

ESI - Non-GAAP Financials

Quarterly Trend

(\$000's)

	2011 Q1	2011 Q2	2011 Q3	2011 Q4	2012 Q1	2012 Q2	2012 Q3	2012 Q4	2013 Q1	2013 Q2	2013 Q3	2013 Q4
Bookings	64,059	70,157	77,876	72,516	98,939	40,632	45,425	70,343	74,067	34,989	26,321	44,108
Shipments	55,865	65,264	63,353	75,093	83,066	69,349	48,998	50,118	58,937	79,209	35,064	42,629
Backlog	48,831	53,803	68,112	65,535	81,408	52,690	49,415	69,056	84,455	40,236	31,493	32,841
Revenue	58,471	59,554	67,209	71,577	77,046	81,884	49,807	45,492	58,969	80,152	37,931	39,573
Gross Profit	22,044	26,584	30,569	31,993	34,345	36,491	21,752	19,359	24,206	34,282	15,123	16,711
Gross Margin	37.7%	44.6%	45.5%	44.7%	44.6%	44.6%	43.7%	42.6%	41.0%	42.8%	39.9%	42.2%
Research & Development	9,798	9,782	9,754	10,041	10,641	10,158	9,899	9,442	8,987	9,814	8,382	7,965
Selling, service and administrative	11,321	12,988	13,606	13,675	12,443	13,213	12,324	12,017	12,540	13,945	10,653	11,423
Total OPEX	21,119	22,770	23,360	23,716	23,085	23,371	22,222	21,459	21,527	23,759	19,035	19,388
OPEX %	36.1%	38.2%	34.8%	33.1%	30.0%	28.5%	44.6%	47.2%	36.5%	29.6%	50.2%	
Operating Income	925	3,813	7,208	8,278	11,261	13,120	(470)	(2,100)	2,679	10,523	(3,911)	(2,677)
Operating Income %	1.6%	6.4%	10.7%	11.6%	14.6%	16.0%	-0.9%	-4.6%	4.5%	13.1%	-10.3%	-6.8%
Other Income/(Expense)	58	187	(39)	(18)	(78)	(406)	47	59	(150)	91	(5)	317
Income Before Taxes	983	4,000	7,170	8,260	11,183	12,714	(423)	(2,040)	2,529	10,614	(3,916)	(2,360)
Tax Provision/(Benefit)	215	1,142	1,266	1,792	3,324	3,374	(927)	(186)	660	3,607	(2,445)	(1,380)
Tax Rate	21.9%	28.5%	17.7%	21.7%	29.7%	26.5%	219.0%	9.1%	26.1%	34.0%	62.4%	58.5%
Non-GAAP Net Income/(Loss)	768	2,858	5,904	6,467	7,859	9,340	504	(1,854)	1,868	7,007	(1,471)	(980)
Net Income %	1.3%	4.8%	8.8%	9.0%	10.2%	11.4%	1.0%	-4.1%	3.2%	8.7%	-3.9%	-2.5%
Non-GAAP EPS	0.03	0.10	0.21	0.22	0.27	0.32	0.02	(0.06)	0.06	0.23	(0.05)	(0.03)
Average Shares Outstanding	28,313	28,010	28,667	28,956	29,262	29,426	28,849	28,931	29,810	29,961	29,434	29,540
Operating Cash Flow	14,769	(1,877)	8,358	29,340	(10,868)	26,404	1,407	(2,631)	11,352	11,202	27,384	(10,427)
Headcount	597	627	638	648	684	683	655	627	651	679	655	599
Reconciliation to GAAP:												
Non-GAAP Net Income/(Loss)	768	2,858	5,904	6,467	7,859	9,340	504	(1,854)	1,868	7,007	(1,471)	(980)
Equity Compensation	(2,883)	(2,331)	(2,086)	(2,026)	(4,780)	(2,397)	(2,393)	(1,905)	(2,977)	(1,900)	(1,482)	(1,729)
Acquisition-Related Costs	(514)	(464)	(477)	(459)	(450)	(408)	(401)	(401)	(1,245)	(674)	(641)	(612)
Other One-Time Charges	889	(280)	(2,138)	682	2,120	(0)	(861)	(6,071)	-	(70)	15,432	(25,833)
Tax Effects	1,941	(394)	1,149	1,329	1,164	2,002	1,269	2,565	1,411	848	(5,070)	(36,597)
GAAP Net Income/(Loss)	201	(611)	2,351	5,993	5,913	8,536	(1,881)	(7,665)	(944)	5,211	6,768	(65,751)
EPS	0.01	(0.02)	0.08	0.21	0.20	0.29	(0.07)	(0.26)	0.03	0.17	0.23	(2.23)

ESI Fourth Quarter 2013 Results

Reconciliation of GAAP to Non-GAAP Results

(000's)

	GAAP	Adjustments			Non-GAAP
		Acquisitions	Share-based Compensation	Other	
Revenue	39,573				39,573
Cost of Sales	45,727	(489)	(263)	(22,112)	22,862
Gross Profit	(6,153)	489	263	22,112	16,711
Gross Margin	-15.5%				42.2%
Research & Development	8,405	(47)	(393)		7,965
Selling, service and administrative	13,578	(76)	(1,073)	(1,006)	11,423
Restructuring	2,612			(2,612)	-
Other	103			(103)	-
Total OPEX	24,698	(123)	(1,466)	(3,721)	19,388
OPEX %	62.4%				49.0%
Operating Income	(30,851)	612	1,729	25,833	(2,677)
Operating Income %	-78.0%				-6.8%
Other Income/(Expense)	317	-	-	-	317
Income Before Taxes	(30,534)	612	1,729	25,833	(2,360)
Tax Provision/(Benefit)	35,217				(1,380)
Tax Rate	-115.3%				58.5%
Non-GAAP Net Income/(Loss)	(65,751)				(980)
Net Income %	-166.2%				-2.5%
Non-GAAP EPS	(2.23)				(0.03)
Average Shares Outstanding	29,540				29,540