

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

## ESI First Quarter 2015 Results

### Reconciliation of GAAP to Non-GAAP Results

(000's)

	GAAP	Adjustments			Non-GAAP
		Acquisitions	Share-based Compensation	Other	
<b>Revenue</b>	<b>35,030</b>				<b>35,030</b>
Cost of Sales	12,795	(447)	(168)		21,179
<b>Gross Profit</b>	<b>13,235</b>	447	168	-	<b>13,850</b>
<b>Gross Margin</b>	<b>37.8%</b>				<b>39.5%</b>
Research & Development	9,145	(47)	(296)		8,801
Selling, service and administrative	13,100	(43)	(866)		12,192
<b>Total OPEX</b>	<b>22,245</b>	(90)	(1,162)	-	<b>20,993</b>
OPEX %	63.5%				59.9%
<b>Operating Income</b>	<b>(9,010)</b>	537	1,330	-	<b>(7,143)</b>
Operating Income %	-25.7%				-20.4%
Other Income/(Expense)	46				46
<b>Income Before Taxes</b>	<b>(8,964)</b>	537	1,330	-	<b>(7,097)</b>
Tax Provision/(Benefit)	(713)				253
Tax Rate	8.0%				-3.6%
<b>Net Income/(Loss)</b>	<b>(8,251)</b>				<b>(7,350)</b>
Net Income %	-23.6%				-21.0%
<b>Non-GAAP EPS</b>	<b>(0.27)</b>				<b>(0.24)</b>
Average Shares Outstanding	30,353				30,353