

InTest Corporation

First Quarter 2025

Financial Results Conference Call

May 2, 2025



**Nick Grant,
President and CEO**



**Duncan Gilmour,
CFO and Treasurer**

Forward-looking Statements and Key Performance Metrics

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 "appears," "believe," "continue," "could," "expects," "guidance," "may," "outlook," "will," "should," "plan," "potential," "forecasts," "target," "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 Vision 2030 Growth 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; 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, 2024. 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, except as required by law.

Key Performance Metrics

In addition to the non-GAAP measures described on the next slide, management uses orders and backlog as key performance metrics to analyze and measure the Company's financial performance and results of operations. Management uses orders and backlog as measures of current and future business and financial performance, and these may not be comparable with measures provided by other companies. Orders represent written communications received from customers requesting the Company to provide products and/or services. Backlog is calculated based on firm purchase orders we receive for which revenue has not yet been recognized. Management believes tracking orders and backlog are useful as they are often leading indicators of future performance. In accordance with industry practice, contracts may include provisions for cancellation, termination, or suspension at the discretion of the customer. Given that each of orders and backlog are operational measures and that the Company's methodology for calculating orders and backlog does not meet the definition of a non-GAAP measure, as that term is defined by the U.S. Securities and Exchange Commission, a quantitative reconciliation for each is not required or provided.

Non-GAAP Financial Measures

In addition to disclosing results that are determined in accordance with generally accepted accounting practices in the United States ("GAAP"), we also disclose non-GAAP financial measures. These non-GAAP financial measures consist of adjusted net earnings, adjusted earnings per diluted share ("adjusted EPS"), adjusted EBITDA, and adjusted EBITDA margin. The Company defines these non-GAAP measures as follows:

- Adjusted net earnings is derived by adding acquired intangible amortization, acquired inventory step-up expense, and restructuring costs adjusted for the related income tax expense (benefit), to net earnings.
- 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, acquired inventory step-up expense, restructuring costs, net 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.

These results are provided as a complement to the results provided in accordance with GAAP. 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, restructuring costs, and inventory step-up charges as management believes these expenses 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, acquired inventory step-up, depreciation and stock-based compensation. In addition, adjusted EBITDA and adjusted EBITDA margin also exclude the impact of restructuring costs, 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 net earnings and earnings per diluted share (EPS) to adjusted net earnings and adjusted earnings per diluted share (adjusted EPS) and from net earnings and net margin to adjusted EBITDA and adjusted EBITDA margin, are contained in the tables below. 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 GAAP results to provide a more complete understanding of the factors and trends affecting our business. Non-GAAP measures as presented in this press release may differ from and may not be comparable to similarly titled measures used by other companies.

Maintaining Strong Market Position Against Uncertain Macro Backdrop



Strengthened balance sheet

- Generated \$5.5M in cash from operations
- Reduced debt by \$3.2M since Dec 31, 2024



Record customer opportunity funnel

- Orders⁽¹⁾ up 11% year-over-year
- Higher demand from auto/EV and industrial



Driving actions to improve profitability

- Cost reductions
- Consolidations
- Austerity cost containment

1. Orders and backlog are key performance metrics. Further information can be found under "Key Performance Metrics."

5-POINT OPERATING SYSTEM



Tariffs Manageable; Addressing Risks

Evaluation of Current Tariff Environment Using 2024 Data

Limited material costs exposure

- ~3% of materials sourced from China to U.S.
- 73% sourced from U.S./USMCA/in-country
- 24% rest of world (ROW) to U.S. with 10% tariff exposure

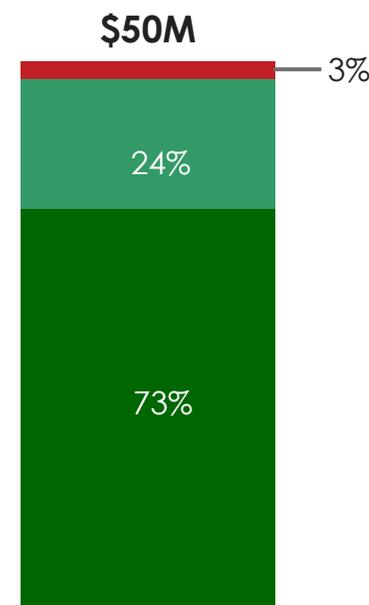
Exposure on Sales/Competitiveness

- 11% of sales from US to China face ~125% tariffs
 - Subject to large multi-national customers actions (i.e., where they choose to continue to build)
- 6% of sales of products from Canada to the U.S. unimpacted under USMCA (included in 54% no add'l tariff total)
- 4% of sales from Italy to U.S. 10% tariff exposure
- 31% of sales to ROW subject to potential reciprocal tariffs

