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 6, 2021
Date of Report (Date of earliest event reported)

inTEST Corporation
(Exact Name of Registrant as Specified in its Charter)

Delaware	**1-36117**	**22-2370659**
(State or Other Jurisdiction of Incorporation)	(Commission File Number)	(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))

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	**Trading Symbol**	**Name of Each Exchange on Which Registered**
Common Stock, par value $0.01 per share	INTT	NYSE American

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Item 2.02. Results of Operations and Financial Condition

On August 6, 2021, inTEST Corporation (the "Company") issued a press release, held a webcast conference call (as previously announced) and posted the conference call supplemental information and accompanying presentation to its website regarding its financial results for the second quarter ended June 30, 2021. The Company's press release is furnished as Exhibit 99.1, the conference call supplemental information is furnished as Exhibit 99.2, the conference call presentation is furnished as Exhibit 99.3 and the textual representation of the conference call is furnished as Exhibit 99.4 to this Current Report on Form 8-K.

Item 9.01. Financial Statements and Exhibits

(d) *Exhibits*

Exhibit No.	Description
99.1	2021 Second Quarter Results Press Release dated August 6, 2021.
99.2	Second Quarter 2021 Conference Call Supplemental Information dated August 6, 2021.
99.3	2021 Second Quarter Results Conference Call Presentation dated August 6, 2021.
99.4	Textual representation of conference call of August 6, 2021.
104	Cover Page Interactive Data File – the cover page XBRL tags are embedded within the Inline XBRL document

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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/ Duncan Gilmour.
Duncan Gilmour
Chief Financial Officer, Treasurer and Secretary

Date: August 11, 2021

EXHIBIT 99.1

inTEST Corporation

NEWS RELEASE

FOR IMMEDIATE RELEASE

inTEST REPORTS 2021 SECOND QUARTER FINANCIAL RESULTS

- *Net revenues of $21.8 million exceeded guidance; increased 12% sequentially and 64% year-over-year*
  - *GAAP earnings per share of $0.24 increased $0.03 sequentially and $0.22 year-over-year*
  - *Non-GAAP adjusted net earnings per diluted share was $0.27, at the high-end of guidance*

Mt. Laurel, NJ - Aug. 6, 2021 - inTEST Corporation (NYSE American: INTT), a global supplier of innovative test and process solutions for use in manufacturing and testing across a wide range of markets, including automotive, defense/aerospace, industrial, medical, semiconductor and telecommunications, today announced financial results for the quarter ended June 30, 2021.

2021 Second Quarter Financial Summary

($ in Millions, Except Per Share Data)	**Three Months Ended**		
	6/30/2021	**3/31/2021**	**6/30/2020**
Semi Market Bookings (1)	$ 16.5	$ 17.2	$ 7.3
Multimarket Bookings (2)	8.6	8.0	6.6
Total Bookings	$ 25.1	$ 25.2	$ 13.9
Semi Market Bookings (1) - % of Total Bookings	66%	68%	52%
Multimarket Bookings (2) - % of Total Bookings	34%	32%	48%
Semi Market Net Revenues (1)	$ 15.7	$ 13.3	$ 6.9
Multimarket Net Revenues (2)	6.1	6.3	6.4
Total Net Revenues	$ 21.8	$ 19.6	$ 13.3
Semi Market Net Revenues (1) - % of Total Net Revenues	72%	68%	52%
Multimarket Net Revenues (2) - % of Total Net Revenues	28%	32%	48%
Gross Margin	$ 11.0	$ 9.5	$ 6.1
Gross Margin	50%	49%	46%
Net Earnings (GAAP)	$ 2.6	$ 2.2	$ 0.2
Net Earnings per diluted share (GAAP)	$ 0.24	$ 0. 21	$ 0.02
Adjusted Net Earnings (Non-GAAP) (3)	$ 2.9	$ 2.5	$ 0.5
Adjusted Net Earnings per diluted share (Non-GAAP) (3)	$ 0.27	$ 0.24	$ 0.05
EBITDA (Non-GAAP) (3)	$ 3.5	$ 3.0	$ 0.7

	As of		
	6/30/2021	**3/31/2021**	**12/31/2020**
Cash and cash equivalents	$ 14.6	$ 10.2	$ 10.3

(1) Semi Market: These amounts include all bookings and net revenues from the semiconductor market.

(2) Multimarket: These amounts include all bookings and net revenues from markets other than the semiconductor market.

(3) Adjusted Net Earnings, Adjusted Net Earnings per diluted share and EBITDA are non-GAAP financial measures. Further information can be found under "Non-GAAP Financial Measures." See also the reconciliations of GAAP financial measures to non-GAAP financial measures that accompany this press release.

2021 Six Month Year-to-Date Financial Summary

($ in Millions, Except Per Share Data)	**Six Months Ended**	
	6/30/2021	**6/30/2020**
Semi Market Bookings (4)	$ 33.7	$ 14.0
Multimarket Bookings (5)	16.6	13.7
Total Bookings	$ 50.3	$ 27.7
Semi Market Bookings (4) - % of Total Bookings	67%	51%
Multimarket Bookings (5) - % of Total Bookings	33%	49%
Semi Market Net Revenues (4)	$ 29.0	$ 11.9
Multimarket Net Revenues (5)	12.4	12.6
Total Net Revenues	$ 41.4	$ 24.5
Semi Market Net Revenues (4) - % of Total Net Revenues	70%	48%
Multimarket Net Revenues (5) - % of Total Net Revenues	30%	52%
Gross Margin	$ 20.5	$ 10.9
Gross Margin	50%	45%
Net Earnings (Loss) (GAAP)	$ 4.8	$ (1.0)
Net Earnings (Loss) per diluted share (GAAP)	$ 0.45	$ (0.10)
Adjusted Net Earnings (Loss) (Non-GAAP) (6)	$ 5.4	$ (0.4)
Adjusted Net Earnings (Loss) per diluted share (Non-GAAP) (6)	$ 0.51	$ (0.04)
EBITDA (Non-GAAP) (6)	$ 6.6	$ (0.3)

(4) Semi Market: These amounts include all bookings and net revenues from the semiconductor market.

(5) Multimarket: These amounts include all bookings and net revenues from markets other than the semiconductor market.

