



inTEST Corporation

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

James Pelrin
President and CEO

Hugh T. Regan
Treasurer and CFO

Investor Relations
2nd Quarter 2019

Forward-Looking Statements

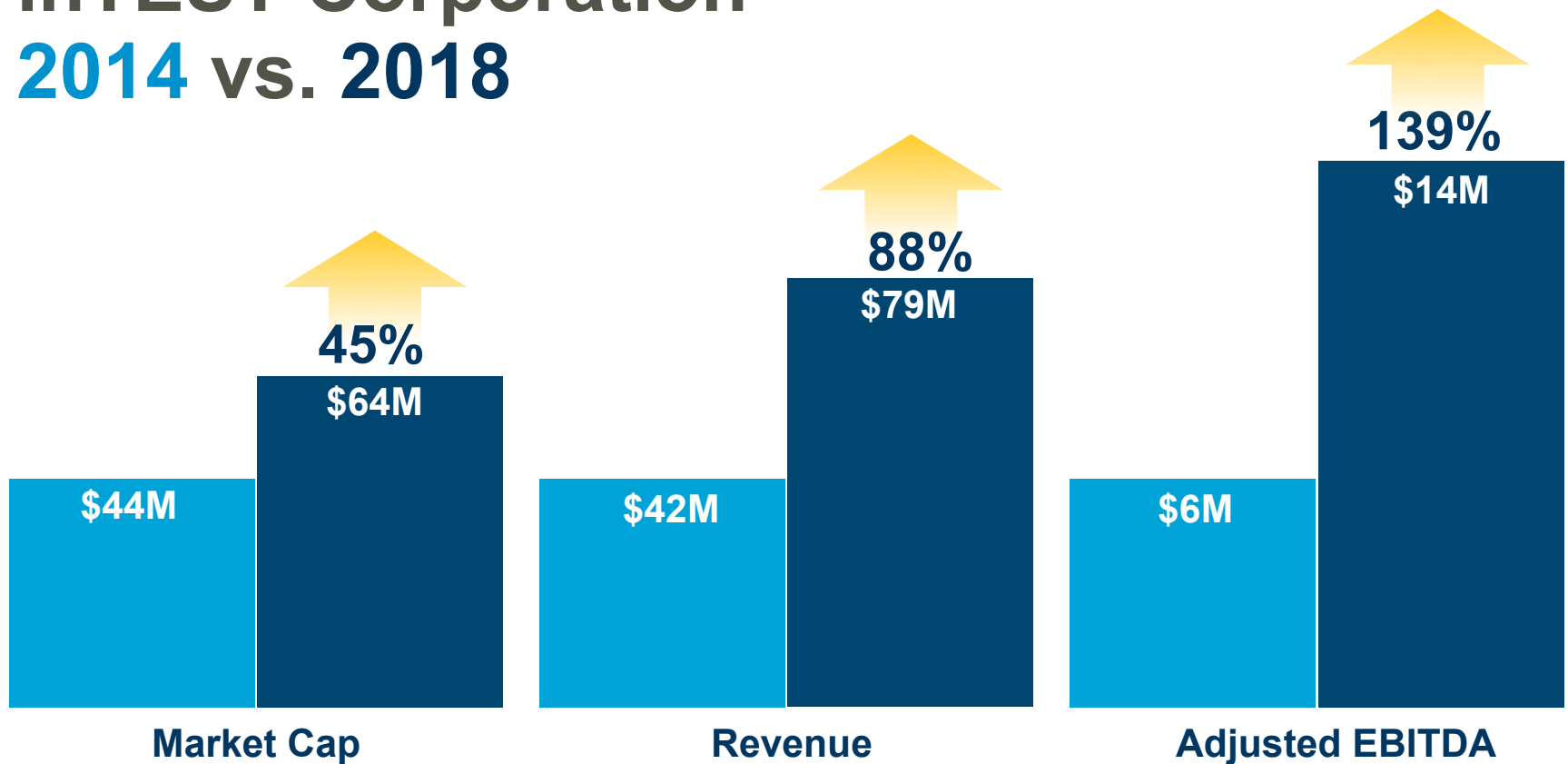
This presentation contains forward-looking statements within the meaning of the Securities Act of 1933, as amended, and the Securities Exchange Act of 1934, as amended. These statements are based on management's current expectations and beliefs and are subject to a number of factors and uncertainties that could cause actual results to differ materially from those described in the forward-looking statements. Therefore, actual outcomes and results may differ materially from what is expressed herein. For a discussion of these risks and uncertainties, the Company urges investors to review in detail the risks and uncertainties and other factors described in its Securities and Exchange Commission (SEC) filings, including, but not limited to, the "Risk Factors", "Forward-Looking Statements" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" sections of our public reports filed with the SEC, including our annual report on Form 10-K and our quarterly report on Form 10-Q filed with the SEC, and available on our Investor webpage www.intest.com and on the SEC website at www.sec.gov.

