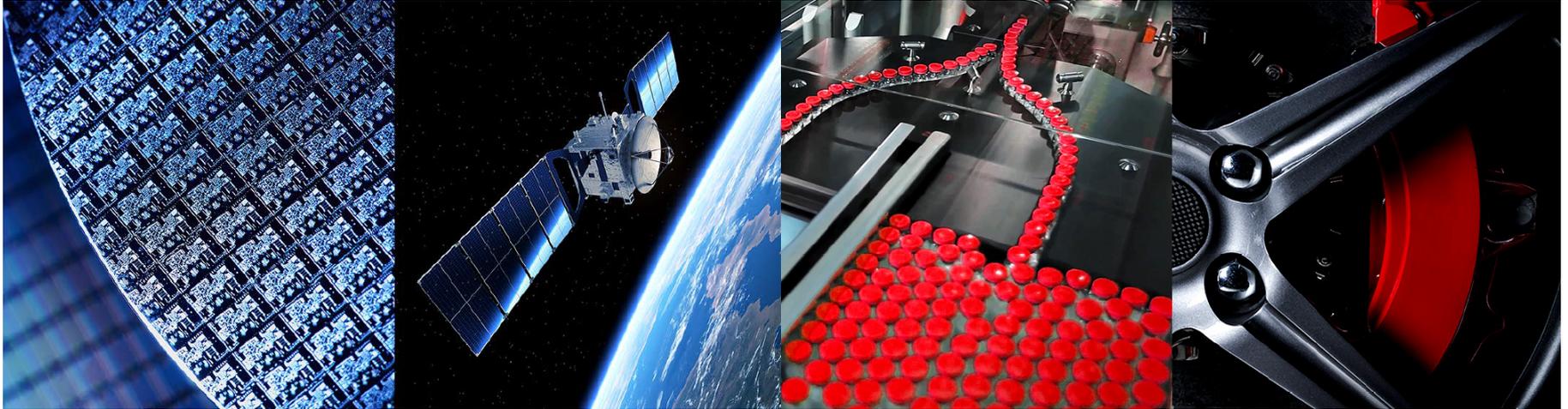


# inTEST Corporation



**We're Not Just Semi...We Make Things  
HOT & COLD Where It Matters**

**10<sup>th</sup> Annual CEO Summit  
July 11, 2018  
San Francisco, CA**

**James Pelrin  
President & CEO  
Hugh T. Regan,  
Treasurer & CFO**

# Safe Harbor Statement

This presentation contains forward-looking statements within the meaning of the Securities Act of 1933 and the Securities Exchange Act of 1934. These statements are based upon management's current expectations, and are subject to risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from the future results, performance or achievements expressed or implied by these forward-looking statements.



# Non-GAAP Results

In addition to disclosing results that are determined in accordance with GAAP, we also disclose non-GAAP performance measures. These non-GAAP performance measures include adjusted net earnings and adjusted net earnings per diluted share. Adjusted net earnings is derived by adding acquired intangible amortization, adjusted for the related income tax expense, to net earnings and removing any change in the fair value of our contingent consideration liability from net earnings. Adjusted net earnings per diluted share is derived by dividing adjusted net earnings by diluted weighted average shares outstanding. These results are provided as a complement to results provided in accordance with GAAP. Adjusted net earnings and adjusted net earnings per diluted share are non-GAAP performance measures presented to provide investors with meaningful supplemental information regarding our baseline performance before acquired intangible amortization charges and changes in the estimate of future consideration that may be paid out related to prior acquisitions as these expenses or income items may not be indicative of our current core business or future outlook. These non-GAAP performance measures are used by management to make operational decisions, to forecast future operational results, and for comparison with our business plan, historical operating results and the operating results of our peers. A reconciliation of net earnings and net earnings per diluted share to adjusted net earnings and adjusted net earnings per diluted share, is contained in the company's 2018 First Quarter Financial Results press release dated May 3, 2018. Non-GAAP performance measures discussed in this presentation may not be comparable to similarly titled measures used by other companies. The presentation of non-GAAP measures is not meant to be considered in isolation, as a substitute for, or superior to, financial measures or information provided in accordance with GAAP.



