



# Investor Presentation

First **QUARTER 2021**

Nasdaq: AAOI

# SAFE HARBOR STATEMENT

This presentation contains forward-looking statements. The statements contained in this presentation that are not purely historical are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act of 1933, as amended (the "Securities Act"), and Section 21E of the Securities Exchange Act, as amended. These forward-looking statements involve assumptions and current expectations, which are subject to risks and uncertainties that could cause the company's actual results to differ materially from those anticipated in such forward-looking statements. These risks and uncertainties include but are not limited to: the impact of the COVID-19 pandemic on our business and financial results; reduction in the size or quantity of customer orders; change in demand for the company's products due to industry conditions; changes in manufacturing operations; volatility in manufacturing costs; delays in shipments of products; disruptions in the supply chain; change in the rate of design wins or the rate of customer acceptance of new products; the company's reliance on a small number of customers for a substantial portion of its revenues; potential pricing pressure; a decline in demand for our customers' products or their rate of deployment of their products; general conditions in the internet datacenter, cable television (CATV) broadband, telecom, or fiber-to-the-home (FTTH) markets; changes in the world economy (particularly in the United States and China); changes in the regulation and taxation of international trade, including the imposition of tariffs; changes in currency exchange rates; the negative effects of seasonality; and other risks and uncertainties described more fully in the company's documents filed with or furnished to the Securities and Exchange Commission, including our Annual Report on Form 10-K for the year ended December 31, 2020. More information about these and other risks that may impact the company's business are set forth in the "Risk Factors" section of the company's quarterly and annual reports on file with the Securities and Exchange Commission, which are available online at [www.edgar.gov](http://www.edgar.gov).

In some cases, you can identify forward-looking statements by terminology such as "believe," "may," "estimate," "continue," "anticipate," "intend," "should," "could," "would," "target," "seek," "aim," "believe," "predicts," "think," "objectives," "optimistic," "new," "goal," "strategy," "potential," "is likely," "will," "expect," "plan" "project," "permit" or by other similar expressions that convey uncertainty of future events or outcomes. You should not rely on forward-looking statements as predictions of future events. All forward-looking statements in this presentation are based upon information available to us as of the date hereof, and qualified in their entirety by this cautionary statement. Except as required by law, we assume no obligation to update forward-looking statements for any reason after the date of this presentation to conform these statements to actual results or to changes in the company's expectations.

In this presentation we include certain other non-GAAP measures that we believe are useful to investors in evaluating our operating performance. Non-GAAP measures should not be considered as an alternative to income (loss) after tax, earnings per share, or any other measure of financial performance calculated and presented in accordance with GAAP. Our non-GAAP measures may not be comparable to similarly titled measures of other organizations because other organizations may not calculate such other non-GAAP measures in the same manner. You are encouraged to evaluate these adjustments and the reasons we consider them appropriate. For a reconciliation of GAAP measures to our non-GAAP measures, please see the Appendix to this presentation.

This presentation shall not constitute an offer to sell or the solicitation of an offer to buy securities of the company, nor shall there be any sale of the any securities of the company in any state or jurisdiction in which such offer, solicitation or sale would be unlawful. Any offer, if at all, will be made only pursuant to Rule 144A or Regulation S under the Securities Act.

# Investment

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## HIGHLIGHTS



**A Leader in  
Advanced Optics**



**Dynamic  
Markets**



**Marquee  
Customers**



**Proprietary  
Manufacturing**



**Diversifying  
Customer Base**



**A leading provider of optical access products that  
enable the gigabit age**

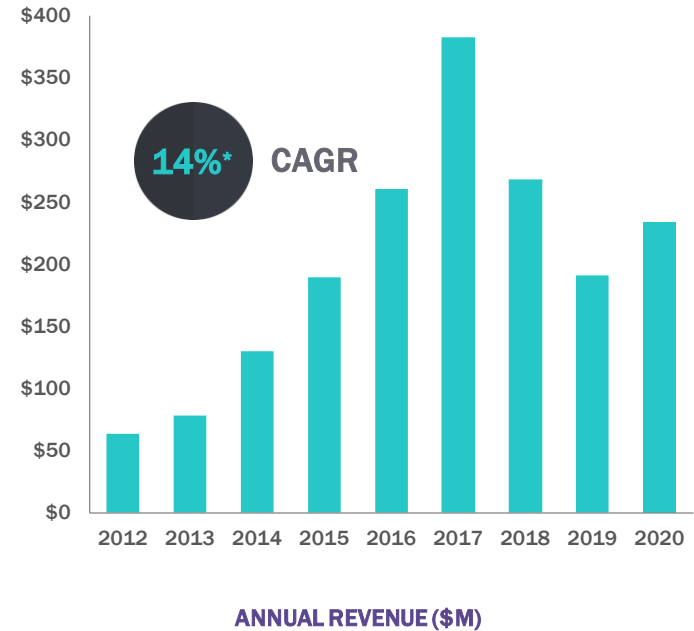
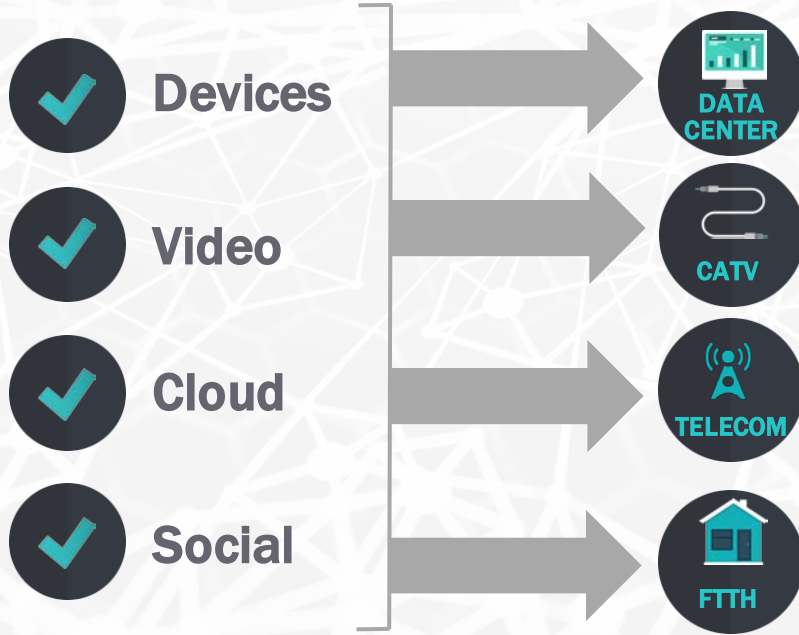


