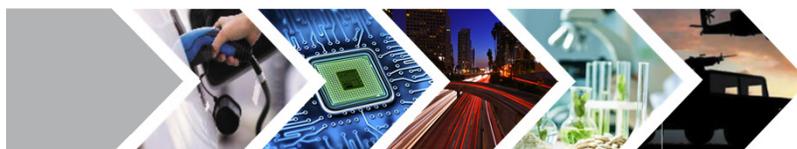


# inTEST Corporation

## 2022 Midwest IDEAS Investor Conference



**Nick Grant**  
President and CEO

**Duncan Gilmour**  
Chief Financial Officer

**inTEST**

August 24, 2022

### Forward-Looking Statements

This presentation includes forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, as amended. These statements do not convey historical information but relate to predicted or potential future events and financial results, such as statements of the Company's plans, strategies and intentions, or our future performance or goals, that are based upon management's current expectations. These forward-looking statements can often be identified by the use of forward-looking terminology such as "believes," "expects," "intends," "may," "will," "should," "plans," "projects," "forecasts," "outlook," "anticipates," "targets," "estimates," or similar terminology. These statements are subject to risks and uncertainties that could cause actual results to differ materially from those expressed or implied by such statements.

Such risks and uncertainties include, but are not limited to, any mentioned in this presentation as well as the Company's ability to execute on its 5-Point Strategy, realize the potential benefits of acquisitions and successfully integrate any acquired operations, grow the Company's presence in the life sciences, security, industrial and international markets, manage supply chain challenges, convert backlog to sales and to ship product in a timely manner; the success of the Company's strategy to diversify its markets; the impact of inflation on the Company's business and financial condition; the impact of the COVID-19 pandemic on the Company's business, liquidity, financial condition and results of operations; indications of a change in the market cycles in the semi market or other markets served; changes in business conditions and general economic conditions both domestically and globally; changes in the demand for semiconductors; the ability to borrow funds or raise capital to finance potential acquisitions or for working capital; changes in the rates and timing of capital expenditures by the Company's customers; and other risk factors set forth from time to time in the Company's Securities and Exchange Commission filings, including, but not limited to, the Annual Report on Form 10-K for the year ended December 31, 2021. Any forward-looking statement made by the Company in this presentation is based only on information currently available to management and speaks to circumstances only as of the date on which it is made. The Company undertakes no obligation to update the information in this presentation to reflect events or circumstances after the date hereof or to reflect the occurrence of anticipated or unanticipated events.

### Non-GAAP Financial Measures and Forward-Looking Non-GAAP Financial Measures

In addition to disclosing results that are determined in accordance with GAAP, we also disclose non-GAAP financial measures which consist of adjusted net earnings (loss), adjusted net earnings (loss) per diluted share, free cash flow, adjusted EBITDA, and adjusted EBITDA margin. Adjusted net earnings (loss) is derived by adding acquired intangible amortization, adjusted for the related income tax expense (benefit), to net earnings (loss). Adjusted net earnings (loss) per diluted share is derived by dividing adjusted net earnings (loss) by diluted weighted average shares outstanding. Adjusted EBITDA is derived by adding acquired intangible amortization, interest expense, income tax expense, depreciation, and stock-based compensation expense to net earnings (loss). Adjusted EBITDA margin is derived by dividing adjusted EBITDA by revenue. Free cash flow is derived by subtracting capital expenditures from net cash provided by operations. These results are provided as a complement to the results provided in accordance with GAAP. Adjusted net earnings (loss) and adjusted net earnings (loss) per diluted share are non-GAAP financial measures presented to provide investors with meaningful, supplemental information regarding our baseline performance before acquired intangible amortization charges as this expense may not be indicative of our underlying operating performance. Adjusted EBITDA and adjusted EBITDA margin are non-GAAP financial measures presented primarily as a measure of liquidity as they exclude non-cash charges for acquired intangible amortization, depreciation and stock-based compensation. In addition, adjusted EBITDA and adjusted EBITDA margin also exclude the impact of interest income or expense and income tax expense or benefit, as these expenses may not be indicative of our underlying operating performance. The non-GAAP financial measures presented in this presentation 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. Reconciliations from net earnings (loss) and net earnings (loss) per diluted share to adjusted net earnings (loss) and adjusted net earnings (loss) per diluted share and from net earnings (loss) to adjusted EBITDA and adjusted EBITDA margin, are contained in the tables that accompany this presentation. The non-GAAP financial measures discussed in this presentation may not be comparable with similarly titled measures used by other companies. The presentation of non-GAAP financial 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.

This presentation also contains forward-looking statements regarding non-GAAP adjusted EBITDA and adjusted EBITDA margin. The Company is unable to present a quantitative reconciliation of these forward-looking non-GAAP financial measures to their most directly comparable forward-looking GAAP financial measures because such information is not available, and management cannot reliably predict the necessary components of such GAAP measures without unreasonable effort or expense. In addition, the Company believes that such reconciliations would imply a degree of precision that would be confusing or misleading to investors. These non-GAAP financial measures are preliminary estimates and are subject to risks and uncertainties, including, among others, changes in connection with quarter-end and year-end adjustments. Any variation between the Company's actual results and preliminary financial data set forth above may be material.