# Investment Thesis

## *inTEST is broader in reach and depth, with richer product offering and technology*

- Deliver high-margin engineered products for test and process applications in Semi, Auto, Consumer Electronics, Defense/Aerospace, Telecom, and Industrial markets
- Deliver profits and generate cash even during cyclical/seasonal ATE downturns
  - *Profits for 8 consecutive years*
  - *Annual cash flow from operations of \$10.2M TTM*
- *Positioned for growth* with **\$8.7M\*** in cash available to *finance acquisition opportunities* (\*reflects payment of \$5.8 million for 2017 earn-out for Ambrell)
- *No debt with borrowing capacity of \$25M+ to finance growth*
- **Successfully acquired Ambrell Corporation, realizing goal of 50% revenue diversification outside ATE market**



# inTEST Transformed

***New fortified multidisciplined executive team  
focused on growth***

- **Seasoned CEO with extensive industry experience and operational experience taking the helm**
- **Proven ability to optimize revenue and generate cash**
- **Extensive M&A experience with different technologies and industries**
- **Successful risk managers with a carefully structured acquisition strategy**  
**Case Study: Ambrell (May 2017) – growing at 10% and generating significant cash**

***Enabling inTEST to get to next acquisition...Goal >\$100 million  
on way to \$150 million.***



# Executive Team

- Led by highly qualified team of executives with extensive industry experience and a track record of managing profitable businesses to optimize operations.
- All businesses showed revenue growth in 2017 and have been optimized. Generating cash...on average 15% return.