# Q1 2021 Highlights

- Revenue of \$49.7 million, up from \$40.5 million in Q1 2020
  - Datacenter revenue decreased 22% year-over-year
    - 100G revenue decreased 13% year-over-year
  - CATV revenue grew 341% year-over-year, highest quarter since Q3 2017
  - Telecom revenue grew 75% year-over-year
- Non-GAAP Gross Margin of 24.6%
- Four new design wins in the quarter
- Continued interest in 400G; anticipate revenue contribution in 2H21
- Construction on new China Facility is largely complete



# Bandwidth Demand Drives Revenue



\* CAGR calculated from 2012 through 2020.

# Four End-Markets With Strong Demand Drivers

## Datacenter

- ✓ Increasing size of datacenters
- ✓ Higher-speed interconnect - 1G to (10G/40G/100G/200G/400G)
- ✓ Continuous need to expand, refresh and replenish

## Cable Television

- ✓ DOCSIS 3.1 & upgrade cycle
- ✓ International market opportunities
- ✓ Continued outsourcing of design and production

## Telecommunications

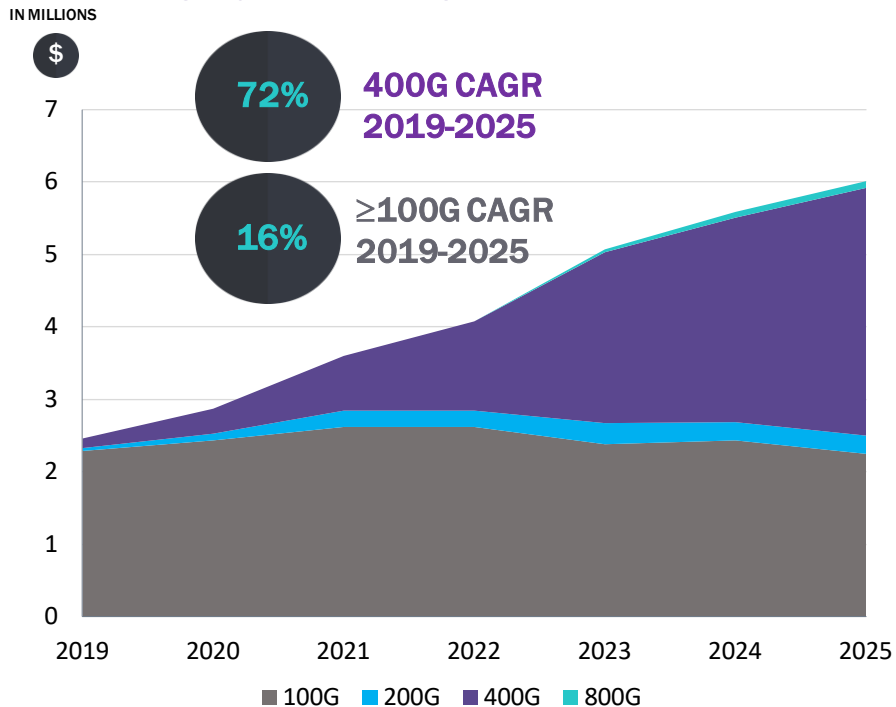
- ✓ 5G LTE deployment
- ✓ Backbone network for datacenter interconnect
- ✓ Aging access networks in need of rebuild

## Fiber-to-the-Home

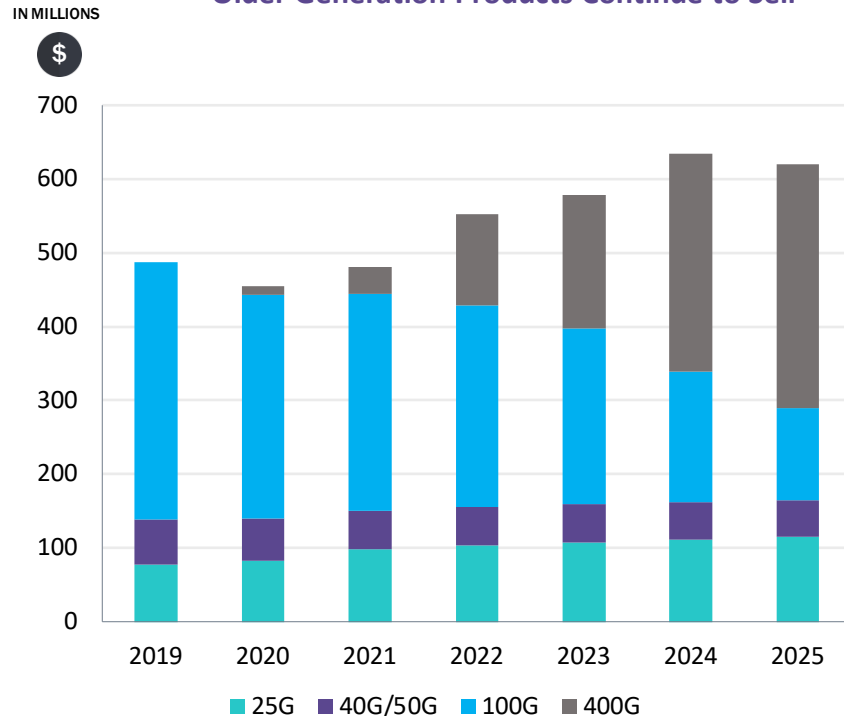
- ✓ 10 Gbps FTTH networks to replace 2.5Gbps
- ✓ Telecom carriers need to fiberize to compete with CATV, new entrants
- ✓ Greenfield economics favor fiber deployment

