2026 increased 10% to \$151,817,000 as compared to \$137,437,000 during the same period last year. Revenue growth was driven by proactive engagements, including user research studies for consumer electronics clients integrating artificial intelligence into their devices, as well as risk management work for utility clients evaluating asset performance under extreme weather conditions. Reactive engagements also contributed to our growth, with increased dispute-related and failure analysis demand across construction projects, energy facilities, and medical devices.

Net income increased 11% to \$29,569,000 during the first quarter of 2026 as compared to \$26,650,000 during the same period last year. Diluted earnings per share increased to \$0.59 per share during the first quarter of 2026 as compared to \$0.52 during the same period last year. During the first quarter of 2026, we realized a negative tax impact associated with stock-based awards of \$896,000 as compared to a negative tax impact of \$469,000 during the same period last year. The change in the tax impact associated with stock-based awards was due to the change in the difference of the value of our common stock between the grant date and the release date for the restricted stock units released during the first quarter of 2026 as compared to the first quarter of 2025.

We remain focused on building our world-class engineering and scientific team to position us at the forefront of innovation and meet the ever-changing needs of our clients and the market. We also remain focused on capitalizing on emerging growth areas, managing other operating expenses, generating cash from operations, maintaining a strong balance sheet and undertaking activities such as share repurchases and dividends to enhance stockholder value.

Overview of the Three Months Ended April 3, 2026

During the first quarter of 2026, billable hours increased 6% to 399,000 as compared to 376,000 during the same period last year. Our utilization increased 1% to 76% as compared to 75% during the same period last year. Technical full-time equivalent employees increased 5% to 1,013 during the first quarter of 2026 as compared to 966 during the same period last year.

Three Months Ended April 3, 2026 compared to Three Months Ended April 4, 2025

Revenues

(in thousands, except percentages)	Three Months Ended		Percent Change
	April 3, 2026	April 4, 2025	
Engineering and Other Scientific	\$ 141,412	\$ 122,135	15.8%
Percentage of total revenues	85.0%	83.9%	
Environmental and Health	24,891	23,372	6.5%
Percentage of total revenues	15.0%	16.1%	
Total revenues	\$ 166,303	\$ 145,507	14.3%

The increase in revenues for our Engineering and Other Scientific segment was due to an increase in billable hours and an increase in billing rates. Growth during the quarter was primarily driven by user research studies in consumer electronics and risk management in the utilities sector, along with reactive engagements in the energy and life sciences sectors. During the first quarter of 2026, billable hours for this segment increased by 9% to 327,000 as compared to 300,000 during the same period last year. Utilization for this segment increased to 77% during the first quarter of 2026 as compared to 76% during the same period last year. Technical full-time equivalent employees in this segment increased 7% to 814 during the first quarter of 2026 as compared to 762 for the same period last year.

The increase in revenues for our Environmental and Health segment was due to an increase in billing rates partially offset by a decrease in billable hours. Growth in this segment was primarily driven by regulatory consulting in the chemical industry. During the first quarter of 2026, billable hours for this segment decreased by 5% to 72,000 as compared to 76,000 during the same period last year. Utilization in this segment decreased to 69% during the first quarter of 2026 as compared to 72% during the same period last year. Technical full-time equivalent employees in this segment decreased 2% to 199 during the first quarter of 2026 as compared to 204 during the same period last year.

Compensation and Related Expenses

(in thousands, except percentages)	Three Months Ended		Percent Change
	April 3, 2026	April 4, 2025	
Compensation and related expenses	\$ 91,409	\$ 75,903	20.4%
Percentage of total revenues	55.0%	52.2%	

The increase in compensation and related expenses during the first quarter of 2026 was due to an increase in payroll, an increase in bonuses and the change in the value of assets associated with our deferred compensation plan. During the first quarter of 2026, payroll expense increased by \$4,158,000 due to an increase in technical full-time equivalent employees and the impact of annual salary increases. During the first quarter of 2026, bonus expense increased by \$2,938,000 due to a corresponding increase in our bonus pool which is 33% of income before income taxes, interest income, bonus expense, and stock-based compensation. During the first quarter of 2026, deferred compensation expense increased by \$8,198,000 with a corresponding increase to other income, net, as compared to the same period last year, due to the change in value of assets associated with our deferred compensation plan. During the first quarter of 2026, the value of plan assets decreased by \$1,138,000 as compared to a decrease of \$9,336,000 during the same period last year.

