

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	2014 Q1	2014 Q2
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	58,283	46,198
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	46,952	56,854
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	49,179	38,666
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	46,172	59,647
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	20,260	25,786
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%	43.9%	43.2%
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	8,022	9,293
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	11,776	12,775
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	19,798	22,068
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)	463	3,718
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%	1.0%	6.2%
Other Income/(Expense)	58	187	(39)	(18)	(78)	(406)	47	59	(150)	91	(5)	317	(60)	80
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)	403	3,798
Tax Provision/(Benefit)	215	1,142	1,266	1,792	3,324	3,374	(927)	(186)	660	3,607	(2,445)	(1,380)	48	1,160
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%	11.9%	30.5%
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)	355	2,638
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%	0.8%	4.4%
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)	0.01	0.09
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	29,745	29,967
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)	(8,700)	5,591
Headcount	597	627	638	648	684	683	655	627	617	679	655	579	623	626
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)	355	2,638
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)	(2,634)	(1,234)
Acquisition-Related Costs	(514)	(464)	(477)	(459)	(450)	(408)	(401)	(401)	(1,245)	(674)	(641)	(612)	(955)	(1,322)
Other One-Time Charges	889	(280)	(2,138)	682	2,120	(0)	(861)	(6,071)	-	(70)	15,432	(25,833)	5	(465)
Tax Effects	1,941	(394)	1,149	1,329	1,164	2,002	1,269	2,565	1,411	848	(5,070)	(36,597)	(53)	(2,395)
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)	(3,283)	(2,778)
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)	(0.11)	(0.09)

ESI Second Quarter 2014 Results

Reconciliation of GAAP to Non-GAAP Results

(000's)

	GAAP	Adjustments			Non-GAAP
		Acquisitions	Share-based Compensation	Other	
Revenue	59,647				59,647
Cost of Sales	35,015	(965)	(189)		33,861
Gross Profit	24,632	965	189	-	25,786
Gross Margin	41.3%				43.2%
Research & Development	9,719	(47)	(379)		9,293
Selling, service and administrative	14,251	(310)	(666)	(500)	12,775
Gain on acquisition of Semi Systems	(35)			35	-
Total OPEX	23,935	(357)	(1,045)	(465)	22,068
OPEX %	40.1%				37.0%
Operating Income	697	1,322	1,234	465	3,718
Operating Income %	1.2%				6.2%
Other Income/(Expense)	(3,508)	-	-	3,588	80
Income Before Taxes	(2,811)	1,322	1,234	4,053	3,798
Tax Provision/(Benefit)	(33)				1,160
Tax Rate	1.2%				30.5%
Net Income/(Loss)	(2,778)				2,638
Net Income %	-4.7%				4.4%
Non-GAAP EPS	(0.09)				0.09
Average Shares Outstanding	29,967				29,967