

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form 8-K

CURRENT REPORT

**Pursuant to Section 13 or 15(d) of
the Securities Exchange Act of 1934**

August 4, 2016

Date of Report (Date of earliest event reported)

inTEST Corporation

(Exact Name of Registrant as Specified in its Charter)

Delaware

(State or Other Jurisdiction of Incorporation)

1-36117

(Commission File Number)

22-2370659

(I.R.S. Employer Identification No.)

804 East Gate Drive, Suite 200, Mt. Laurel, New Jersey 08054

(Address of Principal Executive Offices, including zip code)

(856) 505-8800

(Registrant's Telephone Number, including area code)

N/A

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written Communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 2.02. Results of Operations and Financial Condition

On August 4, 2016, inTEST Corporation (the "Company") issued a press release and held a webcast conference call (as previously announced) regarding its financial results for the second quarter ended June 30, 2016. The Company's press release is furnished as Exhibit 99.1 and the textual representation of the conference call is furnished as Exhibit 99.2 to this Current Report on Form 8-K.

Item 9.01. Financial Statements and Exhibits

A list of the Exhibits which are required by Item 601 of Regulation S-K and furnished with this Report is set forth in the Exhibit Index immediately following the signature page, which Exhibit Index is incorporated herein by reference.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

inTEST CORPORATION

By: /s/ Hugh T. Regan, Jr.

Hugh T. Regan, Jr.

Secretary, Treasurer and Chief Financial Officer

Date: August 8, 2016

Exhibit Index

99.1 Press Release dated August 4, 2016.

99.2 Textual representation of conference call of August 4, 2016.

[inTEST News Release Letterhead]

inTEST REPORTS 2016 SECOND QUARTER FINANCIAL RESULTS

* *Orders of \$9.8 Million Strengthen Significantly on Sequential Basis;*

* *EPS of \$0.05 Improved by \$0.04 Sequentially*

MOUNT LAUREL, NJ, August 4, 2016 - inTEST Corporation (NYSE MKT: INTT), an independent designer, manufacturer and marketer of thermal management products and semiconductor automatic test equipment (ATE) interface solutions, today announced financial results for the quarter ended June 30, 2016.

2016 First Quarter Summary

- Second quarter 2016 bookings were \$12.6 million, compared with first quarter 2016 bookings of \$9.8 million, and second quarter 2015 bookings of \$10.3 million; \$4.4 million, or 35%, of second quarter 2016 bookings were derived from non-semiconductor test compared with second quarter 2015 non-semiconductor test bookings of \$2.6 million or 26%.
- Second quarter 2016 net revenues were \$10.5 million, compared with first quarter 2016 net revenues of \$8.6 million, and second quarter 2015 net revenues of \$11.6 million; \$2.5 million, or 24%, of second quarter 2016 net revenues were derived from non-semiconductor test compared with second quarter 2015 non-semiconductor test revenues of \$3.0 million or 26%.
- Second quarter 2016 gross margin was \$5.3 million, or 51%. This compares with first quarter 2016 gross margin of \$4.1 million, or 47%, and second quarter 2015 gross margin of \$5.8 million, or 51%.
- Second quarter 2016 net earnings were \$486,000, or \$0.05 per diluted share. This compares with first quarter 2016 net earnings of \$81,000, or \$0.01 per diluted share, and second quarter 2015 net earnings of \$1.1 million, or \$0.10 per diluted share. Included in second quarter financial results were \$456,000, or \$0.04 per diluted share, in non-recurring expenses related to a potential acquisition.
- Cash and cash equivalents were \$25.0 million at both June 30, 2016 and March 31, 2016.

2016 Second Quarter Share Repurchase

During the second quarter of 2016, the Company purchased 76,037 shares of inTEST stock under its repurchase program, authorized in December 2015, bringing the total shares repurchased under the plan to 232,057. The cost of second quarter repurchased shares totaled approximately \$299,000, including \$2,000 in fees paid to the Company's broker. The Company suspended the share repurchase program in mid-May 2016 because of work on a potential acquisition.

"We reported strong financial results for the second quarter," commented Robert E. Matthiessen, president and chief executive officer, "with revenue growth fueled across all product lines; most notably in the automotive sector of the semiconductor market, as well as demand created by next generation smart phones. The trend of order expansion continued throughout the quarter as well, increasing 28% sequentially, based in large part upon strength from our Thermal Products segment. Business was very strong in both the North American and Asian markets. The upsurge in optical transceiver business in Asia continued throughout the quarter, as did orders from major semiconductor companies. Both semiconductor and military/aero markets provided increased business in North America over the previous quarter. In addition, gross margin and net income also increased substantially on a sequential basis, with gross margin exceeding our guidance range."