2

# Unlocking The Potential



**Vision** To be the **supplier of choice** for innovative test and process technology solutions

**Mission** Leverage our deep industry knowledge & expertise to **develop and deliver high quality, innovative customer solutions** and superior support for complex global challenges



**Nick Grant, President and CEO**

- Appointed as President and CEO August 24, 2020
- ABB SVP Americas Region Industrial Automation Measurement & Analytics Division
- AMETEK VP & GM Materials Analysis Division (Test & Measurement)
- Emerson Electric (various roles)
- MBA (Xavier University) / BS Physics (Northern Kentucky University)



**Duncan Gilmour, Chief Financial Officer**

- Appointed as Chief Financial Officer June 14, 2021
- ABB Americas Hub Controller Industrial Automation Measurement & Analytics Division
- Tyco International / Johnson Controls (various roles)
- Coopers & Lybrand / PricewaterhouseCoopers (U.S. and U.K.)
- BAcc Economics and Accounting (University of Glasgow) / Chartered Accountant (ICAS)

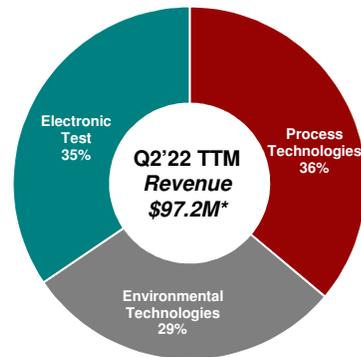
3

# Transforming inTEST



**Supplier of Choice for Innovative Test and Process Technology Solutions**

-  Robust long-term growth strategy
-  Emphasis on diversified growth markets and acquisitions
-  Clear, consistent, continuous investor and employee communications
-  More standardized / configured-to-order solutions
-  Results-driven, entrepreneurial culture



Market Capitalization	\$106.1 million	Shares Outstanding	~11.0 million
Recent Closing Price	\$9.63	Institutional Ownership	~45%
52 Week Low-High	\$6.07 - \$17.00	Insider Ownership	~6%

\*Division revenue split is unaudited  
Market data as of August 17, 2022, Source: S&P Capital IQ; Shares Outstanding as of July 31, 2022; Ownership as of most recent filing.

4

## 5-Point Strategy Drives Long-Term Value



➤ **Grow Top-Line Through Geographic and Market Expansion**

- Further penetrate existing markets with infrastructure investments
- Expand into new markets with existing products
- Invest in global Direct Sales and Channel Management
- Execute global supply agreements
- Enhance Corporate identity and branding

➤ **Pursue Strategic Acquisitions and Partnerships:**

- Pursue higher frequency of deals
- Key M&A Criteria:
  - Expand into faster markets
  - Offer a broader portfolio of services
  - Enhance value-added technological solutions
  - Quantifiable and achievable synergies
- Explore partnerships with private labeling opportunities; consider JV/partial ownership opportunities



➤ **Drive Innovation and Technological Differentiation**

- Leverage expertise to deliver highly-valued solutions
- Headcount investments to support product development
- Reorganize engineering organization to optimize development
- Drive standardization to increase market availability/ lower costs
- Establish Corporate Growth Programs and common stage Gate Development Process

➤ **Enhance Service and Support**

- Expand geographic service coverage, infrastructure and repair/calibration centers
- Drive enhanced service offerings including third party agreements, extended warranties, preventative maintenance and calibration
- Expand remote services asset health
- Integrate shared field services and repair resources
- Identify and capture recurring revenue stream from service

➤ **Foster New Culture and Talent:**

- Changes driven from top executive leadership
- Emphasize openness, results and accountability
- Drive diversity, engagement and career development
- Leverage collaboration among people and divisions
- Aligned incentives/compensation to results

5

## Strong Foundation For Growth



➤ **inTEST: Known for Highly-Engineered, Customer-Driven Solutions**



**Growing and Diversified Markets**

- Semiconductor
- Industrial
- Automotive/EV
- Defense/Aerospace
- Life Sciences
- Security



