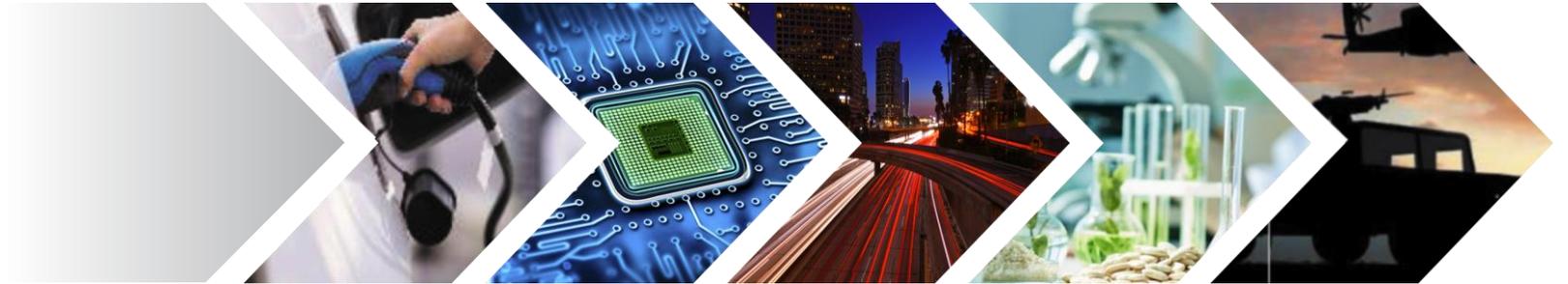


# inTEST Corporation

## Sidoti Small Cap Conference



**Nick Grant**  
*President and CEO*

**Duncan Gilmour**  
*Chief Financial Officer*

**inTEST**

*March 23, 2023*

## 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," "potential," "forecasts," "outlook," "anticipates," "targets," "estimates," "goal," 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 press release 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 its key target 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 including rising interest rates and fluctuation in foreign currency exchange rates; changes in the demand for semiconductors; access to capital and 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, 2022. Any forward-looking statement made by the Company in this press release 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 press release to reflect events or circumstances after the date hereof or to reflect the occurrence of anticipated or unanticipated events, except as required by law.

## 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. These non-GAAP financial measures consist of organic revenue, adjusted net earnings, adjusted earnings per diluted share (adjusted EPS), adjusted EBITDA, adjusted EBITDA margin and free cash flow. The Company defines these non-GAAP measures as follows:

- Organic revenue for any given period is derived by excluding "acquired revenue" from total revenue for that period. Acquired revenue is revenue generated by an acquired business for months when that business was not owned for the full comparable prior period.
- Adjusted net earnings is derived by adding acquired intangible amortization, adjusted for the related income tax expense (benefit), to net earnings (loss).
- Adjusted earnings per diluted share (adjusted EPS) is derived by dividing adjusted net earnings 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.
- 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 or used in operating activities.

These results are provided as a complement to the results provided in accordance with GAAP. Organic revenue is a non-GAAP financial measure presented to provide investors the understanding of the performance of the core business excluding the contributions of acquisitions in the first twelve months of ownership. Adjusted net earnings and adjusted earnings per diluted share (adjusted EPS) are non-GAAP financial measures presented to provide investors with meaningful, supplemental information regarding our baseline performance before acquired intangible amortization charges as management believes 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 management believes these expenses may not be indicative of our underlying operating performance. The non-GAAP financial measures presented in this press release 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 revenue to organic revenue, net earnings and earnings per diluted share (EPS) to adjusted net earnings and adjusted earnings per diluted share (adjusted EPS) and from net earnings to adjusted EBITDA and adjusted EBITDA margin, are contained in the tables below. Each of our non-GAAP measures have limitations as analytical tools. They should not be viewed in isolation or as a substitute for U.S. GAAP measures of earnings or cash flows. Limitations may include the cash portion of interest expense, income tax (benefit) provision, charges related to intangible asset amortization and stock-based compensation expense. These items could significantly affect our financial results. Management believes these Non-GAAP financial measures are important in evaluating our performance, results of operations, and financial position. We use non-GAAP financial measures to supplement our U.S. GAAP results in order to provide a more complete understanding of the factors and trends affecting our business. Organic revenue, adjusted net earnings, adjusted earnings per diluted share (adjusted EPS), adjusted EBITDA, and adjusted EBITDA margin are not alternatives to revenue, net earnings, earnings per diluted share or margin as calculated and presented in accordance with U.S. GAAP. As such, they should not be considered or relied upon as substitutes or alternatives for any such U.S. GAAP financial measure. We strongly urge you to review the reconciliations of organic revenue, adjusted net earnings, adjusted earnings per diluted share (adjusted EPS), adjusted EBITDA, and adjusted EBITDA margin along with our financial statements included elsewhere in this press release. We also strongly urge you not to rely on any single financial measure to evaluate our business. In addition, because organic revenue, adjusted net earnings, adjusted earnings per diluted share (adjusted EPS), adjusted EBITDA, and adjusted EBITDA margin are not measures of financial performance under U.S. GAAP and are susceptible to varying calculations, the organic revenue, adjusted net earnings, adjusted earnings per diluted share (adjusted EPS), adjusted EBITDA, and adjusted EBITDA margin measures as presented in this press release may differ from and may not be comparable to similarly titled measures used by other companies.

# 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)



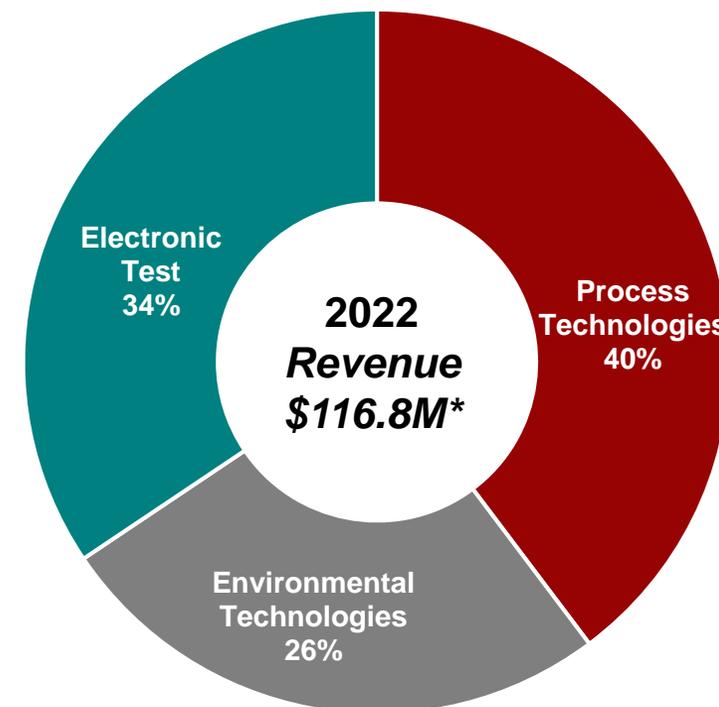
**Duncan Gilmour, Chief Financial Officer**

- 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)

# 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	\$187.9 million	Shares Outstanding	~11.0 million
Recent Closing Price	\$17.05	Institutional Ownership	~55%
52 Week Low-High	\$6.07 - \$17.66	Insider Ownership	~5%

*\*Division revenue split is unaudited*

*Market data as of March 16, 2023, Source: S&P Capital IQ; Shares Outstanding as of October 31, 2022; Ownership as of most recent filing.*