Mr. Matthiessen added, "We remain focused on growth through acquisition. During the second quarter, we began due diligence on an acquisition opportunity with whom we had executed a letter of intent late in the first quarter of 2016. We had essentially completed our due diligence and deal documents on the transaction, which had been scheduled to close on August 1, 2016. On July 18, we were informed by the target that they had reconsidered and no longer wished to sell their company."

2016 Third Quarter Financial Outlook

inTEST expects that net revenues for the third quarter of 2016 will be in the range of \$9.5 million to \$10.5 million and that earnings per diluted share will range from \$0.03 to \$0.07. This outlook is based on the Company's current views with respect to operating and market conditions and customers' forecasts, which are subject to change.

2016 Second Quarter Investor Conference Call / Webcast Details (Thursday August 4, 2016 at 5:00 p.m. EDT)

inTEST management will host a conference call today at 5:00 p.m. Eastern Daylight Time. The conference call will address the Company's 2016 second quarter financial results and management's current expectations and views of the industry. The call may also include discussion of strategic, operating, product initiatives or developments, or other matters relating to the Company's current or future performance.

The dial-in number for the live audio call beginning at 5:00 p.m. EDT on August 4, 2016 is (815) 680-6269 or (866) 900-9241. The Passcode for the conference call is 46774705. Please reference the inTEST 2016 Q2 Financial Results Conference Call. inTEST Corporation will provide a live webcast in conjunction with the conference call. To access the live webcast, please visit inTEST's website www.intest.com under the "Investors" section.

2016 Second Quarter Replay Details (Webcast)

A replay of the webcast will be available on inTEST's website for one year following the live broadcast. To access the webcast replay, please visit inTEST's website www.intest.com under the "Investors" section.

Submit Questions

In advance of the conference call, and for those investors accessing the webcast, inTEST Corporation welcomes individual investors to submit their questions via email to lguerrant@guerrantir.com. The company will address as many questions as possible on the conference call.

About inTEST Corporation

inTEST Corporation is an independent designer, manufacturer and marketer of thermal management products and ATE interface solutions, which are used by semiconductor manufacturers to perform final testing of integrated circuits (ICs) and wafers. The Company's high-performance products are designed to enable semiconductor manufacturers to improve the speed, reliability, efficiency and profitability of IC test processes. The Company's products are also sold into the automotive, consumer electronics, defense/aerospace, energy, industrial and telecommunications markets. Specific products include temperature management systems, manipulator and docking hardware products and customized interface solutions. The Company has established strong relationships with its customers globally, which it supports through a network of local offices. For more information visit www.intest.com.

Forward-Looking Statements

This press release includes forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These statements do not convey historical information, but relate to predicted or potential future events and financial results that are based upon management's current expectations. These statements are subject to risks and uncertainties that could cause actual results to differ materially from those expressed or implied by such statements. In addition to the factors mentioned in this press release, such risks and uncertainties include, but are not limited to, changes in business conditions and the economy, generally; changes in the demand for semiconductors, generally; changes in the rates of, and timing of, capital expenditures by our customers; progress of product development programs; increases in raw material and fabrication costs associated with our products and other risk factors set forth from time to time in our SEC filings, including, but not limited to, our periodic reports on Form 10-K and Form 10-Q. inTEST undertakes no obligation to update the information in this press release to reflect events or circumstances after the date hereof or to reflect the occurrence of anticipated or unanticipated events.

Contacts:

inTEST Corporation

Hugh T. Regan, Jr.
Treasurer and Chief Financial Officer
Tel: 856-505-8999

Investors:

Laura Guerrant-Oiye, Principal
Guerrant Associates
lguerrant@guerrantir.com
Tel: 808-960-2642

- Tables follow -

SELECTED FINANCIAL DATA (Unaudited) *(In thousands, except per share data)*

Condensed Consolidated Statements of Operations Data:

	Three Months Ended			Six Months Ended	
	6/30/2016	6/30/2015	3/31/2016	6/30/2016	6/30/2015
Net revenues	\$10,485	\$11,559	\$ 8,647	\$19,132	\$21,747
Gross margin	5,329	5,846	4,067	9,396	10,764
Operating expenses:					
Selling expense	1,471	1,592	1,335	2,806	3,079
Engineering and product development expense	982	1,047	991	1,973	1,989
General and administrative expense	2,145	1,569	1,645	3,790	3,376
Other income	18	21	28	46	10
Earnings before income tax expense	749	1,659	124	873	2,330
Income tax expense	263	579	43	306	812
Net earnings	486	1,080	81	567	1,518
Net earnings per share - basic	\$0.05	\$0.10	\$0.01	\$0.05	\$0.15
Weighted average shares outstanding - basic	10,296	10,472	10,390	10,343	10,469
Net earnings per share - diluted	\$0.05	\$0.10	\$0.01	\$0.05	\$0.14
Weighted average shares outstanding - diluted	10,311	10,494	10,404	10,357	10,489