Other Operating Expenses

(in thousands, except percentages)	Three Months Ended		Percent Change
	April 3, 2026	April 4, 2025	
Other operating expenses	\$ 12,825	\$ 12,095	6.0%
Percentage of total revenues	7.7%	8.3%	

Other operating expenses include facilities-related costs, technical materials, computer-related expenses and depreciation and amortization of property, equipment and leasehold improvements. The increase in other operating expenses during the first quarter of 2026 was primarily due to an increase in occupancy expense of \$388,000 and an increase in computer-related expenses of \$255,000. The increase in occupancy expense was due to an increase in facility repairs and maintenance. The increase in computer-related expenses was due to continued investments in our corporate infrastructure. We expect other operating expenses to grow as we selectively add new talent and make investments in our corporate infrastructure.

Reimbursable Expenses

(in thousands, except percentages)	Three Months Ended		Percent Change
	April 3, 2026	April 4, 2025	
Reimbursable expenses	\$ 14,486	\$ 8,070	79.5%
Percentage of total revenues	8.7%	5.5%	

The amount of reimbursable expenses will vary from quarter to quarter depending on the nature of our projects. The increase in reimbursable expenses was due to an increase in reimbursable expenses associated with user research projects.

General and Administrative Expenses

(in thousands, except percentages)	Three Months Ended		Percent Change
	April 3, 2026	April 4, 2025	
General and administrative expenses	\$ 6,204	\$ 5,007	23.9%
Percentage of total revenues	3.7%	3.4%	

The increase in general and administrative expenses was primarily due to an increase in travel and meals of \$548,000 and several other individually insignificant increases. The increase in travel and meals was due to an increase in client and business development activities and an increase in recruiting-related activities associated with the increase in technical full-time equivalent employees. We expect general and administrative expenses to increase as we selectively add new talent and expand our business development and staff development initiatives.

Operating Income

(In thousands)	Three Months Ended		Percent Change
	April 3, 2026	April 4, 2025	
Engineering and Other Scientific	\$ 50,415	\$ 45,113	11.8%
Environmental and Health	8,385	8,698	-3.6%
Total segment operating income	58,800	53,811	9.3%
Corporate operating expense	(17,421)	(9,379)	85.7%
Total operating income	\$ 41,379	\$ 44,432	-6.9%

The increase in operating income for our Engineering and Other Scientific segment during the first quarter of 2026 as compared to the same period last year was due to an increase in net revenues and an increase in utilization. The decrease in operating income for our Environmental and Health segment during the first quarter of 2026 was due to a decrease in utilization.

Certain operating expenses are excluded from our measure of segment operating income. These expenses include the costs associated with our human resources, finance, information technology, corporate, and business development groups; the deferred compensation expense/benefit due to the change in value of assets associated with our deferred compensation plan; stock-based compensation associated with restricted stock unit and stock option awards; and the change in our allowance for contract losses and doubtful accounts.

The increase in corporate operating expenses was due to the change in value of assets associated with our deferred compensation plan. During the first quarter of 2026, deferred compensation expense increased by \$8,198,000 with a corresponding increase to other income, net, as compared to the same period last year, due to the change in value of assets associated with our deferred compensation plan. During the first quarter of 2026, the value of plan assets decreased by \$1,138,000 as compared to a decrease of \$9,336,000 during the same period last year.

Other Income, Net

(in thousands, except percentages)	Three Months Ended		Percent Change
	April 3, 2026	April 4, 2025	
Other income / (loss), net	\$ 960	\$ (6,672)	-114.4%
Percentage of total revenues	0.6%	-4.6%	

Other income, net, consists primarily of changes in the value of assets associated with our deferred compensation plan, interest income earned on available cash, cash equivalents and short-term investments, and rental income from leasing space in our Silicon Valley and Natick facilities. The increase in other income, net, was primarily due to the change in value of assets associated with our deferred compensation plan partially offset by a decrease in interest income. During the first quarter of 2026, other income, net, increased by \$8,198,000 with a corresponding increase to deferred compensation expense as compared to the same period last year, due to the change in value of assets associated with our deferred compensation plan. During the first quarter of 2026, the value of plan assets decreased by \$1,138,000 as compared to a decrease of \$9,336,000 during the same period last year. During the first quarter of 2026 interest income decreased by \$996,000 due to a decrease in interest rates and lower average cash equivalent balances.

