

**InTest** Corporation

NYSEAM:INTT

**Investor & Analyst  
Strategy Briefing:  
VISION 2030**

**Wednesday, March 26, 2025**

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## **INTESTINTEST EXECUTIVE MANAGEMENT**

### ***Leadership Team Transforming InTest***

Nick Grant – President and CEO

Duncan Gilmour – CFO and Treasurer

Mike Goodrich – Division President, Process Technologies

Joe McManus – Division President, Electronic Test

Mike Tanniru – Division President, Environmental Technologies

Richard Rogoff – VP, Corporate Development

Kelly Locke – VP, Information Technology

Ingrid Smith – VP, Human Resources

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## Presentation

### *Deborah Pawlowski*

Good morning, everyone. Welcome to InTest Corporation's 2025 Strategy Briefing where we are introducing our VISION 2030. My name is Deborah Pawlowski. I handle investor relations for InTest Corp. I'm with Alliance Advisors IR.

#### **SLIDE 2**

Well, I want to make note for everybody, whether you're on the webcast watching us or here in the room, that this is being webcast. When we get to the Q&A portion, we'll make sure that questions are captured for the webcast as well. I need to make note for you that we may make some forward-looking statements, well, we actually will because we're talking about 2030, during the presentation as well as during the Q&A. I just ask that you recognize that there are a lot of risks and uncertainties related to the forward-looking statements, and you can find our disclaimers and a list of risks in all of our documents that are filed with the SEC, which you can find on our website at [InTest.com](https://www.intest.com).

#### **SLIDE 3**

We'll also discuss some non-GAAP financial measures. Reconciliations of those items can also be found on the investor deck on our website.

#### **SLIDE 4**

Let me introduce for you today the executive team that we have here. Nick Grant, our president and CEO, and Duncan Gilmore, our chief financial officer, will be presenting the strategy briefing this morning. Also joining us, and they'll be a part of the Q&A, are our three division presidents, Mike Goodrich, Joe McManus, and Mike Tanniru. Also, here with us today is Rich Rogoff, our vice president of Corporate Development. New to the InTest team are Kelly Locke, our vice president of Information Technology, and Ingrid Smith, our vice president of Human Resources. Both Kelly and Ingrid joined the company just three months ago and are part of the advancement of the team and the capabilities as we are expanding into VISION 2030.

#### **SLIDE 5**

We have our agenda here. We're going to start by reviewing the progress that we've made since we launched our 5-Point Strategy in 2021, and we will be defining what our future direction is and how we get to our VISION 2030. We will have the Q&A, and then you're all welcome to join us for lunch. Sorry to those of you on the web, you can't. But I'm hoping that most of you will stay. So, with that, let me introduce Nick Grant, our president and CEO.

### *Nick Grant*

#### **VIDEO**

Since its founding over 40 years ago, InTest has evolved into a leading engineered solutions provider, helping to solve its customer's most challenging problems around the world. Known for innovation, the company provides test and process technology solutions for a variety of applications and key target markets. We implemented our 5-Point Strategy in 2021 and have made excellent progress with the transformation of InTest into a larger, more diversified business. Over the last four years, we have scaled the company nearly two and a half times, delivering record revenue each of the last three years.

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We are excited about our next phase of growth as we execute on VISION 2030 to further advance the transformation of InTest and increase the focus towards operational excellence while creating even greater scale.

InTest vision is to be the partner of choice for innovative test and process technology solutions around the world. Our mission is to deliver value to all of our stakeholders by leveraging our deep industry knowledge and expertise to develop and deliver high-quality innovative customer solutions and superior support for their complex challenges. By executing the 5-Point Strategy, InTest has expanded its global presence, diversified applications of its technology solutions in key target markets, and deepened penetration with customers through innovation and differentiation.

We have instilled a culture of accountability, discipline, and drive. We have cultivated the talent within to perform at higher levels while infusing the organization with new talent and capabilities. In the last four years, we've made three key technology acquisitions, expanded and upgraded our channel partners, increased our engineering capabilities, and established an operation in Malaysia to better serve the Southeast Asian market and increase our presence there. By elevating our focus on operational excellence and delivering strong financial performance, we believe that we can create meaningful shareholder value.

We have the team, we have the processes, and we have the technologies to take us beyond where we are today to our VISION 2030.

## **SLIDE 6**

Good morning, everyone, and thank you for joining us for our second ever investor day for InTest Corporation. It's exciting to be coming to you live here from the New York Stock Exchange where we had the pleasure to ring the opening bell this morning. It certainly was a bucket list item of mine, so being able to check that off feels great. It was quite an event. Please do take, if you're interested, the tour of the New York Stock Exchange later for those in the audience here.

Again, I really appreciate you coming. A little bit about myself, my background in case you don't know. I've been running large P&Ls for well-recognized industrial conglomerates, like Emerson, ABB, and Ametek, prior to joining InTest. I'm really excited to bring what I've been successfully doing, scaling businesses both organically and inorganically, across my entire career to the InTest organization. I'm excited to share with you our next level strategy, VISION 2030. Before we get into that, I want to talk a little bit about some of the accomplishments we've made with our 5-Point Strategy.

## **SLIDE 7**

So, we launched the 5-Point Strategy in 2021. I joined the company in summer of 2020, and I was the first external CEO brought into InTest in its 44-year history to really transform this business and unlock the potential of the company. We put the 5-Point Strategy together and, beginning of 2021, we launched it and really focused on scaling the business and driving innovation and differentiation in the marketplace. We're really pleased with the progress we've made, scaling it almost two and a half times, I should say, in the last four years to over \$130 million, delivering three years of consecutive record revenue for the company.

The 5-Point Strategy has provided us with a solid foundation for growth, and we're confident we're going to be able to build upon it here going forward. When we put the strategy together, we put some lofty goals in place back in 2020. We came out of the gates really strong and had some nice momentum going. Unfortunately, in the last couple of years, we hit some headwinds with severe market downturns in our three

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largest markets, that being the semiconductor, the automotive/EV, and the industrial markets, seeing a slowdown predominantly last year. Despite those headwinds, we continue to drive record revenue, and it really is through this strategy execution that we're driving success. So, I'm going to spend a little bit of time on each of the strategies and some of our accomplishments.

**SLIDE 8**

Starting first with talent and culture. Deb introduced the executive team and I couldn't be more proud to have them with me here today to share with you the 2030 vision. It is critical for the success of the company to get the right talent and then to instill the right culture needed to deliver the results. Joe McManus was my first hire and now division president for electronic test. Duncan came a few months later as I went to upgrade the CFO position for the company, and we added Rich Rogoff later that year to really help us focus on our M&A strategies and initiatives. He's been delivering good success there. And then, more recently, I upgraded our division presidents for environmental technologies with Mike Tanniru, and, last year, with Mike Goodrich heading up our process technologies.

And then, as Deb mentioned, our most recent additions are Kelly Locke and Ingrid Smith. Ingrid is the vice president of Human Resources. We were able to bring Ingrid into InTest here to help us take our talent strategies to the next level. Kelly is in a new position that we created for a corporate vice president of IT and cybersecurity. Kelly brings a strong background in cybersecurity, and it's an area where we put a lot of focus and effort. Her expertise is really going to help us to take it to the next level, but also ensure we have the right systems to support our growth plans.

Shifting the culture is never easy, but I'm really pleased with the progress we've made. We've really changed a conservative, sleepy, family-owned type business culture to a performance-driven, results-oriented. We did this through a performance management system that we put in place. We aligned pay with performance, objectives we set out tied to pay. We've increased our stock award program. We also launched an employee stock purchase program for all of our employees to benefit as InTest drives success. We implemented talent reviews to ensure we're building the bench strengths that we want. We created the InTest Leadership Academy, the first ever talent development program inside the company, and we focused heavily on improving our communications, both internally and externally, which was evident in the very first investor day we had and now today the second one in the company's history. So, I'm really pleased with the cultural shift and transformation that we've been driving and the team we have in place.

**SLIDE 9**

Looking at geographic and market expansion, the chart up there really speaks for itself. We've made tremendous progress in this area. When I joined the company, back-end semi was roughly two-thirds of the business. Shown here is 2021, we're into the first year, but it still was roughly around two-thirds. You can see the progress we made, focusing on target markets, driving innovation around those target markets, identifying companies, and adding them to our portfolio that opened up these markets and gave us stronger presence in these areas. I'm really pleased with where we sit today. The company is much more diversified and much better positioned to be able to weather cycles, as it just did in the last couple years. I really believe we're in a great position going forward.

**SLIDE 10**

Shifting to innovation and differentiation, something near and dear to me. This is another area we've made great progress, really putting in new product development processes into the company, creating product development roadmaps, having technology reviews, investing in engineering, adding companies that brought

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new engineering know-how and capability into the company that we could leverage across the groups. This whole shift of moving from a one-off customer-specific design to more market-driven solutions has really made an impact for our organization, and I believe we're well positioned.

Just highlighting a couple examples of innovation, these two were from our electronic test division. The top picture there is an automated manipulator. This back-end semi test space has predominantly been a lot of manual manipulators moving test heads in and out as they change operations. We've been automating that operation. What you're seeing here is a manipulator picking up a 2,500-pound test head and being able to move it over into the operation and precisely place it into its location for the next test operation to begin, which is not an easy task when you're talking those kinds of weights and precisions that's needed. Our LS 8 series manipulator is really a great development that we've done to bring automation to that back-end changeover space in semi test.

