

## 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
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
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
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
<b>Revenue</b>	<b>58,471</b>	<b>59,554</b>	<b>67,209</b>	<b>71,577</b>	<b>77,046</b>	<b>81,884</b>	<b>49,807</b>	<b>45,492</b>	<b>58,969</b>	<b>80,152</b>	<b>37,931</b>	<b>39,573</b>	<b>46,172</b>
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
<b>Gross Margin</b>	<b>37.7%</b>	<b>44.6%</b>	<b>45.5%</b>	<b>44.7%</b>	<b>44.6%</b>	<b>44.6%</b>	<b>43.7%</b>	<b>42.6%</b>	<b>41.0%</b>	<b>42.8%</b>	<b>39.9%</b>	<b>42.2%</b>	<b>43.9%</b>
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
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
<b>Total OPEX</b>	<b>21,119</b>	<b>22,770</b>	<b>23,360</b>	<b>23,716</b>	<b>23,085</b>	<b>23,371</b>	<b>22,222</b>	<b>21,459</b>	<b>21,527</b>	<b>23,759</b>	<b>19,035</b>	<b>19,388</b>	<b>19,798</b>
OPEX %	36.1%	38.2%	34.8%	33.1%	30.0%	28.5%	44.6%	47.2%	36.5%	29.6%	50.2%		
<b>Operating Income</b>	<b>925</b>	<b>3,813</b>	<b>7,208</b>	<b>8,278</b>	<b>11,261</b>	<b>13,120</b>	<b>(470)</b>	<b>(2,100)</b>	<b>2,679</b>	<b>10,523</b>	<b>(3,911)</b>	<b>(2,677)</b>	<b>463</b>
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%
Other Income/(Expense)	58	187	(39)	(18)	(78)	(406)	47	59	(150)	91	(5)	317	(60)
<b>Income Before Taxes</b>	<b>983</b>	<b>4,000</b>	<b>7,170</b>	<b>8,260</b>	<b>11,183</b>	<b>12,714</b>	<b>(423)</b>	<b>(2,040)</b>	<b>2,529</b>	<b>10,614</b>	<b>(3,916)</b>	<b>(2,360)</b>	<b>403</b>
Tax Provision/(Benefit)	215	1,142	1,266	1,792	3,324	3,374	(927)	(186)	660	3,607	(2,445)	(1,380)	48
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%
<b>Non-GAAP Net Income/(Loss)</b>	<b>768</b>	<b>2,858</b>	<b>5,904</b>	<b>6,467</b>	<b>7,859</b>	<b>9,340</b>	<b>504</b>	<b>(1,854)</b>	<b>1,868</b>	<b>7,007</b>	<b>(1,471)</b>	<b>(980)</b>	<b>355</b>
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%
<b>Non-GAAP EPS</b>	<b>0.03</b>	<b>0.10</b>	<b>0.21</b>	<b>0.22</b>	<b>0.27</b>	<b>0.32</b>	<b>0.02</b>	<b>(0.06)</b>	<b>0.06</b>	<b>0.23</b>	<b>(0.05)</b>	<b>(0.03)</b>	<b>0.01</b>
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
<b>Operating Cash Flow</b>	<b>14,769</b>	<b>(1,877)</b>	<b>8,358</b>	<b>29,340</b>	<b>(10,868)</b>	<b>26,404</b>	<b>1,407</b>	<b>(2,631)</b>	<b>11,352</b>	<b>11,202</b>	<b>27,384</b>	<b>(10,427)</b>	<b>(8,700)</b>
Headcount	597	627	638	648	684	683	655	627	617	679	655	579	623
<b>Reconciliation to GAAP:</b>													
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
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)
Acquisition-Related Costs	(514)	(464)	(477)	(459)	(450)	(408)	(401)	(401)	(1,245)	(674)	(641)	(612)	(955)
Other One-Time Charges	889	(280)	(2,138)	682	2,120	(0)	(861)	(6,071)	-	(70)	15,432	(25,833)	5
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)
<b>GAAP Net Income/(Loss)</b>	<b>201</b>	<b>(611)</b>	<b>2,351</b>	<b>5,993</b>	<b>5,913</b>	<b>8,536</b>	<b>(1,881)</b>	<b>(7,665)</b>	<b>(944)</b>	<b>5,211</b>	<b>6,768</b>	<b>(65,751)</b>	<b>(3,283)</b>
<b>EPS</b>	<b>0.01</b>	<b>(0.02)</b>	<b>0.08</b>	<b>0.21</b>	<b>0.20</b>	<b>0.29</b>	<b>(0.07)</b>	<b>(0.26)</b>	<b>0.03</b>	<b>0.17</b>	<b>0.23</b>	<b>(2.23)</b>	<b>(0.11)</b>

## ESI First Quarter 2014 Results

### Reconciliation of GAAP to Non-GAAP Results

(000's)

	GAAP	Adjustments			Non-GAAP
		Acquisitions	Share-based Compensation	Other	
<b>Revenue</b>	<b>46,172</b>				<b>46,172</b>
Cost of Sales	26,786	(689)	(185)		29,461
<b>Gross Profit</b>	<b>19,386</b>	689	185	-	<b>16,711</b>
<b>Gross Margin</b>	<b>42.0%</b>				<b>36.2%</b>
Research & Development	8,525	(47)	(355)		8,022
Selling, service and administrative	14,547	(219)	(2,094)	(459)	11,776
Gain on acquisition of Semi Systems	(464)			464	-
Other					-
<b>Total OPEX</b>	<b>22,508</b>	(266)	(2,449)	5	<b>19,798</b>
OPEX %	48.7%				42.9%
<b>Operating Income</b>	<b>(3,122)</b>	955	2,634	(5)	<b>463</b>
Operating Income %	-6.8%				1.0%
Other Income/(Expense)	(60)	-	-	-	(60)
<b>Income Before Taxes</b>	<b>(3,182)</b>	955	2,634	(5)	<b>403</b>
Tax Provision/(Benefit)	101				48
Tax Rate	-3.2%				11.9%
<b>Non-GAAP Net Income/(Loss)</b>	<b>(3,283)</b>				<b>355</b>
Net Income %	-7.1%				0.8%
<b>Non-GAAP EPS</b>	<b>(0.11)</b>				<b>0.01</b>
Average Shares Outstanding	29,745				29,745