# Growth Expected in Datacenter Market

## Total High-Speed (100G or greater) Market to Exceed \$6 Billion



## Older Generation Products Continue to Sell



# DATACENTER MARKET CHARACTERISTICS DIFFER FROM CHARACTERISTICS OF TELECOM OPTICAL COMPONENT MARKET

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## Vertical Integration & In-house Manufacturing Optimal

### DATACENTER MARKET

- ✓ Rapid product development cycles favor controlling a substantial part of the manufacturing process
- ✓ Large production volume/relatively low diversity enables rapid ROI on factory equipment
- ✓ Integration of manufacturing process enhances efficiency

### TELECOM MARKET

- ✓ Telecom applications have much longer production cycles
- ✓ Small volume/high diversity favors outsourcing
- ✓ Initial costs of integration are high, and only economical with high production volume

# 100G Datacenter Transceiver Use Cases

	100G Technology	Lasers	# Fibers	Transceiver Cost *	Fiber Cost/m *	Optimal Distance (d)
Intra-Datacenter	Short-Reach (SR) AOC	4xVCSEL	8	\$	\$\$	<150m
	Long-Reach, PSM-4	4x1310-nm DFB (AOI) OR 1x1310-nm high power + modulators (SiPh)	8	\$\$	\$\$\$\$\$	150m<d<500m
	Long-Reach, CWDM (CWDM-4, CLR-4)	4xCWDM DFB	2	\$\$\$	\$\$\$	500m<d<2km
Interconnect	Extended Reach, 4WDM-10	4xCWDM	2	\$\$\$\$	\$\$\$	2km<d<10km
	100G-BASE-LR4	4xWDM (cooled)	2	\$\$\$\$\$\$	\$\$\$	2km<d<10km
	Coherent (DP-QPSK)	1x1550 (tunable, narrow linewidth)	2	\$\$\$\$\$\$\$\$\$	\$\$\$	>80km

# 400G: Multiple Standards to Meet Multiple Use Cases

400G intra-datacenter electrical/optical standards currently in existence or being developed:

Reach Distance	Data Center Unique Spec	IEEE Standards	100G single Lambda MSA
70m for OM3, 100m for OM4	-	400G SR8*	-
	-	400G SR4.2	-
500m	-	100G DR*	-
	-	400G DR4*	-
2km	-	-	100G FR*
	-	-	400G FR4*
10km	400G DR4+*	-	-

# Current 400G Transceiver Form-factors

Considerations for Designers:

- ✓ Backward Compatibility
- ✓ Connector Termination
- ✓ Latch Mechanism
- ✓ Mating Process
- ✓ Protruding area safety
- ✓ Electrical/optical breakout
- ✓ Thermal dissipation
- ✓ Common management Interface specification



Dimensions (mm)	SFP-DD	QSFP-DD	OSFP	COBO
Width	14	19	22.93	36
Length (overall)	64.15	93	100.4	40
Length inside cage	54.15	49.6	82.48	-
Thickness	8.55	8.5	13.00	9.35
Electrical Channel	2x	8x	8x	8x, 16x
Thermal Capability	1 - 3.5W	7 - 14W	12 - 16W	15 - 20W



# 5G Requirements for Front/Mid-Haul Optics

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**Small-Cell Proliferation and C-RAN Evolution Is Expected to Create Need for New Optical Solutions**

**25 Gbps/50 Gbps/100 Gbps transceivers needed**

## Front-Haul:

- Link remote radio head (RRH) to base station
- Distances typically several km
- 25 Gbps in SFP-28 form factor
- Outdoor RRH may require high-temperature optics

## Mid-Haul:

- Longer distances typical in C-RAN (Cloud-Radio Access Network)
- 50 Gbps/100Gbps over 10+ km
- Typically standard commercial temperature range