# 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



## ➤ 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

## ➤ 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

# 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



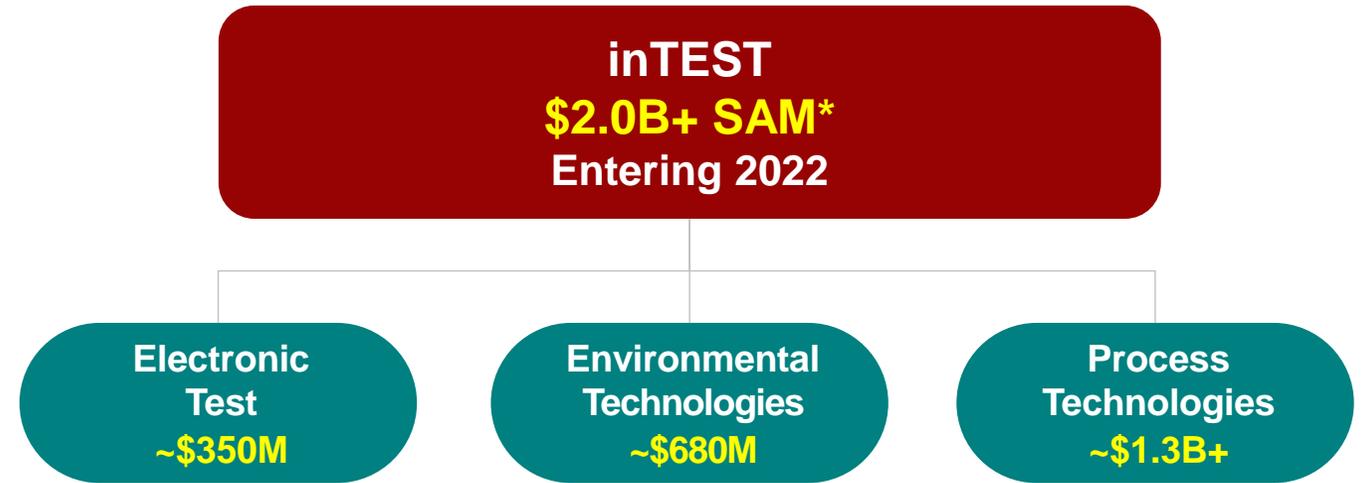
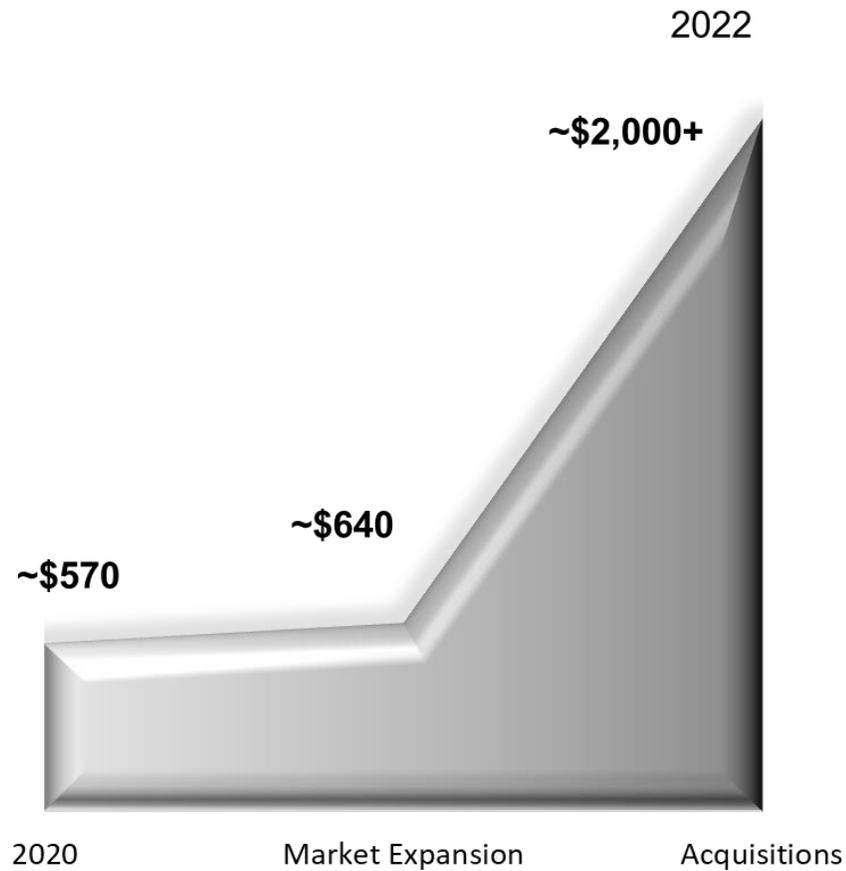
### Global Presence

- 2022 Revenue: \$116.8M
  - 35.1% APAC
  - 45.1% Americas
  - 19.8% EMEA
- Manufacturing operations in U.S., Canada, Europe
- Global sales and service organization

# Serving Large and Diverse Markets



(\$ in millions)



## Serviceable Addressable Markets (SAM)

\$150	\$200	\$180	\$500	\$310	\$1B+
Semi Test Solutions	In-Circuit Test Solutions	Thermal Test Solutions	Cold Chain Storage Solutions	Induction Heating Solutions	Image Capture Solutions

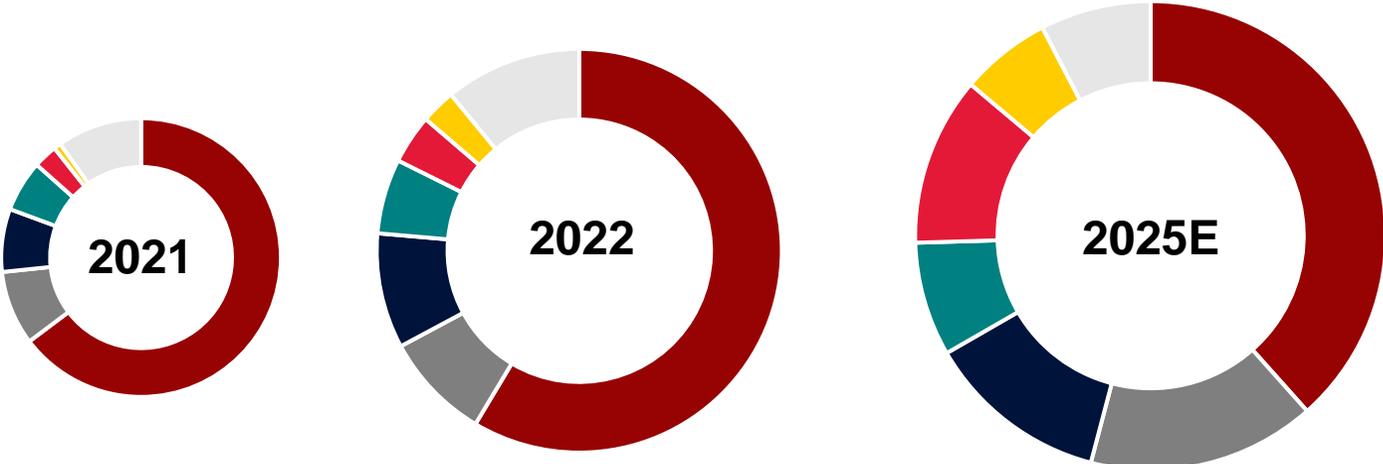
\*SAM based on available industry data and Company estimates