(6) Adjusted Net Earnings (Loss), Adjusted Net Earnings (Loss) per diluted share and EBITDA are non-GAAP financial measures. Further information can be found under "Non-GAAP Financial Measures." See also the reconciliations of GAAP financial measures to non-GAAP financial measures that accompany this press release.

"inTEST delivered solid financial results for the second quarter," commented inTEST President & CEO Nick Grant, "fueled by broad end market demand in the semiconductor industry across both of our segments, along with increasing demand for our products outside of semiconductors as our industrial markets strengthen. Strong demand for our innovative test and process technology solutions across a diverse set of end applications resulted in financial results which exceeded our topline guidance; net revenues increased 12% sequentially and 64% year-over-year. The operations teams across the Company did an outstanding job managing our supply chains and overcoming resource challenges to support customer demand in the quarter.

"There are a number of dynamics driving semiconductor demand, which we believe we are well positioned to capitalize on," Mr. Grant continued. "Consumer products continue to be driven by automotive and IoT, the 5G buildout is still in early stages, technology advances are ongoing, and we believe that the regional infrastructure buildouts will drive further demand. In addition, we are investing in growth opportunities outside of the semiconductor market, such as electric vehicles, cannabis, and the medical market."

Mr. Grant concluded, "I'm pleased with the progress we are making to capture semiconductor related growth, while investing in developing vertical growth markets and segments outside of the semiconductor market which over time will serve to lessen our dependency on this cyclical industry."

2021 Third Quarter Financial Outlook
inTEST's guidance for the 2021 third quarter includes both GAAP and non-GAAP financial estimates. A reconciliation between these GAAP and non-GAAP financial measures is included below.

inTEST expects that net revenues for the 2021 third quarter will be in the range of $20.5 million to $21.5 million and that on a GAAP basis, net earnings per diluted share will range from $0.18 to $0.22. On a non-GAAP basis, we expect our adjusted net earnings per diluted share will range from $0.21 to $0.25. In addition, we expect that gross margin will range from 49% to 51%.

This outlook is based on the Company's current views with respect to operating and market conditions and customers' forecasts, all of which are subject to change. Actual results may differ materially as a result of, among other things, the factors described under "Forward-Looking Statements" below.

2021 Second Quarter Supplemental Information and Conference Call Details
inTEST is providing Supplemental Information ("Information") in combination with its press release. This Information is offered to provide shareholders and analysts with additional information and detail for analyzing the Company's financial results in advance of the Company's quarterly conference call. The Information will be available in conjunction with the press release on inTEST's website www.intest.com, under the "Investors" section.

inTEST management will host a conference call on Friday, August 6, 2021 at 8:30 am Eastern Daylight Time. The conference call will address the Company's 2021 second quarter financial results, and management's current expectations and views of the business environment. The call may also include a discussion of strategic, operating, product initiatives or developments, and other matters relating to the Company's current or future performance. To access the live conference call, please dial (323) 289-6576 or (800) 437-2398. The Passcode for the conference call is 5369295. Please reference the inTEST 2021 Q2 Financial Results Conference Call.

2021 Second Quarter Live Webcast Details
inTEST Corporation will provide a webcast in conjunction with the conference call. To access the live webcast, including presentation materials, please visit inTEST's website www.intest.com under the "Investors" section.

2021 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, including presentation materials, 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 l.guerrant@intest.com.

Non-GAAP Financial Measures
In addition to disclosing results that are determined in accordance with GAAP, we also disclose non-GAAP financial measures. These non-GAAP financial measures consist of adjusted net earnings (loss), adjusted net earnings (loss) per diluted share and EBITDA. Adjusted net earnings (loss) is derived by adding acquired intangible amortization, adjusted for the related income tax expense (benefit), to net earnings (loss). Adjusted net earnings (loss) per diluted share is derived by dividing adjusted net earnings (loss) by diluted weighted average shares outstanding. EBITDA is derived by adding acquired intangible amortization, interest expense, income tax expense, and depreciation to net earnings (loss). These results are provided as a complement to the results provided in accordance with GAAP. Adjusted net earnings (loss), adjusted net earnings (loss) per diluted share and EBITDA are non-GAAP financial measures presented to provide investors with meaningful, supplemental information regarding our baseline performance before acquired intangible amortization charges as this expense may not be indicative of our current core business or future outlook. These measures may be useful to an investor in evaluating the underlying operating performance of our business. The non-GAAP financial measures presented in this press release 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. Reconciliations from net earnings (loss) and net earnings (loss) per diluted share to adjusted net earnings (loss) and adjusted net earnings (loss) per diluted share and from net earnings (loss) to EBITDA, are contained in the tables below. The non-GAAP financial measures discussed in this press release may not be comparable to similarly titled measures used by other companies. The presentation of non-GAAP financial 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.

About inTEST Corporation
inTEST Corporation is a global supplier of innovative test and process solutions for use in manufacturing and testing across a wide range of markets including automotive, defense/aerospace, industrial, medical, semiconductor and telecommunications. Backed by decades of engineering expertise and a culture of operational excellence, we solve difficult thermal, mechanical and electronic challenges for customers worldwide while generating strong cash flow and profits. Our strategy uses these strengths to grow and increase stockholder value by maximizing our businesses and by identifying, acquiring and optimizing complementary businesses. 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, as amended. These statements do not convey historical information but relate to predicted or potential future events and financial results, such as statements of our plans, strategies and intentions, or our future performance or goals, that are based upon management's current expectations. Our forward-looking statements can often be identified by the use of forward-looking terminology such as “believes,” “expects,” “intends,” “may,” “will,” “should,” “plans,” “projects,” “forecasts,” “outlook,” “anticipates” or similar terminology. 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, any mentioned in this press release as well as the impact of the COVID-19 pandemic on our business, liquidity, financial condition and results of operations; indications of a change in the market cycles in the Semi Market or other markets we serve; changes in business conditions and general economic conditions both domestically and globally; changes in the demand for semiconductors; the success of our strategy to diversify our business by entering markets outside the Semi Market; our ability to successfully consolidate our EMS operations without any impact on customer shipments, quality or the level of our warranty claims and to realize the benefits of the consolidation; the possibility of future acquisitions or dispositions and the successful integration of any acquired operations; our ability to borrow funds or raise capital to finance potential acquisitions; changes in the rates and timing of capital expenditures by our customers; and other risk factors set forth from time to time in our Securities and Exchange Commission filings, including, but not limited to, our annual report on Form 10-K for the year ended December 31, 2020. Any forward-looking statement made by us in this press release is based only on information currently available to us and speaks to circumstances only as of the date on which it is made. We undertake 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
Duncan Gilmour
Treasurer and Chief Financial Officer
Tel: 856-505-8999