**Blue-Chip Global Customer Base**

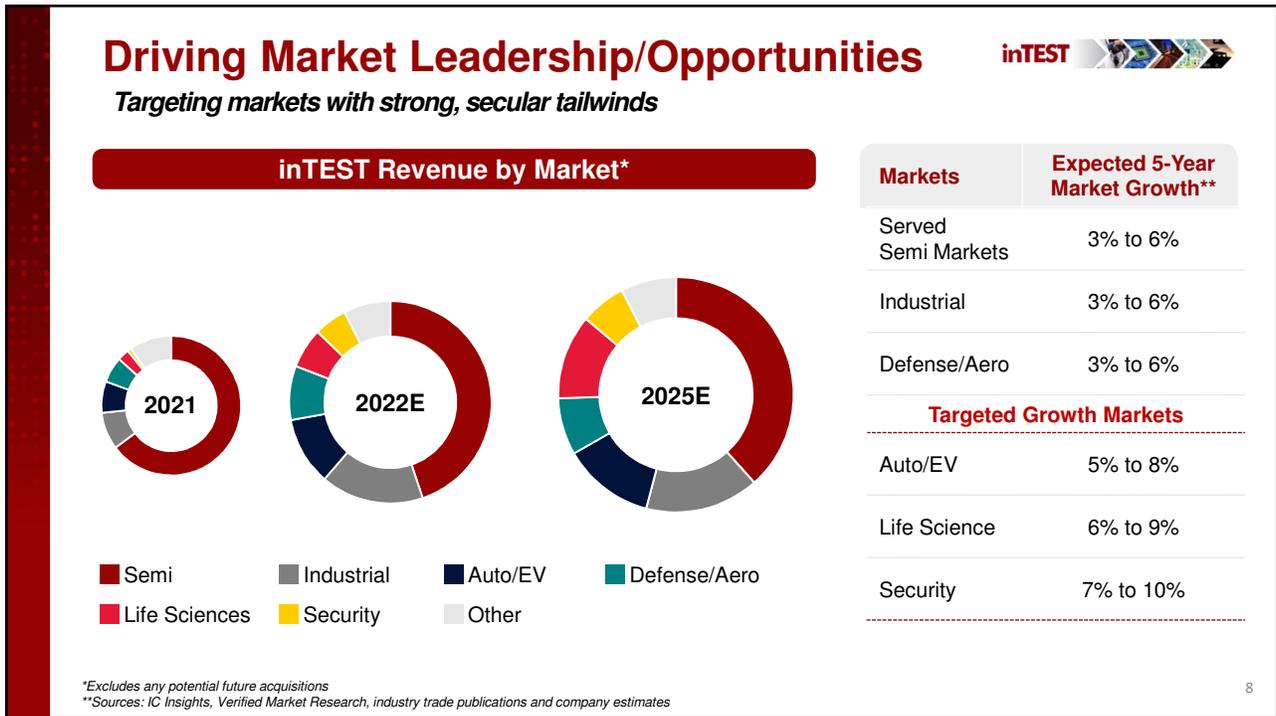
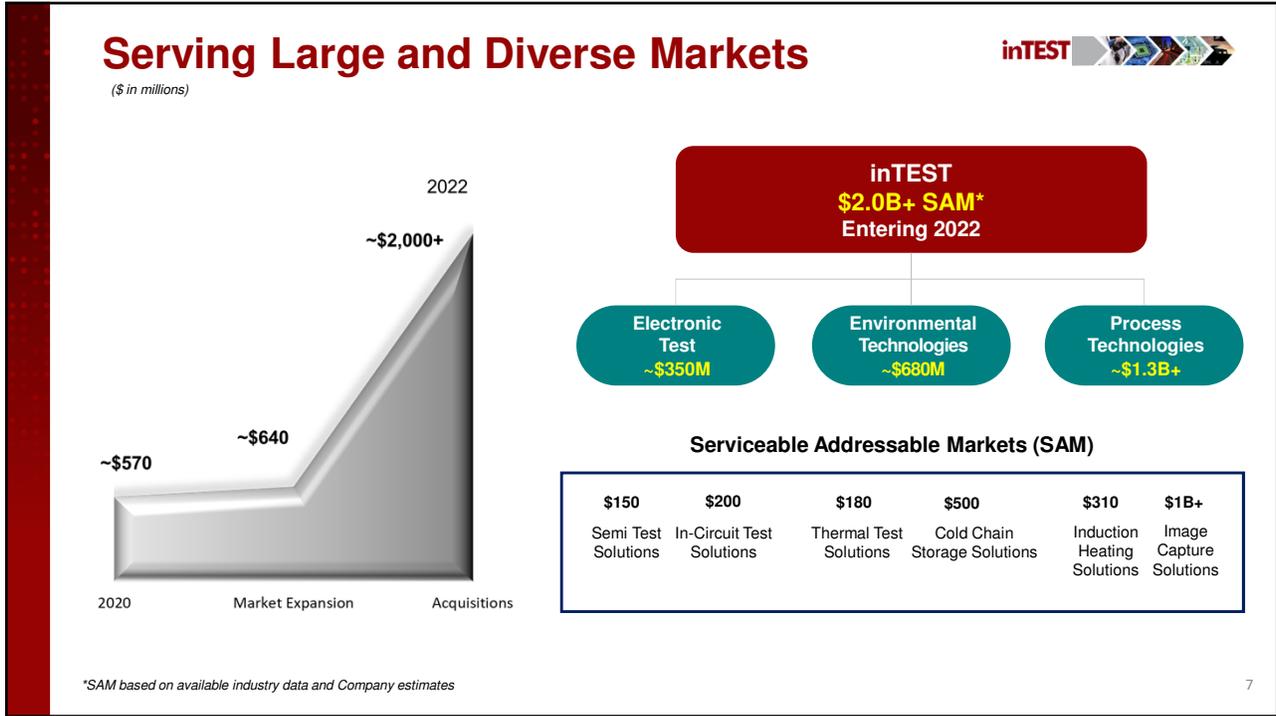




**Global Presence**

- TTM Q222 Revenue: \$97.2M
  - 36.2% APAC
  - 40.9% Americas
  - 22.9% EMEA
- Manufacturing operations in U.S., Canada, Europe
- Global sales and service organization

6

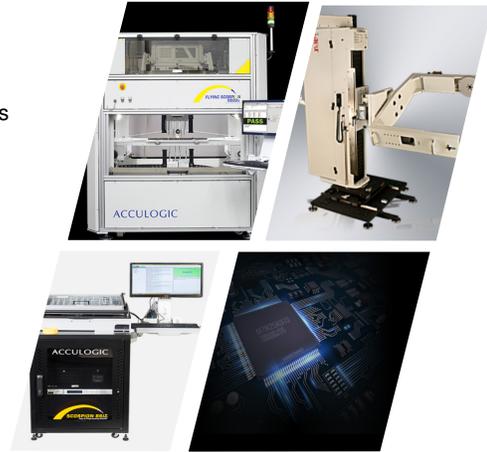


# Electronic Test



*Engineering solutions for the toughest challenges in automated test*

- Market footprint expands beyond Semi to include Industrial, Auto/EV, Life Sciences and Defense/Aero
- Bringing automation/integration to back-end semi test; solutions enable testers to work with virtually all handlers/probers
- Proprietary flying probe technology provides broad based testing capabilities & throughput for PCB testing
- Increasing productivity and quality for EV/Battery testing with automated interconnect verification for multiple sized batteries
- Solutions:
  - Semi Test Interfaces, Docking Solutions and Manipulators
  - Circuit Flying Probe and Battery Test Systems / Test Services



*40 YEARS OF ENABLING ADVANCE ELECTRONIC TEST*

# Environmental Technologies



*Creating and controlling environmental conditions in test, process and storage applications*

- Born in Semi, product standardization and acquisitions broadened markets significantly:
  - Life Sciences cold chain solutions serves vaccine development, medical advancements and cannabis extraction
  - Portable, avionics, guidance system and satellite testing solutions provide wide temperature controls for satellites, space exploration and defense systems
- Key Products:
  - Thermal Test Chambers
  - Process Chillers
  - Ultra Cold Freezers and Medical refrigerators
- Environmental responsibility
  - Low-impact refrigerants
  - Low power consumption
  - RoHS and REACH compliant