**Jim Pelrin – President & CEO**



**Hugh Regan – Secretary, Treasurer and CFO**



**Mark Bradford – General Manager, EMS**



**Greg Martel – General Manager, ITS**

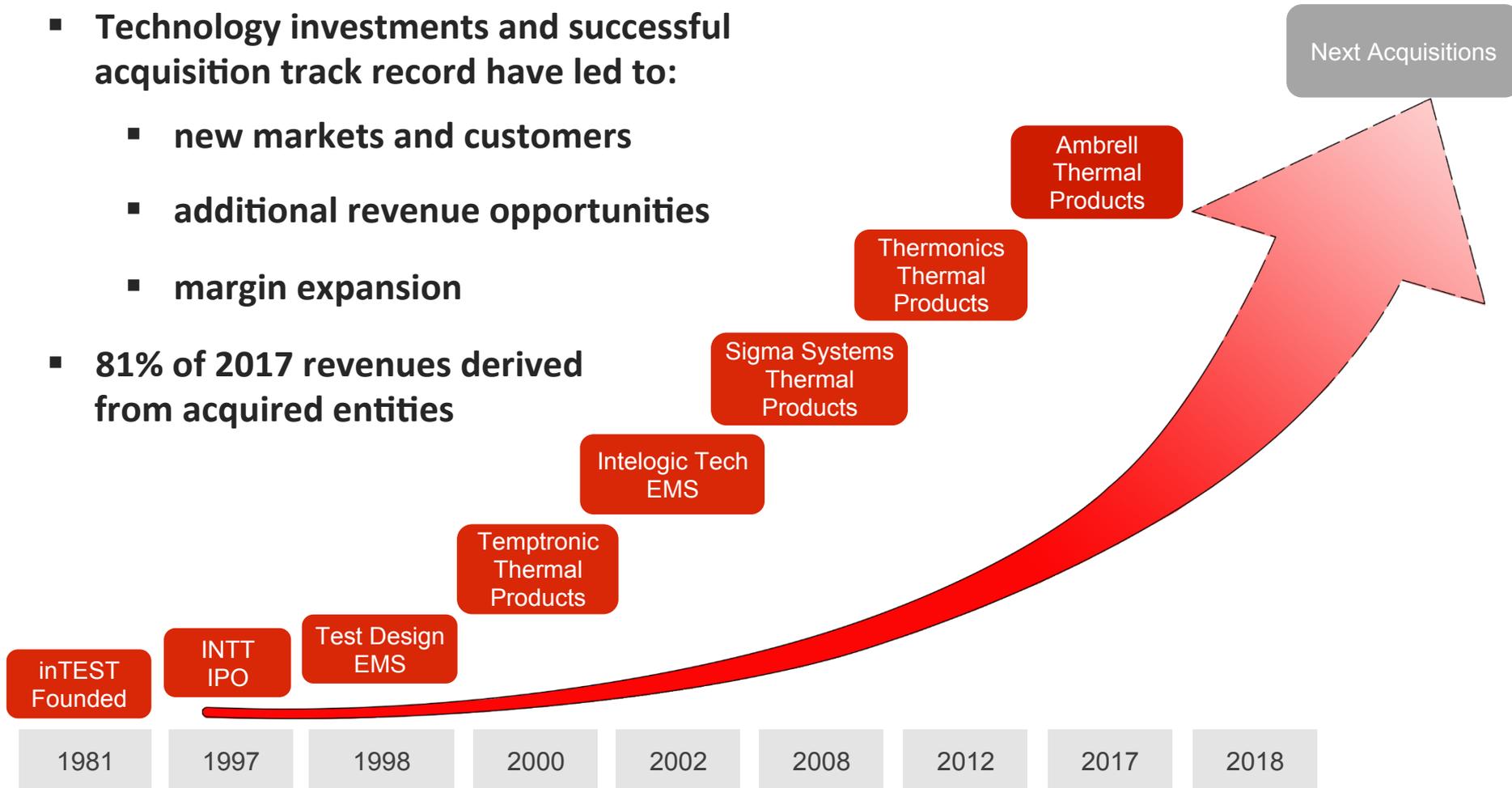


**Tony Mazzullo – General Manager, Ambrell**



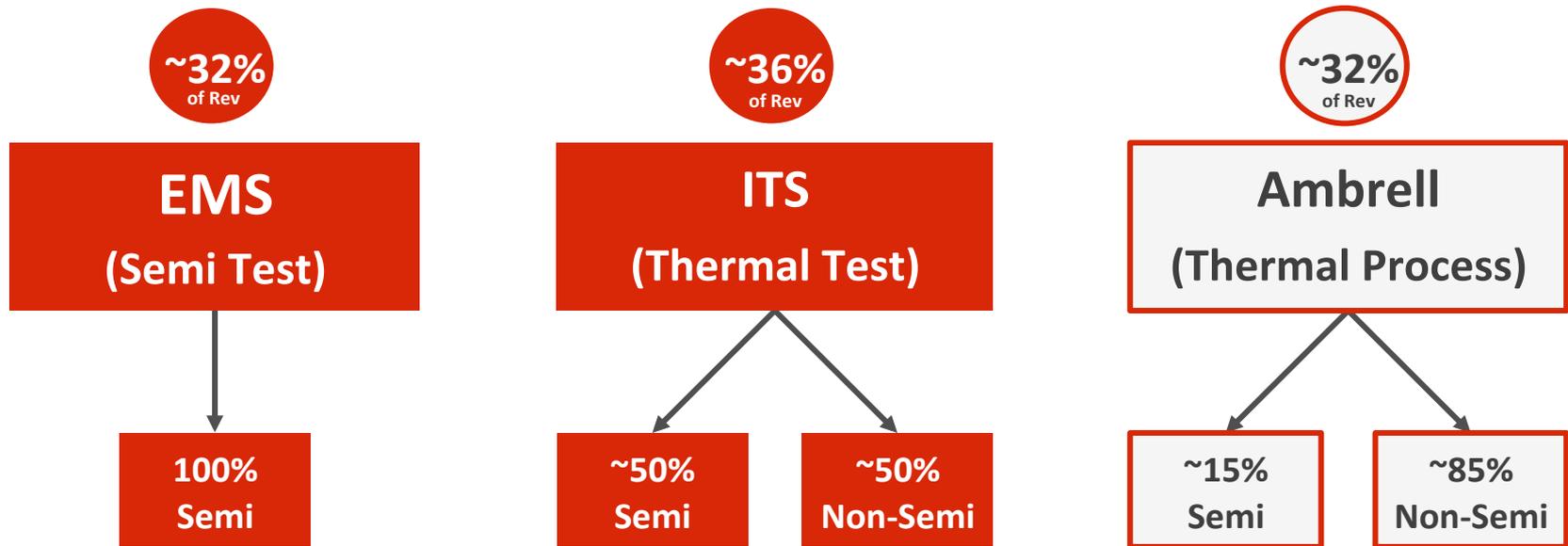
# Investments Driving Growth

- Technology investments and successful acquisition track record have led to:
  - new markets and customers
  - additional revenue opportunities
  - margin expansion
- 81% of 2017 revenues derived from acquired entities



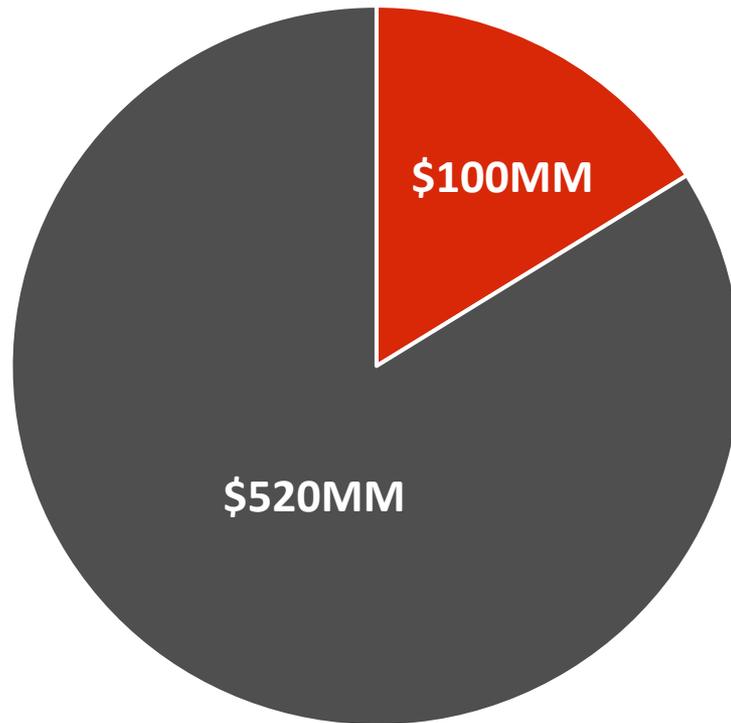