# Driving Market Leadership/Opportunities



Targeting markets with strong, secular tailwinds

## inTEST Revenue by Market\*



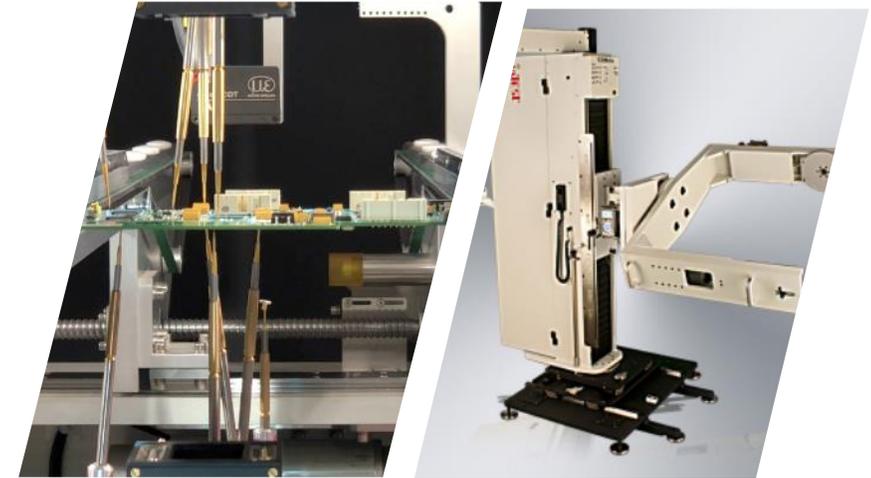
Markets	Expected 5-Year Market Growth**
Served Semi Markets	3% to 6%
Industrial	3% to 6%
Defense/Aero	3% to 6%
<b>Targeted Growth Markets</b>	
Auto/EV	5% to 8%
Life Science	6% to 9%
Security	7% to 10%

\*Excludes any potential future acquisitions  
 \*\*Sources: IC Insights, Verified Market Research, industry trade publications and company estimates

# Electronic Test

## *Engineering solutions for the toughest challenges in automated test*

- Growth drivers: semi mixed signal/analog focused and strength in EV market; expanded presence in defense and life sciences
- Markets: Back-end Semi Test, 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
  - Integrated Circuit Flying Probe and Battery Test Systems / Test Services



**40 YEARS OF ENABLING ADVANCED ELECTRONIC TEST**

# Environmental Technologies

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

- Growth drivers: strong position in Back-end Semi Test/R&D, increasing demand in defense and life sciences
  - Life Sciences cold chain solutions serves vaccine storage/transportation, medical advancements and cannabis extraction
  - Thermal testing/processing solutions that provide wide temperature controls for industrial, satellites, space exploration and defense systems
- Key Products:
  - Thermal Test Chambers
  - Process Chillers
  - Ultra Cold Freezers and Medical refrigerators (-120.0°C / -180.0°F)
- Environmental responsibility
  - Low-impact refrigerants
  - Low power consumption
  - RoHS and REACH compliant

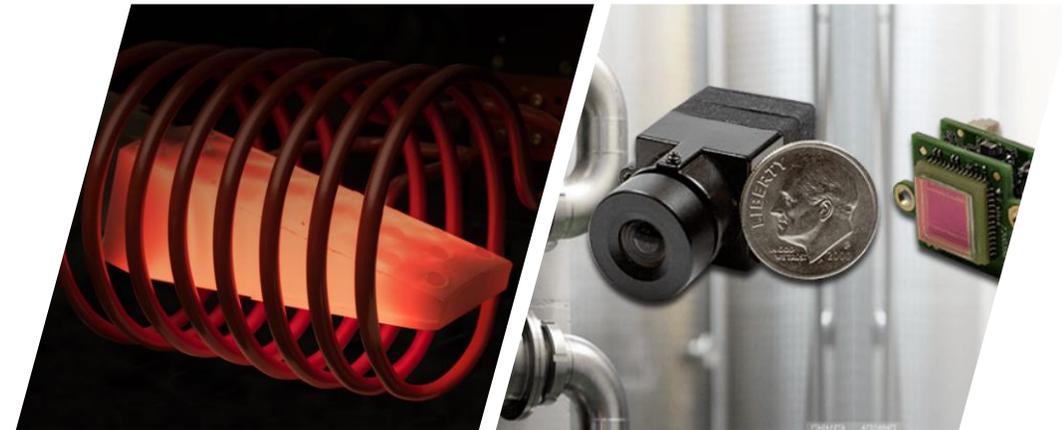


**OVER 50,000 SYSTEMS INSTALLED IN MORE THAN 40 COUNTRIES**

# Process Technologies

## *Technical expertise and customized solutions for industrial applications*

- Growth drivers: solutions for silicon carbide crystal growth, automotive/EV manufacturing, security and life sciences driving significant demand for induction heating and imaging solutions
- Addressable market expands through product development, global lab extension and acquisitions
  - Serving 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; is cleaner and safer
  - Camera systems providing safer, more efficient roadways
  - Our systems are used to build renewable products

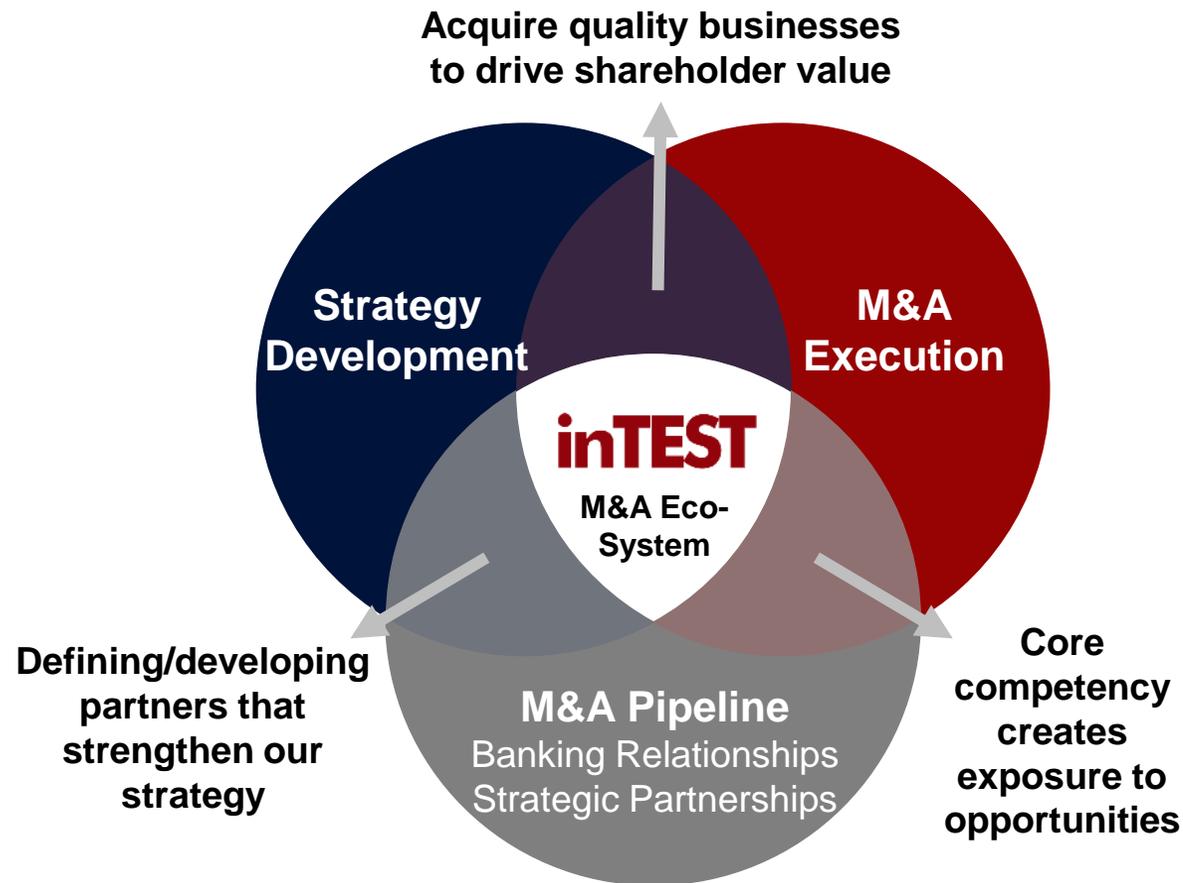


**OVER 17,000 INDUCTION HEATING SYSTEMS AND MORE THAN 1 MILLION CAMERAS INSTALLED IN MORE THAN 50 COUNTRIES**

# Making M&A a Core Competency

Completed three acquisitions (4<sup>th</sup> Quarter 2021)