Generally Accepted Accounting Principles

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

inTEST Corporation

2014 vs. 2018



- Global supplier of precision-engineered solutions for use in manufacturing/test across wide range of industries: automotive, defense/aerospace, energy, industrial, semiconductor, telecommunications
- Solve difficult thermal, mechanical and electronic challenges for customers worldwide, while generating strong cash flow and profits
- Strategy uses these strengths to grow and increase shareholder value by maximizing our businesses, and by identifying, acquiring and optimizing complementary businesses

inTEST at a Glance

2018 Performance

Orders

\$78.2M

Previous year
\$69.0M

Revenue

\$78.6M

Previous year
\$66.8M

Gross Margin

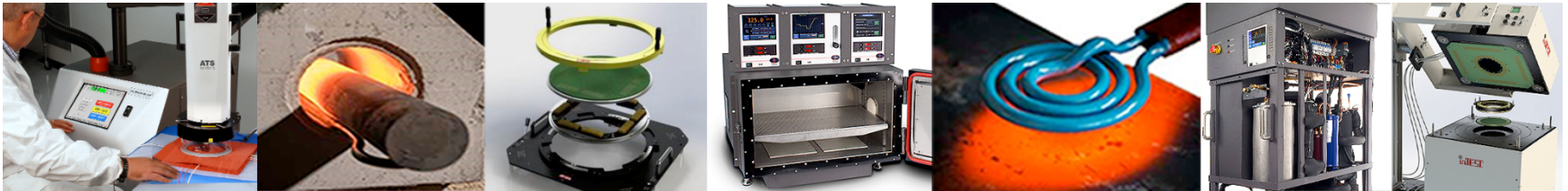
50%

Previous year
52%

Adj. EBITDA

\$13.8M

Previous year
\$13.6M



EPS GAAP

\$0.29

Previous year \$0.09

EPS Non-GAAP

\$1.06

Previous year \$0.88

Cash from Ops

\$11.0M

Previous year \$7.2M

Employees

226

Previous year 218

Core Competencies

Operational Excellence and Acquisition Experience



Investment Thesis: Long-Term Growth

Management/BOD

- Multidisciplined Executive Team and BOD
- Focused on growth
- CEO with extensive industry and operational experience
- Track record of successful, accretive acquisitions

Growth: M&A

- Transition: Semi to broader manufacturing markets
- Successfully expanding TAM, product offerings, customer base
- Successful risk managers – carefully structured M&A strategy
- Core strength: assimilate and optimize acquired businesses

Financial

- Proven ability to optimize revenue & generate cash (used to fund M&A)
- Operating income expansion: 50% GM lean operations
- Unleveraged balance sheet/no debt
- Historical profitability and cash generation during cyclical/seasonal Semi downturns