*OVER 50,000 SYSTEMS INSTALLED IN MORE THAN 40 COUNTRIES*

<sup>1</sup>Division revenue split is unaudited

# Process Technologies



*Technical expertise and customized solutions for industrial applications*

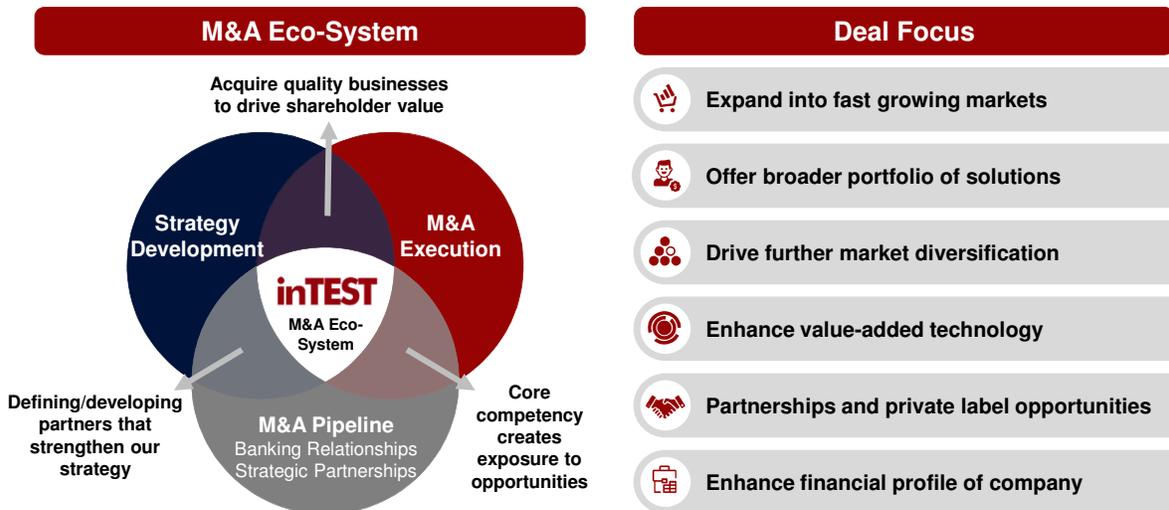
- Addressable market expands through product development, global lab extension and acquisitions:
  - Induction heating and recently acquired Videology camera applications combine to serve large, diverse and growing markets that include Automotive/EV, Aerospace, Life Sciences and Security
- Key Products:
  - Induction heating systems range from 500 W to 1,000 kW
  - Industrial grade cameras and embedded image capture systems
- Environmental benefits:
  - Induction heating only uses electricity
  - Induction heating is cleaner and safer
  - Camera systems providing safer, more efficient roadways
  - Our systems are used to build renewable products



**OVER 17,000 INDUCTION HEATING SYSTEMS AND MORE THAN 1 MILLION CAMERAS INSTALLED IN MORE THAN 50 COUNTRIES**

<sup>1</sup>Division revenue split is unaudited

# Making M&A a Core Competency



## M&A / Corporate Development

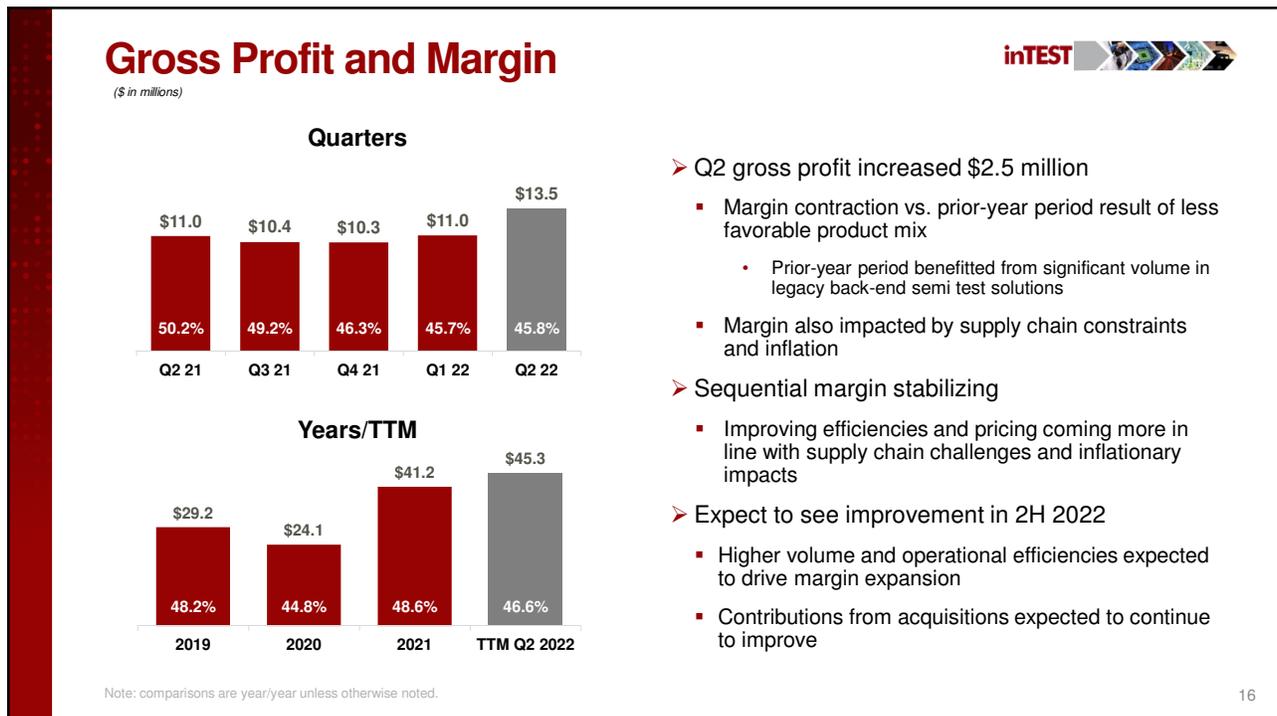
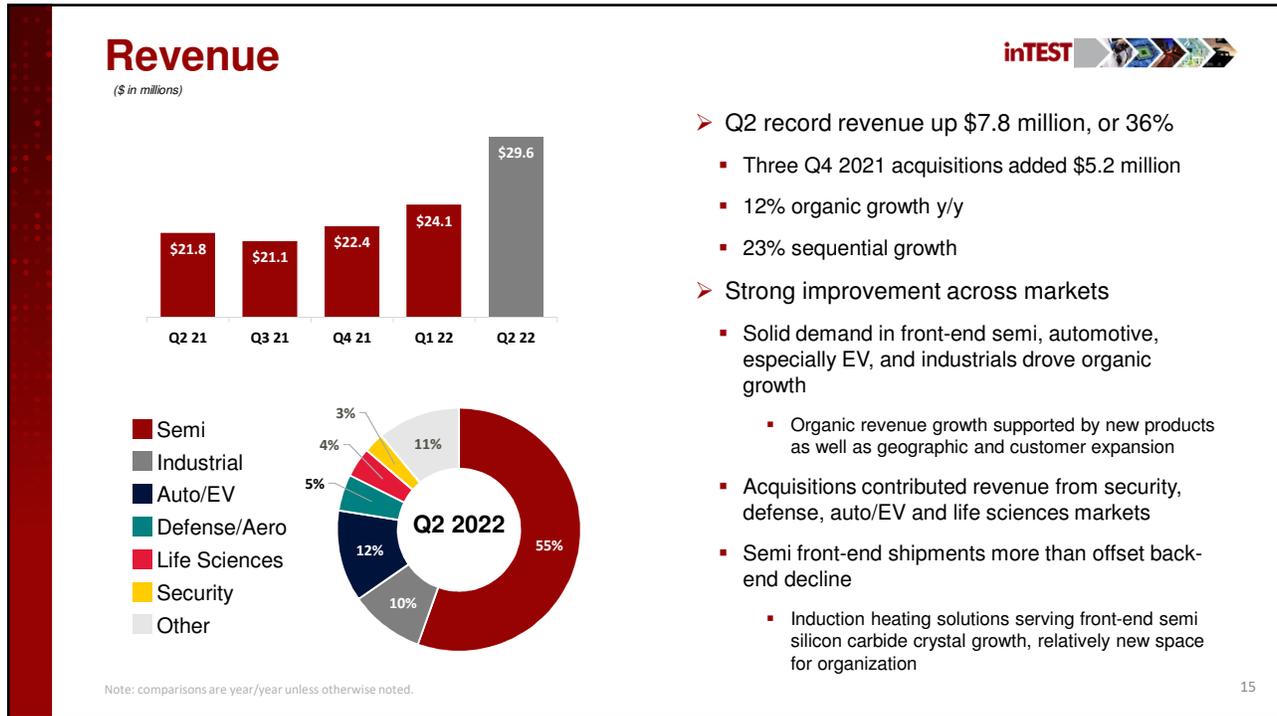


