

EXPONENT INC
Form 10-Q
November 04, 2011

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 September 30, 2011

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)

77-0218904
(I.R.S. Employer Identification No.)

149 COMMONWEALTH DRIVE, MENLO PARK, CALIFORNIA 94025
(Address of principal executive office) (Zip Code)

(650) 326-9400
(Registrant's telephone number, including area code)

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 and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted 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

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to submit and post such files).

Yes No

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

Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company
(Do not check if a smaller reporting company)

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 October 28, 2011, the latest practicable date, the registrant had 13,243,065 shares of Common Stock, \$0.001 par value per share, outstanding.

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PART I – FINANCIAL INFORMATION

Item 1. Financial Statements

EXPONENT, INC.

CONDENSED CONSOLIDATED BALANCE SHEETS

September 30, 2011 and December 31, 2010
(in thousands, except par value)
(unaudited)

	September 30, 2011	December 31, 2010
Assets		
Current assets:		
Cash and cash equivalents	\$ 65,245	\$ 106,549
Short-term investments	25,403	-
Accounts receivable, net of allowance for doubtful accounts of \$2,242 and \$2,126 at September 30, 2011 and December 31, 2010, respectively	72,571	72,034
Prepaid expenses and other assets	8,638	10,585
Deferred income taxes	6,947	5,426
Total current assets	178,804	194,594
Property, equipment and leasehold improvements, net	27,030	27,267
Goodwill	8,607	8,607
Deferred income taxes	14,964	12,940
Deferred compensation plan assets	17,878	15,068
Other assets	483	416
Total assets	\$ 247,766	\$ 258,892
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 7,427	\$ 9,715
Accrued payroll and employee benefits	37,230	41,888
Deferred revenues	4,784	6,131
Total current liabilities	49,441	57,734
Other liabilities	585	413
Deferred compensation	17,711	15,068
Deferred rent	1,867	1,877
Total liabilities	69,604	75,092
Stockholders' equity:		
Common stock, \$0.001 par value; 100,000 shares authorized; 16,427 shares issued at September 30, 2011 and December 31, 2010	16	16
Additional paid-in capital	107,074	96,089
Accumulated other comprehensive loss	(314)	(451)

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Retained earnings	172,460	156,086
Treasury stock, at cost; 3,160 and 2,431 shares held at September 30, 2011 and December 31, 2010, respectively	(101,074)	(67,940)
Total stockholders' equity	178,162	183,800
Total liabilities and stockholders' equity	\$ 247,766	\$ 258,892

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

EXPONENT, INC.

CONDENSED CONSOLIDATED STATEMENTS OF INCOME

For the Three and Nine Months Ended September 30, 2011 and October 1, 2010
(in thousands, except per share data)
(unaudited)

	Three Months Ended		Nine Months Ended	
	September 30,	October 1,	September 30,	October 1,
	2011	2010	2011	2010
Revenues:				
Revenues before reimbursements	\$61,387	\$56,906	\$186,143	\$167,235
Reimbursements	4,564	9,400	18,387	18,916
Revenues	65,951	66,306	204,530	186,151
Operating expenses:				
Compensation and related expenses	36,051	36,960	117,259	