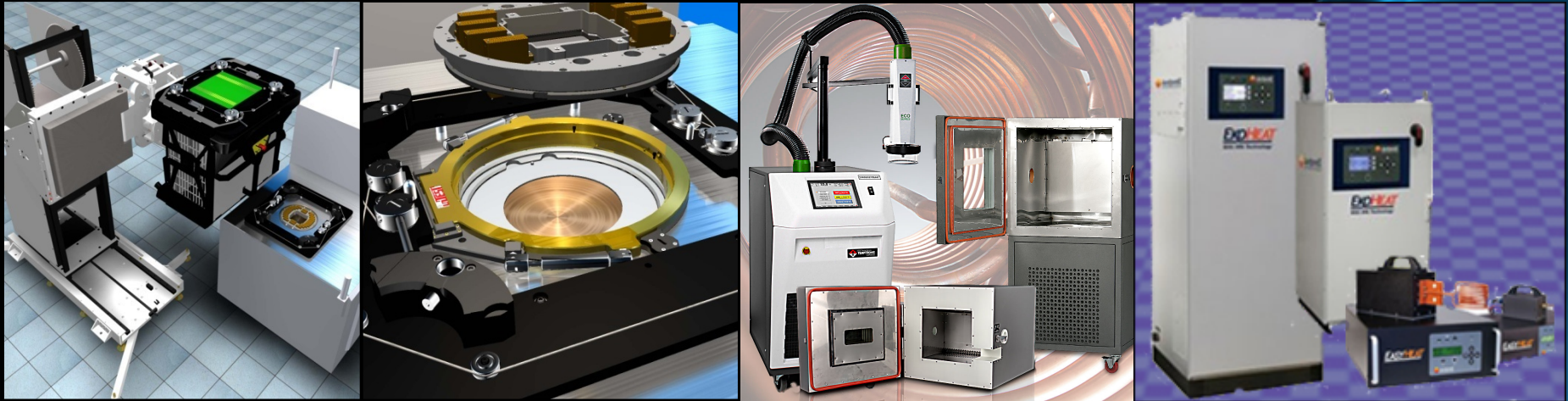


inTEST Corporation

New Directions in Thermal Solutions



Q4 2017

October 1 – December 31, 2017

Robert Matthiessen
Pres., CEO & Exec. Chairman
Hugh T. Regan, Jr.
Treasurer & CFO
James Pelrin
EVP & COO

inTEST Corporation

Safe Harbor Statement

This presentation contains forward-looking statements within the meaning of the Securities Act of 1933 and the Securities Exchange Act of 1934. These statements are based upon management's current expectations, and are subject to risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from the future results, performance or achievements expressed or implied by these forward-looking statements.

inTEST Summary Metrics

Symbol	INTT
Stock Price (11/14/17)	\$9.20
Trading Range (52 wk.)	\$3.90 - \$10.25
Trailing PE (ttm)	16.03
Market Cap	\$ 90M
Shares Out	10.3M
Revenue (ttm)	\$51.2M
EPS (ttm)	\$ 0.55
Cash	\$7.6M
Headcount	216
Founded	1981