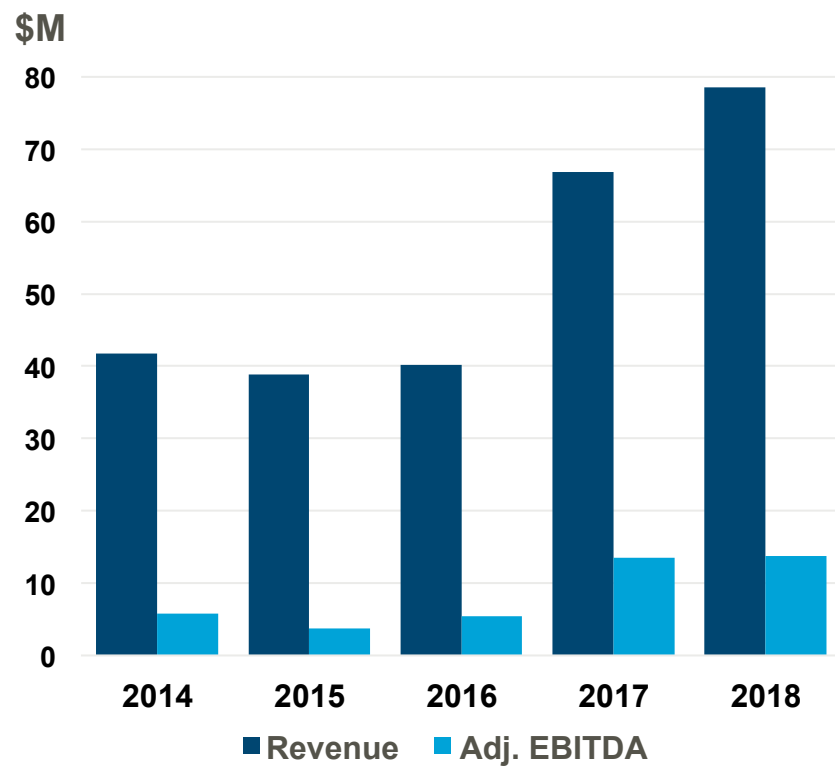
Proven Growth through Strategic Acquisitions