## M&A Eco-System



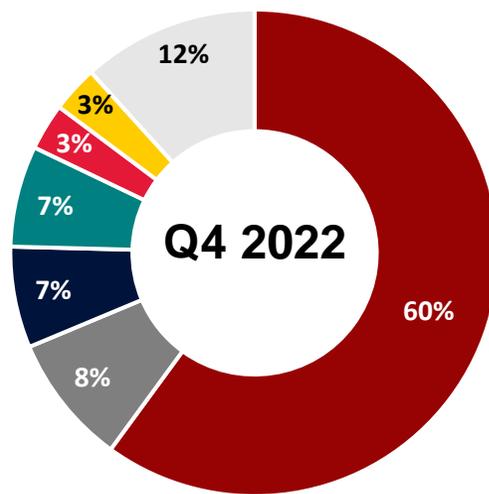
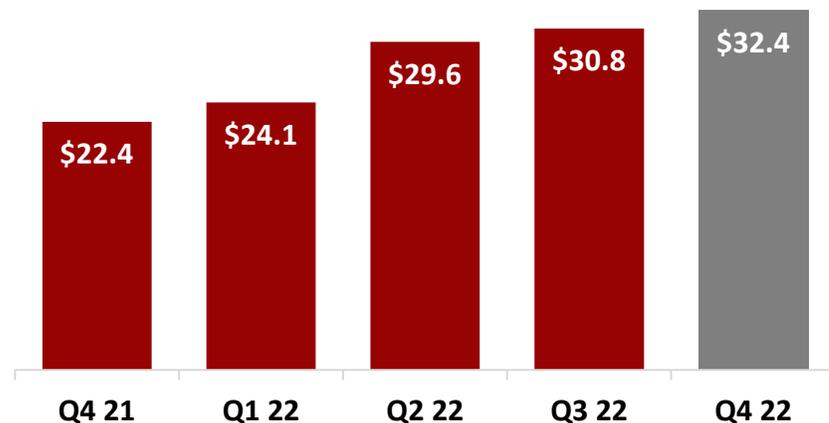
## Disciplined M&A Process

-  Expand into fast growing markets
-  Offer broader portfolio of solutions
-  Drive further market diversification
-  Enhance value-added technology
-  Partnerships and private label opportunities
-  Enhance financial profile of company

# Financial Overview

# Revenue

(\$ in millions)



- Record Q4 revenue up \$10.0 million, or 45% y/y
  - Organic revenue (non-GAAP)<sup>(1)</sup> of \$28.6 million grew 28% y/y
  - Included \$3.8 million of acquired revenue
- Strong demand across all technology offerings and end-markets
  - Silicon carbide (SiC) crystal growth applications and test solutions for analog and mixed signal applications drove up semi sales 58% to \$19.5 million
  - Defense/aero market grew driven by customer demand for a combination of existing and acquired technologies
  - Acquired revenue was primarily from security, defense/aero, automotive/EV and life sciences markets

(1) Organic revenue 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.

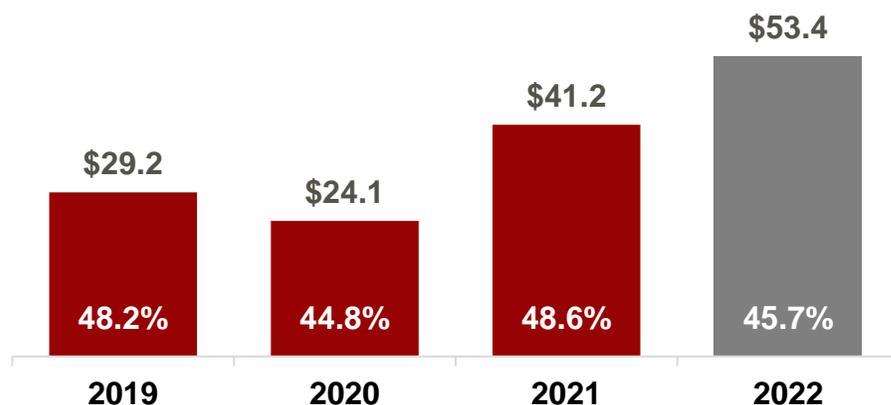
# Gross Profit and Margin

(\$ in millions)

## Quarters



## Years

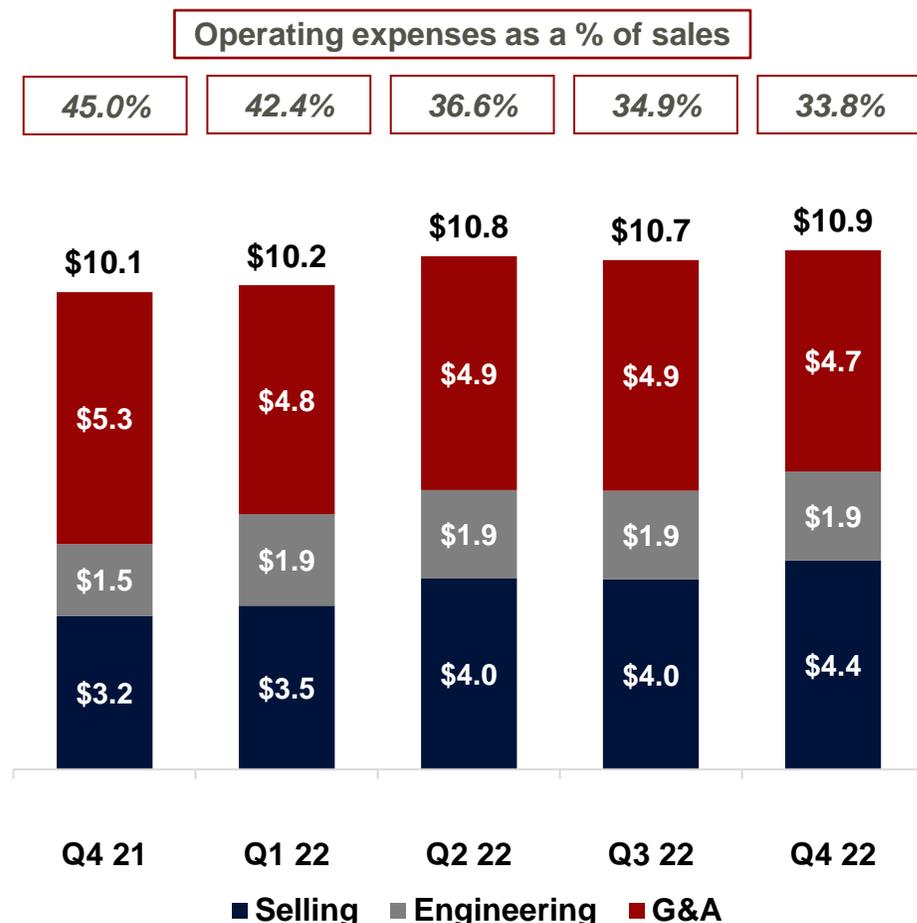


- Sequentially, Q4 margin improved 100 bp to 46.2% from 45.2% driven by higher volume and beneficial product mix
- Year over year, Q4 gross profit increased \$4.6 million, or 45%
- 2022 margin reflects change in mix of business primarily driven by acquisitions and, to a lesser extent, supply chain challenges
- \$12.2 million increase in full year gross profit reflects significantly higher revenue across all markets