Mitigation plans:

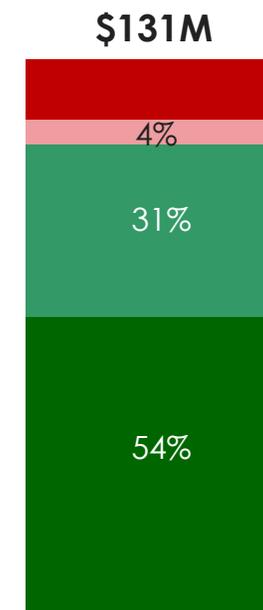
- Alternate sourcing/manufacturing strategies
- Expect to pass costs on through price actions

Impact of Tariffs on Material Costs (\$ millions)



■ No Add'l Tariff ■ ROW ■ China

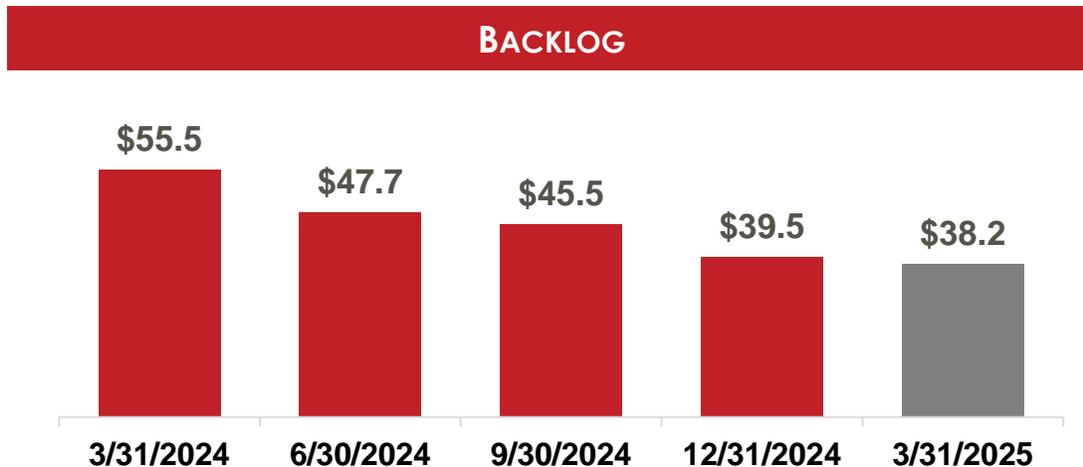
Impact of Tariffs on Sales (\$ million)



■ No Add'l Tariff ■ ROW ■ Italy ■ China

Orders and Backlog⁽¹⁾

(\$ in millions)

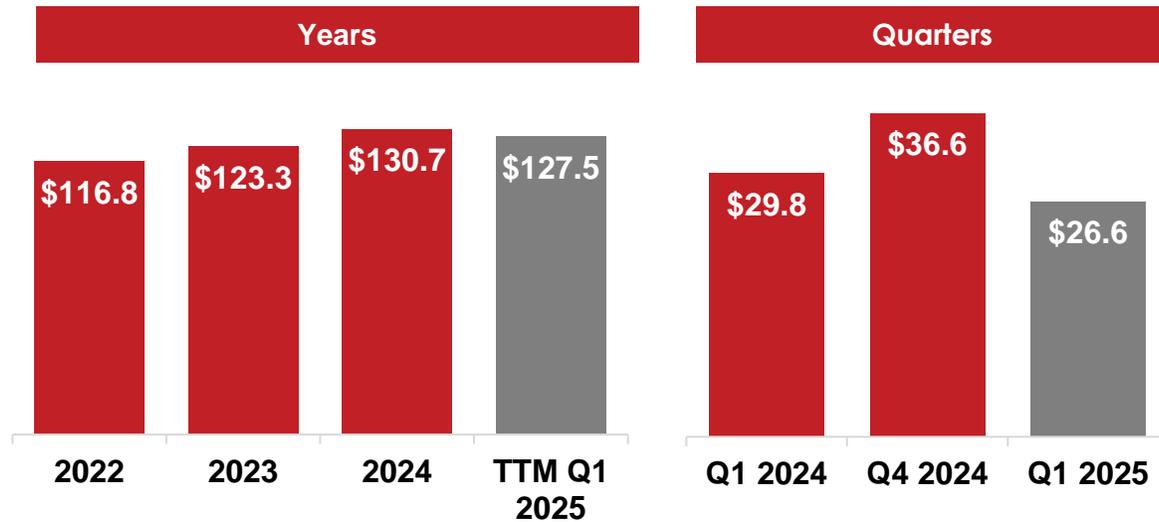


- Q1 orders up 11.2% y/y
 - Strength in industrial, safety/security and life sciences
 - Auto/EV benefitted from Alfamation with \$3.0 million of orders
- Sequentially, orders down 17.3%
 - Macro uncertainty drove customer delays
 - Semi down \$6.0 million
- Backlog lower by \$17.2 million, or 31.1%, y/y
 - Prior year quarter had \$22.8 million in acquired backlog from Alfamation
 - Excluding Alfamation, backlog has held steady at \$30 million to \$33 million last five quarters
 - Approximately 48% of backlog is expected to ship beyond Q2 2025