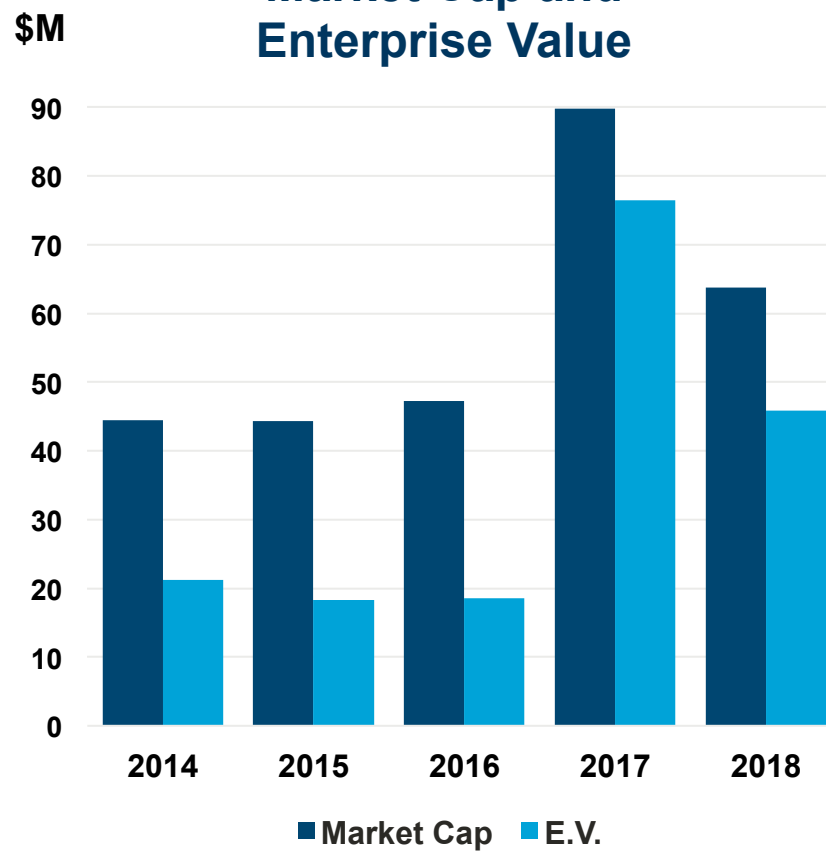
**Technology driven
investments**

Long-Term Solid Results

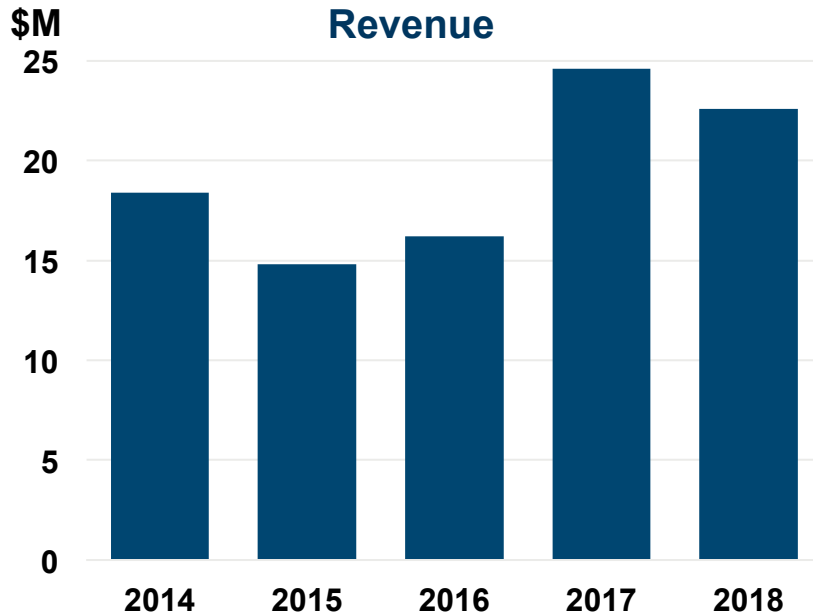
Revenue and Adjusted EBITDA



Market Cap and Enterprise Value

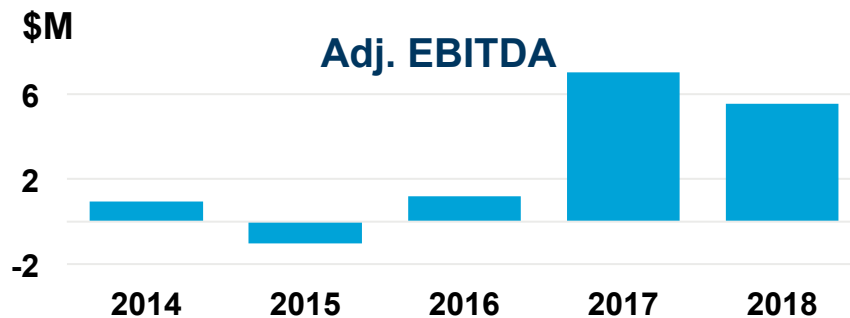


Maximize Businesses Optimized and Revitalized EMS



2016 Optimization

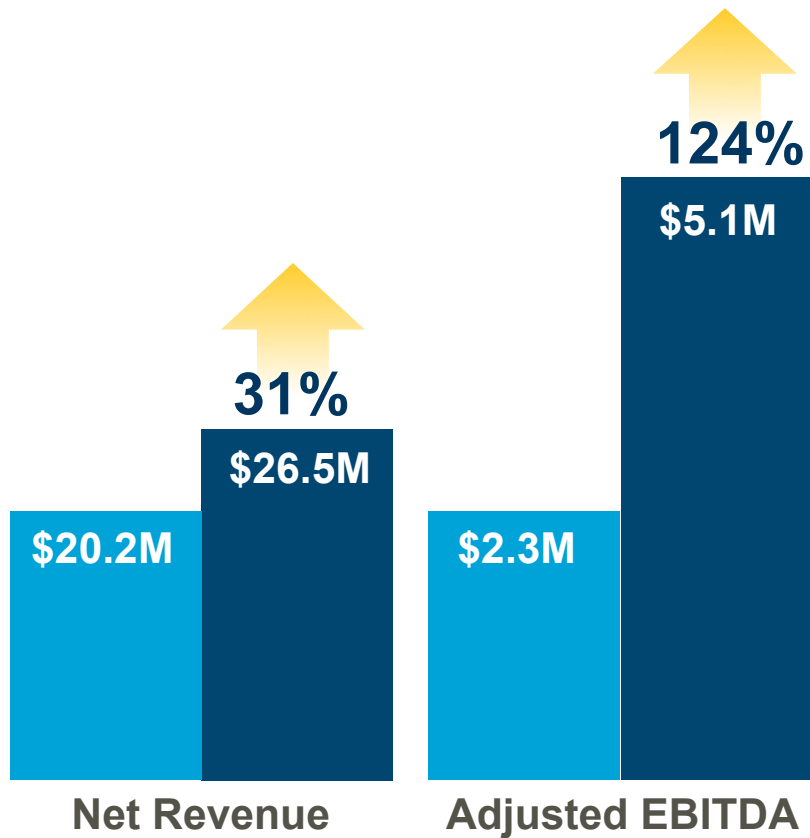
- Rationalized core product lines
- Cost-down/repriced manipulator line
- Streamlined manufacturing