# Vertical Integration

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**A KEY DIFFERENTIATOR**



**Faster time to market**



**Cost advantages**



**High yield manufacturing**

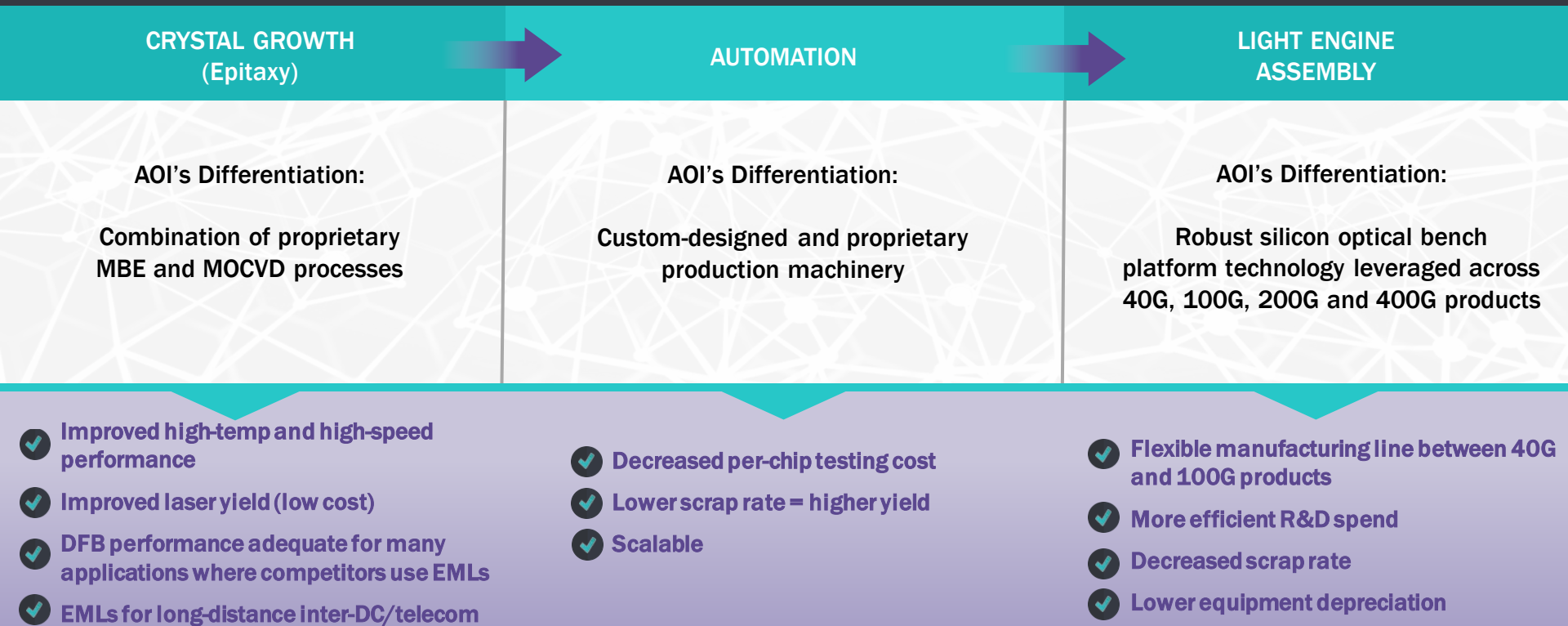


**Flexible capacity support**



**Rapid response to customer & market demand**

# A Closer Look...



# Automated Manufacturing Process



Automated Robotic Test Stations Increase Throughput, Decrease Human Error in Handling

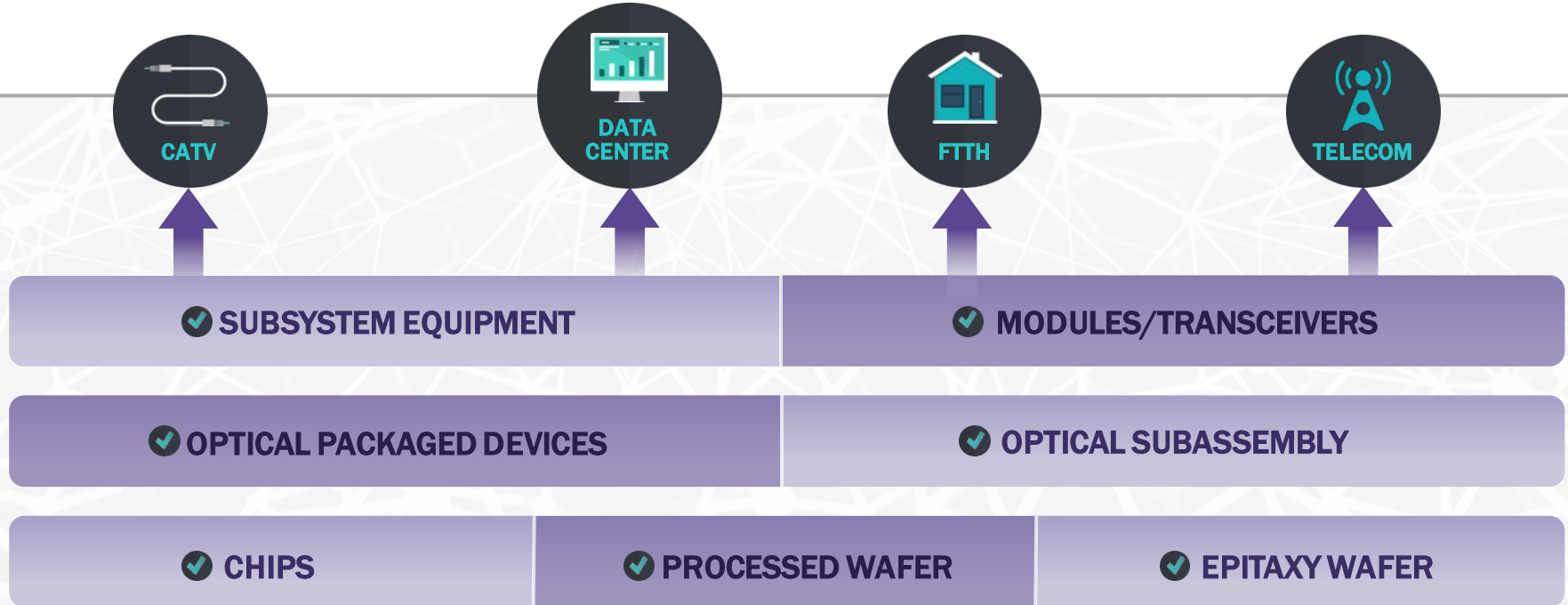
Automated Receiver Sub-Assembly Decreased Labor by 58% and Improved Quality Control



Automated Light Engine Final Assembly Decreased Labor by 85% and Improved Process Control and Quality

# Vertical Integration replicated across markets

In-house production and development  
of advanced laser diodes and light  
engines speeds time to market







## RESEARCH & DEVELOPMENT

- ✓ Excellent laser technology
- ✓ Proprietary Silicon Photonics Technology
- ✓ Strong R&D teams in all 3 sites from lasers, transceivers to equipment
- ✓ Customer NRE reimbursements