# Operating Expenses

## Investing in people and marketing to support 5-Point Strategy for Growth

(\$ in millions)



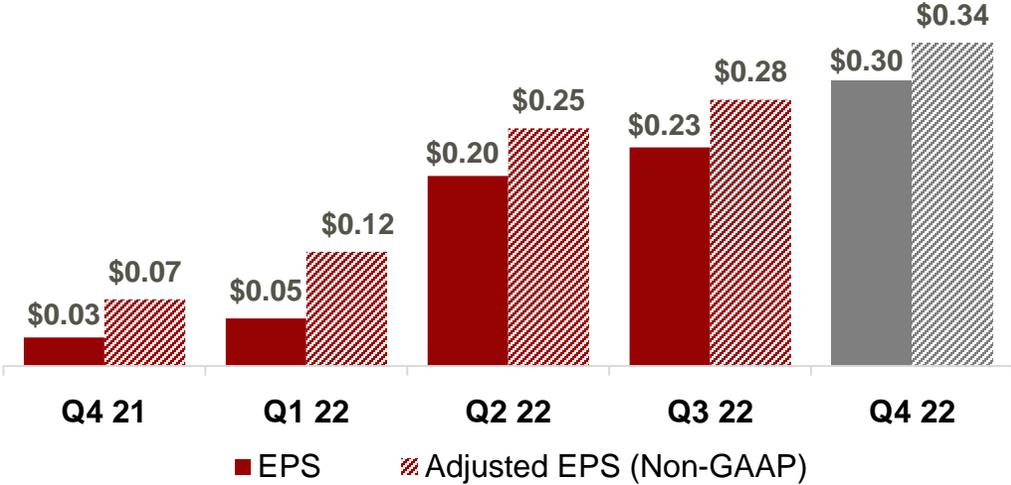
NOTE: Components may not add up to totals due to rounding.

- As percent of revenue, operating expenses declined to 33.8% in Q4 2022 versus 45.0% in the prior year and 34.9% in the prior quarter
- Reduction in operating expenses as a percentage of sales driven by operating leverage as business scales
- Q4 operating expenses up \$0.9 million y/y
  - Includes \$1.9 million in incremental operating expenses from acquisitions
    - Q4 2021 included ~\$1.3 million in transaction costs related to acquisitions and financing
  - Invested in sales & marketing and engineering
  - Includes \$552,000 of pre-tax intangible asset amortization expense in Q4 2022 compared with \$522,000 in Q4 2021, and \$595,000 in Q3 2022

# Earnings and Adjusted EBITDA

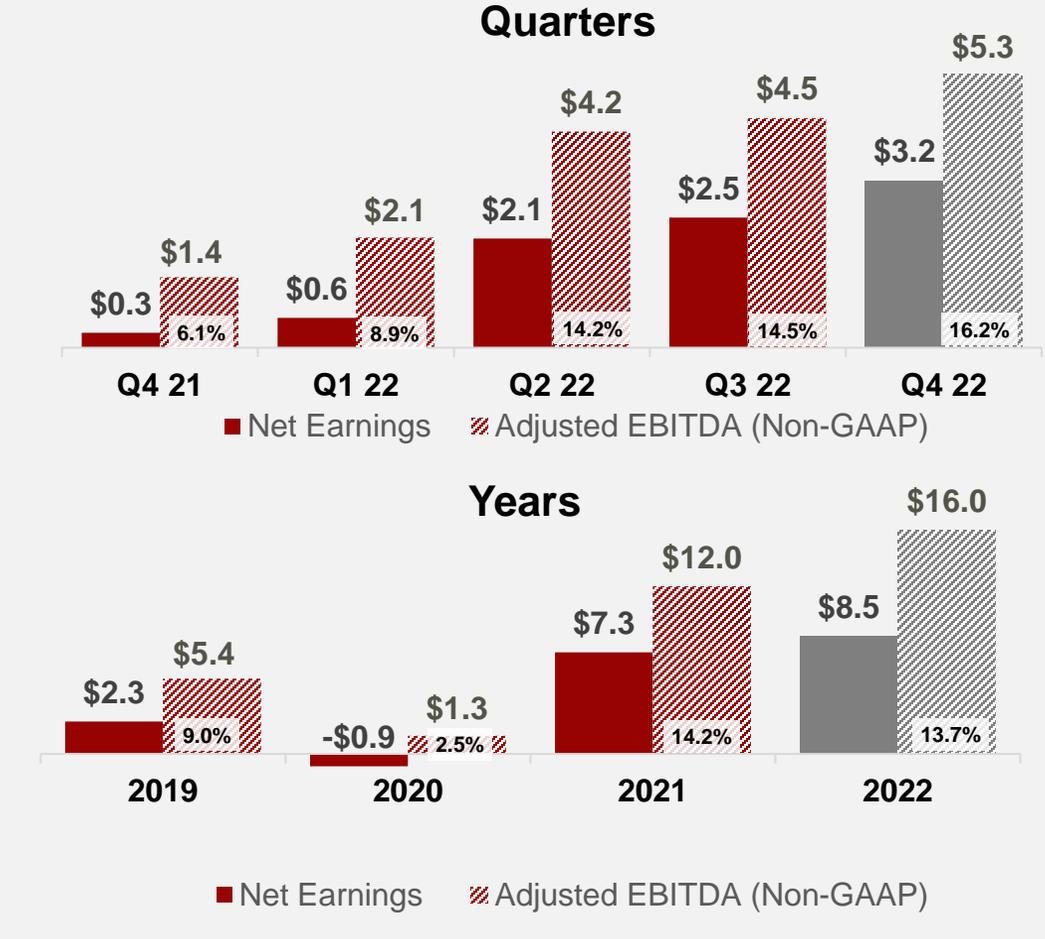
(\$ in millions, except per share data)

## EPS and Adjusted EPS (Non-GAAP)<sup>(1)</sup>



➤ Q4 2022 adjusted EPS (Non-GAAP) reflects \$463,000 (after tax) of acquired intangible amortization.

## Net Earnings and Adjusted EBITDA / Adjusted EBITDA Margin (Non-GAAP)<sup>(1)</sup>



(1) Adjusted EPS, adjusted EBITDA and adjusted EBITDA margin are non-GAAP financial measures. 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.