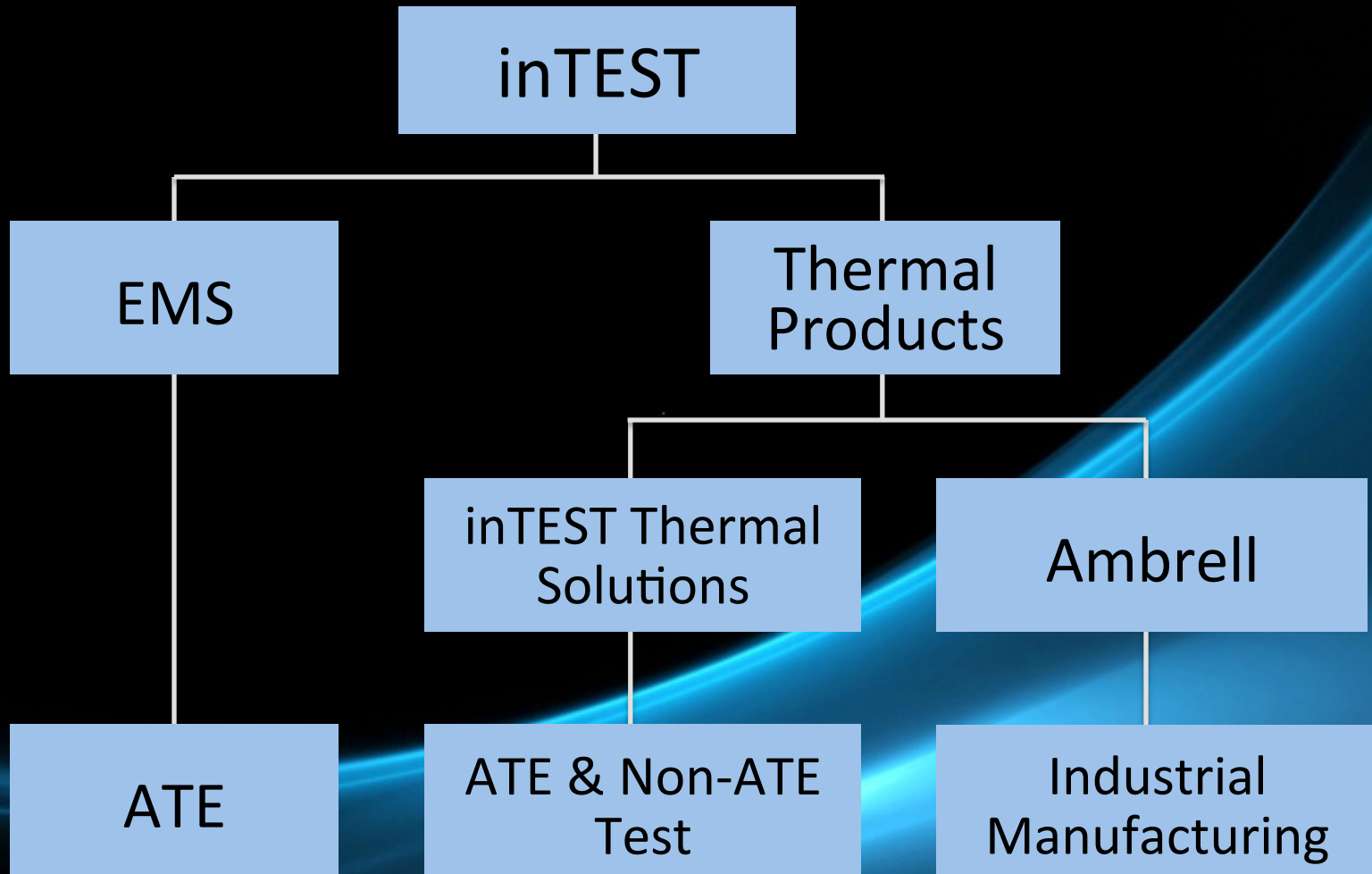
inTEST Investment Thesis

- Deliver **specialty high-margin products for mission-critical applications** in non-ATE markets including: Auto, Consumer Electronics, Defense/Aerospace, Telecom, and Industrial
- Provide customers ***yield improvement test solutions***, which drive **revenue growth**
- **Deliver profits and generate cash** even during cyclical/seasonal ATE downturns
 - ***Profits for 32 consecutive quarters***
 - ***Annual cash flow from operations of \$4.5M to \$7.5M***
- ***Positioned for growth*** with ***\$11.5M in cash*** available to ***finance acquisition opportunities***
- ***No debt with borrowing capacity of \$20M+*** to finance growth
- **Successfully acquired Ambrell Corporation**, realizing our goal of 50% revenue diversification outside ATE market