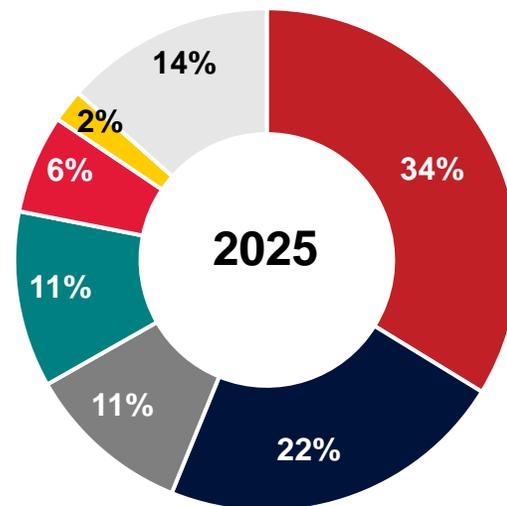
1. Orders and backlog are key performance metrics. Further information can be found under "Key Performance Metrics."

Revenue

(\$ in millions)



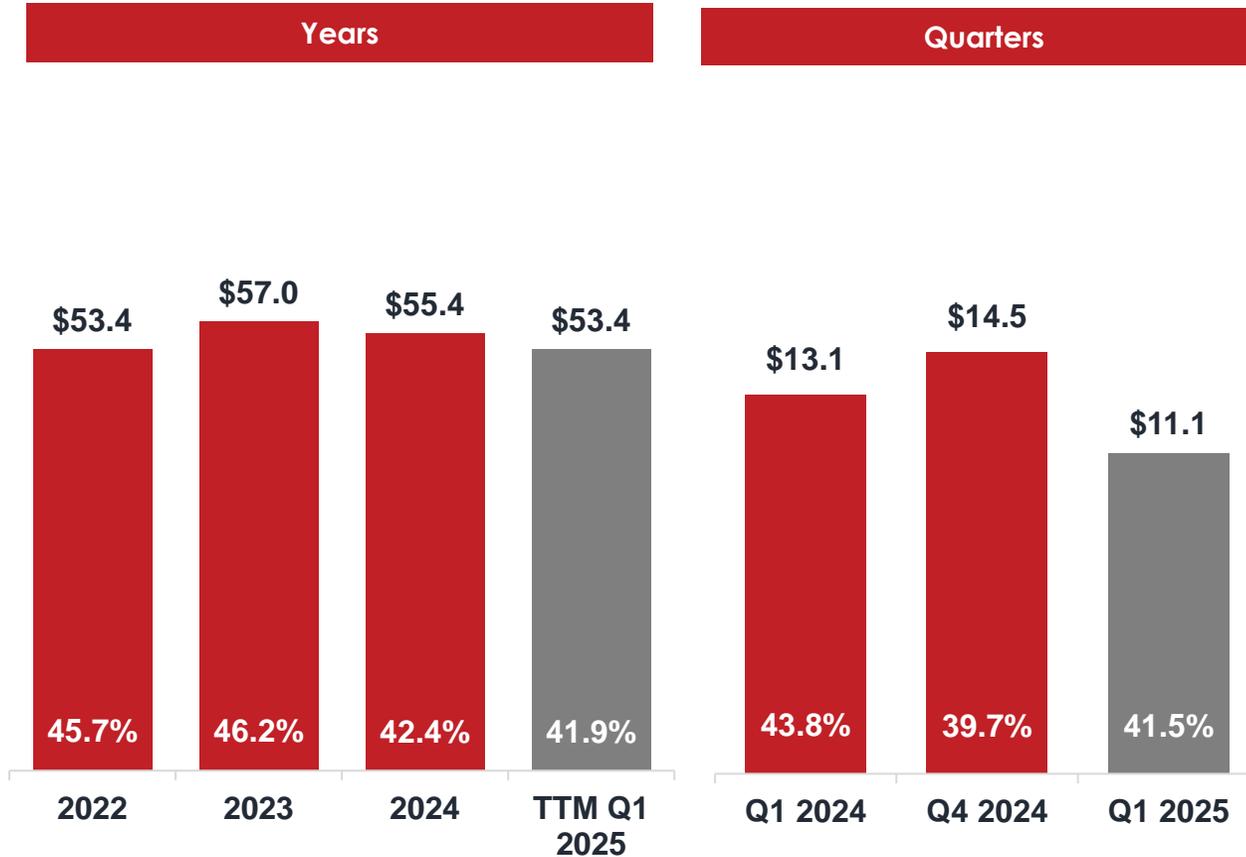
- Semi
- Automotive/EV
- Defense/Aero
- Industrial
- Life Sciences
- Security
- Other