# inTEST Organization

- TEST – Products for electronic test in semiconductor and industrial manufacturing applications using ATE interface equipment and thermal systems
- PROCESS – Products for industrial applications where a thermal solution becomes an integral component of the manufacturing process
- Increased focus on Process Solutions complements inTEST's legacy Test Solutions expertise and market presence



# Ambrell Significantly Enhances Market Opportunity

**\$620M Annual Market**



■ Semi    ■ Non-Semi

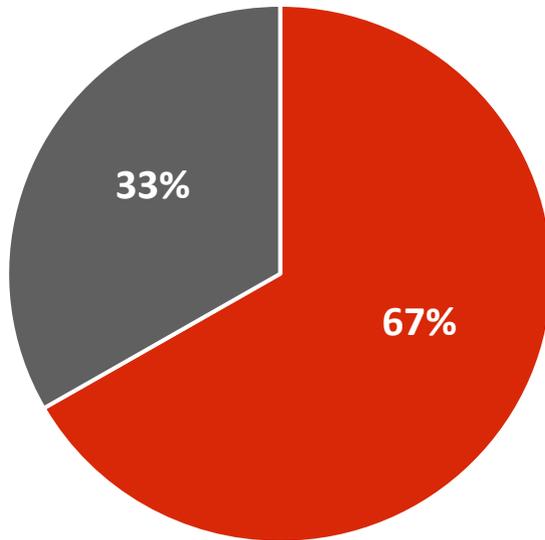
**Semi Market**  
Semiconductor

**Non-Semi Market**  
Automotive  
Aerospace/Defense  
Industrial  
+ Machinery  
+ Consumer  
+ Food & Beverage  
Telecommunications



