

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

**FORM 8-K**

**CURRENT REPORT**

**Pursuant to Section 13 or 15(d)  
of the Securities Exchange Act of 1934**

**Date of Report (Date of earliest event reported): April 25, 2024**

**EXPONENT, INC.**

(Exact name of registrant as specified in its charter)

**Delaware**

(State or Other Jurisdiction of Incorporation)

**0-18655**

(Commission File Number)

**77-0218904**

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

**149 Commonwealth Drive  
Menlo Park, California 94025**

(Address of Principal Executive Offices) (Zip Code)

**(650) 326-9400**

(Registrant's telephone number, including area code)

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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

| Title of each class                       | Trading Symbol(s) | 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 is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

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.

**Item 2.02. Results of Operations and Financial Condition.**

On April 25, 2024, Exponent, Inc. issued a press release announcing its financial results for the first quarter ended March 29, 2024. The press release is attached hereto as Exhibit 99.1 and incorporated by reference.

**Item 7.01. Regulation FD Disclosure.**

On April 25, 2024, Exponent, Inc. announced that its Board of Directors has declared a quarterly cash dividend of \$0.28 per share to be paid on June 21, 2024 to all common stockholders of record as of June 7, 2024. A copy of the press release announcing the dividend is attached hereto as Exhibit 99.2 and is incorporated herein by reference.

**Item 9.01. Financial Statements and Exhibits.**

[99.1](#) [Press Release dated April 25, 2024](#)

[99.2](#) [Press Release dated April 25, 2024](#)

104 Cover Page Interactive Data File (embedded within the Inline XBRL document)

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**SIGNATURE**

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 hereunto duly authorized.

**Exponent, Inc.**

Date: April 25, 2024

By: /s/ Richard L. Schlenker

Richard L. Schlenker

Executive Vice President, Chief Financial Officer, and Corporate Secretary

## Exponent Reports First Quarter 2024 Financial Results

MENLO PARK, Calif., April 25, 2024 (GLOBE NEWSWIRE) -- Exponent, Inc. (Nasdaq: EXPO) today reported financial results for the first quarter of fiscal year 2024 ended March 29, 2024.

“Exponent delivered better than expected results in the first quarter, as we grew revenues before reimbursements 7% and expanded earnings per share year over year. This is a testament to our highly diversified portfolio and the merits of our premium service offerings to multiple industries,” commented Dr. Catherine Corrigan, President and Chief Executive Officer. “We continued to deepen our roots in reactive work, which grew in the mid-teens, driven by robust failure analysis and dispute-related work across a wide spectrum of industries. From wind farms to life saving medical devices, clients around the world increasingly rely on Exponent’s unrivaled failure analysis expertise to provide critical, real-time insights on regulatory and safety related decisions.

“Exponent’s team of experts continues to advise clients on critical needs throughout the product lifecycle. Our proactive business, excluding consumer electronics which continues to experience cyclical impacts, increased year over year driven by strength in the transportation, utilities and chemical sectors.

“The increasing global attention on safety, health, and environmental concerns coupled with the complexity and pace of innovation continues to drive greater demand for our expertise,” continued Dr. Corrigan. “Exponent remains well positioned to serve our clients and deliver mission-critical insights for the present while paving the way for future innovations.”

### First Quarter Financial Results

Total revenues and revenues before reimbursements for the first quarter of 2024 increased 3.3% to \$144.9 million and 6.6% to \$137.2 million, respectively, as compared to \$140.3 million and \$128.7 million in the first quarter of 2023, respectively.

Net income increased to \$30.1 million, or \$0.59 per diluted share, in the first quarter of 2024, as compared to \$29.1 million, or \$0.56 per diluted share, in the same period of 2023. The tax benefit for the classification of tax adjustments associated with share-based awards realized in the first quarter of 2024 was \$0.9 million, or \$0.02 per diluted share, as compared to \$3.6 million, or \$0.07, in the first quarter of 2023. Including the tax benefit, Exponent’s consolidated tax rate was 25.4% in the first quarter of 2024, as compared to 18.0% for the same period in 2023.