- Q1 2025 revenue down \$3.2 million y/y
 - Semi down \$6.0 million
 - \$1.2 million decline in industrial sales
 - Auto/EV up \$2.0 million
 - Life sciences up \$1.0 million
 - Other markets up \$1.3 million
- \$1.5 million of revenue slipped out of the quarter due to engineering challenges
- Revenue down \$10.0 million sequentially
 - Decline was primarily related to auto/EV, semi and defense/aero
 - Industrial, life sciences and other markets increased compared with trailing fourth quarter

Gross Profit and Margin

(\$ in millions)

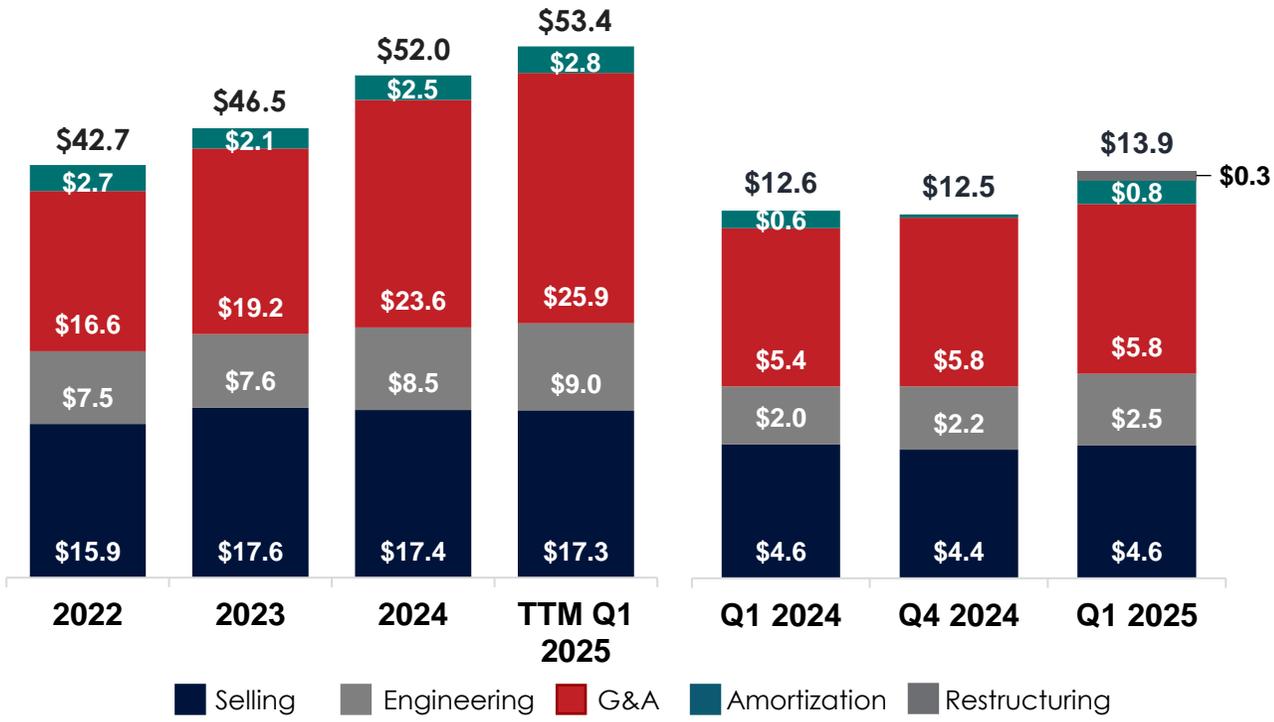
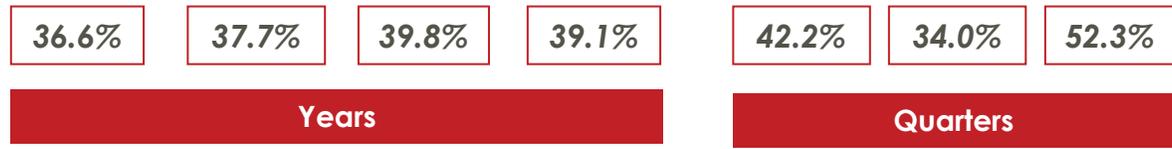