## MANUFACTURING & OPERATIONS

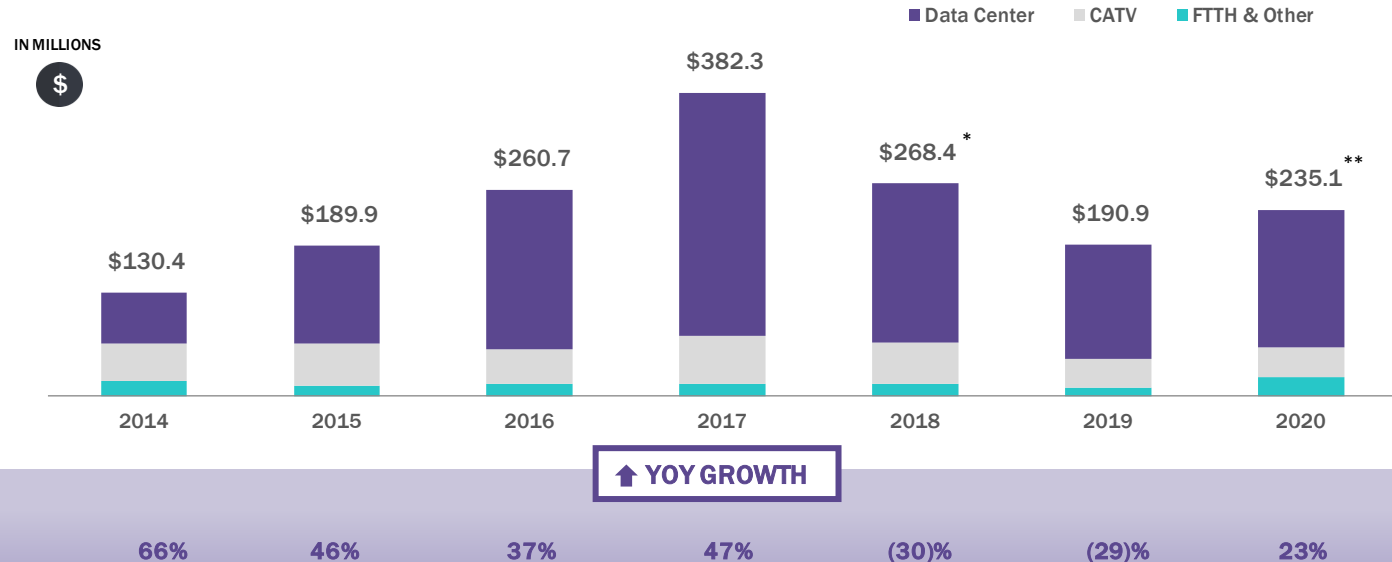
- ✓ Experienced in high-volume manufacture
- ✓ Efficient supply chain
- ✓ Vertical integration from laser chips to transceivers to equipment with cost advantages



# Financial Review

# Data Center Drives Revenue

## ANNUAL REVENUE BY END MARKET



\* Reflects a \$900 thousand credit issued to a customer, which is adjusted out of our non-GAAP revenue in Q4/2018. All other revenue is on a GAAP basis.

\*\* Reflects a \$449 thousand credit issued to a customer, which is adjusted out of our non-GAAP revenue in Q4/2020. All other revenue is on a GAAP basis.

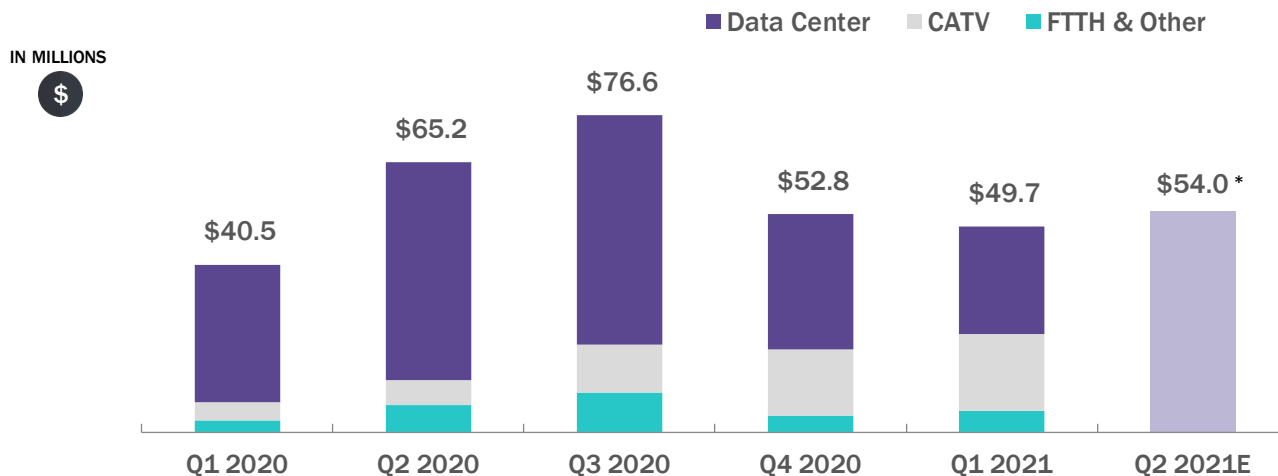
APPLIED OPTOELECTRONICS





# Recent Financial Performance

## QUARTERLY REVENUE BY END MARKET





# Q1/21 Results

**NON-GAAP\***

<div>\$</div> <div>IN MILLIONS EXCEPT %</div>	Q1/21
TOTAL REVENUE	\$ 49.7
DATACENTER	\$ 25.9
TELECOM	\$ 4.5
CATV	\$ 18.6
GROSS MARGIN	24.6%
OPERATING LOSS	\$ 8.4
NET LOSS	\$ 5.5
CASH**	\$ 49.3

# Balance Sheet Highlights

\$ IN MILLIONS	3/31/2019	3/31/2020	3/31/2021
CASH <sup>(1)</sup>	\$77	\$63	\$49
WORKING CAPITAL <sup>(2)</sup>	\$138	\$87	\$111
PROPERTY, PLANT & EQUIPMENT, NET	\$243	\$244	\$248
TOTAL ASSETS	\$491	\$454	\$476
TOTAL DEBT <sup>(3)</sup>	\$41	\$63	\$71
STOCKHOLDERS' EQUITY	\$324	\$257	\$278

