

## inTEST Corporation Announces Third Quarter Results and Record Quarterly Revenues and Orders

CHERRY HILL, N.J., Oct. 19 /PRNewswire/ -- inTEST Corporation (Nasdaq: INTT) today announced third quarter results. Net earnings for the quarter ended September 30, 1999, were \$1.3 million or \$.20 per diluted share compared with \$227,000 or \$.04 per diluted share for the comparable period in 1998. Net earnings for the quarter ended September 30, 1999, increased \$848,000 or 172% over net earnings for the quarter ended June 30, 1999. The following is summary financial information for the periods ended September 30, 1999 and 1998:

	Three Months Ended		Nine Months Ended	
	9/30/99	9/30/98	9/30/99	9/30/98
	(000 omitted except for per share earnings)		(000 omitted except for per share earnings)	
Net revenues	\$10,097	\$4,449	\$21,392	\$15,238
Gross margin	5,543	2,331	11,581	8,785
Operating income	2,126	260	3,097	3,264
Net earnings	1,341	227	2,006	2,289
Net earnings per share - basic	\$0.21	\$0.04	\$0.31	\$0.38
Weighted average shares outstanding - basic	6,536	6,312	6,536	6,046
Net earnings per share - diluted	\$0.20	\$0.04	\$0.30	\$0.38
Weighted average shares outstanding - diluted	6,626	6,318	6,607	6,055

inTEST Corporation had record net revenues of \$10.1 million for the quarter ended September 30, 1999, an increase of \$3.6 million or 55% over the June 30, 1999, quarter. In addition, the Company had a record level of \$13.1 million in bookings (orders for its products) for the quarter, increasing its backlog to \$11.4 million at September 30, 1999. The growth in bookings and net revenues reflects the industry-wide strong market for automatic test equipment, which has seen significant quarterly increases throughout 1999.

For the nine months ended September 30, 1999, net revenues of the Company including its TestDesign subsidiary (which was acquired on August 3, 1998) were \$21.4 million, an increase of \$6.2 million over the comparable prior period. Net earnings for the first nine months of 1999 were \$2.0 million, down from \$2.3 million for the same period in 1998. The decline in net earnings is primarily the result of the additional operating expenses of TestDesign and the costs associated with the patent infringement litigation the Company initiated against a competitor late in 1998. Net earnings per diluted share for the nine months ended September 30, 1999, was \$.30 compared to \$.38 for the comparable prior period. The decline in net earnings per diluted share was further impacted by the increase in average shares outstanding resulting from the TestDesign acquisition in 1998.

Robert E. Matthiessen, President and CEO said, "During the quarter we enjoyed both record bookings and shipments resulting in a book to bill ratio for the quarter of 1.3 and record backlog levels. While bookings for the Company's products continue to be robust, we anticipate that the bookings growth rate may decline over the next few quarters.

During the quarter ended September 30, 1999, the Company increased its domestic fabrication capacity, and although still in the process of bringing this operation up to full production, it has already provided valuable increased capacity. inTEST also added several key technical staff to operations in the United States, United Kingdom and Singapore whose contribution has also contributed to our growth. Assuming the general on-going

health of the industry, we believe we are well positioned to continue growing the Company and gaining market share," concluded Mr. Matthiessen.

inTEST Corporation is a leader in providing test head positioning and connection apparatus to the global semiconductor manufacturing community. The Company's products improve the utilization and cost-effectiveness of automatic test equipment required in the manufacture of integrated circuits. Headquartered in Cherry Hill, New Jersey, the Company has manufacturing facilities in New Jersey, California and the UK and design, sales, service and support offices in New Jersey, California, Texas, Arizona, Oregon, the UK, Japan and Singapore.

Certain matters in this news release are forward-looking statements which are subject to risks and uncertainties that could cause actual results to differ materially from those projected. Such risks and uncertainties include, but are not limited to, a decline in the demand for semiconductor devices, changes in rates of capital expenditures by semiconductor manufacturers, progress of product development programs, costs associated with the integration of acquired operations, and other factors set forth in the Company's SEC filings, including its Form 10-K filed for the year ended December 31, 1998.

There will be a conference call hosted by management on Wednesday, October 20, 1999 at 9:00 a.m. EDT. This call will be broadcast live on the Internet and can be accessed through [www.vcall.com](http://www.vcall.com). It is recommended that participants register at least 10 minutes prior to the broadcast. The call will be archived for 30 days.

## SELECTED FINANCIAL DATA

(In thousands, except per share data)

### Consolidated Statements of Earnings Data:

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	1999	1998	1999	1998
Net revenues	\$10,097	\$4,449	\$21,392	\$15,238
Gross margin	5,543	2,331	11,581	8,785
Operating expenses:				
Selling expense	1,346	862	3,167	2,281
Research and development expense	880	483	2,245	1,338
General and administrative expense	1,191	726	3,072	1,902
Operating income	2,126	260	3,097	3,264
Income tax expense	901	133	1,383	1,351
Net earnings	1,341	227	2,006	2,289
Net earnings per share - basic	\$0.21	\$0.04	\$0.31	\$0.38
Weighted average shares outstanding - basic	6,536	6,312	6,536	6,046
Net earnings per share - diluted	\$0.20	\$0.04	\$0.30	\$0.38
Weighted average shares outstanding - diluted	6,626	6,318	6,607	6,055

### Consolidated Balance Sheets Data:

	As of:	
	9/30/99	12/31/98
Cash and cash equivalents	\$9,689	\$8,468
Trade accounts and notes receivable, net	6,960	3,275
Inventories	3,359	2,521
Total current assets	20,567	15,304

Net machinery and equipment	1,227	835
Total assets	28,533	23,218
Accounts payable	2,882	969
Accrued expenses	1,348	1,023
Total current liabilities	5,219	1,992
Total stockholders' equity.	23,314	21,226

SOURCE inTEST Corporation