- Q1 gross margin of 41.5% contracted 230 bps y/y
 - Due to under absorption of fixed costs on lower volume
 - Unfavorable mix also impacted gross margin
- Sequential margin expansion related to the negative impact of the inventory step-up charge in the fourth quarter 2024
 - Inventory step up charge was 430 bps impact to Q4 2024 gross margin

Operating Expenses

(\$ in millions)

Operating expenses as a % of sales



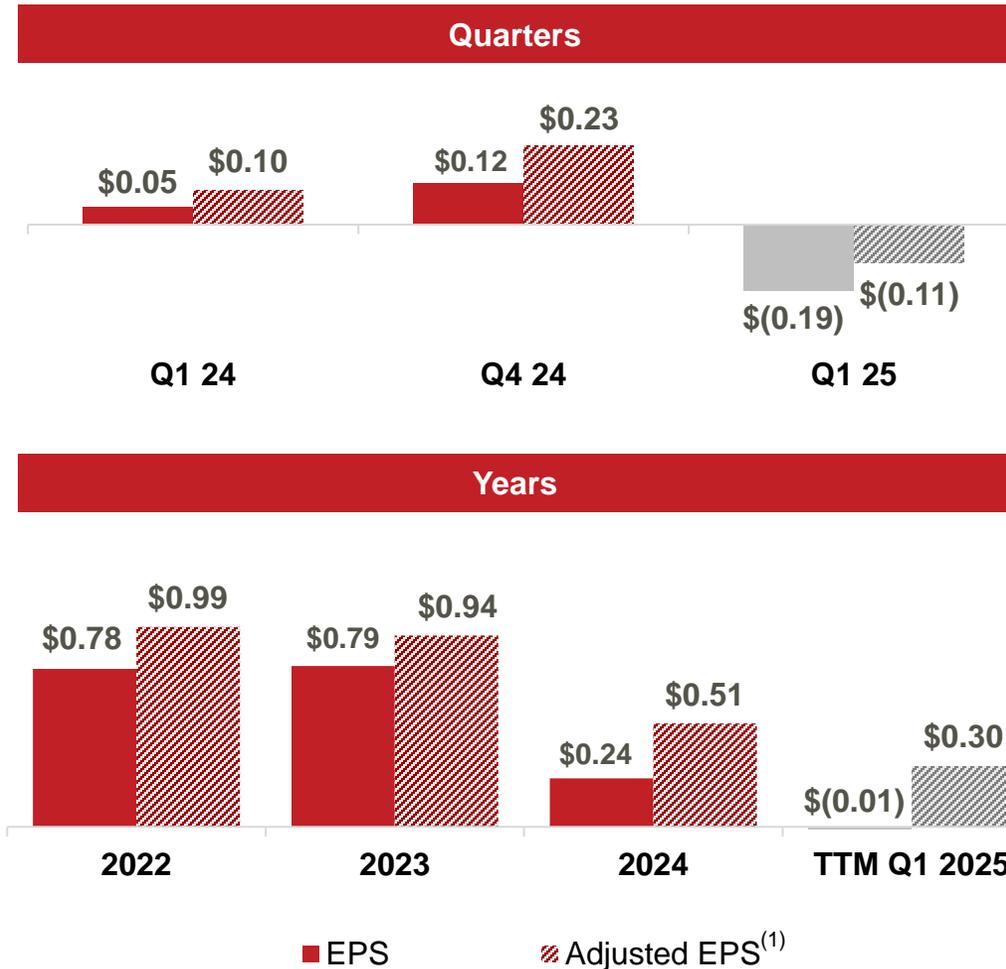
NOTE: Components may not add up to totals due to rounding.

- Q1 2025 operating expenses \$1.3 million higher y/y
 - Includes \$0.3 million in restructuring
 - \$1.3 million in incremental operating expenses related to Alfamation
 - Partially offset by cost reduction efforts and reduced corporate development costs
- Sequentially, operating expenses increased \$1.5 million
 - Q4 2024 benefitted \$0.8 million amortization credit
 - Q1 2025 included typical first quarter higher benefit costs
- Company is focused on prudent cost management and austerity measures
 - Consolidating Videology facilities for estimated \$0.5 million annualized savings beginning in 2026
 - Headcount reduction and cost controls