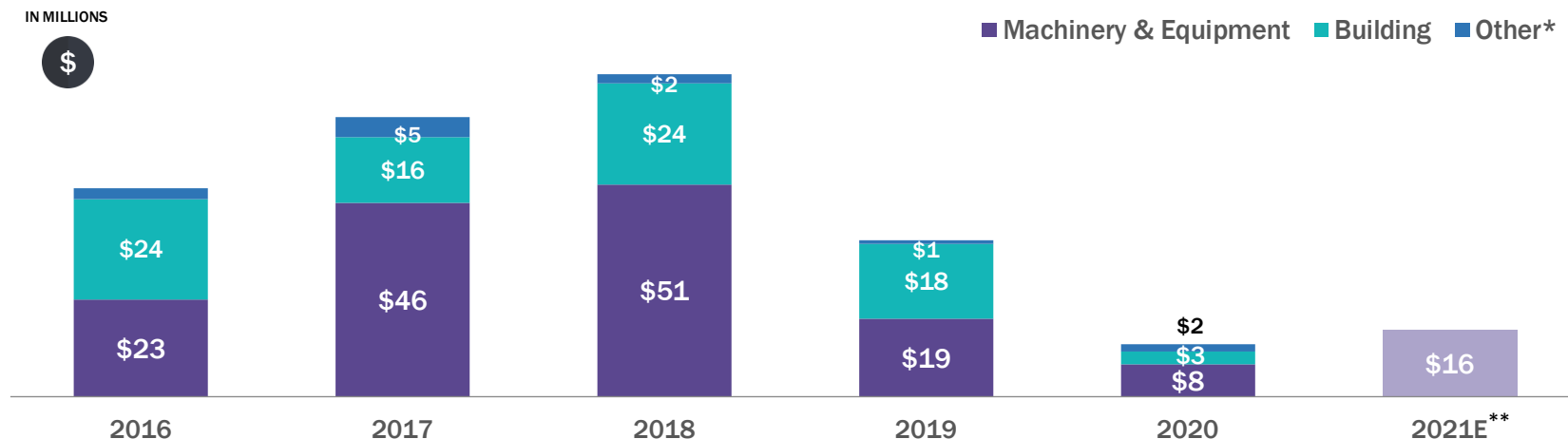
(1) Cash: Cash, cash equivalents, short-term investments, and restricted cash.

(2) Working Capital: Total current assets less total current liabilities.

(3) Total Debt: Short-term loans, notes and bank acceptances payable and total long-term debt. Convertible notes outstanding are expected to be settled in common stock, not cash, so are excluded from total debt.

# Investments in Capacity & Vertical Integration

## CAPITAL EXPENDITURES



# Investment

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## SUMMARY



**A leader In  
Advanced Optics**



**Focus on fast  
growing markets  
including hyperscale  
datacenters**



**Marquee global  
customers**



**Extensive internally  
developed technology**



**Manufacturing  
expertise creates  
differentiation &  
sustains margin**



**Operating model  
provides significant  
leverage**



# Questions



# Appendix

# MANAGEMENT TEAM



**Dr. Thompson Lin**  
FOUNDER, PRESIDENT & CEO

25+ YEARS



**Dr. Stefan Murry**  
CFO & CSO

25+ YEARS



**Dr. Fred Chang**  
COMPONENT BU HEAD

20+ YEARS



**Dr. Alex Anselm**  
SEMICONDUCTOR PRODUCTS  
DIVISION HEAD

22+ YEARS



**Jessica Hung**  
VP OF FINANCE &  
CORPORATE CONTROLLER

14+ YEARS



**Joshua Yeh**  
ASIA GM

16+ YEARS



# NON-GAAP FINANCIAL MEASURES

We provide non-GAAP gross margin, non-GAAP net income (loss), and non-GAAP earnings per share to eliminate the impact of items that we do not consider indicative of our overall operating performance. To arrive at our non-GAAP gross margin, we exclude stock-based compensation expense, expenses associated with discontinued products, and non-recurring expenses, if any, from our GAAP gross margin. To arrive at our non-GAAP net income (loss), we exclude all amortization of intangible assets, stock-based compensation expense, non-recurring expenses, unrealized foreign exchange gain (loss), losses from the disposal of idle assets, if any, non-GAAP tax expenses (benefits), and expenses associated with discontinued products, if any, from our GAAP net income (loss). Included in our non-recurring expenses in Q1 2021 but not in Q1 2020, are certain non-recurring expenses related to winter storm Uri. Included in our non-recurring expenses in Q1 2021 and Q1 2020 are certain one-time legal (if any) and consulting fees (if any) and employee severance expenses (if any). In computing our non-GAAP income tax expense (benefit), we have applied an estimate of our annual effective income tax rate and applied it to our net income before income taxes.

Our non-GAAP earnings per share is calculated by dividing our non-GAAP net income by the fully diluted share count (for periods in which non-GAAP net income is positive) or basic share count (for periods in which our non-GAAP net income is negative). We believe that our non-GAAP measures are useful to investors in evaluating our operating performance for the following reasons:

- We believe that elimination of items such as amortization of intangible assets, stock-based compensation expense, non-recurring revenue and expenses, losses from the disposal of idle assets, unrealized foreign exchange gain or loss, unamortized debt issuance costs associated with the extinguishment of debt, and depreciation on certain equipment undergoing reconfiguration is appropriate because treatment of these items may vary for reasons unrelated to our overall operating performance;
- We believe that elimination of expenses associated with discontinued products, including depreciation and inventory obsolescence is appropriate because these expenses are not indicative of our ongoing operations;
- We believe that non-GAAP measures provide better comparability with our past financial performance, period-to-period results and with our peer companies, many of which also use similar non-GAAP financial measures; and
- We anticipate that investors and securities analysts will utilize non-GAAP measures as a supplement to GAAP measures to evaluate our overall operating performance.

A reconciliation of our GAAP net income (loss) and GAAP earnings (loss) per share for the quarter ended March 31, 2021 to our non-GAAP net income (loss) and earnings (loss) per share is provided below, together with corresponding reconciliations for the quarter period ended March 31, 2020.