EBITDA<sup>1</sup> increased to \$40.1 million, or 29.2% of net revenues, in the first quarter of 2024, as compared to \$35.8 million, or 27.8% of net revenues in the first quarter of 2023.

In a separate press release today, Exponent announced its quarterly cash dividend of \$0.28 to be paid on June 21, 2024, and reiterated its intent to continue to pay quarterly dividends. During the first quarter of 2024, Exponent paid \$15.6 million in dividends and closed the period with \$168.7 million in cash and cash equivalents.

### Business Overview

Exponent’s engineering and other scientific segment represented 84% of the Company’s revenues before reimbursements in the first quarter of 2024. What started as a slow quarter in January transitioned to a surge in demand for reactive services as the quarter progressed, driving a better-than-expected 8% increase in revenues before reimbursements in this segment. The uptick during the quarter was driven by dispute and recall-related work across the energy, vehicle, and medical device sectors.

Exponent’s environmental and health segment represented 16% of the Company’s revenues before reimbursements in the first quarter. Revenues before reimbursements in this segment increased 1% in the first quarter, compared to the same period in the prior year. Work in this segment was primarily driven by Exponent’s regulatory consulting in the chemical industry.

### Business Outlook

“Strong business activity for our reactive service offerings and our successful efforts to align resources with demand resulted in 75% utilization in the quarter and a significant increase in EBITDA margin. We will continue to strategically manage headcount and balance utilization based on market demand to position Exponent for long-term success,” commented Richard Schlenker, Executive Vice President and Chief Financial Officer.

For the second quarter of 2024, as compared to the same period one year prior, Exponent anticipates:

- Revenues before reimbursements to be flat to up in the low-single digits; and,
- EBITDA<sup>1</sup> to be 27.25% to 28.25% of revenues before reimbursements.

For the fiscal year 2024 we are increasing our revenue and margin guidance. Exponent anticipates:

- Revenues before reimbursements to grow in the low-single digits; and,
- EBITDA<sup>1</sup> to be 26.25% to 27.0% of revenues before reimbursements.

“Our core market dynamics and enduring value proposition stand firm. In an era where innovation leads to continuous disruption and safety expectations constantly evolve, the ramifications of missteps only intensify, heightening the significance of our insights. Through strategic measures to align our resources with demand, we continue to fortify our competitive advantage and are primed to drive sustainable, long-term growth,” concluded Dr. Corrigan.

### Today's Conference Call Information

Exponent will discuss its financial results in more detail on a conference call today, Thursday, April 25, 2024, starting at 4:30 p.m. Eastern Time / 1:30 p.m.

Pacific Time. The audio of the conference call is available by dialing (844) 481-2781 or (412) 317-0672. A live webcast of the call will be available on the Investor Relations section of the Company's website at [www.exponent.com/investors](http://www.exponent.com/investors). For those unable to listen to the live webcast, a replay of the call will also be available on the Exponent website, or by dialing (877) 344-7529 or (412) 317-0088 and entering passcode 9671556#.

### Use of non-GAAP Financial Measures <sup>1</sup>

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.

Exponent has provided its outlook regarding EBITDA as a percentage of revenues before reimbursements. The Company has not reconciled this non-GAAP financial measure to the corresponding GAAP financial measure because guidance for the various reconciling items is not provided and the Company is unable to estimate with reasonable certainty the effect of these items without unreasonable effort. For example, the Company is unable to estimate with reasonable certainty the impact of equity awards on Exponent's taxes without unreasonable effort. These items are uncertain, depend on various factors, and may have a material effect on Exponent's results computed in accordance with GAAP. A reconciliation between the historical GAAP and non-GAAP financial measures presented in this release is provided in the financial tables at the end of this release.