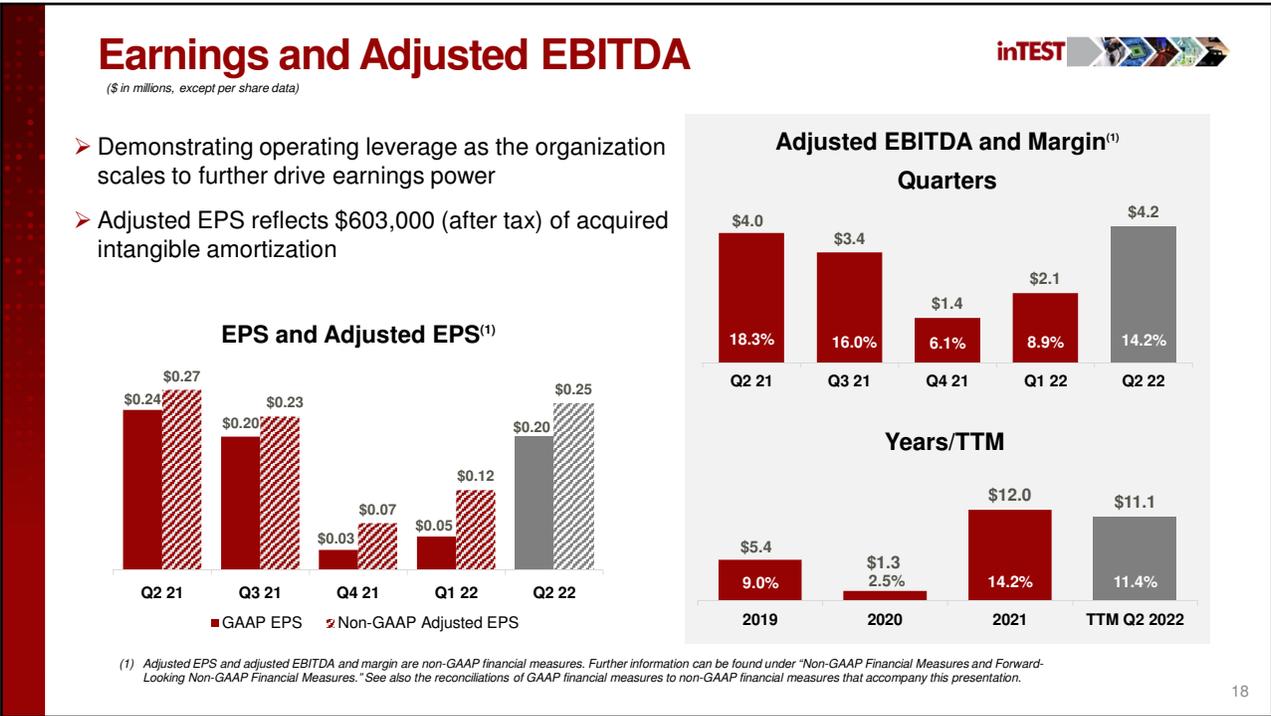
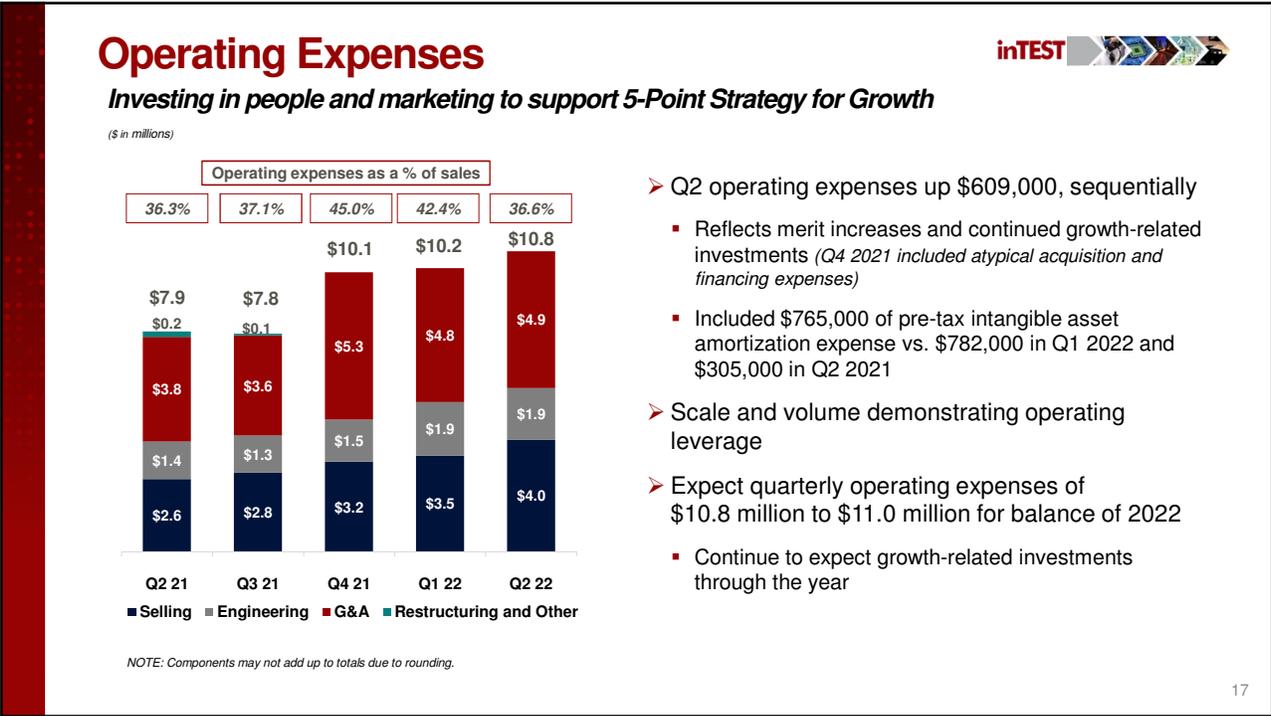
*Significant progress made in year one of strategy deployment*