Non-GAAP measures should not be considered as an alternative to net income (loss), earnings (loss) per share, or any other measure of financial performance calculated and presented in accordance with GAAP. Our non-GAAP measures may not be comparable to similarly titled measures of other organizations because other organizations may not calculate such other non-GAAP measures in the same manner. We have not reconciled the non-GAAP measures included in our guidance to the appropriate GAAP financial measures because the GAAP measures are not readily determinable on a forward-looking basis. GAAP measures that impact our non-GAAP financial measures may include stock-based compensation expense, non-recurring expenses, amortization of intangible assets, unrealized exchange loss (gain), asset impairment charges, and loss (gain) from disposal of idle assets. These GAAP measures cannot be reasonably predicted and may directly impact our non-GAAP gross margin, our non-GAAP net income and our non-GAAP fully-diluted earnings per share, although changes with respect to certain of these measures may offset other changes. In addition, certain of these measures are out of our control. Accordingly, a reconciliation of the non-GAAP financial measure guidance to the corresponding GAAP measures is not available without unreasonable effort.

# NON-GAAP RECONCILIATION

## Applied Optoelectronics, Inc. GAAP to Non-GAAP Reconciliation

(In thousands)

### Preliminary Unaudited

	1Q19	2Q19	3Q19	4Q19	CY2019	1Q20	2Q20	3Q20	4Q20	CY2020	1Q21
GAAP revenue	52,719	43,411	46,084	48,658	190,872	40,467	65,222	76,608	52,326	234,623	49,701
Non-recurring customer credit	-	-	-	-	-	-	-	-	449	449	-
Non-GAAP revenue	52,719	43,411	46,084	48,658	190,872	40,467	65,222	76,608	52,775	235,072	49,701
GAAP total gross profit	12,351	10,538	11,976	11,336	46,201	6,338	13,736	19,190	11,277	50,541	10,719
Non-recurring customer credit	-	-	-	-	-	-	-	-	449	449	-
Share-based compensation expense	189	199	197	189	774	246	237	229	224	936	201
Non-recurring expense	-	-	-	-	-	970	1	-	-	971	18
Expenses associated with discontinued products	925	1,067	1,117	1,891	5,000	354	1,077	1,566	2,586	5,583	1,289
Non-GAAP income from gross profit	13,465	11,804	13,290	13,416	51,975	7,908	15,051	20,985	14,536	58,481	12,227
GAAP research and development expense	11,185	11,151	10,466	10,597	43,399	10,558	10,803	11,206	10,826	43,393	10,928
Share-based compensation expense	640	657	647	614	2,558	688	704	706	714	2,812	563
Non-recurring expense	-	-	-	-	-	212	-	-	-	212	53
Non-cash expenses associated with discontinued products	-	-	-	-	-	-	-	-	-	-	15
Non-GAAP research and development expense	10,545	10,494	9,819	9,983	40,841	9,658	10,099	10,500	10,112	40,369	10,297
GAAP sales and marketing expense	2,595	2,331	2,518	2,615	10,059	2,936	3,430	4,491	3,230	14,087	2,960
Share-based compensation expense	271	279	274	245	1,069	291	295	298	307	1,191	219
Non-recurring expense	-	-	-	-	-	18	2	1	1	22	73
Non-GAAP sales and marketing expense	2,324	2,052	2,244	2,370	8,990	2,627	3,133	4,192	2,922	12,874	2,668
GAAP general and administrative expense	10,440	10,884	9,988	10,178	41,490	10,638	10,611	10,272	10,382	41,903	10,869
Share-based compensation expense	1,843	1,885	1,860	1,816	7,404	2,013	2,066	2,032	1,996	8,107	1,536
Amortization expense	130	133	137	140	540	141	143	146	149	579	151
Non-recurring expense	69	813	568	94	1,544	301	70	20	9	400	358
Non-cash expenses associated with discontinued products	1,017	1,115	1,114	1,067	4,313	1,025	952	495	661	3,133	1,199
Non-GAAP general and administrative expense	7,381	6,938	6,309	7,062	27,690	7,158	7,380	7,579	7,567	29,684	7,625
GAAP total operating expense	24,220	24,366	22,972	23,390	94,948	24,132	24,844	25,969	24,438	99,383	24,757
Share-based compensation expense	2,754	2,821	2,781	2,676	11,032	2,992	3,065	3,036	3,017	12,110	2,318
Amortization expense	130	133	137	140	540	141	143	146	149	579	151
Non-recurring expense	69	813	568	94	1,544	531	72	21	10	634	484
Non-cash expenses associated with discontinued products	1,017	1,115	1,114	1,067	4,313	1,025	952	495	661	3,133	1,214
Non-GAAP total operating expense	20,250	19,484	18,372	19,414	77,520	19,443	20,612	22,271	20,601	82,927	20,590



# NON-GAAP RECONCILIATION

## Applied Optoelectronics, Inc. GAAP to Non-GAAP Reconciliation

(In thousands)

