

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
Bookings	64,059	70,157	77,876	72,516	98,939	40,632	45,425	70,343	74,067
Shipments	55,865	65,264	63,353	75,093	83,066	69,349	48,998	50,118	58,937
Backlog	48,831	53,803	68,112	65,535	81,408	52,690	49,415	69,056	84,455
Revenue	58,471	59,554	67,209	71,577	77,046	81,884	49,807	45,492	58,969
Gross Profit	22,044	26,584	30,569	31,993	34,345	36,491	21,752	19,359	24,206
Gross Margin	37.7%	44.6%	45.5%	44.7%	44.6%	44.6%	43.7%	42.6%	41.0%
Research & Development	9,798	9,782	9,754	10,041	10,641	10,158	9,899	9,442	8,987
Selling, service and administrative	11,321	12,988	13,606	13,675	12,443	13,213	12,324	12,017	12,540
Total OPEX	21,119	22,770	23,360	23,716	23,085	23,371	22,222	21,459	21,527
OPEX %	36.1%	38.2%	34.8%	33.1%	30.0%	28.5%	44.6%	47.2%	36.5%
Operating Income	925	3,813	7,208	8,278	11,261	13,120	(470)	(2,100)	2,679
Operating Income %	1.6%	6.4%	10.7%	11.6%	14.6%	16.0%	-0.9%	-4.6%	4.5%
Other Income/(Expense)	58	187	(39)	(18)	(78)	(406)	47	59	(150)
Income Before Taxes	983	4,000	7,170	8,260	11,183	12,714	(423)	(2,040)	2,529
Tax Provision/(Benefit)	215	1,142	1,266	1,792	3,324	3,374	(927)	(186)	660
Tax Rate	21.9%	28.5%	17.7%	21.7%	29.7%	26.5%	219.0%	9.1%	26.1%
Non-GAAP Net Income/(Loss)	768	2,858	5,904	6,467	7,859	9,340	504	(1,854)	1,868
Net Income %	1.3%	4.8%	8.8%	9.0%	10.2%	11.4%	1.0%	-4.1%	3.2%
Non-GAAP EPS	0.03	0.10	0.21	0.22	0.27	0.32	0.02	(0.06)	0.06
Average Shares Outstanding	28,313	28,010	28,667	28,956	29,262	29,426	28,849	28,931	29,810
Operating Cash Flow	14,769	(1,877)	8,358	29,340	(10,868)	26,404	1,407	(2,631)	11,352
Headcount	597	627	638	648	684	683	655	627	651
Reconciliation to GAAP:									
Non-GAAP Net Income/(Loss)	768	2,858	5,904	6,467	7,859	9,340	504	(1,854)	1,868
Equity Compensation	(2,883)	(2,331)	(2,086)	(2,026)	(4,780)	(2,397)	(2,393)	(1,905)	(2,977)
Acquisition-Related Costs	(514)	(464)	(477)	(459)	(450)	(408)	(401)	(401)	(1,245)
Other One-Time Charges	889	(280)	(2,138)	682	2,120	(0)	(861)	(6,071)	-
Tax Effects	1,941	(394)	1,149	1,329	1,164	2,002	1,269	2,565	1,411
GAAP Net Income/(Loss)	201	(611)	2,351	5,993	5,913	8,536	(1,881)	(7,665)	(944)
EPS	0.01	(0.02)	0.08	0.21	0.20	0.29	(0.07)	(0.26)	(0.03)

ESI First Quarter 2013 Results

Reconciliation of GAAP to Non-GAAP Results

(000's)

	GAAP	Adjustments			Non-GAAP
		Acquisitions	Share-based Compensation	Other	
Revenue	58,969				58,969
Cost of Sales	35,316	(337)	(216)		34,763
Gross Profit	23,653	337	216	-	24,206
Gross Margin	40.1%				41.0%
Research & Development	9,534	(47)	(500)		8,987
Selling, service and administrative	15,663	(862)	(2,261)		12,540
Total OPEX	25,197	(909)	(2,761)	-	21,527
OPEX %	42.7%				36.5%
Operating Income	(1,544)	1,246	2,977	-	2,679
Operating Income %	-2.6%				4.5%
Other Income/(Expense)	(150)	-	-	-	(150)
Income Before Taxes	(1,694)	1,246	2,977	-	2,529
Tax Provision/(Benefit)	(750)				660
Tax Rate	44.3%				26.1%
Non-GAAP Net Income/(Loss)	(944)				1,868
Net Income %	-1.6%				3.2%
Non-GAAP EPS	(0.03)				0.06
Average Shares Outstanding	29,116				29,810