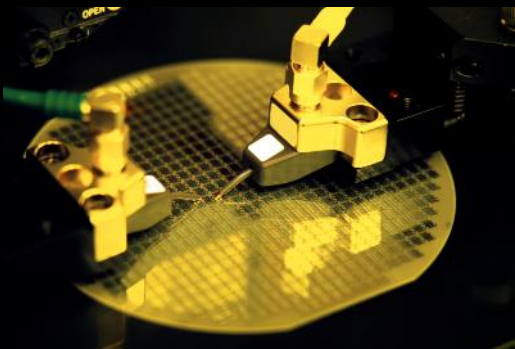
Accomplishing Our Goals – Why Ambrell

- ✓ Thermal related technology
- ✓ Non ATE
- ✓ 50% Market diversification outside of ATE
- ✓ Known technology
- ✓ Wide scale base into industrial manufacturing sector
- ✓ Broader customer diversification

inTEST Organization



SERVING A VARIETY OF MARKETS



ATE



Automotive



Defense / Aerospace



Industrial
Manufacturing



Industrial
Equipment



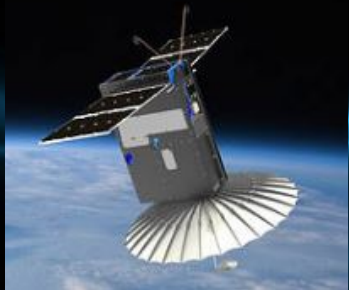
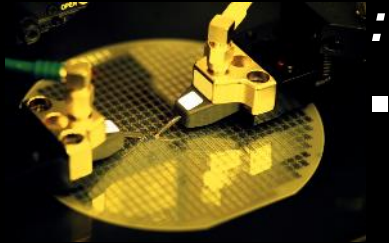
Telecommunications

Historical Served Markets - TEST

- Semiconductor Manufacturers – End Users
(Test Facilities, Labs, Production Floor)
- ATE Equipment Suppliers – OEM

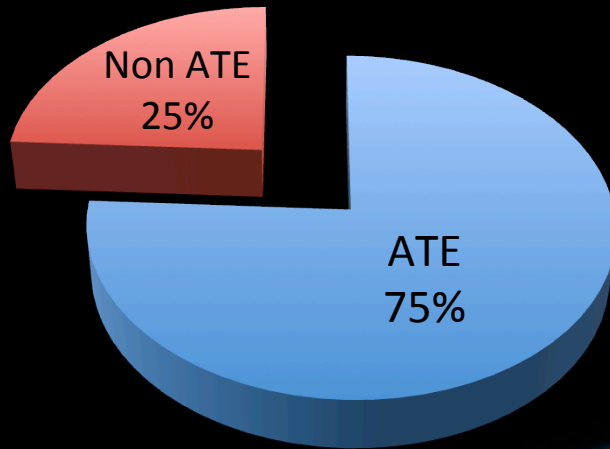
Non-ATE Markets:

Automotive, consumer electronics, defense/aero, telecom, industrial



inTEST Markets Before Ambrell

ATE	\$100M
<u>Non-ATE</u>	<u>\$120M</u>
Total	\$220M



Percent of inTEST business

ATE Market

- Semiconductor

Non-ATE Market

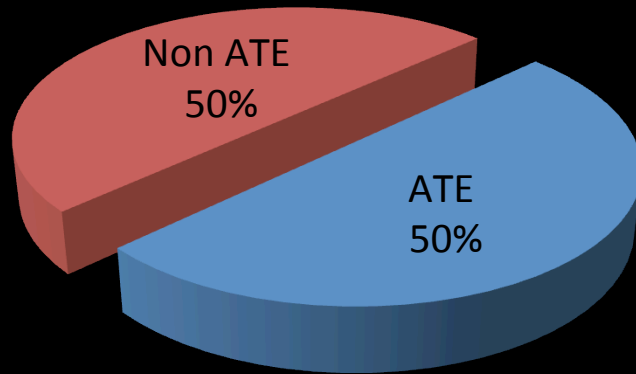
- Telecommunications

Non-ATE Applications

- Automotive
- Defense/Aerospace
- Industrial

inTEST Markets Post Ambrell

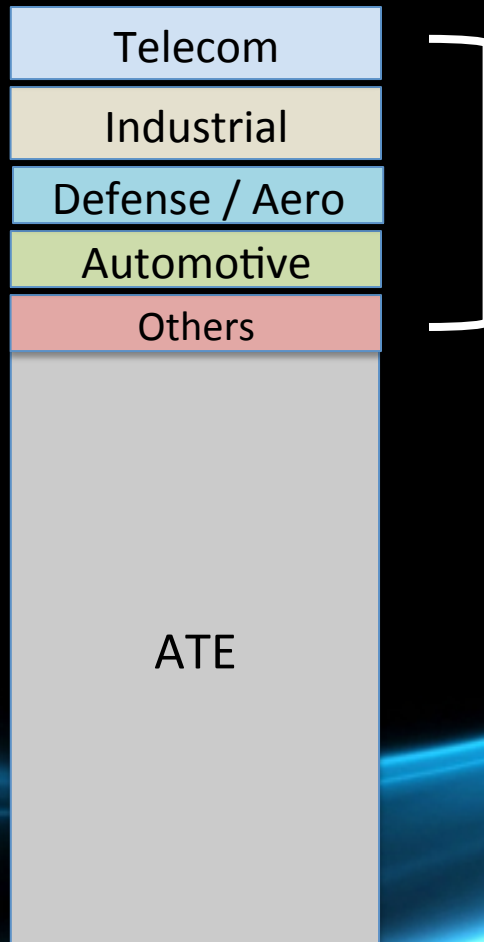
ATE	\$100M
<u>Non-ATE</u>	<u>\$520M</u>
Total	\$620M



Percent of inTEST business

- Semiconductor ATE
- Automotive
- Defense/Aerospace
- Telecommunications
- Industrial
- **Medical**
- **Consumer**
- **Food & Beverage**

Market Mix



Custom application of INTT Thermal Solutions drives growth in vertical markets

TTM Bookings		
ATE	\$ 37.6M	64%
Telecom	7.2	12%
Industrial	9.3	16%
Defense / Aero	2.7	5%
Automotive	0.9	1%
Others	1.1	2%
Total Bookings	\$58.8M	

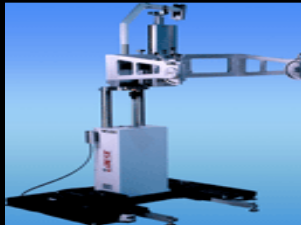
inTEST Product Segments

% of Revenue

Thermal



Mechanical



Electrical



2014

2015

2016

56

62

59

27

19

21

17

19

20

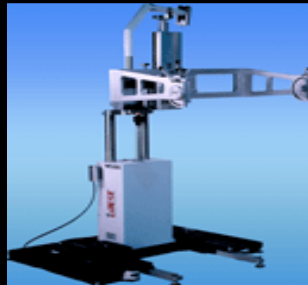
Effective January 1, 2017 the Mechanical and Electrical segments were aggregated into the EMS segment for reporting purposes.

ATE-Related Market Share

Thermal



**ThermoStreams for
Semiconductor Test** **70%**



**Manipulator
Docking** **10%**
20%

EMS



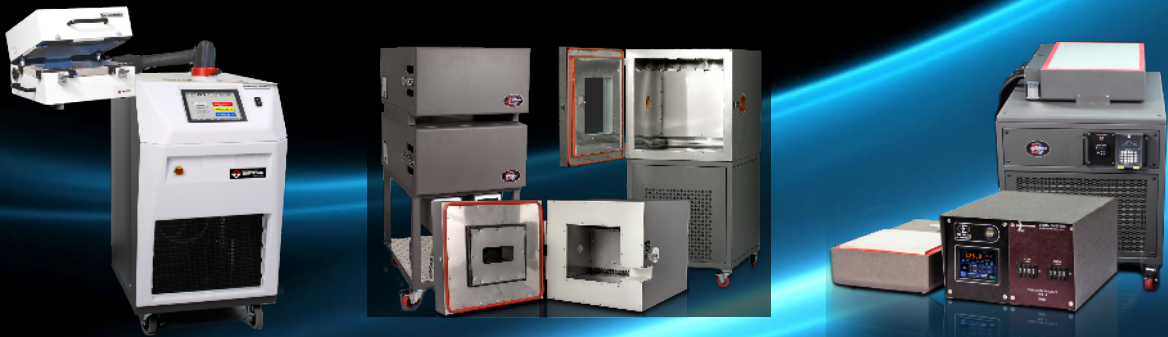
Interface Products **30%**

Thermal Products - Test

Environmental Test Market - \$120 million*
10% estimated market share*

Growth through Non-ATE Test Applications

- MobileTemp ThermoStreams
- Thermal Chambers
- Platforms



* Based upon Frost & Sullivan "Worldwide Environmental Test Market: 2013"