Investors:
Laura Guerrant-Oiye, Principal
Guerrant Associates
l.guerrant@intest.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	
	6/30/2021	6/30/2020	3/31/2021	6/30/2021	6/30/2020
Net revenues	$ 21,820	$ 13,275	$ 19,556	$ 41,376	$ 24,505
Gross margin	10,962	6,067	9,521	20,483	10,934
Operating expenses:					
Selling expense	2,605	1,761	2,403	5,008	3,813
Engineering and product development expense	1,356	1,217	1,322	2,678	2,509
General and administrative expense	3,769	2,850	3,161	6,930	5,726
Restructuring and other charges	197	38	55	252	46
Operating income (loss)	3,035	201	2,580	5,615	(1,160)
Other income (loss)	21	(18)	(2)	19	(50)
Earnings (loss) before income tax expense (benefit)	3,056	183	2,578	5,634	(1,210)
Income tax expense (benefit)	447	13	366	813	(237)
Net earnings (loss)	2,609	170	2,212	4,821	(973)
Net earnings (loss) per share – basic	$ 0.25	$ 0.02	$ 0.21	$ 0.46	$ (0.10)
Weighted average shares outstanding – basic	10,443	10,252	10,329	10,386	10,237
Net earnings (loss) per share – diluted	$ 0.24	$ 0.02	$ 0.21	$ 0.45	$ (0.10)
Weighted average shares outstanding – diluted	10,765	10,259	10,526	10,645	10,237

Condensed Consolidated Balance Sheets Data:

	As of:		
	6/30/2021	3/31/2021	12/31/2020
Cash and cash equivalents	$ 14,625	$ 10,195	$ 10,277
Trade accounts receivable, net	12,832	13,487	8,435
Inventories	8,702	8,212	7,476
Total current assets	36,687	32,456	26,964
Net property and equipment	2,462	2,538	2,350
Total assets	70,687	67,126	62,030
Accounts payable	3,524	3,655	2,424
Accrued expenses	5,928	5,188	4,388
Total current liabilities	11,717	11,171	8,856
Noncurrent liabilities	7,749	8,106	8,422
Total stockholders' equity	51,221	47,849	44,752

Reconciliation of Net Earnings (Loss) (GAAP) to Adjusted Net Earnings (Loss) (Non-GAAP) and Net Earnings (Loss) Per Share – Diluted (GAAP) to Adjusted Net Earnings (Loss) Per Share – Diluted (Non-GAAP):

	Three Months Ended			Six Months Ended	
	6/30/2021	6/30/2020	3/31/2021	6/30/2021	6/30/2020
Net earnings (loss) (GAAP)	$ 2,609	$ 170	$ 2,212	$ 4,821	$ (973)
Acquired intangible amortization	305	309	304	609	620
Tax adjustments	(4)	(5)	(4)	(8)	(9)
Adjusted net earnings (loss) (Non-GAAP)	$ 2,910	$ 474	$ 2,512	$ 5,422	$ (362)
Diluted weighted average shares outstanding	10,765	10,259	10,526	10,645	10,237
Net earnings (loss) per share – diluted:					
Net earnings (loss) (GAAP)	$ 0.24	$ 0.02	$ 0.21	$ 0.45	$ (0.10)
Acquired intangible amortization	0.03	0.03	0.03	0.06	0.06
Tax adjustments	-	-	-	-	-
Adjusted net earnings (loss) per share – diluted (Non-GAAP)	$ 0.27	$ 0.05	$ 0.24	$ 0.51	$ (0.04)

Reconciliation of Net Earnings (Loss) (GAAP) to EBITDA (Non-GAAP):

	Three Months Ended			Six Months Ended	
	6/30/2021	6/30/2020	3/31/2021	6/30/2021	6/30/2020
Net earnings (loss) (GAAP)	$ 2,609	$ 170	$ 2,212	$ 4,821	$ (973)
Acquired intangible amortization	305	309	304	609	620
Interest expense	2	25	-	2	25
Income tax expense (benefit)	447	13	366	813	(237)
Depreciation	167	155	156	323	310
EBITDA (Non-GAAP)	$ 3,530	$ 672	$ 3,038	$ 6,568	$ (255)

Supplemental Information – Reconciliation of Third Quarter 2021 Estimated Net Earnings Per Share – Diluted (GAAP) to Estimated Adjusted Net Earnings Per Share – Diluted (Non-GAAP):

	Low	High
Estimated net earnings per share – diluted (GAAP)	$ 0.18	$ 0.22
Estimated acquired intangible amortization	0.03	0.03
Estimated tax adjustments	-	-
Estimated adjusted net earnings per share – diluted (Non-GAAP)	$ 0.21	$ 0.25

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inTEST Corporation
SECOND QUARTER 2021 FINANCIAL RESULTS ANNOUNCEMENT
CONFERENCE CALL SUPPLEMENTAL INFORMATION
AUGUST 6, 2021

inTEST Corporation (NYSE American: INTT) is providing this Supplemental Information in conjunction with our 2021 second quarter press release in order to provide shareholders and analysts with additional information and detail for analyzing our financial results in advance of our quarterly conference call. The conference call will begin today, Friday, August 6, 2021, at 8:30 am EDT. To access the conference call, please dial (323) 289-6576 or (800) 437-2398. The passcode for the conference call is 5369295. Please reference the inTEST 2021 Q2 Financial Results Conference Call. In addition, a live webcast will be available on inTEST's website, www.intest.com under the "Investors" section and a replay of the webcast will be available for one year following the live broadcast.