-  Completed three acquisitions (4<sup>th</sup> Quarter 2021)
-  Disciplined M&A process in place from target investigation to integration
-  Focus on expanding technologies, geographies and markets served
-  Building a strong M&A eco-system to create a core competency
-  Exploring partnerships as well as acquisitions

## Financial Overview







## Capital Structure and Cash Flow

(\$ in millions)



Capitalization				
	6/30/22		3/31/22	
Cash and cash equivalents	\$	10.5	\$	17.2
Short term investments	\$	3.5	\$	—
Total debt	\$	18.2	\$	19.2
Total net debt	\$	4.2	\$	2.0
Shareholders' equity	\$	58.1	\$	56.0
Total capitalization	\$	76.3	\$	75.2

Cash Flow	Six Months Ended		Year Ended
	6/30/22	6/30/21	12/31/21
Net cash provided by (used in) operating activities (GAAP)	\$ (5.1)	\$ 3.9	\$ 10.8
Capital expenditures	(0.7)	(0.5)	(1.0)
<b>Free cash flow (FCF)<sup>(1)</sup></b> (Non-GAAP)	<b>\$ (5.8)</b>	<b>\$ 3.4</b>	<b>\$ 9.8</b>

- ~\$29 million in liquidity
  - Includes \$14 million in cash and S-T investments and ~\$15 million capacity on borrowing instruments
- Measurable financial flexibility
  - Current Net Debt/Adjusted EBITDA leverage ratio less than 1.5x

NOTE: Components may not add up to totals due to rounding.

<sup>(1)</sup> Free cash flow is a non-GAAP financial measure. Further information can be found under "Non-GAAP Financial Measures and Forward-Looking Non-GAAP Financial Measures."

19

## Orders and Backlog

(\$ in millions)



- Record orders, up 60% with strong demand from all end markets
  - Book-to-bill of 1.4
  - Acquisitions added to demand especially in security and defense
  - Semi front-end and back-end orders strengthened y/y and sequentially on technology and capacity demands
    - Growing customer base with front-end solution for silicon carbide crystal manufacturing process
    - Impacted by capex spending approval cycles at large customers
- Approximately 55%, or ~\$25 million, of backlog is expected to convert to sales in Q3 2022
  - 45% of backlog to convert beyond Q3 vs. historic levels of ~20% as customers secure production capacity

Note: comparisons are year/year unless otherwise noted.