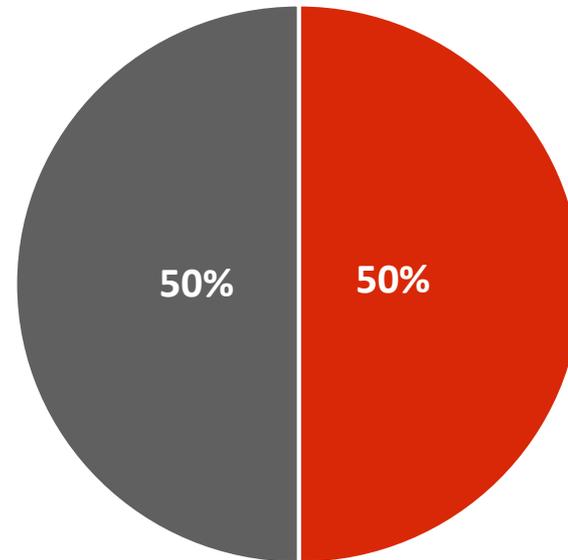
# inTEST Revenue

Revenue by Application



■ Test ■ Process

Revenue by End Market



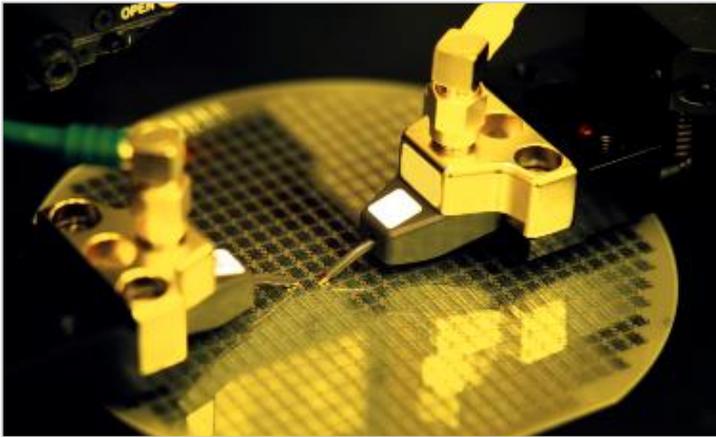
■ Semi ■ Non-Semi

**Ambrell opens diverse end markets.**



# Serving Diverse Markets

## Semi



Hardware to interface with testers to develop and test semiconductors

## Aerospace / Defense



Temperature systems deliver cryogenic temperatures to simulate the extreme conditions of space

## Automotive



Infotainment systems electronics undergo critical temperature testing to ensure reliability



# Serving Diverse Markets

## Industrial Manufacturing



Thermal equipment delivers focused heating for forging and joining metals

## Industrial Equipment



Ultra-low temperatures provide cooling to condition fuel for jet engine testing

## Telecommunications



Thermal sources used for test and production of optical cables and components



# Market Mix – Focus on Growth Markets

TTM Bookings		
ATE	\$ 40.2M	54%
Telecom	8.4	11%
Industrial	20.0	27%
Defense / Aero	4.5	6%
Automotive	0.6	1%
Others	0.9	1%
Total Bookings	\$74.6M	



# ATE-Related Market

Thermal

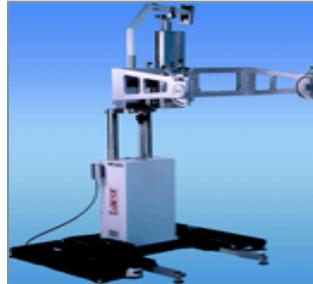


ThermoStreams for  
Semiconductor Test

SAM

70%

EMS



Manipulator  
Docking

10%

20%



Interface Products

30%



# Diverse Top 10 Customer Base

Contribute 41% of Total Sales (3/31/18)