Condensed Consolidated Balance Sheets Data:

	As of:		
	6/30/2016	3/31/2016	12/31/2015
Cash and cash equivalents	\$25,003	\$24,951	\$25,710
Trade accounts receivable, net	6,741	5,336	4,395
Inventories	3,314	3,454	3,520
Total current assets	35,354	34,352	34,264
Net property and equipment	977	1,015	1,112
Total assets	40,607	39,906	39,984

Accounts payable	1,474	1,365	909
Accrued expenses	3,144	2,810	3,124
Total current liabilities	4,666	4,224	4,059
Noncurrent liabilities	-	-	-
Total stockholders' equity	35,941	35,682	35,925

###

On August 4, 2016, inTEST Corporation held its quarterly conference call. The following represents a textual representation of the content of the conference call and while efforts are made to provide an accurate transcription, there may be errors, omissions or inaccuracies in this transcript. A recording of the conference call is available for one year on our website at www.intest.com.

Operator:

Welcome to inTEST Corporations 2016 Second Quarter Financial Results Conference Call. At this time, all participants are in a listen-only mode. Later, we will conduct a question and answer session. At that time, if you have a question, you will need to press star and one on your push button phone. As a reminder, this conference call is being recorded today. A replay will be accessible at www.inTEST.com.

It is now my pleasure to turn the call over to inTEST Investor Relations, Laura Guerrant. Please go ahead.

Laura Guerrant-Oiye:

Thank you operator. Thank you for joining us for inTEST's 2016 second quarter financial results conference call. With us today are Robert Matthiessen, President and CEO, Hugh Regan, Treasurer and Chief Financial Officer, and Jim Pelrin, Executive Vice President. Mr. Matthiessen will briefly review highlights from the second quarter, as well as current business trends. Mr. Regan will then review inTEST's detailed financial results and discuss guidance for the third quarter of 2016. We'll then have time for any questions. If you have not yet received a copy of today's release, a copy may be obtained on inTEST's website, www.inTEST.com.

Before we begin the formal remarks, the company's attorneys advise that this conference call may contain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These statements do not convey historical information, but relate to predicted or potential future events that are based upon management's current expectations. These statements are subject to risks and uncertainties that could cause actual results to differ materially from those expressed or implied by such statements. Such risks and uncertainties include, but are not limited to, our ability to implement and execute the 2015 repurchase plan, changes in business conditions in the economy, changes in the demand for semiconductors, changes in the rates of and timing of capital expenditures by semiconductor manufacturers, the success of our strategy to diversify our business by entering markets outside the semiconductor or ATE markets, progress of product development programs, increases in raw material and fabrication costs associated with our products and other risk factors set forth from time-to-time in the company's SEC filings, included, but not limited to, inTEST's periodic reports on Form 10-K and Form 10-Q. The company undertakes no obligation to update the information on today's conference call to reflect events or circumstances after the date hereof, or to reflect the occurrence of anticipated or unanticipated events.

With that, let me now turn the call over to Bob Matthiessen. Please go ahead, Bob.

Robert Matthiessen:

Thank you, Laura. Welcome everyone to our 2016 second quarter conference call. I will review some of the highlights, our markets and what we are seeing in our customer base. Then Hugh will review will review the financial results in detail.

We again reported strong financial results. Second quarter revenue growth was fueled across all of our product lines, driven most notably the automotive sector of the semiconductor market, coupled with demand created by next generation smart phones. Gross margin and net income also increased substantially over the last quarter, with gross margin exceeding our guidance range.

In our thermal products segment, order expansion continued throughout the quarter as well, increasing 28% sequentially, based upon strength from our thermal products segment, our largest and most profitable division. We have strategically diversified this segment, resulting in new opportunities in industrial testing and broadening our end market penetration into applications in various growth markets, including automotive, consumer electronics, military aerospace, energy, industrial and telecommunications. In addition, new product offerings have opened industrial markets outside of tests for both OEM and end user applications.

Thermal product segment bookings for the second quarter were \$8.2 million, a 60% increase compared with the \$5.1 million for the first quarter. Q2 thermal segment revenues were \$5.6 million, up 8% compared with the first quarter's revenues of \$5.2 million. Business was very strong in both the North American and Asian markets.