# Capital Structure and Cash Flow

(\$ in millions)

Capitalization		
	12/31/22	9/30/22
Cash and cash equivalents	\$ 13.4	\$ 8.9
Restricted cash	\$ 1.1	\$ 1.1
Short term investments	\$ -	\$ 3.5
<b>Total debt</b>	<b>\$ 16.1</b>	<b>\$ 17.2</b>
Shareholders' equity	\$ 65.0	\$ 60.4
<b>Total capitalization</b>	<b>\$ 81.1</b>	<b>\$ 77.6</b>

Cash Flow	Year Ended	
	12/31/22	12/31/21
Net cash provided by (used in) operating activities	\$ (1.4)	\$ 10.8
Capital expenditures	(1.4)	(1.0)
<b>Free cash flow (FCF)<sup>(1)</sup> (Non-GAAP)</b>	<b>\$ (2.8)</b>	<b>\$ 9.8</b>

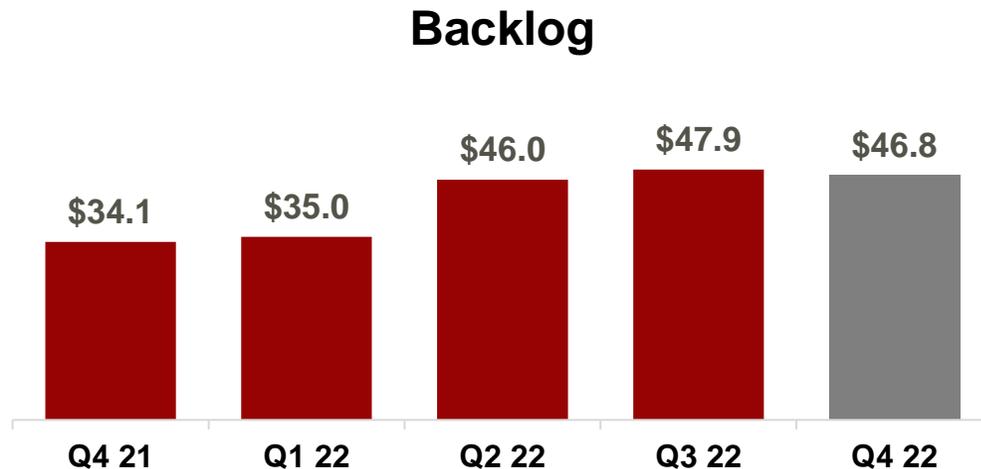
- Generated \$2.3 million in cash from operations in Q4, up from \$1.4 million in the trailing quarter
- ~\$53 million in liquidity at year end
  - Includes \$13.4 million in cash (excludes restricted cash)
  - \$40 million capacity on recently expanded credit facilities, including \$30 million delayed draw term loan, and the full \$10 million revolving credit line
- Measurable financial flexibility: Total debt / Annual adjusted EBITDA<sup>(1)</sup> leverage ratio was 1.0x

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

(1) Free cash flow and adjusted EBITDA are non-GAAP financial measures. 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.

# Orders and Backlog

(\$ in millions)



- Q4 orders up 3% y/y with increases across all end markets except in semi
  - Book-to-bill<sup>(1)</sup> of 0.97x
  - Decline in semi as Q4 2021 benefitted from a \$10.0 million front-end, long-term order
  - Sequentially, orders declined 4% driven by the timing of orders for semi and automotive/EV markets, which were partially offset by increased orders for life sciences, security and other markets.
- Backlog declined sequentially 2% as supply chain constraints moderated
- Approximately 45%, or ~\$21 million, of backlog is expected to ship beyond Q1 2023

(1) Ratio of orders to revenue

# 2023 Expectations

➤ Executing 5-Point Strategy to continue driving growth

➤ 2023 Q1 Guidance<sup>(1)</sup>

- Q1 revenue: \$30 million to \$32 million
- Q1 gross margin: ~45%
- Q1 operating expenses: \$11.1 million to \$11.3 million
  - Q1 amortization (after tax) ~\$450,000
- Q1 interest expense: ~\$190,000
- Q1 EPS: \$0.21 to \$0.26
- Q1 Adjusted EPS (Non-GAAP)<sup>(2)</sup>: \$0.25 to \$0.30

➤ 2023 Full Year Guidance<sup>(1)</sup>

- Revenue: \$125 million to \$130 million
- Gross margin: ~45% to ~46%, consistent with 2022
- Operating expenses: \$44 million to \$46 million
  - Amortization (after tax) ~\$1.7 million
- Effective tax rate: 16% to 17%
- Capital expenditures: ~1% to 2% of sales

## 5-Point Strategy



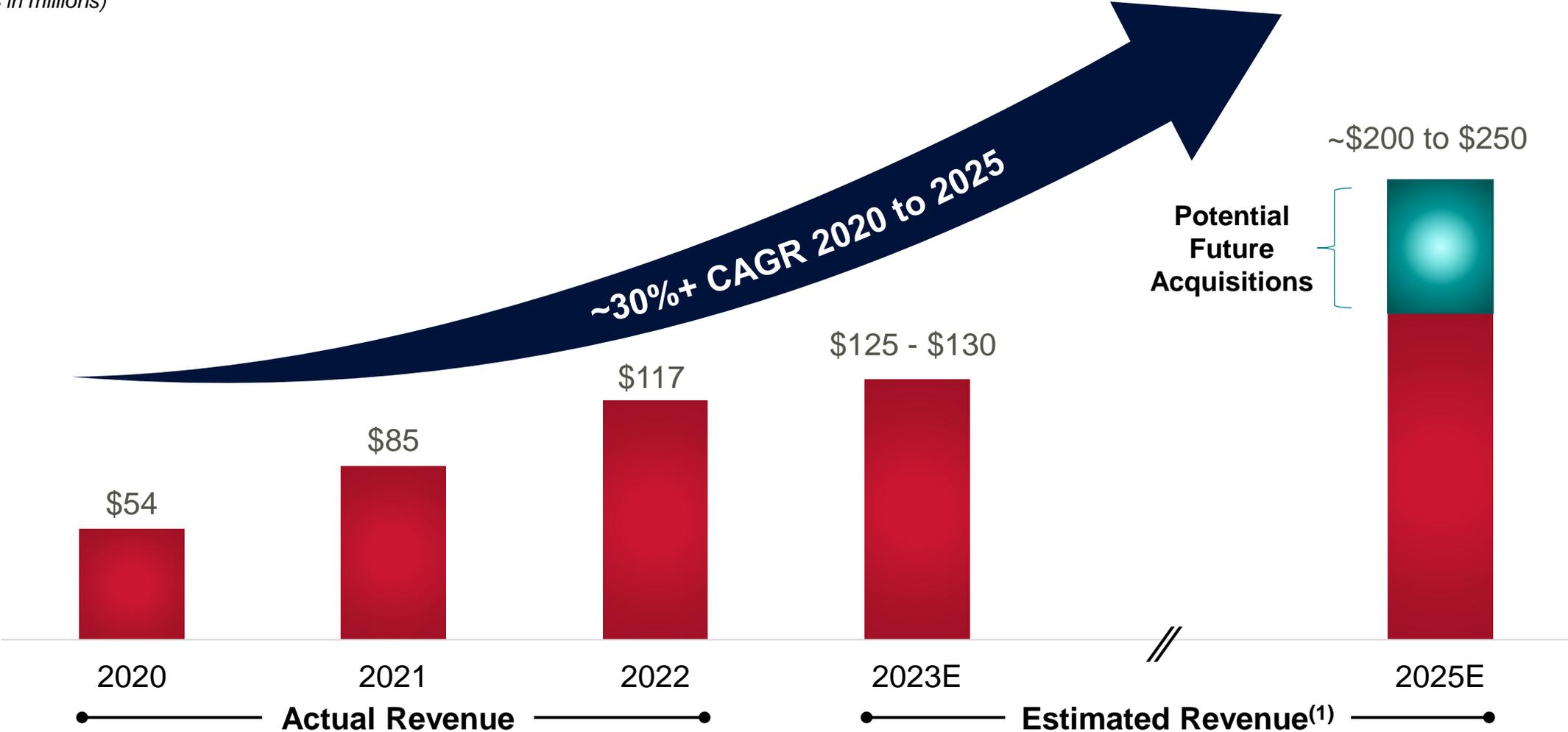
<sup>(1)</sup> Guidance provided March 3, 2023. The foregoing guidance is based on management's current views with respect to operating and market conditions and customers' forecasts. It also assumes macroeconomic conditions remain unchanged through the end of the year. Actual results may differ materially 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)



(1) Estimated 2025 revenue, including estimated revenue from future potential acquisitions, is based on management's current views with respect to operating and market conditions and customers' forecasts. It also assumes macroeconomic conditions remain unchanged through the end of the year, and that suitable acquisition targets are identified and can be effectively integrated into the Company's operations. 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" above.