The bottom is highlighting our power cell. This is a high power, high current test interface solution that's really geared towards these higher power modules, power management devices, chips that are becoming more and more important. Especially as you think about the build out of data, AI data centers and everything else, these powerful chips are needed. Being able to test these chips at these power levels is something we have a lot of expertise in and we're leveraging. So, really, two great examples within the electronic test division.

#### **SLIDE 11**

Shifting to service and support, a scenario where we've also made good progress, but had a bit of a slow start. Coming out of COVID, we really couldn't get our sales coverage optimized, get out to see customers like we wanted, but we certainly moved the needle afterwards and made some really nice progress, more than doubling our service staffing, both through direct investments, as well as the acquisitions, and more than two and a half times service level growth over the last four years. We've gotten the service revenues up to about 11% of sales and want to continue to see that climb going forward. Again, 15% to 20% is where we're targeting.

The teams are doing a great job developing smarter products, with diagnostics built into the products to help customers understand potential needs for maintenance as well as us provide monitoring capabilities as a service to the customers. The team have now taken it to the next level where we have a lot of data our testers and systems provide, and we're looking to develop these software solutions to help them leverage that data more effectively and help them gain better insights into their operations. We believe these will be added values for the customers with these software solutions that'll be coming. Great progress on service and support here.

#### **SLIDE 12**

And then, last, but not least, is strategic M&A. In the last four years, we've completed three deals, Acculogic and Videology being the first two we did at the end of 2021, and then, most recently, Alfamation, basically a year ago in 2024. The timing of Alfamation was very impactful for the company. All three adding really nice technology expansions for us. Acculogic brought test capabilities for our electronic test division beyond back-end and semi opened up all kinds of attractive markets and applications with circuit board testing, as well as battery testing. Videology expanded our process technologies beyond induction heating, adding image capture. The business hasn't quite performed as we would've liked when we acquired it. We found there was a lot of under-investment prior to the acquisition. We had the first 18, 24 months really doing a lot of end-of-life camera updates and dealing with components. We had that supply challenge of 2021-2022, as well. The engineering team now is really able to focus and deliver some revolutionary products into the marketplace.

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The SCAiLX that we introduced is the first ever edge AI camera that the company introduced. We're really seeing some nice momentum, so we believe it will get that right back on track here very soon.

I mentioned Alfamation, the timing, and then, the company, with its large backlog that we were able to bring over, had a major impact with the \$25 million last year, but it's the technology that they bring around testing of infotainment systems, displays, lighting, automotive lighting, onboard computing systems of cars that really excites us about this whole electronification of vehicles. It's going to be a great fit for us.

### **SLIDE 13**

So, that's the five elements of our prior strategy and we've made a lot of good progress. One of the things that enabled us to be able to do that was restructuring the business around three technology divisions. If you haven't met the three leaders of the divisions, please do spend some time with them over lunch. Joe McManus heads up the electronic test, Mike Tanniru, the environmental technologies, and Mike Goodrich is over process Technologies. We restructured around these technology platforms with the companies we had, and we created a bit of a three-horse race to really focus on executing our 5-Point strategy and seeing who could pull ahead. When we look at it, electronic test is our largest today. We've done a couple deals in that space, process technology, also the acquisition of Videology, and we've been working diligently to expand beyond thermal in environmental technologies. Unfortunately, we haven't been successful in getting a deal closed yet, but more to come on that as it's still an objective to move beyond thermal.

What I'm going to do is go into each division a little bit more to give you a little insight into the technologies, but, more importantly, give you some examples of the applications. One of the biggest things that we get questions about is, how does that technology apply? Hopefully this will help you understand this a little bit better.

### **SLIDE 14**

Starting first with Electronic Test. The electronic test division is all about automated test solutions. That's what we've been focused on and is what we're building up. The solutions range from docking stations to battery testers, to flying probes, to automotive electronics and optical testers today. We serve a wide variety of markets in that space.

Why we win is really our engineering expertise, our know-how and our knowledge to be able to solve these difficult challenges for customers. Then, you add to that our multiple test capabilities that we can integrate into the systems to really help differentiate. Setting the standard for quality assurance is very accurate. Our team is really are delivering some of the best performance out in the marketplace, and customers recognize that.

What you see here on the right-hand side of the slide is, again, our manipulator that moves test heads in and out. These test heads are used in the back-end semi test space for chips, and these chips end up in a wide variety of applications in the marketplace.

### **SLIDE 15**

Looking at our integrated circuit board testing here. This is from our Acculogic acquisition. They have the most flexible systems in the marketplace today, and our teams have really done a nice job to develop new products, new test heads, new test solutions within these flying probe systems to really enhance the customer's test capabilities within one system. Rather than having to have a different system to test this function and this function and this function, we can do a lot in one system, so it provides best-in-class test

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coverage for the customer. That is extremely beneficial in their operations, but also in their quality control, so they know their products are working as they should when they come out.

The battery test solutions, where they've leveraged this flying probe technology around batteries, again, expanding all kinds of testing capabilities around that and opening up a wide variety of battery testing applications. When we acquired the company, it was predominantly automotive/EV batteries. The teams have really diversified, moving into batteries for drones, batteries for boats, batteries for golf carts, batteries for hearing aids. These testers are finding homes in a wide variety of battery test applications.

### **SLIDE 16**

And then Alfamation, the leading automotive test provider for the displays, the infotainment systems, the lighting and onboard computing systems in vehicles, as well as in some consumer electronic applications and life sciences. The types of tests are really audio, video, haptic, power management, and in-vehicle testing. They're doing all kinds of testing of these devices before they get put into the cars. Typically, these are higher volume testers, with very automated, loading, unloading, robotic movements of the testers in and out, because you can think about the volumes associated with the automotive industry. That automation capability is something we're leveraging across our entire group as we try to drive more automated solutions. So, it was a great addition and we're excited about it. Again, as I mentioned, the amount of new technology going into cars is not going to lessen, so it positions us extremely well for future growth in that space; and then, applying it outside of automotive is also an area we wish to focus on.

### **SLIDE 17**

Shifting to Process Technologies, these are the most applicable solutions we have across applications and markets across our portfolio. Our induction heating solutions can be used anywhere there is a need to join materials: braze, weld, slip fitting, you name it. Anywhere there's a need for high temperature, precise control, and long duration temperature is an ideal fit.

Shown here on the right is our EKOHEAT product, our higher end, higher power size induction heating solution, which is doing a preheat for a weld on utility poles. That's just one example of an application that's been quite successful for us. You can imagine there are a lot of utility poles around the globe.

Then, within the process technologies, we've added our image capture solutions with Videology. These are really board level cameras that get designed into a wide variety of applications, as well. Our expertise really is designing the right camera around the customer specifications for their specific board that goes into a device or an application. The small footprint of the design is what separates us.

### **SLIDE 18**

So, I'll give you a little bit more, an example here. First, induction heating. One of the areas we've had really great success over the last four years was supporting silicon carbide and gallium nitride with our induction heating solutions. Again, I mentioned about high temperature, tight control over long periods of time. Our induction heating solutions really support silicon carbide crystal growth, which can run up to three weeks at high temperatures, With very tight control to allow for those boules to grow. So, it's really a great fit for it.

Another area in that space is GaN epitaxy. Once the GaN boules are cut into wafers, they're then built up through an epitaxy process, a CBD. Again, higher temperatures, very controlled environment to allow for precision building of these wafers, so that duration of temperature control is critical. Induction heating is a great solution there. As I mentioned, it helped drive quite a bit of growth for us over the last couple years. Though, while we're seeing a bit of a pause in that space, the capacity that's been installed is being

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consumed – the slowdown in automotive is certainly leading to less need for products right now, but that's going to change – these technologies, silicon carbide, gallium nitride, are finding their homes in a wide variety of new applications, data centers, electrical distribution, charging stations, you name it. It's only going to drive the need for more and more of our solutions going forward, so we believe it'll be a good growth avenue for us in the future

#### **SLIDE 19**

Shifting to the Videology, our industrial cameras or board level cameras. They can range anything from traffic systems to cameras on tanks. What I'm showing here are three examples, one being an underwater inspection system. The camera is embedded into systems that are going and inspecting pipelines, underwater to ensure the integrity of the systems. They're mounted on trains to monitor the safety around the station platforms when they come in and out, with people loading and unloading the trains. Another area is health care, where they are used in ophthalmic inspection, optical inspection of eyes and retinas.

Again, the number of applications is numerous for both of these technologies, and it's about us identifying the application, proving to the customer the right solutions exist, and designing the right cameras or the right profile for the induction heating; and then, getting embedded into their future systems as they go forward. It delivers a long-term success for us. So, we're excited about the growth ahead for process technology.

#### **SLIDE 20**

Last, but not least, Environmental Technologies today is really where our precision control, temperature control, products reside. As I mentioned, we looked to move beyond temperature in the future here, but these temperature solutions are used also in numerous applications: circuit boards, electronic testing, process chillers; in some very critical markets. Why we win is, we are able to offer the broadest range of temperature solutions in the industry, leveraging our full portfolio of chambers and chillers and ThermoStream type systems. We have the most extreme conditions being able to go down to 185 negative Celsius and up to 500 degrees Celsius in a very tightly controlled test changeover. We also are able to provide the most rapid changing of these temperatures, tightly controlling the speed at which we can fluctuate between them. As you can imagine, electronics and applications are getting more and more complex, and being able to simulate what kinds of conditions that are out there and put these things under extreme test is critical.