The upsurge in optical transceiver business in Asia continued throughout the quarter, as did orders from major semiconductor companies. Both semiconductor and military/aero markets provided increased business in North America over the previous quarter.

Thermal highlights for the quarter included: a major telecom company that purchased nine ThermoSpot systems, which is a new product; a major military/aerospace organization purchased nine systems for expansion of an automated test cell; and three major telecom companies purchased 58 systems for 40 and 100 gigabyte production.

With regard to our Process Chiller Systems, a chiller OEM purchased their fifth system, and a major defense organization purchased multiples phases of a new chiller design.

Turning now to our recently reorganized EMS Products division, the EMS Product business experienced some softness in the second quarter compared with the previous quarter, primarily due to the continued consolidation wave among our customer base - specifically the merging of a number of major IDM's, which slowed orders during the integration process. While orders were down slightly in both Mechanical and Electrical, revenues were up significantly. The strength of smart phone and automotive markets were major drivers for the business, and we expect the strength in the automotive business to continue throughout the year.

Although Q2 Mechanical Products segment bookings of \$2.4 million were down 8% from the \$2.6 million reported in Q1, mechanical sales of \$2.7 million grew 38% over the \$1.9 million reported last quarter. Similarly, while Q2 Electrical Products segment bookings of \$2.0 million were down 5% compared with \$2.1 million in the first quarter, electrical revenues of \$2.2 million increased 46% over Q1's \$1.5 million.

EMS highlights for the quarter included: a major Japanese IDM who purchased six sets of docking and interface hardware for the initial rollout of

a new tester platform; a major subcontractor in Southeast Asia purchased seven new wafer sort interfaces; a new customer in New York State purchased Intellidock docking hardware; and a major IDM approved the inTEST design final test interface to test package automotive radar.

In summary, key drivers for inTEST are the embryonic growth of the "Internet of Things", the surging use of sophisticated electronics in automobiles, continued growth of telecommunications and internet backbone, and the drive for improved semi device packaging. By continually responding to the changes in our industry, we are optimally positioned to meet the needs of our customers as their technical roadmaps evolve.

Our long-term objectives center on diversified growth through acquisition. This is not changed. As we noted in our press release, we began due diligence on an acquisition opportunity in the second quarter with whom we had executed an LOI late in the first quarter of 2016. We had essentially completed our due diligence and deal documents on the transaction, which had been scheduled to close on August 1, 2016. Two weeks ago, we were informed by the target that they had reconsidered and no longer wished to sell their company. We will continue to look for strategic opportunities, as we continue to execute on our differentiated product strategy, we believe the conditions for our long-term success remain firmly in place.

With that, I'd like to turn the call over to Hugh.

Hugh Regan:

Thanks Bob. Second quarter 2016 end-user net revenues were \$9.7 million or 93% of net revenues, compared to \$8.2 million or 94% of net revenues in the third quarter. OEM net revenues were \$770,000 or 7% of net revenues, up from \$493,000 or 6% for the first quarter. Net revenues for markets outside of semiconductor tests were \$2.5 million or 24% of net revenues, compared with \$2.6 million or 30% of net revenues in the first quarter.

The company's second quarter gross margin was \$5.3 million or 51%, as compared with \$4.1 million or 47% in the first quarter. The improvement in the gross margin was primarily the result of both a decline in our fixed manufacturing costs, as well as a more favorable absorption of these manufacturing costs. Our fixed manufacturing costs declined by \$95,000, or 7% sequentially, due to reduced salary and benefit costs, as well as lower levels of facility-related costs. This reduction accounted for approximately 25% of the gross margin improvement. The balance of the Q2 2016 gross margin improvement was the result of better absorption of our fixed manufacturing costs, due to the sequential growth in revenues, with our fixed manufacturing costs reducing from 16% of revenues in Q1 to 12% in Q2. Partially offsetting this decrease was a slight increase in our consolidated component material costs, which grew from 33.8% in the first quarter to 34.6% in the second quarter.

The increase in our consolidated component material costs was a result of an increase in our component material costs in our Thermal and Electrical Products segments. Our Thermal Products segment's component material costs increased from 30% in the first quarter to 32.4% in the second quarter, while our Electrical Products segment saw its component material costs increase from 33.2% to 36.8% sequentially. The increases were both the result of a less favorable product mix and customer mix in the second quarter as compared to the first.

These increases were partially offset by a reduction in our Mechanical Products segment's component material costs, which declined from 44.3% in the first quarter to 37.5% in the second quarter. The reduction in our Mechanical Products segment's Q2 component material costs was the result of a more favorable product mix, with lower margined manipulator products reducing from 43% of first quarter segment revenues to 27% of second quarter segment revenues.