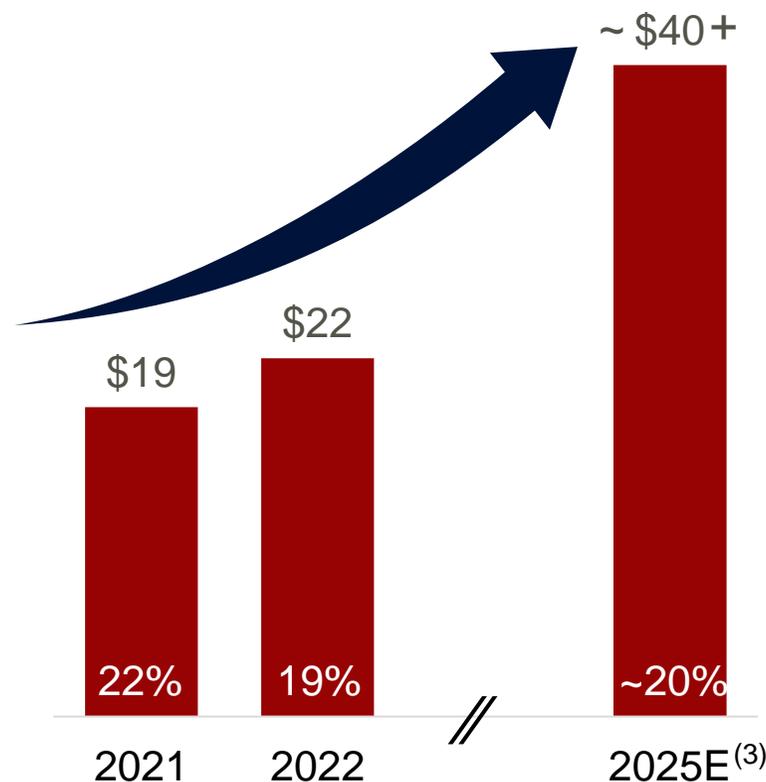
# Scale Expected to Drive Operating Leverage

inTEST

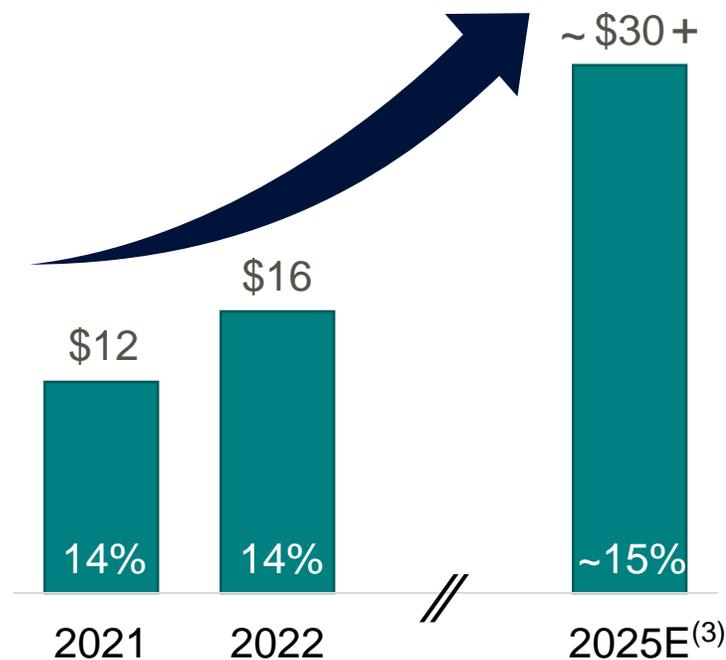


(\$ in millions)

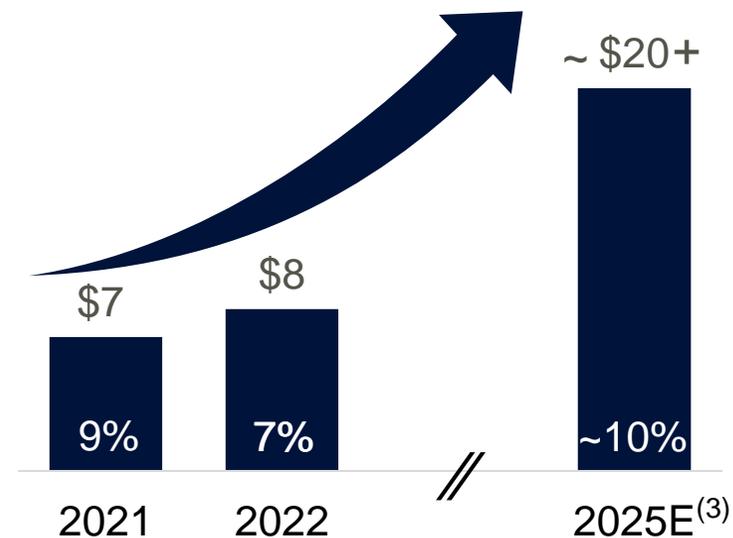
## Division Operating Income<sup>(1)</sup> (Unaudited)



## Adjusted EBITDA<sup>(2)</sup>



## Net Earnings



(1) See segment reporting information on slide 31.

(2) Adjusted EBITDA 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. For forward-looking adjusted EBITDA, the reconciliation is unavailable without unreasonable effort.

(3) Estimated 2025 division operating income, estimated 2025 adjusted EBITDA and estimated 2025 net income, together with their respective percentages as a function of estimated 2025 revenue, is based on management's current views with respect to operating and market conditions and customers' forecasts. It also assumes macroeconomic conditions remain unchanged through the end of the year, and that suitable acquisition targets are identified and can be effectively integrated into the Company's operations. 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" above.

# Execution on Track with Plan



**Strong demand for inTEST's innovative technologies and engineering expertise**



**Diversified end markets with strong secular growth drivers**



**Growing customer base, deepening customer reach and expanding geographically**



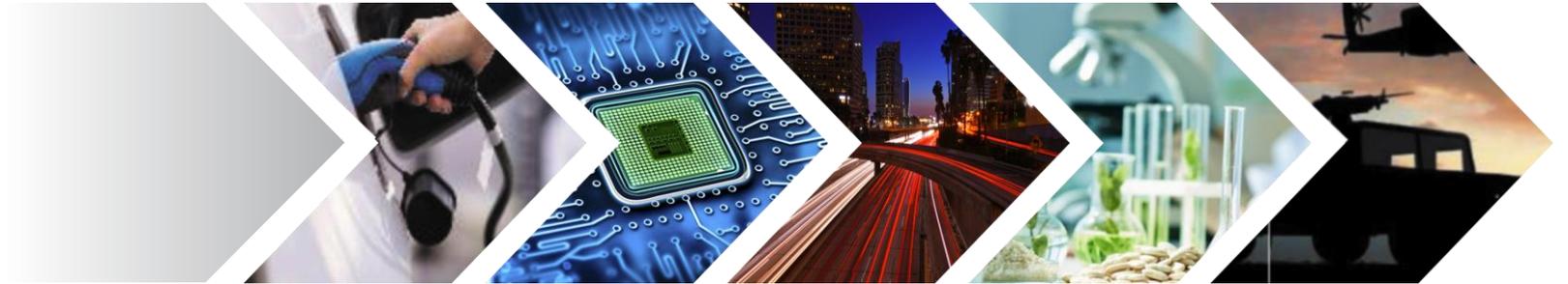
**Financial flexibility to execute growth strategy**