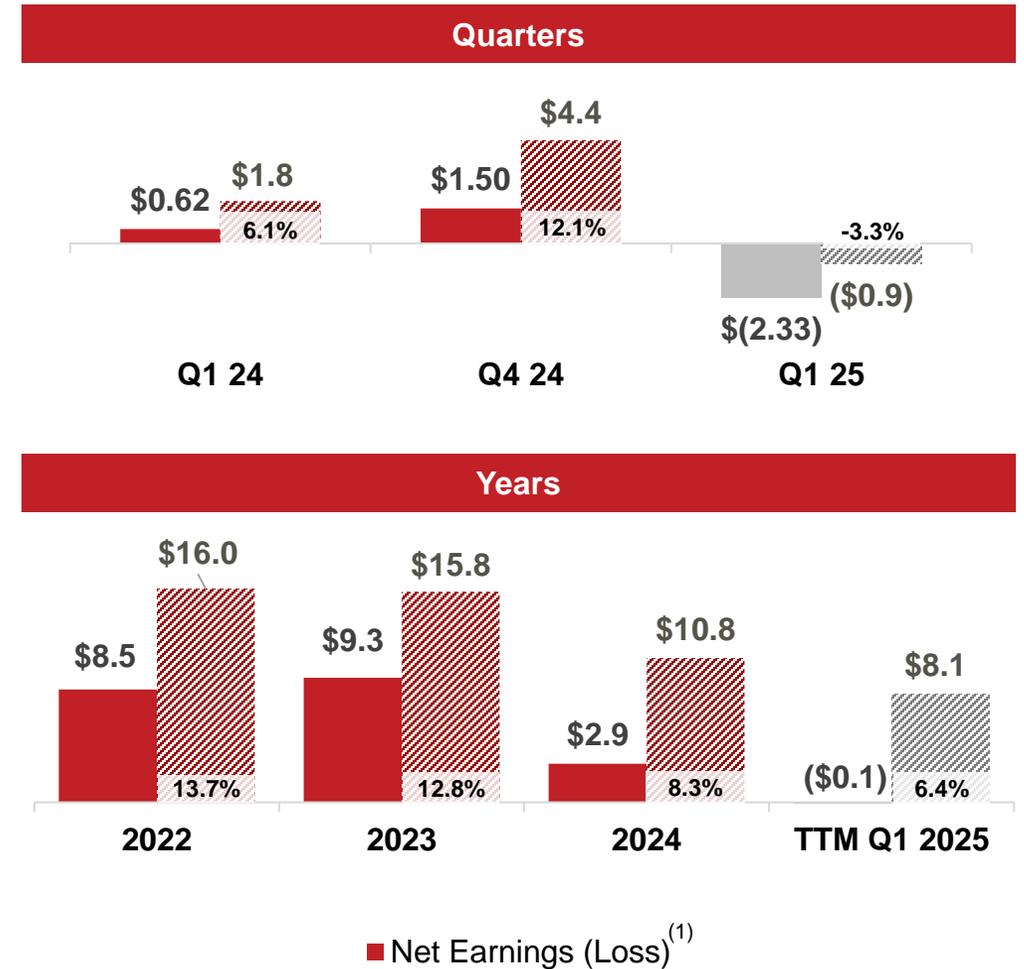
Earnings (Loss) and Adjusted EBITDA⁽¹⁾

(\$ in millions, except per share data)

EPS and Adjusted EPS⁽¹⁾



Net Earnings (Loss) and Adjusted EBITDA/ Adjusted EBITDA Margin⁽¹⁾



1. Adjusted EPS, adjusted EBITDA and adjusted EBITDA margin are non-GAAP financial measures. Further information can be found under "Non-GAAP Financial Measure." 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		
	<u>3/31/25</u>	<u>3/31/24</u>
Cash and cash equivalents	\$ 22.0	\$ 27.3
Total debt	\$ 11.8	\$ 20.4
Shareholders' equity	\$ 99.4	\$ 99.3
Total capitalization	\$ 111.2	\$ 119.7

Cash Flow	Three Months Ended		Year Ended
	<u>3/31/25</u>	<u>3/31/24</u>	<u>12/31/24</u>
Net cash provided by operating activities	\$ 5.5	\$ 2.1	\$ 3.8
Capital expenditures	(0.2)	(0.3)	(1.3)
Free cash flow (FCF)⁽¹⁾	\$ 5.3	\$ 1.7	\$ 2.5

- Paid down \$3.2 million in debt during the quarter
- Debt/TTM EBITDA was 1.5X
- Approximately \$62 million in liquidity at quarter end
 - Includes \$22 million in cash and cash equivalents
 - \$40 million borrowing capacity

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." See also the reconciliation of GAAP financial measures to non-GAAP financial measures in the tables that accompany this presentation for Adjusted EBITDA and above for the reconciliation of free cash flow. We define Free Cash Flow as net cash from operating activities less capital expenditures.