The historical roots of inTEST serve the inherently cyclical semiconductor market. In addition, we also serve a number of diversified growth markets for our precision equipment. As the cornerstone of inTEST, the semiconductor market (Semi Market) is an important component of our business. Complementing this market is our 'Non-Semi' market, which is referred to as 'Multimarket.' 'Multimarket' represents our diversification and refers to any markets other than the semiconductor market. This stems from our strategic objective of growing our business in non-semiconductor markets both organically as well as through acquisition. It is important to note that business within our Thermal segment can fall into either 'Semi' or 'Multimarket,' depending upon how our customers utilize our products or upon their respective applications.

Non-GAAP Financial Measures

In addition to disclosing results that are determined in accordance with GAAP, we also disclose non-GAAP financial measures. These non-GAAP financial measures consist of adjusted net earnings (loss), adjusted net earnings (loss) per diluted share, and EBITDA. Adjusted net earnings (loss) is derived by adding acquired intangible amortization, adjusted for the related income tax expense (benefit), to net earnings (loss). Adjusted net earnings (loss) per diluted share is derived by dividing adjusted net earnings (loss) by diluted weighted average shares outstanding. EBITDA is derived by adding acquired intangible amortization, interest expense, income tax expense, and depreciation to net earnings (loss). These results are provided as a complement to the results provided in accordance with GAAP. Adjusted net earnings (loss), adjusted net earnings (loss) per diluted share and EBITDA are non-GAAP financial measures presented to provide investors with meaningful, supplemental information regarding our baseline performance before acquired intangible amortization charges as this expense may not be indicative of our current core business or future outlook. These non-GAAP financial 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. Reconciliations from net earnings (loss) and net earnings (loss) per diluted share to adjusted net earnings (loss) and adjusted net earnings (loss) per diluted share, and from net earnings (loss) to EBITDA, which are discussed in this Supplemental Information, are contained in the tables below. The non-GAAP financial measures discussed in this Supplemental Information may not be comparable to similarly titled measures used by other companies. The presentation of non-GAAP financial 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.

Summary of Business and Financial Highlights

Today we reported the following results for the second quarter of 2021:

- Bookings were $25.1 million, essentially flat compared to $25.2 million reported for Q1 2021, and up 80% from $13.9 million reported for Q2 2020.
- Semi bookings were $16.5 million, down 4% from $17.2 million reported for Q1 2021 and up 126% from $7.3 million reported for Q2 2020.
- Multimarket bookings were $8.6 million, up 6% from $8.1 million reported for Q1 2021 and up 30% from $6.6 million reported for Q2 2020.
- Multimarket bookings were 34% of total bookings for Q2 2021, compared to 32% in Q1 2021 and 48% in Q2 2020.
- Net revenues were $21.8 million, up 12% from $19.6 million reported for Q1 2021, and up 64% from $13.3 million reported for Q2 2020.
- Semi net revenues were $15.7 million, up 18% from $13.3 million reported for Q1 2021, and up 129% from $6.9 million reported for Q2 2020.
- Multimarket net revenues were $6.1 million, down 1% from $6.2 million reported for Q1 2021 and down 4% from $6.4 million reported for Q2 2020.
- Multimarket net revenues were 28% of total net revenues for Q2 2021, compared to 32% in Q1 2021 and 48% in Q2 2020.
- Gross margin was $11.0 million or 50%, up from $9.5 million or 49% reported for Q1 2021, and up from $6.1 million or 46% reported for Q2 2020.
- Operating income was $3.0 million, up from $2.6 million reported for Q1 2021 and up from $201,000 reported for Q2 2020.
- Net earnings were $2.6 million or $0.24 per diluted share, up from $2.2 million or $0.21 per diluted share reported for Q1 2021, and up from $170,000 or $0.02 per diluted share reported for Q2 2020.
- Q2 2021 results included non-recurring costs of $424,000, details of which are included in this Supplemental Information. These charges were related to the retirement of our former CFO and the consolidation of our EMS Products Segment. When tax effected, these charges amounted to $362,000 or $0.03 per diluted share.
- Q1 2021 results included non-recurring costs of $55,000, details of which are included in this Supplemental Information. These charges were related to the consolidation of our EMS Products Segment. When tax effected, these charges amounted to $47,000 or less than $0.01 per diluted share.

Summary of Bookings and Net Revenues

Bookings by end market served in dollars and as a percentage of total bookings and net revenues by end market served in dollars and as a percentage of total net revenues for the periods presented:

($ in 000s)	Three Months Ended							
				Change			Change	
	6/30/2021		3/31/2021		$	%	6/30/2020		$	%

($ in 000s)	6/30/2021		3/31/2021		Change $	Change %	6/30/2020		Change $	Change %
Bookings										
Industrial	$ 4,960	19.8%	$ 6,224	24.7%	$ (1,264)	-20.3%	$ 3,476	25.0%	$ 1,484	42.7%
Electronic Test	3,613	14.4%	1,832	7.3%	1,781	97.2%	3,143	22.6%	470	15.0%
Multimarket (Non-Semi)	$ 8,573	34.2%	$ 8,056	32.0%	$ 517	6.4%	$ 6,619	47.6%	$ 1,954	29.5%
Semi Market	16,532	65.8%	17,174	68.0%	(642)	-3.7%	7,299	52.4%	9,233	126.5%
	$ 25,105	100.0%	$ 25,230	100.0%	$ (125)	-0.5%	$ 13,918	100.0%	$ 11,187	80.4%
Net Revenues										
Industrial	$ 4,244	19.5%	$ 3,828	19.6%	$ 416	10.9%	$ 3,899	29.3%	$ 345	8.8%
Electronic Test	1,899	8.7%	2,408	12.3%	(509)	-21.1%	2,518	19.0%	(619)	-24.6%
Multimarket (Non-Semi)	$ 6,143	28.2%	$ 6,236	31.9%	$ (93)	-1.5%	$ 6,417	48.3%	$ (274)	-4.3%
Semi Market	15,677	71.8%	13,320	68.1%	2,357	17.7%	6,858	51.7%	8,819	128.6%
	$ 21,820	100.0%	$ 19,556	100.0%	$ 2,264	11.6%	$ 13,275	100.0%	$ 8,545	64.4%

Second quarter 2021 Multimarket bookings were $8.6 million, or 34% of total bookings, compared with $8.1 million, or 32% of total bookings in the first quarter.

Second quarter 2021 Multimarket net revenues were $6.1 million, or 28% of total net revenues, compared with $6.2 million, or 32% of total net revenues in the first quarter.

