

ESI - Non-GAAP Financials

Quarterly Trend

(\$000's)

	2013 Q1	2013 Q2	2013 Q3	2013 Q4	2014 Q1	2014 Q2	2014 Q3	2014 Q4	2015 Q1	2015 Q2
Bookings	74,067	34,989	26,321	44,108	58,283	46,198	35,601	31,721	47,250	43,006
Shipments	58,937	79,209	35,064	42,629	46,952	56,854	37,448	42,347	37,481	46,991
Backlog	84,455	40,236	31,493	32,841	49,179	38,666	37,314	27,440	36,713	32,662
Revenue	58,969	80,152	37,931	39,573	46,172	59,647	38,267	37,080	35,030	42,856
Gross Profit	24,206	34,282	15,123	16,711	20,260	25,786	17,073	17,124	13,850	16,159
Gross Margin	41.0%	42.8%	39.9%	42.2%	43.9%	43.2%	44.6%	46.2%	39.5%	37.7%
Research & Development	8,987	9,814	8,382	7,965	8,022	9,293	9,372	9,821	8,801	8,097
Selling, service and administrative	12,540	13,945	10,653	11,423	11,776	12,775	11,217	12,437	12,192	12,271
Total OPEX	21,527	23,759	19,035	19,388	19,798	22,068	20,589	22,258	20,993	20,368
OPEX %	36.5%	29.6%	50.2%							
Operating Income	2,679	10,523	(3,911)	(2,677)	463	3,718	(3,516)	(5,134)	(7,143)	(4,209)
Operating Income %	4.5%	13.1%	-10.3%	-6.8%	1.0%	6.2%	-9.2%	-13.8%	-20.4%	-9.8%
Other Income/(Expense)	(150)	91	(5)	317	(60)	80	95	(2)	46	(244)
Income Before Taxes	2,529	10,614	(3,916)	(2,360)	403	3,798	(3,421)	(5,136)	(7,097)	(4,453)
Tax Provision/(Benefit)	660	3,607	(2,445)	(1,380)	48	1,160	(327)	(175)	253	399
Tax Rate	26.1%	34.0%	62.4%	58.5%	11.9%	30.5%	9.5%	3.4%	-3.6%	-9.0%
Non-GAAP Net Income/(Loss)	1,868	7,007	(1,471)	(980)	355	2,638	(3,094)	(4,961)	(7,350)	(4,851)
Net Income %	3.2%	8.7%	-3.9%	-2.5%	0.8%	4.4%	-8.1%	-13.4%	-21.0%	-11.3%
Non-GAAP EPS	0.06	0.23	(0.05)	(0.03)	0.01	0.09	(0.10)	(0.16)	(0.24)	(0.16)
Average Shares Outstanding	29,810	29,961	29,434	29,540	29,745	29,967	30,054	30,130	30,353	30,552
Operating Cash Flow	11,352	11,202	27,384	(10,427)	(8,700)	5,591	(781)	(15,243)	737	(3,838)
Headcount	617	679	655	579	623	626	631	633	618	634
Reconciliation to GAAP:										
Non-GAAP Net Income/(Loss)	1,868	7,007	(1,471)	(980)	355	2,638	(3,094)	(4,961)	(7,350)	(4,851)
Equity Compensation	(2,977)	(1,900)	(1,482)	(1,729)	(2,634)	(1,234)	(1,263)	(974)	(1,330)	(1,033)
Acquisition-Related Costs	(1,245)	(674)	(641)	(612)	(955)	(1,322)	(734)	(599)	(537)	(316)
Other One-Time Charges	-	(70)	15,432	(25,833)	5	(465)	919	(21,225)	-	-
Tax Effects	1,411	848	(5,070)	(36,597)	(53)	(2,395)	(468)	126	966	(43)
GAAP Net Income/(Loss)	(944)	5,211	6,768	(65,751)	(3,283)	(2,778)	(4,641)	(27,633)	(8,251)	(6,243)
EPS	0.03	0.17	0.23	(2.23)	(0.11)	(0.09)	(0.15)	(0.92)	(0.27)	(0.20)

ESI Second Quarter 2015 Results

Reconciliation of GAAP to Non-GAAP Results

(000's)

	GAAP	Adjustments			Non-GAAP
		Acquisitions	Share-based Compensation	Other	
Revenue	42,856				42,856
Cost of Sales	27,075	(226)	(152)		26,698
Gross Profit	15,781	226	152	-	16,159
Gross Margin	36.8%				37.7%
Research & Development	8,424	(47)	(280)		8,097
Selling, service and administrative	12,915	(43)	(601)		12,271
Total OPEX	21,339	(90)	(881)	-	20,368
OPEX %	49.8%				47.5%
Operating Income	(5,558)	316	1,033	-	(4,209)
Operating Income %	-13.0%				-9.8%
Other Income/(Expense)	(244)				(244)
Income Before Taxes	(5,802)	316	1,033	-	(4,453)
Tax Provision/(Benefit)	441				399
Tax Rate	-7.6%				-9.0%
Net Income/(Loss)	(6,243)				(4,851)
Net Income %	-14.6%				-11.3%
Non-GAAP EPS	(0.20)				(0.16)
Average Shares Outstanding	30,552				30,552