Operational Excellence

Ambrell Acquisition

Run-Rate at Acquisition – 2018



Acquired May 2017

- Streamlined manufacturing
- Corrected on-time delivery
- Relocated to hi-efficiency facility

Thermal Segment

Brands



Products



Induction
Heating

Application

Manufacturing
Process

We make things **HOT**
We make things **COLD**

THERMONICS



Chillers

Semi Test and
Manufacturing
Process

Thermal Segment

Brands



Products



Thermo
Streams

Application

Semi and
Non-Semi Test

We make things **HOT** and **COLD**



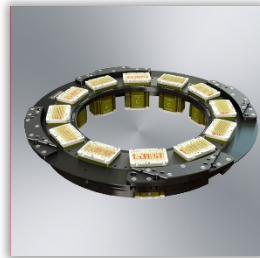
Chambers
and Plates

Non-Semi Test

EMS Segment – inTEST's Foundation

Products

Test Interfaces



Docking Systems



Manipulators



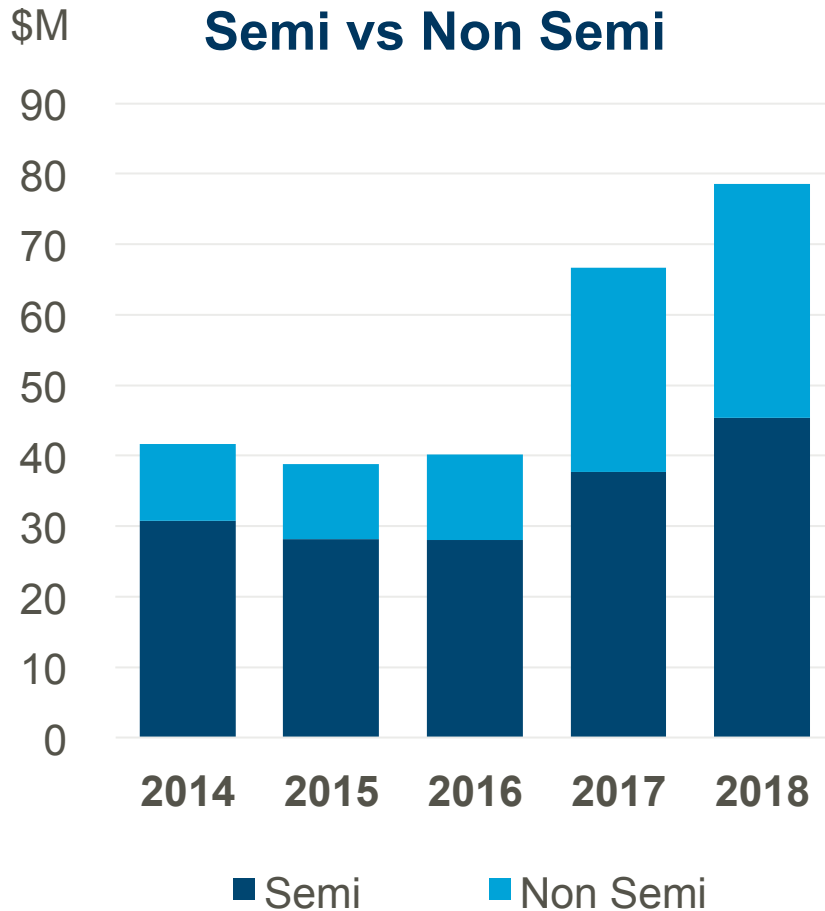
Application

Providing high integrity signal path between DUT and tester

Improves accuracy and integrity of test results and protects delicate test interface components