Top 10 customers represented 45% of year-to-date net revenues as of the end of the second quarter and Texas Instruments represented 14% of net revenues on a year-to-date basis.

Net revenues shipped into China on a year-to-date basis as of June 30, 2021 were $4.7 million or 11% of consolidated net revenues.

Summary of Component Material Costs, Cost of Revenues and Gross Margin

Component material costs, cost of revenues and gross margin in dollars and as a percentage of total net revenues in the periods presented:

($ in 000s)	**Three Months Ended**					
	6/30/2021		**3/31/2021**		**6/30/2020**	
Consolidated						
Component material costs	$ 7,899	36.2%	$ 7,076	36.2%	$ 4,378	33.0%
Cost of revenues	$ 10,858	49.8%	$ 10,035	51.3%	$ 7,208	54.3%
Gross margin	$ 10,962	50.2%	$ 9,521	48.7%	$ 6,067	45.7%

Second quarter 2021 gross margin was $11.0 million, or 50.2%, as compared with $9.5 million, or 48.7%, in the first quarter. The improvement in the gross margin percentage was primarily the result of a more favorable absorption of our $2.4 million in fixed manufacturing costs, which represented 11% of net revenues in Q2 2021 compared to 13% of net revenues in Q1 2021.

Summary of Results of Operations

Results of operations in dollars and as a percentage of total net revenues in the periods presented:

($'s in 000s, except per share data)	Three Months Ended									
					Change				Change	
	6/30/2021		3/31/2021		$	%	6/30/2020		$	%
Net revenues	$ 21,820	100.0%	$ 19,556	100.0%	$ 2,264	11.6%	$ 13,275	100.0%	$ 8,545	64.4%
Cost of revenues	10,858	49.8%	10,035	51.3%	823	8.2%	7,208	54.3%	3,650	50.6%
Gross margin	10,962	50.2%	9,521	48.7%	1,441	15.1%	6,067	45.7%	4,895	80.7%
Selling expense	2,605	11.9%	2,403	12.3%	202	8.4%	1,761	13.3%	844	47.9%
R&D expense	1,356	6.2%	1,322	6.8%	34	2.6%	1,217	9.2%	139	11.4%
G&A expense	3,769	17.2%	3,161	16.1%	608	19.2%	2,850	21.4%	919	32.2%
Restructuring and other charges	197	0.9%	55	0.3%	142	258.2%	38	0.3%	159	418.4%
Operating expenses	7,927	36.3%	6,941	35.5%	986	14.2%	5,866	44.2%	2,061	35.1%
Operating income	3,035	13.9%	2,580	13.2%	455	17.6%	201	1.5%	2,834	1410.0%
Other income (expense)	21	0.1%	(2)	0.0%	23	1150.0%	(18)	-0.1%	39	216.7%
Pre-tax income	3,056	14.0%	2,578	13.2%	478	18.5%	183	1.4%	2,873	1569.9%
Income tax expense	447	2.0%	366	1.9%	81	22.1%	13	0.1%	434	3338.5%
Net income	$ 2,609	12.0%	$ 2,212	11.3%	$ 397	17.9%	$ 170	1.3%	$ 2,439	1434.7%
Diluted EPS	$ 0.24		$ 0.21				$ 0.02			
Weighted Avg Shares - diluted	10,765		10,329				10,259			
EBITDA	$ 3,530	16.2%	$ 3,038	15.5%	$ 492	16.2%	$ 672	5.1%	$ 2,858	425.3%

Results of Operations Highlights

Selling expense increased by 8% sequentially to $2.6 million for the second quarter. The $202,000 increase was driven primarily by increased commission expense on higher net revenue levels and, to a lesser extent, by increased salary & benefit costs associated with headcount investments.

Second quarter engineering and product development expense increased 3% sequentially to $1.4 million. The $34,000 increase was primarily driven by headcount additions associated with growth investments as well as increased spending on product development.

General and administrative expense increased 19% sequentially to $3.8 million for the second quarter. Restructuring and other charges were $197,000 for the second quarter, up from $55,000 in the first quarter. Non-recurring costs were the primary driver of this $750,000 total increase. During the second quarter we incurred $424,000 of non-recurring costs, of which $347,000 related to the CFO transition and $77,000 were associated with our previously announced manufacturing consolidation of our EMS Products segment. The final integration of our EMS manufacturing operation has taken longer than originally anticipated primarily as a result of the significant increase in the business activity for this segment in the first half of 2021. During the second quarter, we delayed some integration activities and allocated our resources instead to meet customer demand for shipments of our products. We currently expect to complete the integration of the EMS manufacturing operations in the third quarter and expect to incur additional charges in the range of $50,000 to $100,000. Although the actions to complete the consolidation have been spread out over a longer period than originally planned, the total cost to complete the consolidation is currently estimated to be approximately $1.1 million as compared to $1.3 million which was our estimate of total costs when we undertook the actions during the fourth quarter of 2020.

In terms of recurring general & administrative costs, the main drivers of increase were higher levels of professional service fees associated with our various strategic initiatives and an increase in stock-based compensation expense reflecting a higher stock price at the time of the issuance of annual awards in March and April.

Other income was $21,000 in the second quarter compared to $2,000 in the first quarter. Our second quarter other income included a gain on the sale of an asset. Our first quarter other income reflected a higher level of foreign exchange losses.

We recorded income tax expense of $447,000 in the second quarter, reflecting a 15% effective tax rate. This compares to income tax expense of $366,000 accrued in the first quarter, which reflected an effective tax rate of 14%. We currently expect that our effective tax rate for the balance of 2021 will range from 14% to 16%.

For the quarter ended June 30, 2021, we had net earnings of $2.6 million or $0.24 per diluted share, compared to net earnings of $2.2 million or $0.21 per diluted share for the first quarter. As previously noted, our second quarter results included $424,000 in non-recurring charges, and when tax effected, these costs amounted to $362,000 or approximately $0.03 per diluted share. Our first quarter results included $55,000 in non-recurring charges, and when tax effected, these costs amounted to less than a penny per diluted share.

Diluted weighted average shares outstanding were 10,764,936 for the second quarter of 2021. We issued 44,741 shares of restricted stock and had forfeitures of 18,125 shares of restricted stock. During the second quarter we saw 45,835 option shares exercised, which raised $285,000 in cash proceeds.