What you see here on the right is an example of that. I'd say our traditional customers in this back-end semi-space, R&D, are developing products, and they reached out and they're developing higher powered chips that create a lot of heat. The traditional cooling of an air-cooled system isn't enough to cool down the chip during their development cycles, so we worked with them to develop and integrate our process chiller into the application using a direct contact probe on the device which then allowed the customer to get the results they were looking for. These types of chips are used in a wide variety of AI and data center applications around the world, and that space is only going to continue to grow. So, again, our broad solution; not only having an air-cooled solution, we now have a chiller-based solution. That combination with the customer is driving success. Those are the complex challenges we solve.

#### **SLIDE 21**

Another example here is just more traditional defense/aerospace and industrial electronics. Again, these things require temperature cycling, ensuring product quality. We make some of the best chambers in the market, and are able to support some of the most critical applications, such as defense missile systems. So, we really have a unique position from our temperature testing solutions, and we look to build beyond that.

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**SLIDE 22**

So, that's the three technology divisions and what we've accomplished but not everything goes to plan, when you put a plan together. Duncan will tell you, immediately it's out the window, you just hope to get close. We've reflected on the last four years. What went right. What didn't go so well. What we need to be doing better. We've generated a list of areas we'll be focusing on, which we've built into our 2030 vision.

First and foremost, the speed of talent development and acquisition was one of the areas we said we need to spend a little more time getting more speed as we move on bringing the talent in. I have a great team. I only wish I had them 4 years ago all in place, and we'd be better off now.

Operational excellence is another area where we said, okay, we have great technologies, we've made a lot of progress around moving from one-offs to more standardized solutions, now we have to really focus on driving operational excellence and taking our businesses to the next level from an operations perspective. So, that'll be a key avenue we'll spend time on in Vision 2030.

Another I'll mention is innovation. We've developed a number of new products and have launched successful products in the marketplace, but we all agree that we want to accelerate that time to market and speed of new products. We have a new vitality index that we'll be launching, which is part of our 2030 vision.

So, I won't cover them all, but I think it's very important to always reflect back and see how we can improve ourselves.

**SLIDE 23**

So, let's move forward here, Vision 2030. We really spent some time, over a year, working, developing, fine tuning, and we're really excited about what we've accomplished and where we're going here over the next five years.

**SLIDE 24**

We strongly believe our five-point strategy has laid a strong foundation for us, a great foundation for us to build off of. We have the right areas of focus, we have the right team, and we've really ingrained this into the culture of InTest. It has become our business operating rhythm, if you will. And so, this five-point strategy is what we're continuing to drive, but it's becoming more of a business operating system for us; and then, focusing on some different changes within each of the different strategies to advance our growth plans forward, accelerate scaling the business, driving innovation, and successful M&A going forward, but also operationally moving it to the next level.

**SLIDE 25**

So, I'm going to go into a little more detail around these things. What we set as an aspiration for 2030 is really, basically, doubling the business again by 2030. We did it before, and I'm confident we can do it again. Why are we confident here? Because we have great technologies, we're in the right markets, and we strongly believe our core businesses can grow organically: high single digits, 7% to 9%, above market, taking share. Not with excessive growth needed for it to be achieved. We can deliver the 7% to 9% through the cycle. We also have healthy pipelines of M&A. We've been putting out, building relationships, identifying targets, and forming the future. Hopefully, when they're ready to sell, we'll be able to bring them in and deliver another \$50 million to \$60 million of acquired revenue over the next five years. And then, we would expect those businesses to grow as we bring them in and capture synergies. So, basically, using the 2025 midpoint of our guidance, of \$130 million, delivering to a midpoint of \$260 million by 2030, a 15% CAGR.

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We have been smarter this time, I would say, better understanding our markets, our targets, our industries that we're in. We've factored in market cycles, traditional back-end semi cycles, automotive slowdowns in our next five years, and we aren't counting on a major rebound in front-end semi-silicon carbide or gallium nitride. We believe it'll be good growth for us, but we aren't banking that in to be able to achieve our \$50 million to \$70 million of organic growth, and our pipeline supports where we want to go.

**SLIDE 26**

So, we're excited about the new goals we've laid in place, and again, we're focused on the right target markets: semi, auto/EV, defense/aero, industrial, life sciences, and safety/security. All of these markets have market growth rates forecasted that will support our plans, and we're uniquely positioned with our custom solutions or engineered solutions to be able to support customers in these attractive markets. Our playground is plenty big enough, with a \$2 billion service addressable market, and we believe our solutions will continue to be of value for our customers going forward. We also believe there are some nice megatrends that are providing tailwinds for us.

**SLIDE 27**

I've touched on electronification. It's about everything, not only on cars, also your homes, industrial plants. The automation that's happening across the globe. We're well positioned to benefit as new technologies get incorporated into everyday life. It all needs to be tested, and that's good for us.

Power management: these things require power, batteries, things are more mobile, mobility, that all requires testing, and it is also good for us.

Complexity: things don't get easier. Chips are getting more and more complex and smaller. The things around us are more and more smarter. So, again, all creating the need for testing and various applications. The defense/aero, the commercial space, you name it, we're well positioned around these megatrends that we see to benefit going forward.

**SLIDE 28**

We have a great global footprint that we can leverage to support our customers around the globe. We have, historically, a strong North American footprint, from a manufacturing perspective, that we support our customers out of, but with the acquisition of Alfamation in Italy, it added really a large footprint in Europe for us where we can do a better job supporting customers out of Europe. And then, the investments we've made in our Malaysia facility gives us a nice manufacturing footprint in Southeast Asia to better support customers. In the region, for the region type of strategy.

So, I believe we're well positioned to support customers around the globe, but we're always challenging ourselves on where do we need to invest in the next manufacturing location to better serve customers, where's the next shared site needed, like the Malaysia one we're doing, so we can capture economy of scales and benefit across the entire corporation. And so, in the next five years, we anticipate we'll be launching another regional site somewhere.

**SLIDE 29**

The innovation, again, is critical. We've made some really good progress; we started tracking new product sales for the company as a percent of total sales in 2023; we started building the NPD processes when I came on board, getting the engineers, getting the roadmaps, launching new products.

And so, we've set a goal to get new products as a percent of sales up to 25% by 2030. You can see that it

finished just under 13% last year. What we have defined as new products is products that have been launched within the prior five years. Why we are using five years? In my past, three has been more the norm, but for our industries and our type products, we're dealing with conservative customers, conservative industries, and it usually takes a good 18 months of getting customers to accept the products, trying it, work through their processes around the products, before we start seeing any kind of scale around the new product launches. So, five years is really the right window for us. We want to make sure we're touching and refreshing products every five years, and keeping it evergreen for our customers. Innovation is indeed the lifeblood of InTest, and setting this goal of 25% is certainly achievable for us.

### SLIDE 30

Here are just a few examples of some new products that we launched over the last few years. The first one on the left is our Benchtop ThermoStream. We had an air-cooled system in the past, and it had been around for over a decade. We really didn't have a chiller-based benchtop, or compressor-based benchtop system, so the teams worked to develop really the best benchtop on the marketplace. It's used for cooling electronics during tests. We launched that product a little over a year ago, and we're seeing some nice interest in the marketplace.

The middle one is our Ekoheat Compact. This came out about three years ago, where we took the footprint of our larger Ekoheat systems and shrank it by a third to really help support customers that are designing these systems into very critical floor space applications, where footprint really matters. It has been a nice growth engine for us over the last few years with this smaller footprint for that business.

And then, on the right-hand side is the most recent example from the company we acquired, Alfamation. They've launched their Flexmedia family of test analyzers, and this is a very modular test solution for customers. We actually use these in our test systems, building up the internals of our test systems, but now, we can sell these modules to our customers, and use their rack-mounted type in-house type test solutions as well. There's a wide variety of testing, whether it's audio, video, haptic, you name it, type test solutions that these things are capable of, so we're excited about that product that was launched within the last couple of years, as well from Alfamation. So, yeah, innovation is key for us.

### SLIDE 31

Strategic M&A will continue to remain an important element of our Vision 2030 growth strategy. We've been successful with the acquisitions we've made. The prior acquisitions focused on adding technology offerings, expanding what we're doing going forward in our \$50 million to \$60 million of acquired revenue target. We're really focusing more on a roll-up now. We have the existing base, excluding the ITS. We want to move still at some business beyond thermal in that space, but are looking to scale the existing businesses we have with more bolt-on, roll-up type opportunities. We're also looking more at service revenue enhancing type opportunities as well.

We will keep an eye on the geographic expansion objectives we're setting in place with these companies supporting us. We're looking at companies in that \$20 million to \$40 million range in size; that's really the sweet spot for us. The first couple we did that were around \$10 million required a lot of work to get the systems and put them into place. The \$25 million acquisition of Alfamation is really a well-established business and a great fit for us. So, we're focused in those areas.