Ease of positioning test heads for any test application, compatible with all major wafer prober or device handler models

Expanding Footprint through Diversified Applications

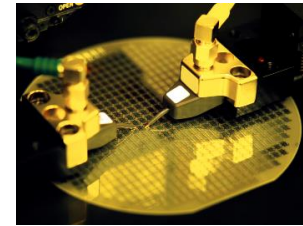


Addressable Market



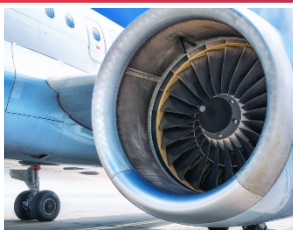
Serving Diverse Applications

Hardware to interface with testers to develop and test Semiconductors



Critical temperature testing to ensure reliability of infotainment electronics

Thermal equipment delivers focused heating for forging and joining metals in manufacturing



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

Top 10 Customers: 46% of Sales

Semi

AIIXTRON



Non-Semi



Blue-Chip Customer Base



Financial Overview



Operating Model

	2015	2016	2017	2018	2019 YTD
Gross Margin	48%	51%	52%	50%	49%
SG&A	31% ^a	31% ^a	30% ^a	29%	34% ^a
Eng. & Prod. Development	10%	9%	6%	6%	7%
Operating Margin	7% ^b	11% ^b	17% ^{bc}	15% ^c	8% ^b
Adj. EBITDA	9%	12%	19%	18%	11%

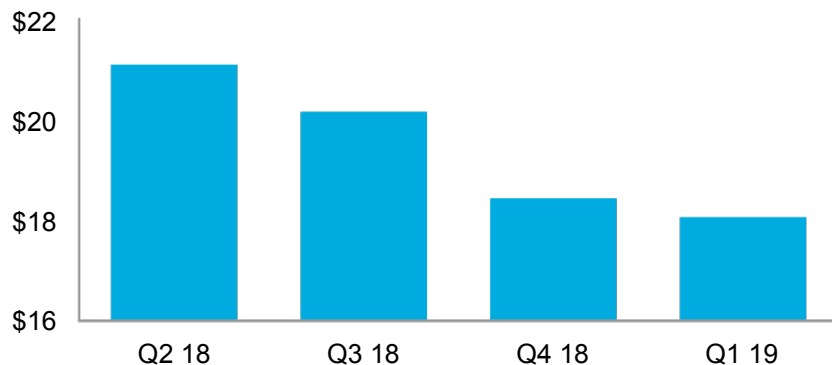
a. Includes due diligence and other acquisition related expenses: 2015 - \$329K; 2016 - \$510K; 2017 - \$905K

b. Includes acquisition related expenses: 2015 - \$329K; 2016 - \$510K; 2017 - \$905K; 2019 - \$352K

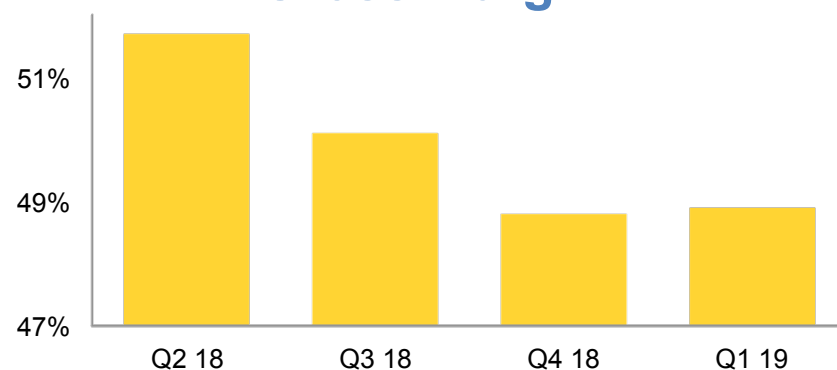
c. Adjusted for contingent consideration adjustment (related to earnout): \$7.0M (2017) and \$6.9M (2018)