Depreciation expense was $167,000 for the second quarter (compared to $156,000 in the first quarter), while acquired intangible amortization was $305,000 (essentially unchanged from $304,000 for the first quarter). Stock-based compensation expense was $454,000 for the second quarter of 2021 (compared to $269,000 for the first quarter). The increase in stock-based compensation expense primarily reflects that the 2021 issuances of restricted stock and options that occurred in the first half of the year were at much higher prices per share than our historical stock-based compensation awards. In addition, we had $91,000 of stock-based compensation expense during the second quarter that was a result of the modification of certain awards held by our former CFO at the date of his retirement. This amount was net of the reversal of expense for the awards which he forfeited at his retirement date.

EBITDA increased from $3.0 million for the first quarter to $3.5 million reported for the second quarter.

Balance Sheet and Cash Flow Highlights

Cash and cash equivalents at the end of the second quarter were $14.6 million, up $4.4 million or 44% from March 31, 2021. During the quarter we generated $4.2 million of cash from operations. We currently expect cash and cash equivalents to increase throughout 2021 before the impacts of any acquisition related activities.

In early April 2021, we increased the amount of our revolving credit facility from $7.5 million to $10.0 million and extended the term of the revolver from 364 days to 3 years. The increase in term also included the implementation of a 15 basis-point non-usage fee.

Accounts receivable decreased $655,000 or 5% sequentially to $12.8 million at June 30, 2021 with 54 DSO.

Inventories increased $490,000 or 6% sequentially to $8.7 million at June 30, 2021, which corresponded to 100 days of inventory.

Capital expenditures during the second quarter were $75,000, down from $388,000 in the first quarter. Included in the first quarter capital expenditures was $236,000 for tenant improvements to our Mt. Laurel, NJ facility related to our EMS facility consolidation, which essentially completed these tenant improvements.

The backlog at the end of June was $20.4 million, up $3.3 million or 19% from $17.1 million at March 31, 2021.

Summary of Non-Recurring Costs

($ in 000's)		Three Months Ended		
Description	**Notes**	**6/30/2021**	**3/31/2021**	**6/30/2020**
Costs associated with the CEO transition (legal, consulting)				136
Costs associated with the CFO retirement/transition				
Severance costs	A	120		
Other costs (legal, stock-based compensation)	B	227		
		347	-	-
EMS facility consolidation	A	77	55	
Ambrell restructuring costs	A			38
Hazard stipend	B			42
Total Non-Recurring Costs		**424**	**55**	**216**
Total Non-Recurring Costs, net of tax		**362**	**47**	**201**
Total Non-Recurring Costs, net of tax per diluted share		**$ 0.03**	**$ 0.00**	**$ 0.02**

Notes:
Items noted by "A" above are included in "Total Restructuring and Other Charges" on our consolidated statements of operations.
Items noted by "B" above are included in "General and Administrative Expense" on our consolidated statements of operations.

Reconciliation of Net Earnings (GAAP) to EBITDA (Non-GAAP)

($ in 000s)	Three Months Ended		
	6/30/2021	**3/31/2021**	**6/30/2020**
Net earnings (GAAP)	2,609	2,212	$ 170
Acquired intangible amortization	305	304	309
Interest expense	2	-	25
Income tax expense	447	366	13
Depreciation	167	156	155
EBITDA (Non-GAAP)	3,530	3,038	$ 672

Forward-Looking Statements

This Supplemental Information includes forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, as amended. These statements do not convey historical information but relate to predicted or potential future events and financial results, such as statements of our plans, strategies and intentions, or our future performance or goals, that are based upon management's current expectations. Our forward-looking statements can often be identified by the use of forward-looking terminology such as “believes,” “expects,” “intends,” “may,” “will,” “should,” “plans,” “projects,” “forecasts,” “outlook,” “anticipates” or similar terminology. 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, any mentioned in this Supplemental Information as well as the impact of the COVID-19 pandemic on our business, liquidity, financial condition and results of operations; indications of a change in the market cycles in the Semi Market or other markets we serve; changes in business conditions and general economic conditions both domestically and globally; changes in the demand for semiconductors; the success of our strategy to diversify our business by entering markets outside the Semi Market; our ability to successfully consolidate our EMS operations without any impact on customer shipments, quality or the level of our warranty claims and to realize the benefits of the consolidation; the possibility of future acquisitions or dispositions and the successful integration of any acquired operations; our ability to borrow funds or raise capital to finance potential acquisitions; changes in the rates and timing of capital expenditures by our customers; and other risk factors set forth from time to time in our Securities and Exchange Commission filings, including, but not limited to, our annual report on Form 10-K for the year ended December 31, 2020. Any forward-looking statement made by us in this Supplemental Information is based only on information currently available to us and speaks to circumstances only as of the date on which it is made. We undertake no obligation to update the information in this Supplemental Information to reflect events or circumstances after the date hereof or to reflect the occurrence of anticipated or unanticipated events.

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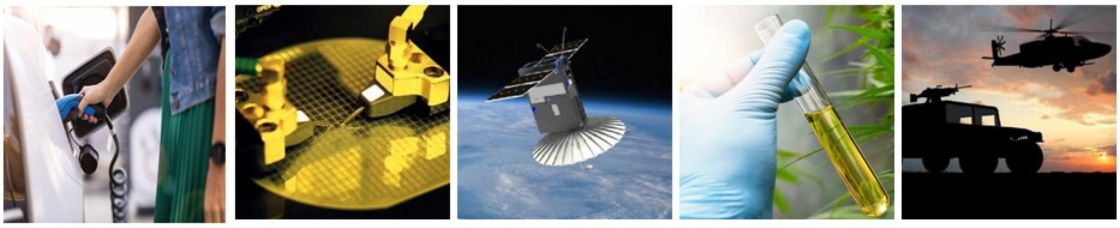

Innovative Test & Process Solutions

2021 Q2 Financial Results
Conference Call Presentation
August 6, 2021

Nick Grant
President and CEO

Duncan Gilmour
Treasurer and CFO

inTEST Corporation (NYSE American: INTT)