### About Exponent

Exponent brings together 90+ technical disciplines and 950+ consultants to help our clients navigate the increasing complexity of more than a dozen industries, connecting decades of pioneering work in failure analysis to develop solutions for a safer, healthier, more sustainable world.

Exponent's consultants deliver the highest value by leveraging multidisciplinary expertise and resources from across Exponent's offices in North America, Asia, and Europe. Exponent's consultants, laboratories, databases, and computing resources work seamlessly together around the globe, enabling us to produce the breakthrough insights needed to help multinational companies, startups, law firms, insurance companies, governments, and society respond to incidents and push their products and processes forward.

Exponent may be reached at (888) 656-EXPO, [info@exponent.com](mailto:info@exponent.com), or [www.exponent.com](http://www.exponent.com).

### Forward Looking Statements

This news release contains, and incorporates by reference, 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 the Company's management, as well as assumptions made by and information currently available to the Company's management. When used in this document and in the documents incorporated herein by reference, the words "intend," "anticipate," "believe," "estimate," "expect" and similar expressions, as they relate to the Company or its management, identify such forward-looking statements. Such statements reflect the current views of the Company or its 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, the Company's 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 generally applicable 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 Annual Report on Form 10-K under the heading "Risk Factors" and elsewhere in the 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 contemplated by the Company will be achieved. The Company undertakes no obligation to release publicly any updates or revisions to any such forward-looking statements.

Source: Exponent, Inc.

**EXPONENT, INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF INCOME**  
**For the Quarters Ended March 29, 2024 and March 31, 2023**  
**(unaudited)**  
**(in thousands, except per share data)**

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| <b>Quarters Ended</b>     |                           |
|---------------------------|---------------------------|
| <b>March 29,<br/>2024</b> | <b>March 31,<br/>2023</b> |

### Revenues

|  |    |                |    |                |
|--|----|----------------|----|----------------|
| Revenues before reimbursements                       | \$ | 137,207        | \$ | 128,705        |
| Reimbursements                                       |    | <u>7,726</u>   |    | <u>11,604</u>  |
| Revenues   |    | <u>144,933</u> |    | <u>140,309</u> |
| <b><u>Operating expenses</u></b>                     |    |                |    |                |
| Compensation and related expenses                    |    | 90,327         |    | 84,181         |
| Other operating expenses                             |    | 10,531         |    | 9,561          |
| Reimbursable expenses                                |    | 7,726          |    | 11,604         |
| General and administrative expenses                  |    | 5,636          |    | 5,843          |
| Total operating expenses                             |    | <u>114,220</u> |    | <u>111,189</u> |
| Operating income                                     |    | 30,713         |    | 29,120         |
| <b><u>Other income</u></b>                           |    |                |    |                |
| Interest income, net                                 |    | 2,626          |    | 1,770          |
| Miscellaneous income, net                            |    | 7,084          |    | 4,648          |
|  |    | <u>9,710</u>   |    | <u>6,418</u>   |
| Income before income taxes                           |    | 40,423         |    | 35,538         |
| <b>Income taxes</b>                                  |    | <u>10,281</u>  |    | <u>6,414</u>   |
| Net income   | \$ | <u>30,142</u>  | \$ | <u>29,124</u>  |
| <b><u>Net income per share:</u></b>                  |    |                |    |                |
| Basic  | \$ | 0.59           | \$ | 0.57           |
| Diluted  | \$ | 0.59           | \$ | 0.56           |
| <b><u>Shares used in per share computations:</u></b> |    |                |    |                |
| Basic  |    | 51,006         |    | 51,132         |
| Diluted  |    | 51,419         |    | 51,682         |