Recent Financial Results

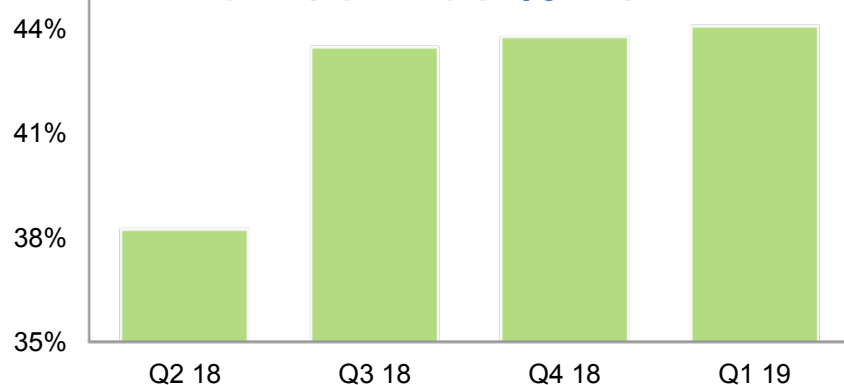
Net Revenues



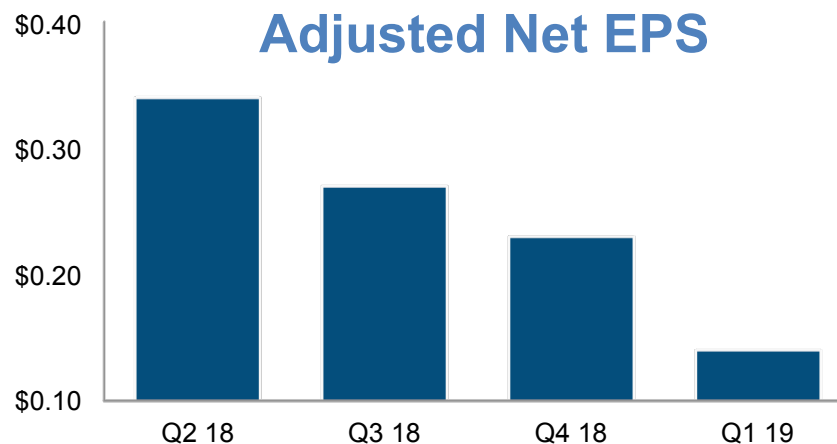
Gross Margin



Non-Semi as % Rev.



Adjusted Net EPS



Balance Sheet Highlights

	As of 03/31/2019
Cash and Cash Equivalents	\$8.2M
Working Capital	\$14.7M
Total Assets	\$61.4M
2018 Earnout Payable	\$2.1M
Long-Term Debt	0
Shareholder Equity	\$44.1M

Q2 2019 Guidance

Net Revenue	\$14M to \$15M
GAAP Net Earnings (Loss)	(\$0.02) to (\$0.08) diluted EPS
Non- GAAP Adjusted Net Earnings (Loss)	\$0.01 to (\$0.05) diluted EPS
Gross Margin	44% to 47%
Product Mix	Q2 2019 product mix more favorable vs. Q1 2019

“Typically, demand in our non-Semi related business is application based, with significant customer fluctuation which can cause variation in our results. Likewise, demand in our Semi business can shift abruptly, also causing significant variation in our results. We believe we have optimized our business segments such that regardless of changes in demand we can respond to the cyclicity and market corrections that are the nature of our industry. While our guidance for Q2 reflects our reduced order intake in Q1, consistent with many others in the industry, **we expect to show improvement in each subsequent quarter.**” (Quote from Q1 2019 Financial Results Press Release dated May 9, 2019)