Focusing Guidance on Second Quarter

- Second Quarter 2025 Guidance
 - Revenue expected to be \$27 million to \$29 million
 - Gross margin ~42%
 - Operating expenses of \$13.0 million to \$13.5 million
 - Excludes ~\$0.2 million in Videology and other restructuring expenses
- Amortization and interest expense are expected to be similar to Q1 2025
- Considerations for 2025
 - Long-term fundamentals remain intact with InTest maintaining strong market leadership in niche, high-value applications
 - Well positioned for recovery
 - Pipeline is robust – highest level in history; current market uncertainty impacts customer spending
 - Project shipment timing
 - Order rates
 - 2H clouded by economic uncertainty; focusing on Q2 and continuing to execute on VISION 2030 Growth Strategy

5-POINT OPERATING SYSTEM



Maintaining Strong Market Position

Long-term outlook is robust

- Development projects continue; InTest remains provider of choice for technology solutions
- Well-positioned with product leadership and geographic reach to capture demand when market rebounds
- Prioritizing operational excellence to deliver on profitability
- Macroeconomic and geopolitical tariff uncertainty delaying customer commitments

Healthy balance sheet and more than sufficient liquidity

- Generated \$5.5 million of cash from operations in Q1 2025
- Paid down \$3.2 million in debt and increased cash balance by \$2.2 million

Remain confident in VISION 2030 Growth Strategy

- Advancing VISION 2030 by driving innovation and operational excellence
- Strong foundation and team to deliver on long-term goals

Conference Call Playback

- Replay Number: (412) 317-6671 passcode: 13752647
- Telephone replay available through Friday, May 16, 2025
- Webcast / Presentation / Replay available at www.intest.com/investor-relations
- Transcript, when available, at www.intest.com/investor-relations

Upcoming Event

- June 25, 2025 Northland Growth Conference

inTEST Corporation

Q1 2025 Financial Results Conference Call

Supplemental Information

May 2, 2025

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

(\$ in thousands, except per share amounts)

	Three Months Ended				
	3/31/2024	6/30/2024	9/30/2024	12/31/2024	3/31/2025
Net earnings (loss)	\$ 662	\$ 230	\$ 495	\$ 1,504	\$ (2,329)
Acquired intangible amortization	595	897	944	109	813
Restructuring costs	-	-	-	-	313
Acquired inventory step-up	-	-	-	1,570	-
Tax effect of adjusting items	(95)	(168)	(128)	(401)	(186)
Adjusted net earnings (loss) (Non-GAAP)	\$ 1,162	\$ 959	\$ 1,311	\$ 2,782	\$ (1,389)
Diluted weighted average shares outstanding	12,158	12,330	12,252	12,216	12,179
Per diluted share:					
Net earnings (loss)	\$ 0.05	\$ 0.02	\$ 0.04	\$ 0.12	\$ (0.19)
Acquired intangible amortization	0.05	0.07	0.08	0.01	0.07
Restructuring costs	-	-	-	-	0.03
Acquired inventory step-up	-	-	-	0.13	-
Tax effect of adjusting items	(0.01)	(0.01)	(0.01)	(0.03)	(0.02)
Adjusted net earnings (loss) per diluted share (Non-GAAP)	\$ 0.10	\$ 0.08	\$ 0.11	\$ 0.23	\$ (0.11)

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

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

(\$ in thousands, except per share amounts)

	Years Ended December 31,			TTM Q1
	2022	2023	2024	2025
Net earnings (loss)	\$ 8,461	\$ 9,342	\$ 2,891	\$ (100)
Acquired intangible amortization	2,694	2,095	2,545	2,763
Restructuring costs	-	-	-	313
Acquired inventory step-up	-	-	1,570	1,570
Tax effect of adjusting items	(447)	(324)	(792)	(883)
Adjusted net earnings (Non-GAAP)	\$ 10,708	\$ 11,113	\$ 6,214	\$ 3,663
Diluted weighted average shares outstanding	10,863	11,780	12,239	12,244
Per diluted share:				
Net earnings (loss)	\$ 0.78	\$ 0.79	\$ 0.24	\$ (0.01)
Acquired intangible amortization	0.25	0.18	0.21	0.23
Restructuring costs	-	-	-	0.03
Acquired inventory step-up	-	-	0.13	0.13
Tax effect of adjusting items	(0.04)	(0.03)	(0.07)	(0.07)
Adjusted net earnings per diluted share (Non-GAAP)	\$ 0.99	\$ 0.94	\$ 0.51	\$ 0.30

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

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

(\$ in thousands)