### Preliminary Unaudited

	1Q19	2Q19	3Q19	4Q19	CY2019	1Q20	2Q20	3Q20	4Q20	CY2020	1Q21
GAAP operating income (loss)	(11,869)	(13,828)	(10,996)	(12,054)	(48,747)	(17,794)	(11,108)	(6,779)	(13,161)	(48,842)	(14,038)
Non-recurring customer credit	-	-	0	0	0	-	-	-	449	449	-
Share-based compensation expense	2,943	3,020	2,978	2,864	11,805	3,238	3,302	3,265	3,241	13,046	2,519
Amortization expense	130	133	137	140	540	141	143	146	149	579	151
Non-recurring expense	69	813	568	94	1,544	1,501	73	21	10	1,605	502
Expenses associated with discontinued products	925	1,067	1,117	1,891	5,000	354	1,077	1,566	2,586	5,583	1,289
Non-cash expenses associated with discontinued products	1,017	1,115	1,114	1,067	4,313	1,025	952	495	661	3,133	1,214
Non-GAAP operating income (loss)	(6,785)	(7,680)	(5,082)	(5,999)	(25,546)	(11,535)	(5,561)	(1,286)	(6,065)	(24,447)	(8,363)
GAAP other income (loss)	(1,079)	(729)	276	(1,109)	(2,641)	(1,052)	(468)	(588)	(274)	(2,382)	(1,584)
Loss (gain) from disposal of idle assets	-	-	-	-	-	-	-	-	-	-	-
Unrealized exchange loss (gain)	(227)	56	(65)	79	(157)	(169)	43	(61)	(669)	(856)	843
Non-recurring expense	173	-	-	-	173	-	(536)	(1,054)	(105)	(1,695)	-
Non-GAAP other income (loss)	(1,133)	(673)	211	(1,030)	(2,625)	(1,221)	(961)	(1,703)	(1,048)	(4,933)	(741)
GAAP net income (loss)	(10,474)	(11,366)	(8,780)	(35,430)	(66,049)	(16,797)	(18,600)	(9,616)	(13,439)	(58,452)	(15,622)
Non-recurring customer credit	-	-	-	-	-	-	-	-	449	449	-
Amortization of intangible assets	130	133	137	140	540	141	143	146	149	579	151
Share-based compensation expense	2,943	3,020	2,978	2,864	11,804	3,238	3,302	3,265	3,241	13,046	2,519
Non Recurring charges	242	812	568	94	1,716	1,501	(463)	(1,033)	(95)	(90)	502
Expenses associated with discontinued products	925	1,067	1,117	1,891	5,000	354	1,077	1,566	2,586	5,583	1,289
Non-cash expenses associated with discontinued products	1,017	1,116	1,114	1,067	4,314	1,025	952	495	661	3,133	1,214
Loss (gain) from disposal of idle assets	-	-	-	-	-	-	-	-	-	-	-
Unrealized exchange loss (gain)	(227)	56	(65)	79	(157)	(169)	43	(61)	(669)	(856)	843
Non-GAAP Tax Benefit	-	-	-	25,736	25,736	1,915	8,562	3,819	2,276	16,572	3,592
Non-GAAP net income (loss)	(5,444)	(5,162)	(2,931)	(3,559)	(17,096)	(8,792)	(4,984)	(1,419)	(4,841)	(20,036)	(5,512)
GAAP net income (loss)	(10,474)	(11,366)	(8,780)	(35,430)	(66,049)	(16,797)	(18,600)	(9,616)	(13,439)	(58,452)	(15,622)
Non-recurring customer credit	-	-	-	-	-	-	-	-	449	449	-
Amortization of intangible assets	130	133	137	140	540	141	143	146	149	579	151
Share-based compensation expense	2,943	3,020	2,978	2,864	11,804	3,238	3,302	3,265	3,241	13,046	2,519
Depreciation expense	5,817	5,883	5,872	5,887	23,469	5,657	5,990	6,050	6,234	23,921	6,293
Non-recurring charges	242	812	568	94	1,716	1,501	(463)	(1,033)	(95)	(90)	502
Expenses associated with discontinued products	925	1,067	1,117	1,891	5,000	354	1,077	1,566	2,586	5,583	1,289
Loss (gain) from disposal of idle assets	-	-	-	-	-	-	-	-	-	-	-
Unrealized exchange loss (gain)	(227)	56	(65)	79	(157)	(169)	43	(61)	(669)	(856)	843
Interest (income) expense, net	752	1,181	1,170	1,206	4,309	1,308	1,441	1,454	1,175	5,378	1,415
Tax (benefit) expense related to the above	(2,474)	(3,191)	(1,940)	22,267	14,662	(2,048)	7,025	2,249	4	7,230	-
Adjusted EBITDA	(2,366)	(2,405)	\$1,057	(1,003)	(4,717)	(6,815)	(52)	\$4,020	(365)	(3,212)	(2,610)
GAAP diluted net income (loss) per share	\$ (0.53)	\$ (0.57)	\$ (0.44)	\$ (1.76)	\$ (3.31)	\$ (0.83)	\$ (0.89)	\$ (0.42)	\$ (0.57)	\$ (2.67)	\$ (0.59)
Non-recurring customer credit	-	-	-	-	-	-	-	-	0.02	0.02	-
Amortization of intangible assets	0.01	0.01	0.01	0.01	0.03	0.01	0.01	0.01	0.01	0.03	0.01
Share-based compensation expense	0.15	0.15	0.15	0.14	0.59	0.16	0.16	0.14	0.14	0.60	0.10
Non Recurring charges	0.01	0.04	0.03	0.00	0.09	0.07	(0.02)	(0.05)	(0.01)	(0.01)	0.02
Expenses associated with discontinued products	0.05	0.05	0.06	0.09	0.25	0.02	0.05	0.07	0.11	0.26	0.05
Non-cash expenses associated with discontinued products	0.05	0.06	0.05	0.05	0.22	0.05	0.05	0.02	0.03	0.13	0.04
Loss (gain) from disposal of idle assets	-	-	-	-	-	-	-	-	-	-	-
Unrealized exchange loss (gain)	(0.01)	0.00	(0.01)	0.00	(0.01)	(0.01)	0.00	(0.00)	(0.03)	(0.04)	0.03
Non-GAAP Tax Benefit	-	-	-	1.29	1.30	0.09	0.41	0.17	0.10	0.76	0.13
Non-GAAP diluted net income (loss) per share	\$ (0.27)	\$ (0.26)	\$ (0.15)	\$ (0.18)	\$ (0.86)	\$ (0.44)	\$ (0.24)	\$ (0.06)	\$ (0.20)	\$ (0.92)	\$ (0.21)

Shares used to compute diluted earnings per share

19,863 19,932 20,023 20,109 19,962 20,208 20,858 22,744 23,626 21,867 26,438