Forward-Looking Statements

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Non-GAAP Financial Measures

In addition to disclosing results that are determined in accordance with GAAP, we also disclose non-GAAP financial measures. These non-GAAP financial measures consist of adjusted net earnings (loss), adjusted net earnings (loss) per diluted share and EBITDA. Adjusted net earnings (loss) is derived by adding acquired intangible amortization, adjusted for the related income tax expense (benefit), to net earnings (loss). Adjusted net earnings (loss) per diluted share is derived by dividing adjusted net earnings (loss) by diluted weighted average shares outstanding. EBITDA is derived by adding acquired intangible amortization, interest expense, income tax expense, and depreciation to net earnings (loss). These results are provided as a complement to the results provided in accordance with GAAP. Adjusted net earnings (loss), adjusted net earnings (loss) per diluted share and EBITDA are non-GAAP financial measures presented to provide investors with meaningful, supplemental information regarding our baseline performance before acquired intangible amortization charges as this expense may not be indicative of our current core business or future outlook. These measures may be useful to an investor in evaluating the underlying operating performance of our business. The non-GAAP financial measures presented in this presentation 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. Reconciliations from net earnings (loss) and net earnings (loss) per diluted share to adjusted net earnings (loss) and adjusted net earnings (loss) per diluted share and from net earnings (loss) to EBITDA, are contained in the tables below. The non-GAAP financial measures discussed in this presentation may not be comparable to similarly titled measures used by other companies. The presentation of non-GAAP financial 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.

CEO Discussion

President & CEO, Nick Grant

- Strong demand for our innovative test and process technology solutions across a diverse set of end applications resulted in financial results for Q2 which exceeded our guidance.
- Growth fueled by broad end market demand in the semiconductor industry across both our segments, along with increasing demand for our products outside of Semi as industrial markets continue to strengthen.
- Pleased with progress to capture growth within Semi while investing in developing vertical growth markets and segments outside of Semi
- Thank you to the entire inTEST team for delivering a truly solid quarter.

Q2 2021 Bookings and Backlog

($ in millions)

80% YoY

0% QoQ

Q2 Multimarket B:B of 1.40

134% YoY

19% QoQ

Q2 backlog stretching out over time as industry lead-times grow

Q2 2021 Revenue

($ in millions)

$21.8M

64% YoY

12% QoQ

- Exceeded guidance range
- Driven by strength in Semi shipments
- As % of Q2'21 revenues: Semi 72% / Multimarket 28%
- Q2'21 Semi revenues increased 18% QoQ
- Q2'21 Multimarket revenues essentially flat QoQ

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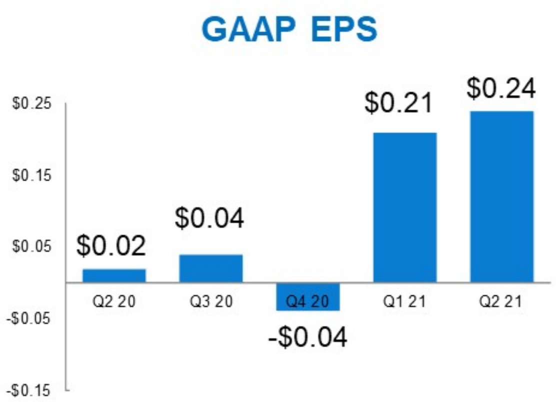
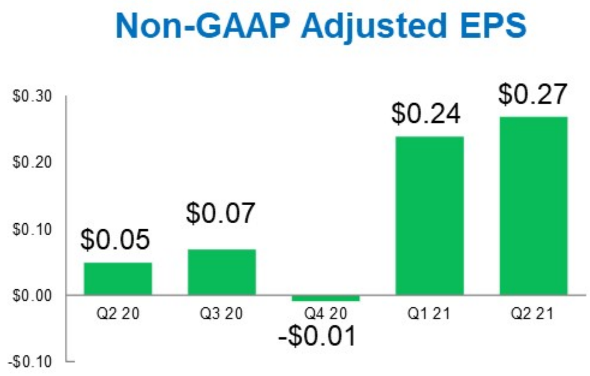
Q2 2021 Net Income and EPS





- **Q2 EPS high-end of guidance range, while absorbing CFO transition costs**
- **GAAP net earnings $2.6M, up QoQ and YoY**
- **Non-GAAP adjusted net earnings $2.9M, up QoQ and YoY**
- **EBITDA (Non-GAAP) $3.5M**

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EMS Products Segment

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EMS Segment

EMS Products
a Division of inTEST Corp.

EMS serves 100% Semiconductor markets, specifically, production test for analog and mixed signal applications

- Capturing growth from current customers. Driving installed base diversification by securing new customers and broadening geographic reach.
- Traditional end markets remained strong. Automotive, consumer electronics and 5G all driving demand.
- Back-end semi: Extremely strong customer demand continued through Q2. Customers worked to address chip shortages by procuring our products to expand and upgrade their production capacities.
- EMS 1H'21 bookings and revenue one of the best 6-month periods.
  - Primary reasons for increased adoption of our solutions by new and existing customers: improved precision, higher levels of integration and shift towards automation.
- Q2 EMS bookings of $10.3M remained strong
  - Down ~ 2% QoQ and essentially tripling YoY.
- Successfully penetrating new accounts & replacing incumbents at targeted accounts.
- Backlog stretching out further over time as customers adapt to industry's increasing lead-times.
- Q2 EMS revenues of $9.1M increased 6% QoQ and 138% YoY
  - Highest performance in a dozen years for EMS.

EMS Highlights

- Shipped prototype interface unit to global semiconductor manufacturer for use in development of next-gen Ultra High-Definition automotive radar. Initial shipment that we expect will drive significant production orders in 2022 and 2023.
- Multiple interface design wins against the competition at a multinational electronics and semiconductor manufacturer. Could drive additional $500,000 of growth per year at this account. Recurring themes around these wins: reliability, performance, and flexibility.
- **New products**: Delivered initial production units of high voltage/high current test systems to leader in subassemblies for EV power management solutions. Volume orders expected in Q4'21 or Q1'22. Continue work with leading ATE manufacturer to standardize product for more customers.
- Placed an LS-4 manipulator in applications laboratory of major ATE manufacturer. Example of our strategy to team with complementary Test Equipment manufacturers to further advance sales of our automated manipulators.
- **New customer**: EMS penetrated targeted strategic Analog/Mixed Signal account. Received first order for docking solution in the quarter. Account had been a stronghold for our competitors.
- Well-known maker of communications processing chips ordered $1.5M of automation equipment for testing of 5G power management ICs. Confirmation of our new success at this marquee customer.
- Received first orders from an OSAT in Thailand for Cobal-250 manipulator and docking solutions.
- **Solid evidence that our strategy to grow and win new business while penetrating adjacent verticals is working**.