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

We're Not Just Semi... We Make Things Hot and Cold Where it Matters

**New BOD and CEO
focused on growth**

**Acquisition strategy
to expand vertical
markets and add
non-Semi revenues**

**Highly leveraged
P&L with no debt**

**History of
generating profits &
cash even during
cyclical Semi
downturns**

**9 consecutive years
of profitability**

**Deep technology
and broad product
offering**

Investor Contacts

inTEST Corporation

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Reconciliations for Non-GAAP Measures

Reconciliations for Non-GAAP Measures

(Dollars in Thousands, except per share)

Consolidated Adjusted EBITDA	Years Ending December 31,					Quarter Ended
	2014	2015	2016	2017	2018	3/31/2019
Net income (GAAP)	3,439	1,861	2,658	975	3,037	1,138
Add back: Interest expense	(4)	(27)		0	2	0
Income tax expense	1,469	722	1,549	2,863	2,006	324
Depreciation expense	524	464	370	618	768	181
Amortization expense	355	289	229	1,161	1,102	317
EBITDA (Non-GAAP)	5,783	3,310	4,805	5,617	6,915	1,960
Add back: Acquisition related expenses		329		905		352
Restructuring expenses		21		100		
Contingent consideration liability adjustment				6,976	6,901	
Adjusted EBITDA (Non-GAAP)	5,783	3,660	4,805	13,598	13,816	2,312

Reconciliations for Non-GAAP Measures

(Dollars in Thousands, except per share)

Consolidated Adjusted Net Earnings	Years Ending December 31		Quarters Ending			
	2017	2018	6/30/2018	9/30/2018	12/31/2018	3/31/2019
Net income (loss) (GAAP)	975	3,037	4,014	(566)	(792)	1,138
Add back: Acquired intangible amortization	1,161	1,103	247	323	317	317
Contingent consideration liability adjustment	6,976	6,901	(710)	3,057	2,828	
Tax adjustments	15	22	2	5	4	5
Adjusted net earnings (Non-GAAP)	9,127	11,063	3,553	2,819	2,357	1,460
Diluted average shares outstanding	10,339	10,382	10,370	10,397	10,396	10,414
Net income (loss) (GAAP)	\$ 0.094	\$ 0.293	\$ 0.387	\$ (0.054)	\$ (0.076)	\$ 0.109
Add back: Acquired intangible amortization	0.112	0.106	0.024	0.031	0.030	0.030
Contingent consideration liability adjustment	0.675	0.660	(0.068)	0.294	0.272	
Tax adjustments	0.001	0.002	0.000	0.000	0.000	0.000
Adjusted net earnings (Non-GAAP)	\$ 0.883	\$ 1.061	\$ 0.343	\$ 0.271	\$ 0.227	\$ 0.140

Reconciliations for Non-GAAP Measures

(Dollars in Thousands, except per share)

EMS Adjusted EBITDA	Years Ending December 31				
	2014	2015	2016	2017	2018
Net income (loss) (GAAP)	796	(1,170)	1,021	6,869	5,416
Add back: Interest expense	(2)	(27)			
Income tax expense					
Depreciation expense	159	173	159	151	132
Amortization expense					
EBITDA (Non-GAAP)	954	(1,024)	1,180	7,020	5,548
Add back: Restructuring expenses		21	99	14	
Adjusted EBITDA (Non-GAAP)	954	(1,002)	1,279	7,035	5,548

Ambrell Adjusted EBITDA	Year Ended	
	May 24, 2017	Dec 31, 2018
Net income (loss) (GAAP)	(665)	2,089
Add back: Interest expense	69	2
Income tax expense	(239)	2
Depreciation expense	241	399
Amortization expense	1,342	1,037
EBITDA (Non-GAAP)	748	3,529
Add back; Adjustments per Ambrell Stock Purchase Agreement	1,532	1,567
Adjusted EBITDA (Non-GAAP)	2,280	5,096

The background of the image features abstract, smoke-like or liquid-like patterns. The top half is dominated by vibrant red and orange hues, while the bottom half transitions into deep blue and purple tones. These patterns are fluid and organic, creating a dynamic and artistic backdrop for the central text.

inTEST Corporation