Thermal Products – Industrial Manufacturing

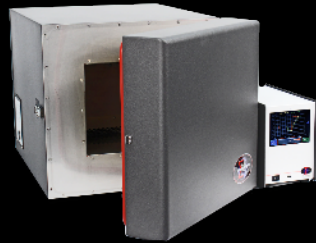
Industrial Manufacturing Market - \$400 million
5% estimated market share

- EasyHeat Induction Heating Systems
- EKOHeat Industrial Heating Systems

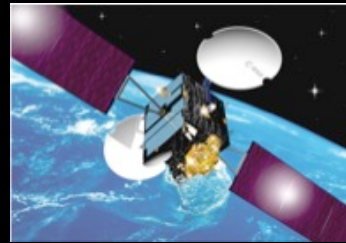


inTEST Custom Thermal Test Solutions

+932° F
+500° C



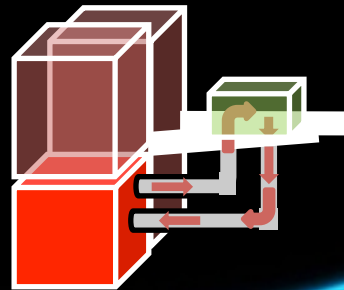
Space Research
-185°C - 350°C



Communication
Satellite
-65°C - 200°C



Missile Guidance
-60°C - 150°C



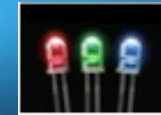
Custom Design
Thermal Engine
-65°C - 200°C



Tensile Testing
-40°C - 85°C



Network Infrastructure
-10°C - 60°C



LED Extended Life Test
-100°C - 200°C

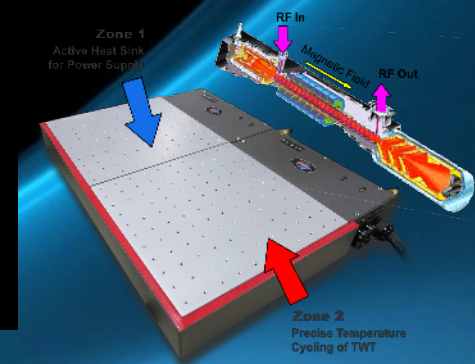
-301° F
-185° C

inTEST Custom Thermal Test Solutions



- Energy application for testing sensors and electronics
- Three zone chamber allows independent temperature control across entire assembly

- Satellite application for testing microwave amplifiers
- Two-zone plate provides heat sink for power supply while simulating wave tube temperatures in orbit



- Consumer electronics application for characterizing RF (Wifi, Bluetooth) components
- ThermoStream air forcing system provides the temperature source for rapid thermal cycling

inTEST Industrial Manufacturing Solutions

500 kW



Ammunition
Annealing ammunition casings
1-10 kW



Aerospace
Hot heading, brazing, annealing, shrink fitting
1-100 kW



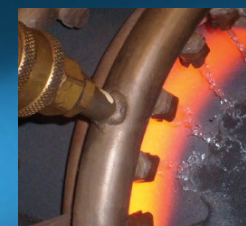
Automotive
Brazing, metal-to-plastic, curing, hardening
1-500 kW



Food/Packaging
Cap sealing, roller heating
1-100kW



Medical
Brazing, catheter tipping, nanoparticle heating
1-10 kW



Oil and Gas
Tube and pipe heating
50-500 kW

1 kW

Diverse Customer Base

Top 10 Customers Contribute
49% of Total Sales

TI

Hakuto

Teradyne

NXP Semi

Analog Devices

Naigaitec

Cypress Semi

Foxconn Optical

ST Micro

Nextrom

During 2015-2016, over 40 ATE customers merged.