**Executing 5-Point Strategy and delivering results**

# inTEST Corporation

## Sidoti Small Cap Conference



## Supplemental Information

**inTEST**

*March 23, 2023*

## Reconciliation of Revenue to Organic Revenue (Non-GAAP)

(\$ in thousands)

	Three Months Ended		Change	
	December 31, 2022	December 31, 2021	\$	%
Total revenue	\$ 32,405	\$ 22,358	\$ 10,047	44.9%
Less: acquired revenue <sup>(1)</sup>	(3,778)	n/a		
Organic revenue (Non-GAAP)	\$ 28,627	\$ 22,358	\$ 6,269	28.0%

	Years Ended		Change	
	December 31, 2022	December 31, 2021	\$	%
Total revenue	\$ 116,828	\$ 84,878	\$ 31,950	37.6%
Less: acquired revenue <sup>(1)</sup>	(17,767)	n/a		
Organic revenue (Non-GAAP)	\$ 99,061	\$ 84,878	\$ 14,183	16.7%

(1) Acquired businesses consist of Acculogic (December 2021), Videology (October 2021) and North Sciences (October 2021). The calculation of organic revenue excludes from current period revenue any acquired revenue. Acquired revenue is revenue from any acquired business for months where that business was not owned for the full comparable prior period.

## Reconciliation of Net Earnings to Adjusted Net Earnings (Non-GAAP) and Earnings Per Share – Diluted to Adjusted Earnings Per Share – Diluted (Non-GAAP)

(\$ in thousands, except per share amounts)

	Three Months Ended					Years Ended	
	12/31/2021	3/31/2022	6/30/2022	9/30/2022	12/31/2022	12/31/2021	12/31/2022
Net earnings	\$ 287	\$ 577	\$ 2,116	\$ 2,524	\$ 3,244	\$ 7,283	\$ 8,461
Acquired intangible amortization	522	782	765	595	552	1,440	2,694
Tax adjustments	(10)	(93)	(162)	(103)	(89)	(22)	(447)
Adjusted net earnings (Non-GAAP)	\$ 799	\$ 1,266	\$ 2,719	\$ 3,016	\$ 3,707	\$ 8,701	\$ 10,708
Diluted weighted average shares outstanding	10,836	10,843	10,815	10,865	10,928	10,730	10,863
Net earnings per share – diluted:							
Net earnings	\$ 0.03	\$ 0.05	\$ 0.20	\$ 0.23	\$ 0.30	\$ 0.68	\$ 0.78
Acquired intangible amortization	0.04	0.08	0.07	0.06	0.05	0.13	0.25
Tax adjustments	-	(0.01)	(0.02)	(0.01)	(0.01)	-	(0.04)
Adjusted net earnings per share – diluted (Non-GAAP)	\$ 0.07	\$ 0.12	\$ 0.25	\$ 0.28	\$ 0.34	\$ 0.81	\$ 0.99

## Reconciliation of Net Earnings to Adjusted EBITDA (Non-GAAP) and Adjusted EBITDA Margin (Non-GAAP)

(\$ in thousands)

	Three Months Ended				
	12/31/2021	3/31/2022	6/30/2022	9/30/2022	12/31/2022
Net earnings	\$ 287	\$ 577	\$ 2,116	\$ 2,524	\$ 3,244
Acquired intangible amortization	522	782	765	595	552
Interest expense	83	137	133	166	164
Income tax expense (benefit)	(51)	78	454	515	637
Depreciation	171	188	174	203	245
Non-cash stock-based compensation	356	372	551	450	414
Adjusted EBITDA (Non-GAAP)	\$ 1,368	\$ 2,134	\$ 4,193	\$ 4,453	\$ 5,256
Revenue	22,358	24,081	29,571	30,771	32,405
Adjusted EBITDA margin (Non-GAAP)	6.1%	8.9%	14.2%	14.5%	16.2%

## Reconciliation of Net Earnings to Adjusted EBITDA (Non-GAAP) and Adjusted EBITDA Margin (Non-GAAP)

(\$ in thousands)

	Years Ended December 31,			
	2019	2020	2021	2022
Net earnings (loss)	\$ 2,322	\$ (895)	\$ 7,283	\$ 8,461
Acquired intangible amortization	1,257	1,233	1,440	2,694
Interest expense	-	33	89	600
Income tax expense (benefit)	282	(336)	1,119	1,684
Depreciation	685	630	666	810
Non-cash stock-based compensation	884	671	1,450	1,787
Adjusted EBITDA (Non-GAAP)	\$ 5,430	\$ 1,336	\$ 12,047	\$ 16,036
Revenue	60,660	53,823	84,878	116,828
Adjusted EBITDA margin (Non-GAAP)	9.0%	2.5%	14.2%	13.7%

## Reconciliation of First Quarter 2023 Estimated Earnings Per Share – Diluted to Estimated Adjusted Earnings Per Share – Diluted (Non-GAAP)

	<u>Low</u>	<u>High</u>
Estimated earnings per share – diluted	\$ 0.21	\$ 0.26
Estimated acquired intangible amortization	0.05	0.05
Estimated tax adjustments	(0.01)	(0.01)
Estimated adjusted earnings per share – diluted (Non-GAAP)	<u>\$ 0.25</u>	<u>\$ 0.30</u>

# Segment Reporting



(\$ in thousands)

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.

	Quarters Ended					Years Ended								
	12/31/2021	3/31/2022	6/30/2022	9/30/2022	12/31/2022	12/31/2021	12/31/2022							
Electronic Test	\$ 6,851	\$ 8,778	\$ 9,797	\$ 10,408	\$ 11,236	\$ 32,509	\$ 40,219							
Environmental Technologies	7,176	6,993	7,507	7,631	8,041	26,896	30,172							
Process Technologies	8,331	8,310	12,267	12,732	13,128	25,473	46,437							
<b>Total Revenue</b>	<u>\$ 22,358</u>	<u>\$ 24,081</u>	<u>\$ 29,571</u>	<u>\$ 30,771</u>	<u>\$ 32,405</u>	<u>\$ 84,878</u>	<u>\$ 116,828</u>							
		<b>% of</b>												
		<b>divisional</b>												
		<b>revenue</b>												
Electronic Test	\$ 2,068	30%	\$ 1,887	21%	\$ 2,193	22%	\$ 2,406	23%	\$ 3,445	31%	\$ 10,926	34%	\$ 9,931	25%
Environmental Technologies	1,110	15%	802	11%	1,070	14%	1,021	13%	924	11%	4,236	16%	3,817	13%
Process Technologies	1,124	13%	730	9%	2,569	21%	2,465	19%	2,466	19%	3,819	15%	8,230	18%
<b>Total Division Operating Income</b>	4,302	19%	3,419	14%	5,832	20%	5,892	19%	6,835	21%	18,981	22%	21,978	19%
Corporate expense	(3,485)		(1,835)		(2,339)		(2,138)		(2,251)		(9,082)		(8,563)	
Acquired intangible amortization	(522)		(782)		(765)		(595)		(552)		(1,440)		(2,694)	
Other expense	(59)		(147)		(158)		(120)		(151)		(57)		(576)	
<b>Earnings before income tax expense</b>	<u>\$ 236</u>		<u>\$ 655</u>		<u>\$ 2,570</u>		<u>\$ 3,039</u>		<u>\$ 3,881</u>		<u>\$ 8,402</u>		<u>\$ 10,145</u>	