20

## 2022 Outlook



- Executing our 5-Point Strategy to continue driving growth
  - Innovative solutions gaining confidence among growing customer base
  - Increasing volume of longer term commitments
- 2022 Outlook & Q3 Guidance<sup>(1)</sup>
  - 2022 revenue: \$110 million to \$115 million
  - 2H 2022 gross margin: 46% to 48%
  - Operating expenses: \$10.8 million to \$11.0 million per quarter
  - Interest expense: ~\$150,000 per quarter
  - Effective tax rate: 16% to 17%
  - Capital expenditures: 1% to 2% of revenue
  - Q3 revenue: \$29 million to \$31 million
  - Q3 GAAP EPS: \$0.20 to \$0.25
  - Q3 non-GAAP Adj EPS<sup>(2)</sup>: \$0.25 to \$0.30

### 5-Point Strategy



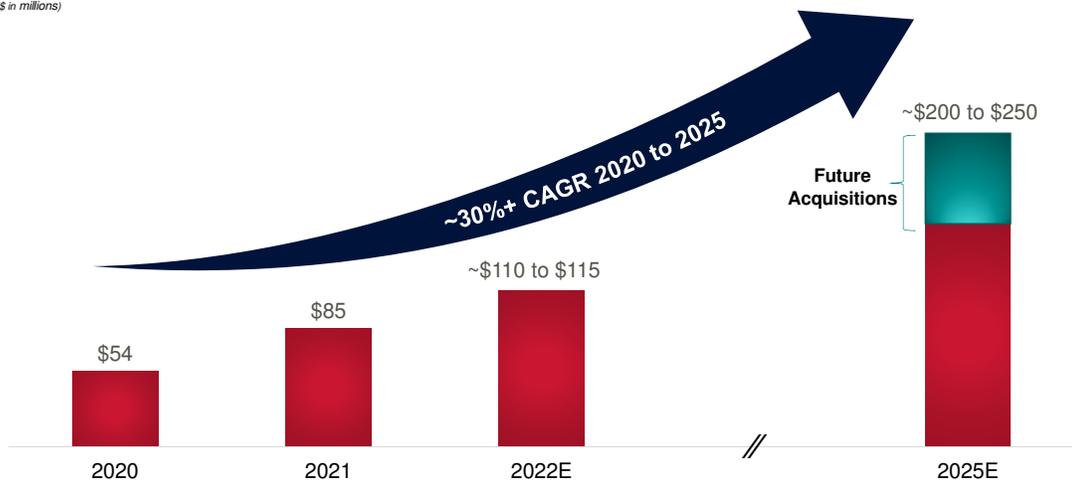
<sup>(1)</sup> Guidance provided August 4, 2022. The foregoing guidance is based on management's current views with respect to operating and market conditions and customers' forecasts. It also assumes supply chain challenges are expected to remain unchanged in the first half of the year and to begin to improve modestly in the second half. Actual results may differ materially from what is provided here today as a result of, among other things, the factors described under "Forward-Looking Statements" on slide 2.

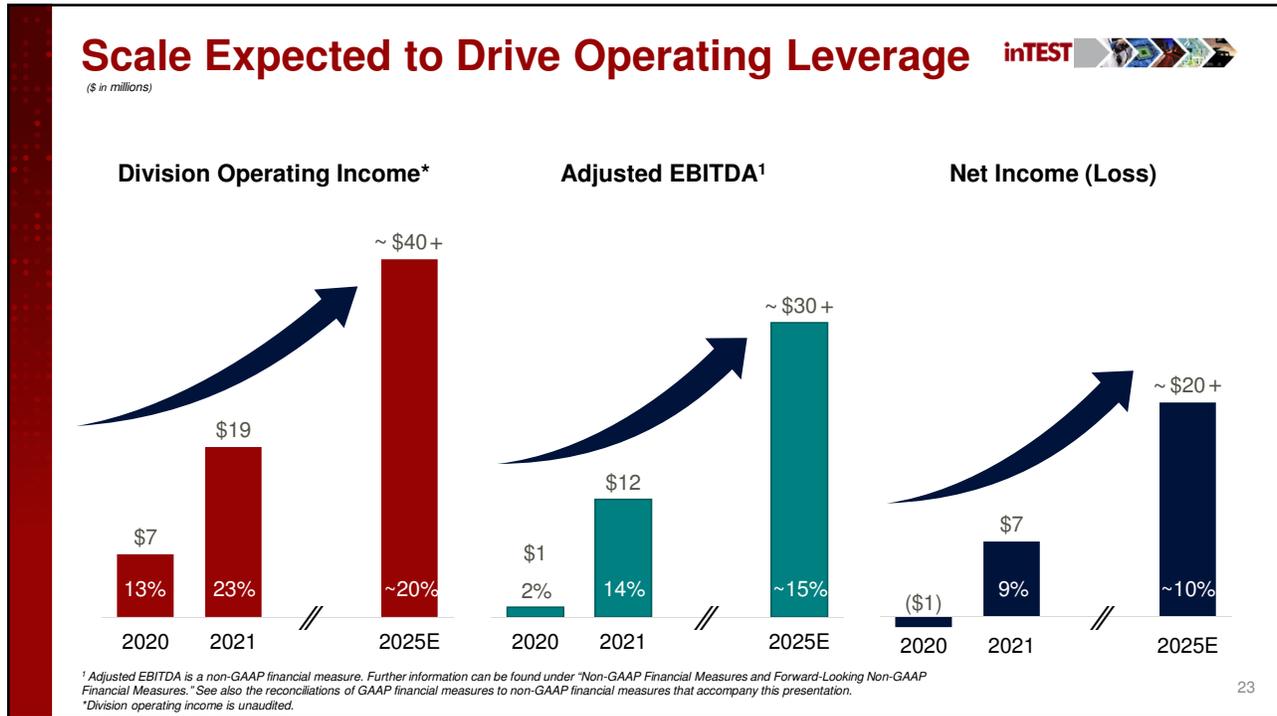
<sup>(2)</sup> Adjusted EPS is a non-GAAP financial measure. Further information can be found under "Non-GAAP Financial Measures and Forward-Looking Non-GAAP Financial Measures." See also the reconciliations of GAAP financial measures to non-GAAP financial measures that accompany this presentation.