Texas Instruments <sub>E,I</sub>

Foxconn Optical <sub>I</sub>

Hakuto <sub>I</sub>

LPE <sub>A</sub>

Nextrom <sub>A</sub>

Analog Devices <sub>E,I</sub>

NXP Semi <sub>I</sub>

Cypress Semi <sub>E,I</sub>

Raytheon <sub>I</sub>

Aixtron <sub>A</sub>

E = EMS I = iTS A = Ambrell



# Global Customers – Expanding



# Growth Drivers

- **Automotive electronics and advanced manufacturing processes – engine management, entertainment, communications, collision avoidance**
- **Mobile communications – modules for smart phones, tablets, hand-held devices (Apple, Samsung, Qualcomm)**
- **Consumer and industrial sensors**
- **High-stress environments (Defense/Aerospace)**



# Financial Overview



# Operating Model

	2014	2015	2016	2017	2018 YTD
<b>Gross Margin</b>	<b>49%</b>	<b>48%</b>	<b>51%</b>	<b>53%</b>	<b>50%</b>
<b>SG&amp;A</b>	<b>29%</b>	<b>31%</b> a	<b>31%</b> a	<b>30%</b> a	<b>29%</b>
<b>Eng. &amp; Prod. Development</b>	<b>9%</b>	<b>10%</b>	<b>9%</b>	<b>6%</b>	<b>7%</b>
<b>Operating Margin</b>	<b>14%</b>	<b>7%</b> b	<b>11%</b> b	<b>17%</b> b c	<b>14%</b> c

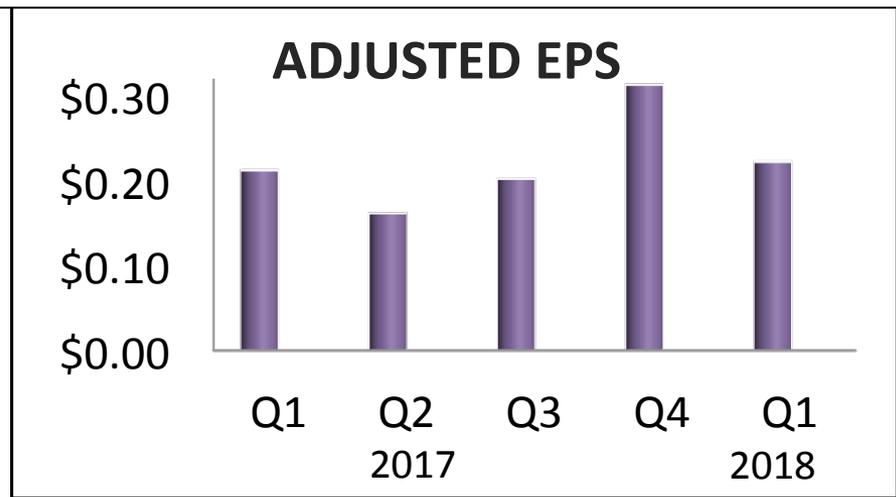
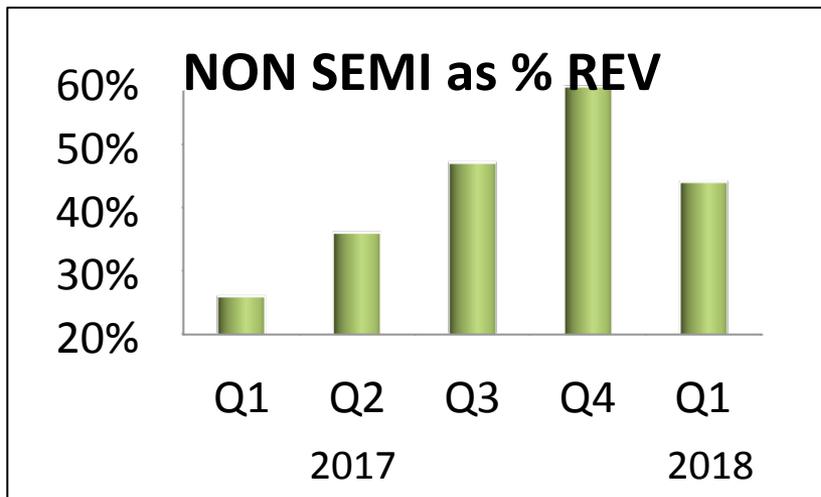
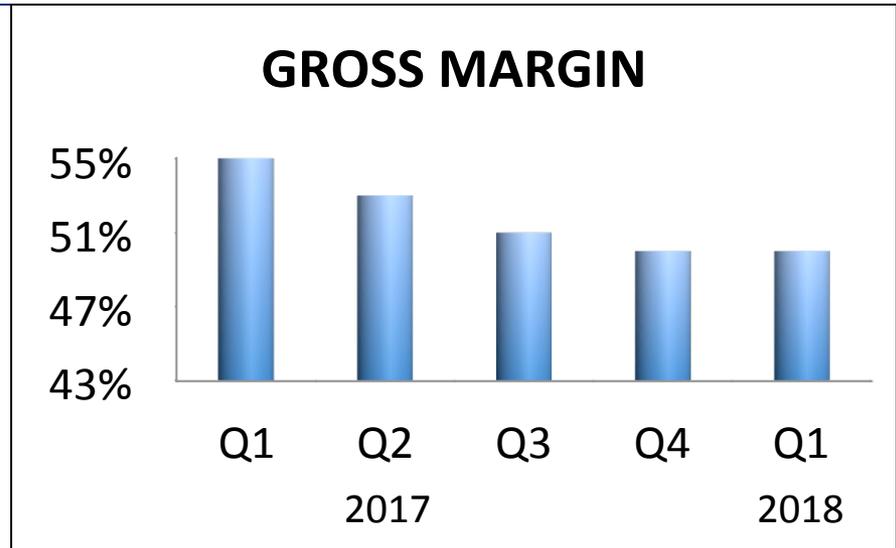
a Includes due diligence and other acquisition related expenses: 2015 - \$329K; 2016 - \$456K; 2017 - \$905K.