And we're looking at companies that, again, bolt-on, but just deepen our presence in the target markets that we've laid, and ones with well-defined, achievable synergies, of course. Roll-ups will have more cost synergy opportunities, bringing a chance to potentially rationalize some products, et cetera. So, M&A will be extremely

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important for us going forward as we continue to scale the company.

### **SLIDE 32**

I mentioned this earlier, the shift to operational excellence. I've been part of it throughout my entire career at Emerson and Ametek and ABB, taking these smaller businesses and moving them to the next sophisticated level of operational excellence. By employing Lean Six Sigma discipline across the groups, really identifying and eliminating waste, streamlining the operations cells, and having a measurable impact on our bottom line, we'll try to capture these operational improvements and synergies going forward.

The teams are fully behind this and really believe this will be a key focus for us, and will have a nice impact going forward, not only for us, but also for our customers as we think about the benefits they see, and improve lead times, improve quality, et cetera. So, the shift towards operational excellence is something we'll be driving hard going forward.

With that, now, let me turn it over to Duncan to walk you through the financial strategy since I've discussed high-level growth strategies. Duncan.

## ***Duncan Gilmour***

### **SLIDE 33**

Thank you, Nick, and thanks to all of you for being here in person today. What a great venue; I think we can all agree. And I'd also like to thank all the people joining us on the webcast, and even those who are watching this on replay. So, thanks to everyone for your interest in InTest. Just a quick personal introduction, Duncan Gilmour, CFO, I've been with InTest for almost four years. Prior to that I worked for four years at ABB, where I actually crossed paths and worked with Nick. Before that, I spent 13 years within the Tyco organization, in finance roles with industrial products businesses across ABB and Tyco. Before that, going back into the mists of time, I was in public accounting for about 10 years with PWC.

### **SLIDE 34**

Anyway, that's enough about me. Nick has highlighted how we believe we're poised to succeed. Hopefully, you got a lot out of the last number of slides and presentations, but how does that then translate into the numbers?

First, let's take a look at our financial priorities. I think as you may have gathered in listening to Nick's presentations, firstly, we want to manage our organic investments to drive profitable growth. Nick highlighted a number of opportunities around innovation, around favorable megatrends and markets. So, ensuring we are getting our share, and more, of the market growth in the places where we play is one of our number one priorities. Secondly, you also heard us talk a little bit about operational excellence, and focus on Lean Six Sigma and some of those areas. So, more focus on driving margin expansion with our existing portfolio of businesses, ensuring we're pricing appropriately, getting the value that we deserve for our products in the marketplace, focusing on balancing demand, the demand situation with our costs, and just driving that operational efficiency mentality throughout the organization to help improve that bottom line performance.

Another element of that, with our existing portfolio, is ensuring that we're driving working capital velocity, collecting quicker, paying slower, turning our inventory quicker. All of that helps what is a good cash generating business, historically, and has been over the course of the last number of years, to ensure we continue that, and do an even better job of generating operating cash. With that operating cash, we can then

really focus on delivering synergistic M&A that drives future growth and returns. We've added about \$45 million plus of revenue from acquisitions over the course of the last four or five years. Those businesses, those products applications, are now in our base, and are part of our organic opportunity going forward, which delivers nice contribution. We have the cost base there, so organic growth delivers nicely to the bottom line, but we need to continue to fuel that going forward with our M&A and inorganic ambitions as we look to the future of the organization.

And then, finally, let's not forget, we will opportunistically look at returning capital to shareholders, as conditions permit.

### SLIDE 35

As a reminder, an important piece in our bridge to Vision 2030 is top line growth. I'll just point out, the starting point here is our 2025 guidance, \$125 million to \$135 million. We have guided to a relatively flat year at this point. We do see, as Nick highlighted and as I just talked about, \$50 million to \$70 million of opportunity, a 7% to 9% CAGR from 2025 in organic growth opportunities. On top of that, the \$50 million to \$60 million of new acquisitions. Depending on timing, we would then anticipate growth would come with those as well, getting us to the \$235 million to \$285 million target, let's call it \$260 million, so \$130 million to \$260 million, doubling the business by 2030.

### SLIDE 36

How does this translate into profits? Starting on the left, at the midpoint of those goals, the \$260 million, and with a blend of organic and inorganic contribution, we're striving to deliver 20% division operating income, profit generated from our operating businesses. That considers that we're growing our spending slower than we're growing the top line, as I mentioned, with respect to priorities. We have the cost base, yes; we need to add to that, and we need to invest in innovation, invest in organic growth, but we can do that at a slower rate than we can drive the top line. Inorganic contributions are less impactful in the short term, but they're very important to ongoing process. Again, as I mentioned, we added the \$45 million of revenue, which then becomes part of our portfolio, helps fuel our organic growth opportunities in this Vision 2030 timeframe. We need to continue doing that as we continue to grow the company.

Going from division operating income, after considering corporate costs, intangible amortization, interest expense and taxes, we target getting to 10% net income on that ballpark \$260 million top line; and then, on the far right, adjusted EBITDA. Adding back those interest assumptions, tax, depreciation, amortization, and stock-based compensation, we continue to target a 15% of revenue metric. We do consider adjusted EBITDA as a reasonable proxy for the operating cash generation capability of the business.

### SLIDE 37

On the topic of cash and moving back to where we are today, let's talk a little bit about our balance sheet and sources of capital. We ended 2024 with just under \$20 million in cash, and solid operating cash generation, especially in the second half of '24. As a reminder, we did borrow money, about \$20 million in 2021, for the first time in the company's history, to finance the Videology and Acculogic acquisitions. We did also assume some debt in conjunction with the Alfamation acquisition.

We have been and will continue to steadily pay down that debt in line with the terms, and we ended in 2024 with about \$15 million of debt, or a total debt to trailing 12 month adjusted EBITDA ratio of 1.4X. I highlight that just because we have talked, and when we look at ourselves, we don't want to extend ourselves beyond a 2.5X total debt to pro forma trailing 12 month EBITDA metric. I say pro forma as we would take into account

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the financial performance of any target with respect to looking at that leverage ratio, but I think it's important to understand that.

We do continue to have \$30 million available to us under our acquisition funding facility with our commercial banking partner. We also have and have used equity to finance or partially finance M&A, for example, with Alfamation, but we did pay a small portion of that purchase price by issuing some shares.

So, overall, between available cash, the ongoing cash generation of the business, our debt capacity and availability, as well as our ability to leverage equity, we believe we're in a strong position with respect to sources of capital to fuel our both organic and inorganic investment requirements as we move into Vision 2030.

**SLIDE 38**

As you might expect, hope, with our capital allocation priorities, how we want to use that does mirror our financial priorities. I think Nick talked a lot about the opportunities that we have with our product portfolio applications, efforts around innovation, operational excellence, et cetera, to take our existing businesses, our existing portfolio of businesses forward.

We'll continue to manage our debt position, to utilize debt, but without overstretching the organization, and fueling synergistic M&A, synergistic being key, again, as Nick articulated; it's important as we go forward. We're really looking at deals that fit in nicely from a technological perspective and we can leverage from a cost, a growth synergy, standpoint, really looking at  $1 + 1 = 3$ , as we are moving forward. Again, opportunistically, we will look at returning capital to investors.

**SLIDE 39**

Touching a little more on acquisitions, from a financial characteristic standpoint, just to provide a little bit more color in terms of what we look at with the \$20 million to \$40 million in size that Nick touched on in terms of a relative sweet spot there, we do look at trying an internal rate of return. We do look at fairly long tail of cash flows in our projections, but we're looking to see about 15% IRR when we're assessing potential targets.

We're looking for businesses with gross margin profiles, and profitability profiles, similar to our own, around the 40%+ gross margins, 10% bottom line margin. They are profit making businesses that we're looking at, so operationally, we are looking at deals that are operationally accretive, now taken into account the impacts of purchase, price accounting and things like that, and possibly dilutive as some of the intangible amortization and things like that work their way through our financials, but operationally accretive in the first year. As I said, we are looking to make sure that we're looking for targets and opportunities where we see clear cost synergies, growth synergies. Take Alfamation, for example. I think we're really excited about the functional test capability that that business brings, combined with the capabilities on in-circuit testing and so on, and in our archaeological business, there's a lot of great technological synergies that we're seeing with those two businesses as we project forward.

**SLIDE 40**

So, to wrap up, and before I hand it back to Nick, I do want to note that, earlier this month, we did host our Q4 and full year conference call. A replay of that call and the related materials are available on our website, so we're not going to reprise that now. As we did discuss on that call, we have seen a soft start to 2025, and our Q1 and full year guidance, which we're reiterating now, reflects this. Just to reiterate that more formally for Q1, revenue in the \$27 million to \$29 million range. For Q1, gross margins around 41%. Operating expenses in that \$13.6 million to \$14 million range.

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Full year, as I mentioned, \$125 million to \$135 million. We are using that as the baseline for the bridges that we presented on a revenue perspective.

We do expect gradual profitability throughout 2025; and then, a couple of other numbers for modeling purposes, amortization expense, 3.4%; tax rate of around 18; and capital expenditures, the 1% to 2% range, similar to what we've seen really in the prior number of years.

With that, I'll now hand it back over to Nick. Thank you.

## ***Nick Grant***

### **SLIDE 41**

Thanks, Duncan. I'll just quickly wrap up here; and then, we're going to open it up for Q and A. I'll have my executive team come on stage here to assist in addressing any questions you may have in the room, as well as on the webcast.