	Three Months Ended				
	3/31/2024	6/30/2024	9/30/2024	12/31/2024	3/31/2025
Net earnings (loss)	\$ 662	\$ 230	\$ 495	\$ 1,504	\$ (2,329)
Acquired intangible amortization	595	897	944	109	813
Acquired inventory step-up	-	-	-	1,570	-
Net interest expense (income)	(193)	41	36	109	37
Income tax expense (benefit)	125	66	74	298	(460)
Depreciation	273	356	355	415	316
Restructuring costs	-	-	-	-	313
Non-cash stock-based compensation	349	564	537	407	423
Adjusted EBITDA (Non-GAAP)	\$ 1,811	\$ 2,154	\$ 2,441	\$ 4,412	\$ (887)
Revenue	29,824	33,991	30,272	36,603	26,637
Net margin	2.2%	0.7%	1.6%	4.1%	-8.7%
Adjusted EBITDA margin (Non-GAAP)	6.1%	6.3%	8.1%	12.1%	-3.3%

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

(\$ in thousands)

	Years Ended December 31,			TTM Ended
	2022	2023	2024	3/31/2025
Net earnings (loss)	\$ 8,461	\$ 9,342	\$ 2,891	\$ (100)
Acquired intangible amortization	2,694	2,095	2,545	2,763
Acquired inventory step-up	-	-	1,570	1,570
Net interest expense (income)	600	(404)	(7)	223
Income tax expense (benefit)	1,684	1,706	563	(22)
Depreciation	810	1,021	1,399	1,442
Restructuring costs	-	-	-	313
Non-cash stock-based compensation	1,787	2,047	1,857	1,931
Adjusted EBITDA (Non-GAAP)	\$ 16,036	\$ 15,807	\$ 10,818	\$ 8,120
Revenue	116,828	123,302	130,690	127,503
Net margin	7.2%	7.6%	2.2%	-0.1%
Adjusted EBITDA margin (Non-GAAP)	13.7%	12.8%	8.3%	6.4%

Segment Reporting (Quarterly)

(\$ in thousands)

	Three Months Ended									
	<u>3/31/2024</u>		<u>6/30/2024</u>		<u>9/30/2024</u>		<u>12/31/2024</u>		<u>3/31/2025</u>	
Electronic Test	\$ 11,116		\$ 16,159		\$ 15,481		\$ 21,122		\$ 13,259	
Environmental Technologies	6,828		8,273		6,734		7,063		6,268	
Process Technologies	11,880		9,559		8,057		8,418		7,110	
Total Revenue	<u>\$ 29,824</u>		<u>\$ 33,991</u>		<u>\$ 30,272</u>		<u>\$ 36,603</u>		<u>\$ 26,637</u>	
		% of divisional revenue		% of divisional revenue		% of divisional revenue		% of divisional revenue		% of divisional revenue
Electronic Test	\$ 1,813	16%	\$ 1,743	11%	\$ 2,311	15%	\$ 2,865	14%	\$ 681	5%
Environmental Technologies	15	0%	993	12%	426	6%	682	10%	(255)	-4%
Process Technologies	1,961	17%	970	10%	1,070	13%	971	12%	207	3%
Total income from divisional operations	<u>3,789</u>	<u>13%</u>	<u>3,706</u>	<u>11%</u>	<u>3,807</u>	<u>13%</u>	<u>4,518</u>	<u>12%</u>	<u>633</u>	<u>2%</u>
Corporate expense	(2,702)		(2,473)		(2,376)		(2,330)		(2,388)	
Acquired intangible amortization	(595)		(897)		(944)		(109)		(813)	
Restructuring costs	-		-		-		-		(313)	
Interest expense	(140)		(253)		(219)		(234)		(152)	
Other income (expense)	435		213		301		(43)		244	
Earnings (loss) before income tax expense	<u>\$ 787</u>		<u>\$ 296</u>		<u>\$ 569</u>		<u>\$ 1,802</u>		<u>\$ (2,789)</u>	

Segment Reporting (12 Months)

(\$ in thousands)

	Years Ended		TTM	
	<u>12/31/2023</u>	<u>12/31/2024</u>	<u>3/31/2025</u>	
Electronic Test	\$ 41,016	\$ 63,878	\$ 66,021	
Environmental Technologies	30,801	28,898	28,338	
Process Technologies	51,485	37,914	33,144	
Total Revenue	<u>\$ 123,302</u>	<u>\$ 130,690</u>	<u>\$ 127,503</u>	
		% of	% of	% of
		divisional	divisional	divisional
		revenue	revenue	revenue
Electronic Test	\$ 10,189	25%	\$ 8,732	12%
Environmental Technologies	3,073	10%	2,116	7%
Process Technologies	9,544	19%	4,972	10%
Total income from divisional operations	<u>22,806</u>	<u>18%</u>	<u>15,820</u>	<u>10%</u>
Corporate expense	(10,272)		(9,881)	
Acquired intangible amortization	(2,095)		(2,545)	
Restructuring costs	-		-	
Interest expense	(679)		(846)	
Other income	1,288		906	
Earnings (loss) before income tax expense	<u>\$ 11,048</u>		<u>\$ 3,454</u>	