b Net of acquisition related expenses: 2015 - \$329K; 2016 - \$456K; 2017 - \$905K.

c Adjusted for contingent consideration adjustment (related to earnout) of \$7.0M (2017) and \$1.7M (2018)



# Financial Results



# Balance Sheet Highlights

	<b>As of</b> <b><u>3/31/2018</u></b>
<b>Cash &amp; Cash Equivalents</b>	<b>\$14.4M</b>
<b>Working Capital</b>	<b>\$17.6M</b>
<b>Total Assets</b>	<b>\$65.4M</b>
<b>Contingent Acquisition Liability</b>	<b>\$12.8M</b>
<b>Long-Term Debt</b>	<b>\$ -</b>
<b>Shareholder Equity</b>	<b>\$39.8M</b>



# Q2 2018 Guidance (Provided May 3, 2018)

Net Revenue	\$19.0M to \$20.0M
GAAP Net Earnings	\$0.20 to \$0.24 diluted EPS
Non- GAAP Adjusted Net Earnings	\$0.22 to \$0.26 diluted EPS
Gross Margin	51% to 52%
Product Mix	Q2'18 more favorable vs. Q1'18

*Net income guidance is based upon current expectations and may be subject to change due to audit adjustment*



# inTEST – We're Not Just Semi, We Make Things Hot & Cold

- Growth opportunities through focused acquisition strategy with a 50% revenue diversification outside ATE market
- Expansion of vertical markets outside of ATE market with thermal technologies
- Highly leveraged P&L with no debt and significant borrowing capacity to fund growth through acquisition
- Generate profits & cash even during cyclical semi downturns
- Lean operating structure and operational efficiencies drive higher gross margin



# Investor Contacts

**inTEST Corporation**  
**Hugh T. Regan**  
**Treasurer & CFO**  
**[h.regan.jr@intest.com](mailto:h.regan.jr@intest.com)**

**Guerrant Associates**  
**Laura Guerrant-Oiye**  
**(808) 960-2642**  
**[lguerrant@guerrantir.com](mailto:lguerrant@guerrantir.com)**