### **SLIDE 42**

So, we've delivered results. Our five-point strategy has now become the business operating system for us; it's in our DNA, it's in our culture. These five strategies are what we drive day in and day out, and it is having an impact, three consecutive years of record revenue for the company. So, we have really the right cadence, we have the right team, we have the right plans in place here, and it's delivering results.

### **SLIDE 43**

The five-point strategy laid the foundation, and now, we're taking it to the next level. We're focusing within these five elements in different areas, and accelerating and scaling certain focus areas, like operational excellence, that is all part of our Vision 2030 strategy for advancing growth.

### **SLIDE 44**

And the targets we've set out, we feel confident in achieving these things. Doubling the business again to roughly \$260 million is our goal, and I'm confident we're well positioned to get there. As Duncan mentioned, the starting point being conservative 2025 estimates, although there's just a lot of uncertainty in the marketplace that everyone's dealing with right now. But once that uncertainty stabilizes, we should be right back on our moment that we had building the last three quarters there.

So, with that, let me invite the team up and we will open it up for Q and A. Any questions in the room? Maybe start with one first.

## **Question and Answer**

**Question:** I'm just curious how big the service revenue can be? Obviously, you are targeting acquisitions that have some service revenue component, So I'm just curious what gross margin profile you think that line can ultimately be as well.

**Nick Grant:** So, how big can it get to? We truly believe we can get this, on a consolidated basis, in the 15% to 20% of the top line. We have some businesses doing north of 20% today in the top line, but collectively we can get into that range. If we get this to \$260 million, the 15% to 20% is where we're focusing on driving that service revenue. Some of it will come from the acquisitions and some targeting service acquisitions, as you

said, but that's a good barometer that we're trying to get to, that 15% to 20% range.

**Duncan Gilmour:** And I'd say, margin wise, so in our existing service offerings, there's a number of items, extended warranty, extended maintenance, spare parts, things like that, where the margins do tend to be on the higher end of our ranges. We've talked before about our margins ranging from the high fifties to generally the low forties, a couple a little bit low down, unfortunately, but service is certainly on the higher end.

There are also opportunities with things like software offerings that we're seeing and the margins on things like that. If we can do that right, we'd arguably be much higher than that, so certainly higher margin. It's not necessarily easy driving that service growth, but we have seen some nice, steady improvement in terms of the percentage of our business. So, getting there, but definitely a margin driver as we continue to expand that.

**Question:** When you look at the \$50 million to \$70 million of organic growth in the 2030 numbers, how much of that do you think of as a bounce back in your current markets with your market share and how much is organic growth you have to fight for and win?

**Nick Grant:** A great question. We have seen our core industries experiencing their down cycles here the last couple of years, so we are coming off of what we believe of low again. If we look at how much the core businesses went backward, we were talking what maybe a 14%, 15% drop from the prior year, with semi, in general, a little higher.

**Duncan Gilmour:** I would say, we've seen our semi businesses drop 25%, something like that order of magnitude, so that's probably just under \$20 million or so.

Our other businesses have been more stagnant. They haven't really seen great growth over the course of the last year or so. So, very roughly, I would say that, again, to throw out a number, there's a good portion of that \$50 million to \$70 million, which it's fair to say comes from a bounce back in the markets, which, quite honestly, is why we see that 7% to 9% from 2025 base CAGR as being a very realistic organic growth number, because there is an element of that market recovery included in there.

**Nick Grant:** Deb's highlighting that Semi, even though it's down 25% year-over-year, semi for InTest is still bigger. It's up 30% from when I took over in semi. So, even though we've seen this slowdown in the cycles and the front-end pause, semi is still an important market for us. We've done a really nice job of expanding our technology areas, focus areas, our count penetration efforts in semi, and we're much better positioned in semi for when it comes back down the road.

**Question:** When you look in your M&A pipeline and you have your platforms, if you would, for your businesses, can you talk about the mix of opportunity that you see in that pipeline and where most of the activity is and where most of your targets are in terms of M&A opportunity?

**Nick Grant:** Maybe I'll let these guys speak, but just in general, as I've said before, our M&A approach is bottoms-up. These leaders are working with their businesses, identifying targets and technologies, companies that would be a good fit for their divisions and our growth plans.

We won't get into specific names of the companies, but maybe, Joe, you start with some of the areas you're looking at from a technology perspective.

**Joe McManus:** For electronic test, I think there are two areas we're really focused on. One, I think we have a really strong semiconductor team and we're trying to leverage that. The team is constantly coming up with ideas of different businesses, maybe some more recurring revenue for that business, so we have a lot of areas there.

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And then, we've seen a ton of synergies between the Alfamation and the Acculogic teams, and we're saying, how can we leverage that more and grow in those spaces? We're looking very much at the businesses, what works for them and what they can contribute to others, and what those businesses can contribute to us.

**Nick Grant:** Mike?

**Michael Tanniru:** So, as Nick mentioned, environmental technologies, right now, is only thermal solutions. When I think about acquisition targets, I look at where we can have synergies with the existing business. Our sales guys are out talking to customers all the time, so they see applications outside of thermal that right now we can address, things like environmental chambers, things like leak testing, things like vibration testing. These are opportunities that we see in the market when we talk to customers, where we believe, if we had companies in those spaces, we could be successful selling more.

**Michael Goodrich:** And from the process tech side, I look at areas that, how can we expand beyond just what we provide today? Are there applications that require some level of automation, things like that, that currently go beyond just the capabilities of the base products we provide today that we can then be looking to provide a more complete solution to the end customer? I feel that's one of the important areas that, for my group, we need to be looking at, how we can be more important to the end customer, helping to provide more complete solutions.

And so, as we look at acquisition opportunities, that's one of the key areas that I feel is important for my group.

**Deborah Pawlowski:** I have a question from the web audience real quick here.

On 2030 revenue targets, what is implied in terms of cycle? It seems to imply little to no front-end SiC-GaN products. Is this assuming mid-cycle, trough, or peak at 2030?

**Nick Grant:** Great question. As I mentioned, we tried to factor in market cycles this time better than when we put our original plans together. Our back-end semi-test has a little more well-defined, structured type timing around cycles, so we've factored that in the second half since we're coming out of the low point or the trough of the current cycle. The front-end silicon carbide, gallium nitride, this really was the first cycle for that type industry.

Just because these are new products, new technologies, we saw a nice build-out of capacity and that capacity, multiple companies rushing to try to get their capabilities around building bulls and wafers and epitaxy on top of the wafers, and everything else. Now, with that demand soft, the capacity needs to be consumed. I think it's going to be more modulated or a more gradual improvement for that space.

We're not expecting a big build-out again of capacity. It'll be as needed; they'll add another line or a next-sized wafer, et cetera. So, we've factored that into a gradual improvement of the front-end semi-cycle throughout these next five years.

Auto also will be cycling, again coming off of a bit of the low right now. We believe that we're starting to see more traction in our automotive customers there, so that will be factored in as well. We've tried to look at timing and everything else and it just varies over the next five years.

Would you add anything?

**Duncan Gilmour:** We certainly did, versus our prior investor day and projections for '25, where we did not really build in a dip in the market. We absolutely have thought about that, looked at that, and built in an element of softness somewhere over that six-year period by industry.

On SiC and GaN and the products that go into that space in particular, we have not assumed it's recovering to the heights we saw quite frankly in '22 and '23. We do think it recovers from what we've been seeing the last couple of quarters, where that market has been very quiet, but we don't see it hitting the heights of the activity we saw. But we do see it coming back and being a reasonably robust market. So, I think we've been quite tempered overall in our expectations as we've laid out our organic picture.

**Question:** So, in the course of your time at InTest, you've made a handful of acquisitions. And honestly, I'd say all but one of them have at a minimum met your expectations and often exceeded them, but the one that didn't, where you've gone through your restructuring efforts and you commented on it in your presentation, I wondered if you could spend a little time talking about the lessons that you learned from that experience and how you're applying them going forward.

**Nick Grant:** So, you're talking about the Videology acquisition that we did and some of the lessons learned that we are applying forward around 2030. As I mentioned, the \$10 million in size was great for us to start with for InTest as we launched our strategy and got our feet wet. But really, these smaller businesses with less process-oriented systems needing more investments certainly are time consuming.

And so, we were looking more at the larger size businesses, \$20 million to \$40 million in size that are just more established, with more systems and procedures that better support our growth plans.

That business, when we acquired it, and it had been structured this way with the prior owner, had two locations and split manufacturing for a \$10 million business trying to support customers, and one engineering group that was trying to manage across the two sites. Having this streamlined now with the most recent announcement that we come up is only going to position engineering, operations, customer support, to better serve our customers and drive the growth that we want.

We're confident that having it in one location, will generate what we had envisioned. So, one of the lessons learned is taking that into account and moving faster on setting up the company for success going forward. But we're very pleased with the technology, the diversification it's brought to our process technology group and all three are really great businesses long-term for us.

**Question:** Thanks for providing the information on the new products as a percentage of sales. I find that's great information, but it's kind of low and you have some really pretty ambitious goals to grow that, to double that. I look at your engineering spend and it's gone from 7.5, 7.5 to 8, 8.5, and I'm wondering whether you are actually making the engineering spend and having the resources to be able to drive that growth.