Selling expense was \$1.5 million for the second quarter, compared to \$1.3 million in the first quarter, an increase of \$136,000 or 10%. The increase was primarily driven by higher levels of commission expense resulting from the increased revenues. In addition, there were increased costs for advertising and travel.

Engineering and product development expense was \$982,000 for the second quarter, compared to \$991,000 for the first quarter, a decrease of just 1% sequentially. The decrease was related to reduced salary and benefit expense, which was partially offset by increases in product development costs in our thermal product segment, and increased patent costs in our Thermal and Mechanical Products segments.

General and administrative expense was \$2.1 m mechanical products segment for the second quarter, compared to \$1.6 million in the first quarter, an increase of \$500,000 or 30%. As Bob previously noted, our second quarter G&A expense included \$456,000 or \$0.04 per diluted share in acquisition related expenses. First quarter general and administrative expense included \$99,000 worth of restructuring costs related to a reduction of force completed in our mechanical products segment in early January. When adjusted to remove these items, second quarter G&A expenses increased \$143,000 or 9% from the first quarter. This increase was the result of higher levels of stock based compensation expense related to restricted stock awards granted to our three independent directors, which fully vested upon their re-election to our board at our June 29, 2016 annual meeting.

Other income was \$18,000 for the second quarter, compared to \$28,000 for the first quarter. The reduction in other income is primarily the result of reduced foreign exchange translation gain in the second quarter, as compared to the first quarter.

We accrued an income tax expense of \$263,000 in the second quarter, compared to \$43,000 accrued in the first quarter, and our effective tax benefit was 35% in both quarters. At June 30, 2016 our deferred tax assets were \$1.1 million and our remaining net loss carry-forward was \$1.4 million for domestic, primarily California, and \$2,016 for foreign related to our German operation. We expect our tax rate for the balance of 2016 to be in the range of 34 to 36%.

Second quarter net income was \$486,000, or \$0.05 per diluted share, compared with first quarter net income of \$81,000 or \$0.01 per diluted share. Diluted average shares outstanding were 10,311,000 at June 30. We initiated our stock buyback on December 1, and during the quarter ended June 30, 2016, we repurchased 76,037 shares at a net cost of \$297,000 or \$3.91 per share. As of June 30, 2016 we had repurchased a cumulative total of 232,059 shares or just over 2% of our outstanding common stock, at a net cost of \$919,000 or \$3.96 per share. We had suspended our stock buyback in May 2016 as we commenced significant due diligence on an acquisition opportunity that had been expected to close on August 1, 2016. We currently expect to resume repurchasing our shares upon the filing of our 10-Q on or about August 12, 2016(FN).

Amortization and depreciation expense was \$144,000 for the second quarter, and EBITDA was \$882,000 for the second quarter, up from \$273,000 in EBITDA for the first quarter.

Consolidated headcount at the end of June, which includes temporary staff, was 117, and an increase of 2 from the level we had at March 31.

I'll now turn to our balance sheet. Cash and cash equivalents at the end of the first quarter were \$25 million, up \$2,000 from March 31. We currently expect cash and cash equivalents to increase for the balance of 2016, excluding the impact of any potential acquisition.

Accounts receivable increased by \$1.4 million to \$6.4 million at June 30, driven by higher levels of shipments during the second quarter.

Inventory decreased slightly by \$140,000 to \$3.3 million at June 30.

Capital expenditures during the second quarter were \$126,000, up from \$38,000 in the first quarter and represented new computer hardware related to a company-wide system upgrade, and additions to our leased product inventory in our German operation.

Bob provided consolidated and segment revenue and booking data earlier in the call, and the backlog at the end of June was \$5.7 million, up from \$3.5 million at the end of March.

In terms of our financial outlook, as noted in our earnings release, we expect that net revenue for the quarter ended September 30, 2016 will be in the range of \$9.5 million to \$10.5 million, and that net earnings will range from \$0.03 to \$0.07 per diluted share. We currently expect that our Q3 2016 product mix will be consistent with Q2, and that the third quarter gross margin will range from 48% to 51%.

Operator, that concludes our formal remarks. We can now take questions.

Operator:

The floor is now open for your question. If you have a question, you will need to press star and one on your push button phone. If at any point your question has been answered, you may remove yourself from the queue by pressing the pound key. Again, to ask a question, please press star one.

At this time, we have no questions. I will now turn the floor back over to Mr. Robert Matthiessen for any additional or closing remarks.

(FN) Revised to reflect the correct filing date.

[Non-material closing remarks omitted]