ATE Customers



END USER



OEM

Growing Non-ATE Test Customer Base

ViaSat

NASA Jet Propulsion Laboratory
California Institute of Technology

ROHDE & SCHWARZ



DENSO

LUMENTUM

WOODWARD



DELPHI



EMERSON
Process Management



eoptolink®

O-Net
Technologies



Google

BAE SYSTEMS



TOSHIBA



Schlumberger



TRANSCOM

GOODRICH



Raytheon

communications



PHILIPS
LUMILEDS

Anaren®
What'll we think of next?®

melcom
MELCOM ELECTRONICS LIMITED

Growing Non-ATE Industrial Manufacturing Customer Base

TESLA

KOHLER

SIEMENS

TOSHIBA



DELPHI

BOSCH



MARS

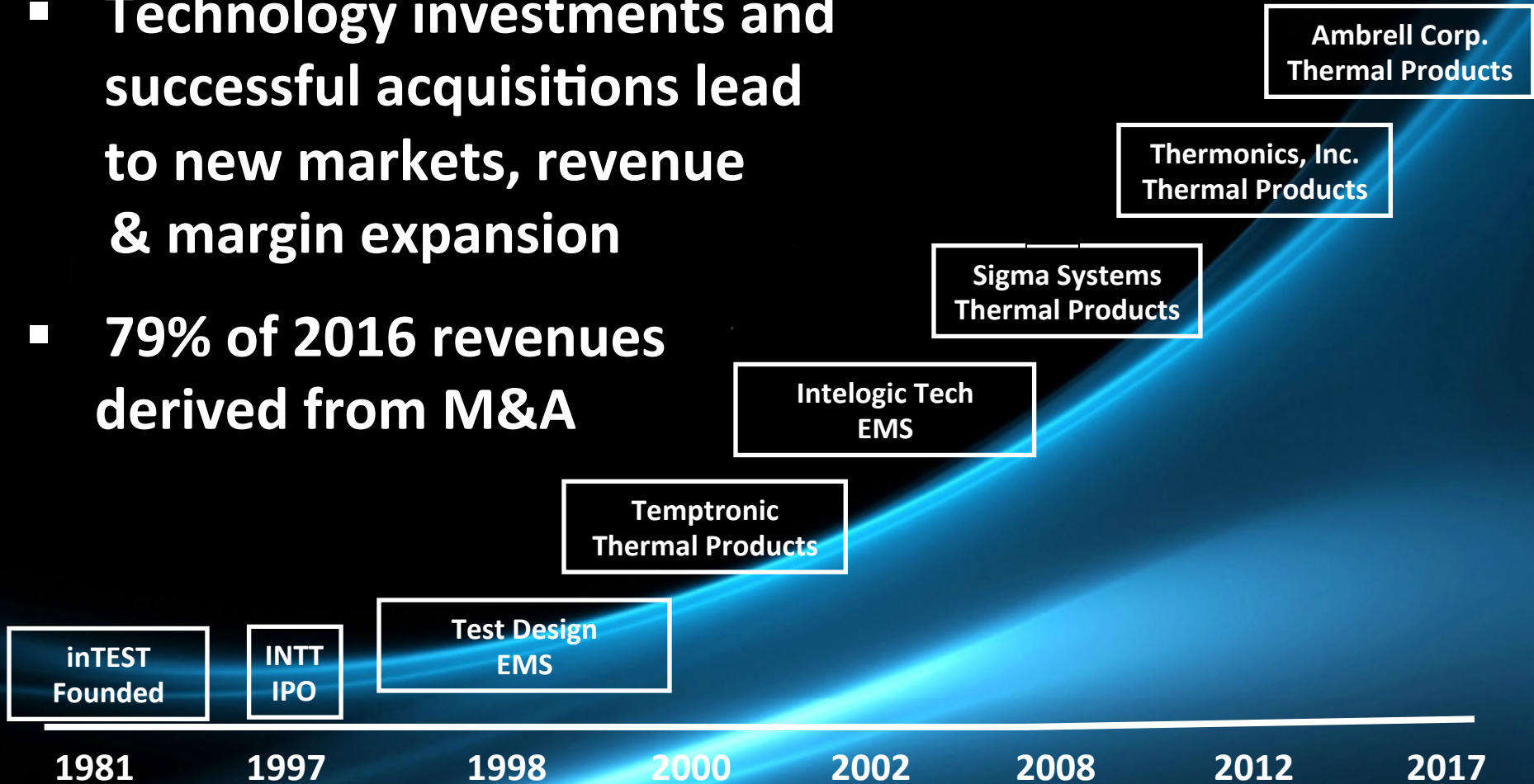
PIXTRON

Growth Drivers

- Mobile communications – modules for smart phones, tablets, hand-held devices (Apple, Samsung, Qualcomm)
- Automotive electronics – engine management, entertainment, communications, collision avoidance
- Consumer / automotive sensors
- High-stress environments (Defense/Aerospace)
- Food & Beverage
- Medical