**EXPONENT, INC.**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**  
**March 29, 2024 and December 29, 2023**  
**(unaudited)**  
**(in thousands)**

|   | <u>March 29,<br/>2024</u> | <u>December 29,<br/>2023</u> |
|---|---------------------------|------------------------------|
| <b>Assets</b>                                       |                           |                              |
| Current assets:                                     |                           |                              |
| Cash and cash equivalents                           | \$ 168,665                | \$ 187,150                   |
| Accounts receivable, net                            | 162,885                   | 167,360                      |
| Prepaid expenses and other assets                   | <u>20,773</u>             | <u>25,022</u>                |
| Total current assets                                | 352,323                   | 379,532                      |
| Property, equipment and leasehold improvements, net | 74,503                    | 75,318                       |
| Operating lease right-of-use asset                  | 24,145                    | 24,600                       |

|   |                   |                   |
|---|-------------------|-------------------|
| Goodwill                                    | 8,607             | 8,607             |
| Other assets                                | 169,827           | 158,720           |
| Total assets                                | <u>\$ 629,405</u> | <u>\$ 646,777</u> |
| <b>Liabilities and Stockholders' Equity</b> |                   |                   |
| Current liabilities:                        |                   |                   |
| Accounts payable and accrued liabilities    | \$ 23,926         | \$ 22,125         |
| Accrued payroll and employee benefits       | 68,285            | 111,773           |
| Deferred revenues                           | 16,106            | 21,709            |
| Operating lease liability                   | 5,814             | 6,302             |
| Total current liabilities                   | <u>114,131</u>    | <u>161,909</u>    |
| Other liabilities                           | 119,585           | 106,824           |
| Operating lease liability                   | 21,378            | 21,959            |
| Total liabilities                           | <u>255,094</u>    | <u>290,692</u>    |
| Stockholders' equity:                       |                   |                   |
| Common stock                                | 66                | 66                |
| Additional paid-in capital                  | 335,014           | 321,448           |
| Accumulated other comprehensive loss        | (3,187)           | (2,977)           |
| Retained earnings                           | 588,570           | 574,082           |
| Treasury stock, at cost                     | (546,152)         | (536,534)         |
| Total stockholders' equity                  | <u>374,311</u>    | <u>356,085</u>    |
| Total liabilities & stockholders' equity    | <u>\$ 629,405</u> | <u>\$ 646,777</u> |

**EXPONENT, INC.**  
**EBITDA and EBITDAS (1)**  
**For the Quarters Ended March 29, 2024 and March 31, 2023**  
**(unaudited)**  
**(in thousands)**

|                               | <b>Quarters Ended</b>     |                           |
|-------------------------------|---------------------------|---------------------------|
|                               | <b>March 29,<br/>2024</b> | <b>March 31,<br/>2023</b> |
| Net Income                    | \$ 30,142                 | \$ 29,124                 |
| Add back (subtract):          |                           |                           |
| Income taxes                  | 10,281                    | 6,414                     |
| Interest income, net          | (2,626)                   | (1,770)                   |
| Depreciation and amortization | <u>2,324</u>              | <u>1,988</u>              |
| <b>EBITDA (1)</b>             | <u>40,121</u>             | <u>35,756</u>             |
| Stock-based compensation      | <u>7,340</u>              | <u>7,063</u>              |
| <b>EBITDAS (1)</b>            | <u>\$ 47,461</u>          | <u>\$ 42,819</u>          |

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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.

## Exponent Declares Regular Quarterly Dividend for Q2 2024

MENLO PARK, Calif., April 25, 2024 (GLOBE NEWSWIRE) -- Exponent, Inc. (Nasdaq: EXPO) today announced that its Board of Directors has declared a quarterly cash dividend of \$0.28 per share of common stock to be paid on June 21, 2024 to all common stockholders of record as of June 7, 2024.

Exponent has paid, and expects to continue to pay, quarterly dividends each year in March, June, September, and December. Future declarations of quarterly dividends and the establishment of future record and payment dates are subject to the final determination of Exponent's Board of Directors.

"We are pleased to announce our quarterly cash dividend as we follow through on our commitment to return value to our shareholders," commented Dr. Catherine Corrigan, President and Chief Executive Officer. "As industries evolve and complexities grow, Exponent is well-positioned to address these prospective challenges, enabling us to drive sustainable long-term growth."

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