## Executing to Plan



(\$ in millions)





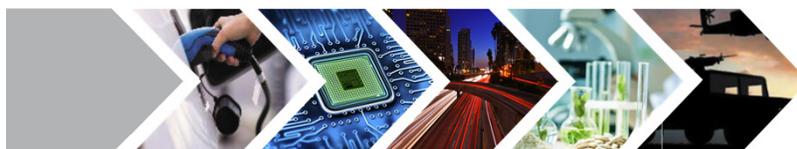
## Strong First Half on Track with Plan inTEST

- 
Strong demand for innovative technologies and engineering expertise
- 
Diversified end markets with strong secular growth drivers
- 
Increasing customer base, deepening customer reach and expanding geographically
- 
Financial flexibility to execute growth strategy
- 
Executing 5-Point Strategy and delivering results

24

# **inTEST Corporation**

## **Midwest IDEAS Conference**



**inTEST**

*August 24, 2022*

## **Supplemental Information**

**inTEST**

## Adjusted Net Earnings Reconciliation

(\$ in thousands)



	Three Months Ended		
	6/30/2022	6/30/2021	3/31/2022
Net earnings (GAAP)	\$ 2,116	\$ 2,609	\$ 577
Acquired intangible amortization	765	305	782
Tax adjustments	(162)	(4)	(93)
Adjusted net earnings (Non-GAAP)	<u>\$ 2,719</u>	<u>\$ 2,910</u>	<u>\$ 1,266</u>
Diluted weighted average shares outstanding	<u>10,815</u>	<u>10,765</u>	<u>10,843</u>
Net earnings per share – diluted:			
Net earnings (GAAP)	\$ 0.20	\$ 0.24	\$ 0.05
Acquired intangible amortization	0.07	0.03	0.08
Tax adjustments	(0.02)	-	(0.01)
Adjusted net earnings per share – diluted (Non-GAAP)	<u>\$ 0.25</u>	<u>\$ 0.27</u>	<u>\$ 0.12</u>

27

## Adjusted EBITDA Reconciliation

(\$ in thousands)



	Three Months Ended					Twelve Months Ended			
	6/30/2022	3/31/2022	12/31/2021	9/30/2021	6/30/2021	Q2 22 TTM	2021	2020	2019
Net earnings (GAAP)	\$ 2,116	\$ 577	\$ 287	\$ 2,175	\$ 2,609	\$ 5,155	\$ 7,283	\$ (895)	\$ 2,322
Acquired intangible amortization	765	782	522	309	305	\$ 2,378	1,440	1,233	1,257
Interest expense	133	137	83	4	2	\$ 357	89	33	-
Income tax expense	454	78	(51)	357	447	\$ 838	1,119	(336)	282
Depreciation	174	188	171	172	167	\$ 705	666	630	685
Non-cash stock-based compensation	551	372	356	371	454	\$ 1,650	1,450	671	884
Adjusted EBITDA (Non-GAAP)	<u>\$ 4,193</u>	<u>\$ 2,134</u>	<u>\$ 1,368</u>	<u>\$ 3,388</u>	<u>\$ 3,984</u>	<u>\$ 11,083</u>	<u>\$ 12,047</u>	<u>\$ 1,336</u>	<u>\$ 5,430</u>
Revenue	29,571	24,081	22,358	21,144	21,820	97,154	84,878	53,823	60,660
Adjusted EBITDA margin (Non-GAAP)	<u>14.2%</u>	<u>8.9%</u>	<u>6.1%</u>	<u>16.0%</u>	<u>18.3%</u>	<u>11.4%</u>	<u>14.2%</u>	<u>2.5%</u>	<u>9.0%</u>

28

## Adjusted EPS Reconciliation



### Estimated Q3 2022 Guidance

	<u>Low</u>	<u>High</u>
Estimated earnings per share – diluted (GAAP)	\$ 0.20	\$ 0.25
Estimated acquired intangible amortization	0.06	0.06
Estimated tax adjustments	(0.01)	(0.01)
Estimated adjusted earnings per share – diluted (Non-GAAP)	<u>\$ 0.25</u>	<u>\$ 0.30</u>

29

## Segment Reporting



### Reclassification of 2021

(\$ in thousands)

	<u>Quarter Ended</u>				<u>Year Ended</u>	
	<u>6/30/2021</u>	<u>9/30/2021</u>	<u>12/31/2021</u>	<u>3/31/2022</u>	<u>6/30/2022</u>	<u>12/31/2021</u>
Electronic Test	\$ 9,054	\$ 8,103	\$ 6,851	\$ 8,778	\$ 9,797	\$ 32,509
Environmental Technologies	6,647	6,875	7,176	6,993	7,507	26,896
Process Technologies	6,119	6,166	8,331	8,310	12,267	25,473
<b>Total Revenue</b>	<u>\$ 21,820</u>	<u>\$ 21,144</u>	<u>\$ 22,358</u>	<u>\$ 24,081</u>	<u>\$ 29,571</u>	<u>\$ 84,878</u>
Electronic Test	\$ 3,237	\$ 2,634	\$ 2,068	\$ 1,887	\$ 2,193	\$ 10,926
Environmental Technologies	1,113	1,090	1,110	802	1,070	4,236
Process Technologies	1,161	1,078	1,124	730	2,569	3,819
<b>Total income from divisional operations</b>	5,511	4,802	4,302	3,419	5,832	18,981
Corporate expense	(2,171)	(1,944)	(3,485)	(1,835)	(2,339)	(9,082)
Acquired intangible amortization	(305)	(309)	(522)	(782)	(765)	(1,440)
Other income (expense)	21	(17)	(59)	(147)	(158)	(57)
<b>Earnings before income tax expense</b>	<u>\$ 3,056</u>	<u>\$ 2,532</u>	<u>\$ 236</u>	<u>\$ 655</u>	<u>\$ 2,570</u>	<u>\$ 8,402</u>

Beginning in the first quarter of 2022, the Company made a change to its reportable segments from two reportable segments to three reportable segments – Electronic Test, Environmental Technologies and Process Technologies. These segments, which operate as Divisions, align with how the Chief Executive Officer (CEO), who is also the Chief Operating Decision Maker (CODM) as defined under U.S. GAAP, allocates resources and assesses performance against the Company's key growth strategies. Prior period reportable segment results and related disclosures have been restated to be consistent with the current year presentation.

30