**Nick Grant:** Good observation on it being low. I agree with you, but you have to remember these businesses were predominantly doing customer-specific, one-off products and we are only looking at market-driven, new products that are applicable across a wider variety of customers. That's what we're capturing in these numbers here.

So, the more of those we do, the higher that number is going to get. So, 25% is the first level of threshold, but we'd love to see that get to 35%, 45% over time. We have to walk before we run, if you will. We're pleased with the progress we're making.

So, as a percent to sales investments on the R&D side of things, it's always the challenge. It's critical to us. We were growing that top line so fast there that, for a while, we couldn't keep up, and more dollars were going to engineering. It's just that the percent stayed and maybe went backwards a little bit because the top line grew so fast.

We have to get into that 10-plus percent range of our investments each year going in into R&D, but there's

more to be had there.

**Duncan Gilmour:** I'd also say, Nick threw a metric up there about vitality, about the amount of revenue coming from new products. Measuring something tends to drive some focus, so creating more structure internally around looking at that, making sure we understand where we are with that, and driving a little bit more process and structure behind it, we believe will help ensure that we're more successful than we have been, taking a more haphazard perhaps approach. So, there's an element of let's measure it and drive it.

**Question:** Sort of going off of that in terms of organic growth and percentage of sales from new products, what sort of CapEx would be needed to support that and would this be building out existing facilities or expanding into new geographical reaches?

**Duncan Gilmour:** I can touch on that. We mentioned the facility in Malaysia that we've been getting up and running over the course of the last 12 to 18 months or so. The business has been a little bit softer as well, as we've mentioned. So, from a capacity standpoint, we have the footprint to be able to deliver really all of our organic growth aspirations. We don't see significant capital requirements with respect to facilities, or footprint, or anything like that. We have the capacity.

In terms of things like new product introduction, innovation, investing in our engineering resources, investing in sales and marketing resources to drive organic growth, that is something I think, on the financial priorities, I talked about investing in our organic growth, so yes, there's some spending there. The key is, we're spending at a rate that's slower than our growth rate and we can monitor that and ensure we're doing that to ensure we're driving the profitability and seeing that contribution fall.

But on innovation and the sales and marketing side, it's more about getting the right people on the bus and in place to drive that. From a capital perspective, we're not particularly capital intensive, and as I said, there's no major capital investments that we see as necessary in order to deliver our organic growth ambitions.

**Nick Grant:** I 100% agree with everything Duncan said there, with the caveat that, as I mentioned, we will be targeting the next region for a Malaysia type investment at some point, but that'll be driving future growth within that region. Again, minimal investment, and we've done Malaysia within our 1 to 2% annual of each year. And so, I think CapEx is not a concern.

**Question:** Can you talk a little bit about what goes on the commercial side, and maybe this differs across the business units, to drive the organic growth and drive the expansion across other markets as you're also, and maybe it's different by the markets, transitioning from the customer-centric solutions to the more standardized one. Where are you in terms of that transition, or if needed, on the commercial side? Are you at the stage now where investments need to be made to drive that organic growth in the business units, or are you at the stage where we will begin to see more operating leverage across those units?

**Nick Grant:** From an organic growth perspective, it really varies across the businesses. I can touch high level; and then, they can provide even more specifics on it. When you think about our electronic test business, the really strategic account focus is the name of the game.

With the back end semi players, there's a finite number of them. How do we get more share of their wallet? How do we displace competition? And so, that drives our organic growth, and innovation gives us more share of wallet as we add more value around our products and also opens up new customers.

It's the same for these tier one automotive electronic suppliers. There's a finite number of those companies that are doing electronic dashboards and infotainment systems, et cetera, et cetera, so it's all about key account focus and driving success.

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When you think about process technologies, the induction heating systems and camera solutions, it's about finding the applications. It's about generating the leads, about working with the customer to design the right induction heating solution recipe around their application, the coil needed to heat the product accurately, the onboard camera system that gets designed into their next generation optical inspection system or whatever it may be. It's about working with the customers, but identifying the companies, finding those leads, and that's what the team's focus is on through lead generation, more so, than key account focus.

And then, ITS or environmental technologies is somewhere in between. They have certain products that very well establish leading positions in back-end semi with the number of finite strong customers or well-defined customers; and then, the chillers are used in a whole wide variety of applications that we have to just find the leads and the opportunities and convert them over to sales.

Do any of you have anything to add?

**Joe McManus:** I would say, as Nick said, even within electronic tests, it varies a little bit by business. For our semiconductor business, I think we have the right team and the right organization. It's just getting much more aggressive with getting our products to customers, taking different approaches than we did in the past to get these leading tier A semi-manufacturers to use our equipment. When they use our equipment, we know they're going to like it, we know it's going to be successful for them; and then, that just promotes the penetration.

But, just being more aggressive with getting the equipment in is a big change that I think we've made, because we've been developing the right equipment, now we have to get them to take it.

I'd say, with the Alfamation and the Acculogic businesses, it's a little bit different. We're still investing in the team, getting the exact right team in place to go after the markets there with the products and developing the new products. We have a lot of good new products with Alfamation. We have to get it in front of more people.

So, it's different approaches based upon the businesses and the markets.

**Michael Tanniru:** For environmental tech, if I look historically at our commercial organization, it had been very reactive. We had a certain set of semiconductor customers. We were good at servicing them and we took orders from them, but we weren't as proactive a commercial organization as I'm used to. We've made significant upgrades to the commercial organization and we've changed out reps and distributors. We brought in new sales leadership that have that perspective.

So, if I look at the semiconductor market, Nick highlighted an application where we, historically with our air streams, have sold to this customer and for many years they've been happy with that solution. They're seeing more high-power applications come through their R&D process and the air streams are not sufficient to provide the cooling capacity for the higher power chips. We're able to use our expanded portfolio of industrial process chillers to satisfy a new developing market within our semiconductor customers.

And then, if you look at our industrial and our defense/aerospace, we have to get our name out there as a solutions' provider. We hear from customers every day that, "We didn't know that there were thermal solutions available to test this type of product. It really fits what we need to do from a product reliability perspective." On that side, it is critical for us to get our name out there with marketing, and a web presence, and just visiting more customers to expand our organic sales in that space.

**Michael Goodrich:** From the induction heating side, I think we've done a really good job, generally, from the marketing side, webinars, trade shows, things like that. I think one of the areas that we're starting to put more focus on are the applications that, typically, we haven't engaged in, just because it's outside of our comfort

zone. Looking at those, whether it's things that we can do directly or are there partners that we can work with that are in those spaces already and starting to work with those or starting to establish those kinds of relationships so that we can plug into an even broader band of applications. That's where a lot of focus is going right now on the Ambrell side.

We always look at our sales partners and evaluating them. I think we have a really nice sales partner establishment right now, but of course, we always look at them and evaluate, does this make sense? Do we need to make a change? Things like that. That's kind of an ongoing process.

On the Videology side, we've put a lot of effort into working with partners that can help, again, take our individual solutions products and develop them into a more complete solution or help sell them as a more complete solution. Taking an example product like SCAiLX and working with a company that builds AI models, they can take our hardware, match it with their software, and again, that becomes a more complete solution to the end customer. And then, how can we start to cross market those kinds of opportunities? That's where we're putting a lot of time in now, and I think that's going to be one of the key drivers for Videology as we expand some of these new products into the market space.

**Nick Grant:** I understand we have one from the webcast and then we'll come back to the front table.

**Deborah Pawlowski:** This question is related to profitability. To what extent will profitability vary based on business mix, higher margin, lower margin businesses, and peak versus trough of the cycles?

**Duncan Gilmour:** Let me take that. Profitability is always going to be driven by volume and mix. Peak versus trough of the cycle is more of a volume thing to a certain extent, and I always say volume's probably number one, with mix a close second. We've seen in the past that our higher margin products, and we've talked extensively that our back-end, semi-test business tends to command higher margins across our portfolio, that when that business is stronger towards a peak, we see slightly higher profitability, but every dollar of revenue drives nice contribution. We see strong operating leverage from every dollar of organic revenue across our businesses, because all of our businesses command solid margins. So, that volume piece is always important.

Unfortunately, in the same way that we see positive leverage as volume goes up, when volume comes down, that's a hard tide to fight, as we've been seeing.

So, yes, we see those things. They've been very visible, I would argue, in our numbers over the course of the last number of quarters, but as we look at Vision 2030 and look at the aggregate of where we can get to, why we believe we can comfortably get to the margin percentages that we're quoting, we can clearly see the contribution that comes from those incremental revenue streams as they come back up. I touched on the fact that we have the capacity, so we don't need to add crazy amounts of cost. Yes, we need to invest in selling and marketing initiatives and engineering, but we don't have massive investments to make in order to drive the growth in our business. The contribution is there over that aggregate, but yes, short-term peaks, troughs, mix, are absolutely going to have an impact, as we clearly see.

**Question:** Do you have any commentary on the current competitive landscape that InTest operates in; and then, also, how is InTest capitalized relative to their peers?

**Nick Grant:** I'll comment; and then, I'll let the division president speak again here. There's not really a direct InTest competitor. No one really has a similar profile of technology companies that we have, so they each compete within their divisions with customers that are more fragmented than that.

So, maybe we'll let you guys speak. Mike, go ahead.