M&A Bolsters Growth Opportunities

- Technology investments and successful acquisitions lead to new markets, revenue & margin expansion
- 79% of 2016 revenues derived from M&A



Financial Overview



inTEST Operating Model

	2011	2012	2013	2014	2015	2016	2017 YTD
Gross margin	48%	44%	48%	49%	48%	51%	53%
SG&A	25%	27% a	29%	29%	31% a	31% a	29% a
Eng. & Prod Dev.	7%	9%	9%	9%	10%	9%	7%
Operating Margin	16%	8% b	10%	14%	7% c	11% c	17% c

a Includes due diligence and other acquisition related expenses: 2012 - \$433K; 2015 - \$329K; 2016 - \$456K; 2017 - \$880K.

b Net of Thermonics restructuring costs of \$313K and other acquisition related expenses of \$433K.

c Net of acquisition related expenses on deals that did not close: 2015 - \$329K; 2016 - \$456K; 2017 - \$880K.

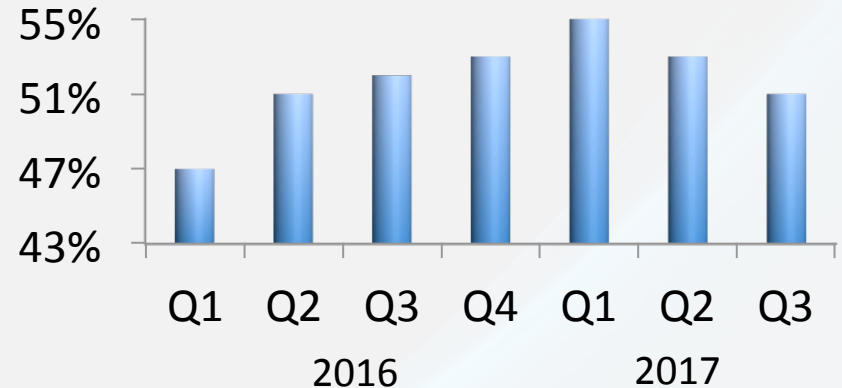
Financial Results

\$M

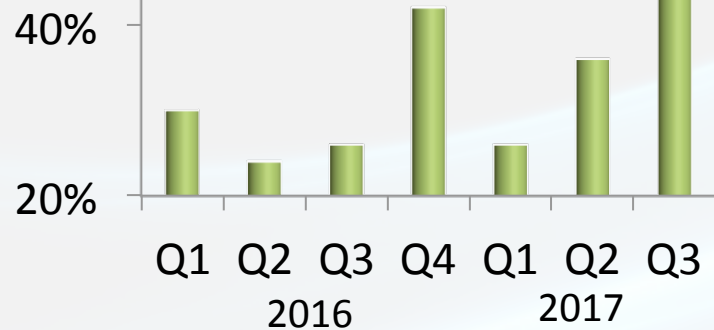
REVENUE



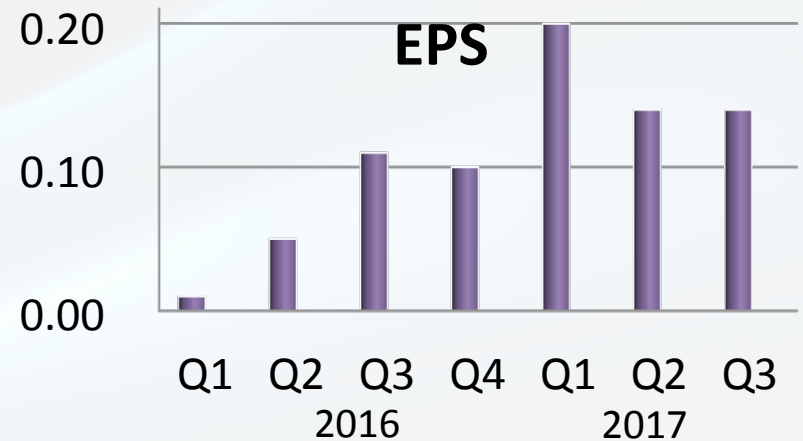
GROSS MARGIN



NON SEMI as % REV



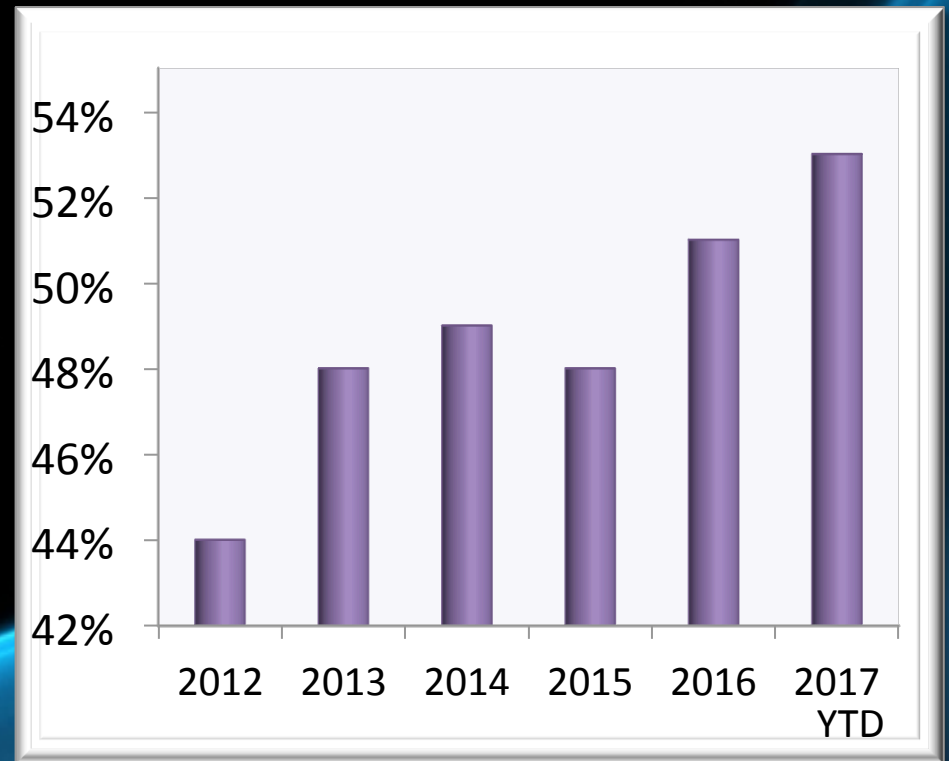
EPS



inTEST Gross Margin

GROSS MARGIN DRIVERS

Improved Competitive Landscape	Consolidated Manufacturing
Product Mix	Manufacturing Outsourcing
NEW Products	Operational Efficiencies



Balance Sheet Highlights

	As of <u>09/30/2017</u>
Cash & Cash Equivalents	\$11.5M
Working Capital	\$19.6M
Total Assets	\$60.2M
Contingent Acquisition Liability	\$ 3.6M
Long-Term Debt	\$ -
Shareholder Equity	\$43.8M

Q4 2017 Guidance (Provided November 2, 2017)

- Net revenue ranging from \$17.5M to \$18.5M
- GAAP net earnings ranging from \$0.11 to \$0.15 diluted EPS
- Non- GAAP adjusted net earnings ranging from \$0.13 to \$0.17 diluted EPS
- Gross margin ranging from 47% to 49%
- Q4'17 product mix less favorable compared with Q3'17
- *Net income guidance is based upon current expectations and may be subject to change due to audit adjustment*

inTEST Positioned for Growth

- Growth opportunities through focused acquisition strategy with a 50% revenue diversification outside ATE market
- Expansion of vertical markets outside of ATE market with thermal technologies
- Highly leveraged P&L with no debt and significant borrowing capacity to fund growth through acquisition
- Generate profits & cash even during cyclical semi downturns
- Lean operating structure
- Operational efficiencies drive higher gross margin

Investor Contacts

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