Income Taxes

(in thousands, except percentages)	Three Months Ended		Percent Change
	April 3, 2026	April 4, 2025	
Income taxes	\$ 12,770	\$ 11,110	14.9%
Percentage of total revenues	7.7%	7.6%	
Effective tax rate	30.2%	29.4%	

During the first quarter of 2026, we realized a negative tax impact associated with stock-based awards of \$896,000 as compared to a negative tax impact of \$469,000 during the same period last year. The change in the tax impact associated with stock-based awards was due to the change in the difference of the value of our common stock between the grant date and the release date for the restricted stock units released during the first quarter of 2026 as compared to the first quarter of 2025. Excluding the negative tax impact, our consolidated tax rate was 28.0% in the first quarter of 2026, as compared to 28.2% for the same period in 2025.

LIQUIDITY AND CAPITAL RESOURCES

We believe our existing balances of cash, cash equivalents, short-term investments and cash generated from operations will be sufficient to satisfy our working capital needs, capital expenditures, outstanding commitments, stock repurchases, dividends and other liquidity requirements over at least the next 12 months.

(in thousands)	Three Months Ended	
	April 3, 2026	April 4, 2025
Net cash (used in) provided by operating activities	\$ (975)	\$ 7,274
Net cash used in investing activities	(2,453)	(1,754)
Net cash used in financing activities	(99,680)	(20,049)

We financed our business during the first three months of 2026 through available cash. As of April 3, 2026, our cash and cash equivalents were \$118,553,000 as compared to \$221,930,000 at January 2, 2026.

Generally, our net cash provided by operating activities is used to fund our day to day operating activities. First quarter operating cash requirements are generally higher due to payment in the first quarter of our annual bonuses accrued during the prior year. Our largest source of operating cash flows is collections from our clients. Our primary uses of cash from operating activities are for employee related expenditures, leased facilities, taxes, and general operating expenses.

The increase in net cash used in investing activities during the first three months of 2026, as compared to the same period last year, was due to an increase in capital expenditures. The increase in capital expenditures was due to an increase in investment in our corporate infrastructure.

The increase in net cash used in financing activities during the first three months of 2026, as compared to the same period last year, was primarily due to an increase in repurchases of our common stock.

We lease office, laboratory, and storage space in 12 states and the District of Columbia, as well as in China, Hong Kong, Switzerland, and the United Kingdom under non-cancellable operating lease arrangements that expire at various dates through 2033. On June 19, 2024, we entered into an agreement with the State of Arizona to extend our land lease for 15 years beginning on January 17, 2028. We are currently obligated to make payments under the lease of \$1,009,000 per year, which obligation will continue at that level until January 16, 2028. Beginning on January 17, 2028, our payments under the lease will increase to approximately \$6,183,000 per year for the 15-year extension term with adjustments to the annual rent payment in 2033 and 2038 based on the consumer price index.

We expect to continue our investing activities, including capital expenditures. Furthermore, cash reserves may be used to repurchase common stock under our stock repurchase programs, pay dividends, procure facilities and equipment or strategically acquire professional service firms that are complementary to our business.

We maintain nonqualified deferred compensation plans for the benefit of a select group of highly compensated employees. Vested amounts due under the plans of \$128,212,000 were recorded as a long-term liability on our unaudited condensed consolidated balance sheet at April 3, 2026. Vested amounts due under the plans of \$18,272,000 were recorded as a current liability on our unaudited condensed consolidated balance sheet at April 3, 2026. Company assets that are designated to fund the benefits under the plans are held in a rabbi trust and are subject to the claims of our creditors. As of April 3, 2026, invested amounts under the plans of \$126,511,000 were recorded as a non-current asset on our unaudited condensed consolidated balance sheet. As of April 3, 2026, invested amounts under the plans of \$17,697,000 were recorded as other current assets on our unaudited condensed consolidated balance sheet.

As permitted under Delaware law, we have agreements whereby we indemnify our officers and directors for certain events or occurrences while the officer or director is, or was serving, at our request in such capacity. The indemnification period covers all pertinent events and occurrences during the officer's or director's lifetime. The maximum potential amount of future payments we could be required to make under these indemnification agreements is unlimited; however, we have director and officer insurance coverage that reduces our exposure and enables us to recover a portion of any future amounts paid. We believe the estimated fair value of these indemnification agreements in excess of applicable insurance coverage is minimal.