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**Michael Tanniru:** For environmental tech, we're similar. We don't have one competitor. Since we have industrial process chillers, we have competitors in that space. We have the Airstreams, so we have competitors in that space, but we don't have somebody who can do that full breadth of solutions. That's a big advantage for us. When we're in a customer that has a chip application that's a lower power historical using an Airstream and they come up and say, "Hey, I have a high-power application. Your Airstream doesn't seem to have enough competitors. Airstreams also don't have enough cooling capacity." We have an industrial process chiller, so that gives us an advantage in that space, and when we look outside of that to just the pure industrial process chiller space, it's such a huge market for us. Right now, we're a smaller player in that market. We have plenty of addressable market to be able to grow without directly taking market share, because there are just so many opportunities in that space for us. So, it varies depending on what market we're playing in.

**Michael Goodrich:** Yes, and on the induction heating side, there's actually quite a bit in the competitive space. There are a lot of companies that do induction heating. What we see is, we get a lot of positive feedback on quality responsiveness service. I think that's one of the areas that Ambrell has put a lot of focus on and has helped differentiate us against the other main players that we see in that space.

On the Videology side, there are a lot of camera companies. What we see is, one of the things that I feel sets us apart is, again, our willingness to work with customers on finding a solution versus more of an off-the-shelf type product. We get a lot of interest in, "I'm looking for a solution that does X." Us being able to work with them and develop those solutions, I think, is one of the key areas that sets us apart, along with understanding that, right now, there's a big push against products that come from China. We know we're not going to compete from a price standpoint on products that come from China, but our customers understand that as well. It comes down to a decision of, am I going to buy a product that, yes, I can get a lower price on, but I'm concerned about the origin versus working with Videology, where products are made in the US, products are made in Europe, and it's a less risk type solution?

**Joe McManus:** In electronic tests, we definitely have good competitors, strong businesses that we're running up against. Across all three businesses, I'd say the number one reason we're going to win is, our customers know our technology, they know our engineers, they trust our engineers, and it's our engineers that are really developing the solutions, solving the problems for them and getting us engaged to win. That's why the customers are going to choose us versus a competitor, and that goes across all three of the businesses. We have engineers that have really good relationships with customers. They've been working with them for 5, 10, 15, 20, and, in a couple cases, maybe 30 years, where they've known these people for a long time and they trust them. That's really what sets us apart from the competition.

**Question:** You have done a nice job diversifying between front end and back in semi, but at a high level and I guess longer term or maybe even 2030, is there a target level of exposure you want to the semi market, because I have to imagine that will influence the M&A pipeline and, more importantly, the priorities within that pipeline?

**Nick Grant:** Good question. As you saw on the diversification chart, semi went from 65% down to just under 40%. Under 40% is at the low cycles in semi right now, but semi still is an extremely important market for us. As mentioned, Joe has some opportunities, targets that we're looking to expand in that space as well, so semi will always be an important piece, but we'd like to manage it, that 50% or less exposure, through our other investments in other targeted markets of automotive/EV, defense/aero, industrials. Semi is extremely important for us, and we do quite well in semi.

And then, we have a question from the web?

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**Deborah Pawlowski:** Yes, and this is specific to Alfamation. Can you talk about specific vehicle platforms that Alfamation has won, and what does the pipeline look like for new design wins?

**Nick Grant:** I don't know if we can talk about specific platforms with the contracts we have, but they've been very visible. We've been sharing information after the acquisition that slowdown in semi has really dampened the orders for Alfamation throughout 2024 and automotive, with the uncertainty we're seeing right now, is still depressed in the beginning of the year, although their pipeline of opportunities really has been growing nicely. These companies are building up a lot of activity and are ready to move forward once the economy stabilizes, and understand where the investments need to be made. Companies can only go so long without their next model year and the next displays and technologies going into cars, so we've seen a really nice ramp-up of the funnel, and we're confident that they'll be back on track here in the not-too-distant future. Would you like to add anything, Joe?

**Joe McManus:** Yes. Without getting into specific models, we are seeing a big ramp up of companies getting ready for their 2027 models right now, and that's what the investments are coming for. When they have a new infotainment system, a new central computing system, a new power management system for their cars, we're seeing a lot more in-car networking challenges and testing with that, so those are all things where there's more and more of it coming out in the models, let's say from 2027 on. That's what we're engaged with customers on right now.

**Nick Grant:** We have one more question from the floor, and then, we'll take another from the web.

**Question:** I don't know if you can really answer this question, but I'll give it a try; it's for the division managers. If you had an extra \$3 million to spend, how would you spend it? Would it be more on sales, more on marketing, more on support and engineering or more on really base R&D to try to find something very new?

**Joe McManus:** For me, it would be just continuing to speed up product development. We've done a lot to speed up product development over the last couple of years, putting processes in place, but we have no shortage of good ideas between our sales teams, who are very technical, our engineering teams and our customers, and it's really feeding those challenges from our customers. The more that we can develop, the more solutions we have, the more we can offer them.

**Michael Tanniru:** I also would speed up new product development. We've done things like leverage the Malaysia facility, I think, very well. We've added engineers in Malaysia. You asked a question about spend on R&D. We've added engineers, but not necessarily increased our spend, because we've added them in Malaysia. We have a lot of ideas, and it's focusing the engineers on the ones that we'll get more customers from that is critical for us, so that would be a major investment. And then, sales channel wise, specifically in the industrial space, we could always use investment in more feet on the street, because it's a large market for us, and uncovering applications and visiting customers is critical.

**Michael Goodrich:** For process tech, product development would be where I would put a lot of emphasis. As with the others, there's no shortage of ideas and things that we could be working on. Being able to grow the bandwidth to take on some of those new opportunities would be great. That's where I would look to make such an investment.

**Nick Grant:** Thanks. We have one from the web, and then, we'll come back to the floor.

**Deborah Pawlowski:** This one is in regards to M&A. Has InTest built a reputation yet in the marketplace that is enabling leads to come to us? And maybe expound a little bit on the pipeline itself.

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**Nick Grant:** Great question. I would absolutely wholeheartedly feel as though we've made a really good impression and are getting word-of-mouth leads of companies with owners coming to us, which is fantastic to see. We put those owners in contact with the previous owners of the companies we acquired to get them comfortable with the process and how things go and that. So, I think word of mouth is definitely spreading nicely.

Rich, anything you would add?

**Richard Rogoff:** All I would add to that is, I routinely get calls and emails from the likes of analysts and bankers now. Switch to three years ago, four years ago when I joined the company, I didn't get that, so the pipeline coming in is quite strong. It varies from things that we will never fit into our organization, and it's a quick phone call, to things that we actually acquire as well. As Nick mentioned earlier, the bottoms up between the four of us; we often work on ideas. Their engineers will come up with ideas or sales people will put us in contact, and we'll reach out to companies that maybe even haven't thought about selling. So, the pipeline is strong. We keep getting new ideas every day, even this morning, so we keep pushing forward on that.

**Joe McManus:** One thing I'd add to that, as Nick said, I think some of our best sales in terms of getting that word is the key technologists from Acculogic, the owner of Alfamation. They have big networks, people in similar points in their career, and they are saying how it's been great for their businesses and for them personally to work with InTest. I think that's really bringing us a lot of opportunities right now.

**Nick Grant:** Agreed.

**Question:** I want to jump over to the efficiency efforts that you highlighted, like the Six Sigma stuff. I've actually been involved in some of that when I was working in industry, and I always found that it was interesting that the easiest dollar to make is the one that's lying on the floor. So, if you could spend a little time talking about your processes to do that. What are you looking at? The last business that I was involved with, operationally, we were actually assigned targets. Every year, we had to come up with X amount of cost savings.

Initially, it was actually a really good way to go about it, because there was so much around, but then, at the end, it was not a very good way to go about it. Do you understand where I'm going? How are you structuring out that activity? How are you staffing it? Are you putting specific people in charge to manage it, and are they going to the businesses and providing goals? Are you looking at systems that you can put in place like ERP to make things more efficiently? However, you want to dive into that deeply, because I'd imagine in any business there's a lot of money to be made just by running it better.

**Nick Grant:** I 100% agree, and that's why we're going to shift the focus to that operational excellence, but our rollout plan, and I've seen it successfully, starts with education. We're going to get the training for the folks in the facilities and around the Six Sigma, lean Six Sigma discipline, and have our manufacturing engineers work with the trainers and the operators in the facilities, because you have to engage the people in the facility. They're the ones that know what they're doing day in and day out and what's wasteful and what's not wasteful. I have to walk over here to do this and walk over here to do that, versus creating a cell or what have you.

So, we start with the education. We start identifying Kaizen events that we can do within the facilities that will have a quick turnaround, so people can see the paybacks, see the impact. It just starts snowballing and building and building and just doing more and more of these smaller programs that then become bigger programs. Eventually, everyone's got it in their DNA and operating that way, and we're driving that excellence

that we want across the sites. So, we're starting with the training, and then, over the next few years, it'll just be a continued morphing of our facilities and operations.

As for systems, we absolutely challenge ourselves, are our systems able to support the growth? Are they keeping up? Can we do these things better? Putting in the small acquisitions we talked about, the new ERPs at Videology and at Acculogic, certainly takes time, and getting folks using, optimizing those systems and that. So, from a systems perspective, Kelly's going to help take us to the next level of making sure we're rolling out the right systems to support our operational excellence plans. Would you say anything?

**Duncan Gilmour:** Yes, I agree with what you're saying. I'd just add a couple of things. Firstly, as I mentioned on new product development, we need to measure it and drive metrics to make sure we're delivering results, but at the same time, and you referenced it in your question, you can go too far. You can strangle an organization by just creating way too much process around it. I've seen it happen. We do need to find the sweet spot. We need to institute the discipline, get the measurement metrics right and drive it and ensure it's in the DNA, but at the same time, we do need to be careful because I have seen it go too far, where you end up having so much waste in the process of managing the process that it's self-defeating. We do need to make sure we get it right, but absolutely, measurement is key. Clarity of targets is key. Tracking, making sure we're making progress, those are the disciplines we are looking to get in place and continue to drive.

**Question::** And have you hired expertise to put that forward? Have you hired people that have the black belts and things? Do you have that internally in-house, that type of expertise at this point?

**Nick Grant:** We don't today, but we've had some of our team members trained in that area rather than hiring a new black belt and throwing them on the floor or what have you. Over time, as we get the culture where it needs to be, ingraining these black belts, whether it's upgrading talent we have or adding talent, will be an important part of the strategy.

We have a question from the webcast again.

**Deborah Pawlowski:** Yes. I guess we couldn't get away with not having a question on the T word.

**Nick Grant:** Tariffs.

**Deborah Pawlowski:** We talked a lot about tariffs and customer conversations at the year-end earnings call. Any change in those conversations? Any concerns of further push-outs or how tariffs will impact us?

**Nick Grant:** I would say it's still very fluid day in and day out on the tariff front. We'll see what happens on April 2nd with these reciprocal tariffs and what impacts that has, but we're working very closely with our customers, aligning with their plans and what they need to do. As they shift their global strategies around, we'll be there to support them, and I think we're well positioned to do that, given our global footprint as well. So, no major change from my perspective. Would you say you've seen anything?

**Duncan Gilmour:** No, I think it's similar. We highlighted one of the biggest things, we have a manufacturing business in Canada that makes products and sells quite often into the US, so understanding where the tariffs ultimately fall. It seems those products are one day they're on, one day they're off. It's a little uncertain there. In the balance of probabilities, it'll probably be off for those product lines, but it is an uncertain environment. Businesses hate uncertainty. There's nothing worse than not really knowing the rules of the game, and there's a little bit of, well, where is this going to fall out? That's certainly one of the bigger areas.

For the most part, we're a US manufacturing entity. We source somewhat from overseas, but we also source a lot from the US. Broadly speaking, big picture, if the administration is trying to incentivize domestic production and manufacturing, then for the most part, in the long run, we should benefit from that. Day to day,

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your guess is as good as mine as to how that's playing out, but we're obviously looking at it very closely and keeping tabs on where things are playing out.

**Nick Grant:** Great. Anyone else?

**Question:** I'm going to shift back over to the sales. You have three different business units, and they do actually cross-sell into different markets. Is there overlap with regards to it as a sales function to where you're going into the same company and you're selling different solutions from different business units of InTest to the same people? How do you manage that? How do you structure for it?

**Nick Grant:** I can just talk high-level, and then, maybe these guys can chime in, but one of the things Rich has done early on was to create a corporate overview that our sales teams leverage on who InTest is, our breadth of products and solutions. They're in there speaking as ITS or as Alfamation or as Acculogic, but now they go in to their sales meetings with a broader presentation of capabilities for who we are, and that gives them the chance to open the door. People ask questions. They'll engage across the divisions of getting the right people to talk, because our people aren't trained on every product across the InTest.

We just want to identify those opportunities, get them connected with the right people, and then, let those people run with it. But, guys, what are you seeing? I know, Joe, within your business, you have a lot more activity of cross-selling.

**Joe McManus:** There's a West Coast EV manufacturer that we're selling multiple products into. We're going in as a group now. I'm going in to visit them, so we're talking about all of our solutions. We're also having cross-business and cross-division sales discussions where we're getting people on web calls to get trained on other products just to get familiar with what they have so they can recognize opportunities. We're making joint calls across the divisions. The environmental group and the EMS group are jointly working on a couple of customer projects together, where we're combining semiconductor test solutions with thermal solutions for particular customers.

**Question:** And something like that, how did that evolve? Take an opportunity, you don't have to say the customer's name, but you started at this, you recognized this, how was it recognized? How did the other person come in? You're bringing two salespeople in, so the initial sales guy is not just doing the only set. Do you see where I'm going and what I'm curious about?

**Joe McManus:** It starts with the industry and the knowledge of our organization, where with one customer, we were working with them on a semiconductor test solution, and they saw that there was a thermal challenge. And so, they didn't go through me, didn't go through Mike. They called the marketing director in Massachusetts and said, "Hey, do you have something that can do this?" They started talking back and forth. They said, "Okay," and started bringing the other group in front of the customer, saying, "This is really what the challenges are. Can we do it? Yes." - and we jointly worked up a solution for them. So, it's the people knowing the organization and knowing what the other businesses do, and then, executing on it.

**Nick Grant:** One thing we've done is, we created these cross-divisional collaboration summits. We have an engineering summit, we have a sales and marketing summit, an operational summit where the engineers, the operations, the sales and marketing folks get together with the leaders, and share best practices and talk about the technologies, talk about what their areas of expertise are. So, awareness is key. When they know a customer is asking for this, they call up that individual and get them in the right hands.

**Michael Tanniru:** So along those lines, we put a lead sharing incentive program in place, where if a salesperson from one organization finds an opportunity, whether it's joint or completely separate from what

they're working on, they can pass that lead on, and there's a mechanism to share for the sales guy who passed it on to benefit from that.

I see a big opportunity in production thermal testing, and we've been working particularly with Alfamation on where they're doing production test systems. We, historically, have been in the R&D side of thermal testing, and they'll bring us into thermal production test opportunities.

**Michael Goodrich:** From a process tech standpoint, seeing as the applications are different, we probably haven't had as much as maybe we could. It's something that we should probably look more into. Certainly, we're pushing that, again as was highlighted, making sure that we're communicating not just our specific applications, product portfolio within whether it's an Ambrell radiology, but also communicating the broader InTest solution base. Again, testing versus the actual process piece, there just hasn't been that much overlap. Not that it's something we shouldn't look at. It just hasn't been one of the areas we've put a lot of focus on yet.

**Rich Rogoff:** And just to add to that, one thing that we've changed over the course of the last couple of years is, we've actually started marketing together at trade shows. Four years ago, you'd come in and an EMS and an Ambrell might be at the same trade show, but in different booths on different sides of the aisle. Now, we're combining things. We're showing the joint development as well as our Malaysia shared facility, where we have engineers working on different product lines, but sitting at one desk right next to the other. So, they're learning more about their products and cross developing that way.

**Nick Grant:** Good point. Absolutely.

**Question:** Looking at the short term, back in the Q4 call, there was a comment made about winning an account back. I was just wondering what was the rationale behind that account leaving; and then, how did you win that account back?

**Nick Grant:** It was price when they left. They found a lower price solution than ours, in this case it was a battery test solution, so the company decided to try the other company's system. They have struggled with it to get the throughput, the quality that our existing systems were doing, so they now came back to us. Obviously, they recognize now how the price and the value is much aligned. I don't know, Joe, if you would add anything more?

**Joe McManus:** It really just came down to performance. They went with a cheaper solution. They realized it wasn't yielding as much productivity from the equipment as what they were getting from our older systems. And they came back and said, "We need this performance. We need this productivity." So, the equipment sold itself, but they had to go down a path and learn for themselves that it was not the right decision. We were super happy to have them back.

**Question:** And then, a follow-up about the order push-outs. You mentioned that there's no cancellation, just pushing out further into the second half of the year, but then, there was also a comment about product switching. I was wondering what area that product switching is in and if this is a business-specific thing you're seeing or if it's a general trend in that industry.

**Nick Grant:** I would say it's pretty specific to that industry and that particular case with our induction heating systems. Mike, I don't know, you want to give a high level?

**Michael Goodrich:** In my understanding, the product switching was just an end-use demand requirement, so moving from one specification of heating unit to a different specification unit based on the end customer needs. Those are the things we look at and try to monitor and work with customers on to understand what

their demands are and what their needs are. Especially in some of these spaces where there's just a lot of uncertainty right now, they're trying to best serve their end customers and continue to work with them to drive their business; and then, some of that falls back with making some of those changes on our side.

**Nick Grant:** Anyone else? All right. Well, that concludes our strategy briefing. Hopefully, you found this to be beneficial. Hopefully, you can appreciate the accomplishments we've been able to achieve with the five-point strategy and, hopefully, you're excited about our vision 2030 and where we're taking the company as we advance our next level growth strategy. So, thank you all.

*Note: This transcript has been edited slightly to make it more readable. It is not intended to be a verbatim recreation of the InTest Corporation (INTT) Investor & Analyst Strategy Briefing: Vision 2030 webcast that occurred on the date noted. Please refer to the webcast version of the call, which is available on the Company's website ([intest.com](http://intest.com)), as well as to information available on the SEC's website ([www.sec.gov](http://www.sec.gov)) before making an investment decision. Please also refer to the opening remarks of this call for INTT's announcement concerning forward-looking statements that were made during this call.*