Non-GAAP Financial Measures

Regulation G, Conditions for Use of Non-Generally Accepted Accounting Principles ("Non-GAAP") Financial Measures, and other U.S. Securities and Exchange Commission ("SEC") rules and regulations define and prescribe the conditions for use of Non-GAAP financial information. 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. We closely monitor two financial measures, EBITDA and EBITDAS, which meet the definition of Non-GAAP financial measures. We define EBITDA as net income before income taxes, net interest income, depreciation and amortization. We define EBITDAS as EBITDA before stock-based compensation. The Company regards EBITDA and EBITDAS as useful measures of operating performance 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. These measures are used to evaluate our financial results, develop budgets and determine employee compensation. These measures, however, should be considered in addition to, and not as a substitute for or superior to, operating income, cash flows, or other measures of financial performance prepared in accordance with GAAP. A reconciliation of the Non-GAAP measures to the nearest comparable GAAP measure is set forth below.

The following table is a reconciliation of EBITDA and EBITDAS to the most comparable GAAP measure, net income, for the three months ended April 3, 2026 and April 4, 2025:

(in thousands)	Three Months Ended	
	April 3, 2026	April 4, 2025
Net income	\$ 29,569	\$ 26,650
Add back (subtract):		
Income taxes	12,770	11,110
Interest income, net	(1,718)	(2,714)
Depreciation and amortization	2,515	2,492
EBITDA	43,136	37,538
Stock-based compensation	9,058	8,179
EBITDAS	\$ 52,194	\$ 45,717

The following table shows EBITDA (determined as shown in the reconciliation table above) as a percentage of revenues before reimbursements for the three months ended April 3, 2026 and April 4, 2025:

(in thousands, except percentages)	Three Months Ended	
	April 3, 2026	April 4, 2025
Revenues before reimbursements	\$ 151,817	\$ 137,437
EBITDA	\$ 43,136	\$ 37,538
EBITDA as a % of revenues before reimbursements	28.4%	27.3%

The increase in EBITDA as a percentage of revenues before reimbursements, during the first quarter of 2026 as compared to the same period last year, was primarily due to an increase in net revenues and an increase in utilization.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

We are exposed to interest rate risk associated with our balances of cash and cash equivalents. We manage our interest rate risk by maintaining an investment portfolio primarily consisting of debt instruments with high credit quality and relatively short average effective maturities in accordance with our investment policy. The maximum effective maturity of any issue in our portfolio is three years and the maximum average effective maturity of the portfolio cannot exceed 12 months. If interest rates were to instantaneously increase or decrease by 100 basis points, the change in the fair market value of our portfolio of cash equivalents would not have a material impact on our financial statements. We do not use derivative financial instruments in our portfolio. There have not been any material changes during the period covered by this Quarterly Report on Form 10-Q to our interest rate risk exposures, or how these exposures are managed. Notwithstanding our efforts to manage interest rate risk, there can be no assurances that we will be adequately protected against the risks associated with interest rate fluctuations.

We have foreign currency risk related to our revenues and expenses denominated in currencies other than the U.S. dollar, primarily the British Pound, the Euro, the Chinese Yuan, the Hong Kong Dollar, and the Singapore Dollar. Accordingly, changes in exchange rates may negatively affect the revenues and net income of our foreign subsidiaries as expressed in U.S. dollars.

At April 3, 2026, we had net assets of approximately \$16.4 million with a functional currency of the British Pound, net assets of approximately \$3.8 million with a functional currency of the Hong Kong Dollar, net assets of approximately \$2.5 million with a functional currency of the Chinese Yuan, and net assets of approximately \$1.8 million with a functional currency of the Singapore Dollar associated with our operations in the United Kingdom, Hong Kong, China and Singapore, respectively.

We also have foreign currency risk related to foreign currency transactions and monetary assets and liabilities denominated in currencies that are not the functional currency. We have experienced and will continue to experience fluctuations in our net income as a result of gains (losses) on these foreign currency transactions and the remeasurement of monetary assets and liabilities. At April 3, 2026, we had net assets denominated in the non-functional currency of approximately \$5.9 million.

We do not use foreign exchange contracts to hedge any foreign currency exposures. To date, the impacts of foreign currency exchange rate changes on our consolidated revenues and consolidated net income have not been significant. However, our continued international growth increases our exposure to exchange rate fluctuations and as a result such fluctuations could have a significant impact on our future results of operations.

Item 4. Controls and Procedures

(a) Evaluation of Disclosure Controls and Procedures

As required by Rule 13a-15(b) of the Securities Exchange Act of 1934, as amended, an evaluation was performed under the supervision and with the participation of the Company's management, including the Chief Executive Officer and the Chief Financial Officer, of the effectiveness of the design and operation of the Company's disclosure controls and procedures (as defined in Rules 13a-15(e) or 15d-15(e) of the Securities Exchange Act of 1934, as amended) as of the end of the period covered by this quarterly report. Based on that evaluation, the Company's management, including the Chief Executive Officer and the Chief Financial Officer, concluded that, as of April 3, 2026, the Company's disclosure controls and procedures were effective.

We review and evaluate the design and effectiveness of our disclosure controls and procedures on an ongoing basis, to improve our controls and procedures over time and to correct any deficiencies that we may discover in the future. Our goal is to ensure that our senior management has timely access to all material financial and non-financial information concerning our business. While we believe the present design of our disclosure controls and procedures is effective to achieve our goal, future events affecting our business may cause us to significantly modify our disclosure controls and procedures.

(b) Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting during the three-month period ended April 3, 2026 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II - OTHER INFORMATION

Item 1. Legal Proceedings

The Company is not engaged in any material legal proceedings.

Item 1A. Risk Factors

There have been no material changes from risk factors as previously discussed under the heading “Risk Factors” in the Company’s 2025 Annual Report.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

The following table provides information on the Company’s repurchases of the Company’s common stock for the three months ended April 3, 2026:

(In thousands, except price per share)	Total Number of Shares Purchased	Average Price Paid Per Share	Total Number of Shares Purchased as Part of Publicly Announced Programs	Approximate Dollar Value of Shares That May Yet Be Purchased Under the Programs (1)
January 3 to January 30	-	\$ -	-	\$ 96,483
January 31 to February 27	611	69.10	611	54,229
February 28 to April 3	545	66.95	545	17,721
Total	<u>1,156</u>	<u>\$ 68.09</u>	<u>1,156</u>	<u>\$ 17,721</u>

(1) Repurchases of the Company’s common stock were made pursuant to a repurchase program authorized by the Company’s Board of Directors. On October 30, 2025, the Company’s Board of Directors announced approval of \$100,000,000 for the repurchase of the Company’s common stock. The Company’s repurchase authorization has no expiration date.

Item 3. Defaults Upon Senior Securities

Not applicable.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

Rule 10b5-1 Plans. None of the Company’s directors or officers adopted, modified, or terminated a Rule 10b5-1 trading arrangement or a non-Rule 10b5-1 trading arrangement during the Company’s fiscal quarter ended April 3, 2026.

Item 6. Exhibits

(a) Exhibit Index

31.1	<u>Certification of Chief Executive Officer pursuant to Rule 13a – 14(a) under the Securities Exchange Act of 1934.</u>
31.2	<u>Certification of Chief Financial Officer pursuant to Rule 13a – 14(a) under the Securities Exchange Act of 1934.</u>
32.1	<u>Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350.</u>
32.2	<u>Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350.</u>
101.INS	Inline XBRL Instance Document – the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
101.SCH	Inline XBRL Taxonomy Extension Schema Document
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document
Exhibit 104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

EXPONENT, INC.

(Registrant)

Date: May 8, 2026

/s/ Catherine Ford Corrigan

Catherine Ford Corrigan, Ph.D., Chief Executive Officer

/s/ Eric Anderson

Eric Anderson, Chief Financial Officer

CERTIFICATION

I, Catherine Ford Corrigan, Ph.D., certify that:

1. I have reviewed this quarterly report on Form 10-Q of Exponent, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent function):
 - (a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 8, 2026

/s/ Catherine Ford Corrigan

Catherine Ford Corrigan, Ph.D.
Chief Executive Officer

CERTIFICATION

I, Eric Anderson, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Exponent, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent function):
 - (a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 8, 2026

/s/ Eric Anderson
Eric Anderson
Chief Financial Officer

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Exponent, Inc. (the "Company") on Form 10-Q for the fiscal period ending April 3, 2026 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Catherine Ford Corrigan, Ph.D., Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

May 8, 2026

/s/ Catherine Ford Corrigan
Catherine Ford Corrigan, Ph.D.
Chief Executive Officer

The foregoing certification is being furnished solely pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, and will not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act") or otherwise subject to the liability of that section. Such certification will not be deemed incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Exchange Act, except to the extent that the Company specifically incorporates it by reference.

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Exponent, Inc. (the "Company") on Form 10-Q for the fiscal period ending April 3, 2026 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Eric Anderson, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

May 8, 2026

/s/ Eric Anderson

Eric Anderson
Chief Financial Officer

The foregoing certification is being furnished solely pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, and will not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act") or otherwise subject to the liability of that section. Such certification will not be deemed incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Exchange Act, except to the extent that the Company specifically incorporates it by reference.