Thermal Segment

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Thermal Segment

Thermal accounts for all Multimarket revenue + some revenue from semiconductor front-end manufacturing and back-end lab

- Q2 Thermal bookings of $14.8M comparable to Q1
  - Exceeded Q2 shipments by $2M; up 42% YoY.
  - Growth fueled by continued strength in front-end semi and industrial markets, as well as automotive and defense/aero.
  - Q2 defense/aero bookings up 97% QoQ.
- Q2 Thermal revenues of $12.8M
  - up 15% QoQ and 35% YoY.

Thermal Highlights

- Semi-lab market continues to be strong: bookings up < 20% QoQ from relatively strong Q1. In Q2 ten different back-end semi customers each ordered over $100,000. Continue working with several semiconductor crystal manufacturers on new applications that could leverage our carbon-friendly induction heating solutions.
- Automotive / Electric Vehicle segment keeps expanding for Thermal. Continue to receive orders from OEMs and integrators supplying Auto Industry. Ambrell received another order from large existing EV manufacturer just shy of $0.5 million, bringing their total to ~ $900,000 for 1H'21. Continue to work with numerous EV OEMs and their sub-suppliers to develop induction heating solutions for their applications. Have identified over $300,000 in new potential opportunities from targeted marketing campaign that was initiated in Q2.
- iTS received new blanket order for ~ $1.5M in Thermonics chillers from key Automotive OEM manufacturer of materials used in catalytic converters. Represents largest single order in iTS company history. Units will ship in Q4'21 and Q1'22 and should lead to more in the longer term as additional manufacturing lines are upgraded over time.
- Service business has recovered from pandemic driven low of 2020 as customers are now allowing visitors to the sites. Service team members are back to making in person service calls.
- **New products (Ambrell)**: Recently launched EKOHEAT® Compact Series and Compact Workheads for under 50 KW applications have begun production shipments. Represent broad offerings that inTEST can volume ship in relatively standard products. Two lines cover a large swath of applications and stand to become industry standards within their footprints and power ranges. Expanding Workhead line further in the coming months to extend power ranges.
- **New customers (iTS)**: Success working with strategic OEM C1D1 Labs. Recognized leader in providing extraction solutions to develop chiller solution that incorporates an ultra-low Thermonics® Chiller combined with a condensing chiller to precondition solvents. Drives efficiency, increases capacity and lowers costs.

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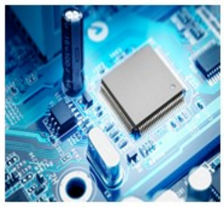
Investing for the Future: Talent & Culture



Talent & Culture

- Realigning proven, in-house leaders as well as invigorating team by bringing in external talent to drive change.
  - Strengthened leadership teams in finance, sales, and R&D, providing inTEST with best-in-class leadership team with industry experience and core commitments to achieving our strategic priorities.
  - Most recent appointment is new CFO, Duncan Gilmour. Enhancing financial discipline and operating efficiency.
- Strengthened EMS leadership - focus on R&D and product innovation with appointment of Joe McManus, EMS VP/General Manager.
  - Significant experience in driving organic growth of similar companies – with a focus on technological products – has already added significant strength as we focus on organic growth opportunities.
- Introduced new pay-for-performance compensation plan to reward employees for meeting performance targets.
  - Changed annual review from inflation adjustment to increases based on merit, achievement and performance.
  - New performance management system implemented in Q1 of this year. Cornerstone for talent development going forward.
- ESPP approved. Allows employees to share in Company's success. (October '21 implementation)
- GMs have been given more control to reward and set priorities to drive growth.
  - Regional sales managers incentivized to bring in new accounts and increase customer penetration levels with a focus on growth in targeted segments like EV and cannabis extraction.
  - Will result in spending a bit more in compensation in the long run.
    - Disproportionate payoff in top line growth and customer diversity is the real reward.
- Conducted 1st ever employee engagement survey across inTEST.
  - High level of optimism and support for the new vision and forward direction of the company.

CEO Concluding Comments

- 1H'21 has been exceptional period for the semiconductor industry, despite supply chain challenges.
- Equipment companies continue to experience substantial demand as global production capacity expands.
- Entering Q3, expect many of our larger customers will be focused on digesting the deliveries we (and others) have made to their test floors in 1H'21
  - Expect semi-related orders to moderate in the 2nd half.
  - Digestion period.
- COVID is not going away anytime soon, which will continue to drive consumer electronics, 5G buildout is still in early stages, technology advances are ongoing, and we believe regional infrastructure buildouts will drive future demand.
- Several positives driving semi demand -- well positioned to take full advantage as they happen.
- Investing in Multimarket growth opportunities -- EV, cannabis, medical
- As a part of growth plans, investments made in Sales, Marketing, R&D and Service -- more are planned.
- Experiencing more travel in Q3 and are rejoining in-person trade shows, which will help drive topline.

Financial Overview

Treasurer & CFO, Duncan Gilmour

- Management Discussion & Analysis
- Non-GAAP Reconciliations
- Balance Sheet Highlights
- Q3 2021 Guidance

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Operating Performance

	2018	2019	2020	2021 Q1	2021 Q2
Gross Margin	50%	48%	45%	49%	50%
SG&A	29%[b]	36%[a]	38%[c]	29%	30%[d]
Eng. & Prod. Development	6%	8%	9%	7%	6%
Operating Margin	15%[b]	5%[a]	(2)%[c]	13%	14%[d]
EBITDA (Non-GAAP)	9%[b]	8%[a]	1%[c]	16%	16%[d]

a. Includes acquisition related expenses of $683K
b. Adjusted for contingent consideration adjustment (related to earnout): $6.9M
c. Includes restructuring, CEO transition costs, lease impairment and other non-recurring costs of $1.8M
d. Includes CFO transition and other non-recurring costs of $424K

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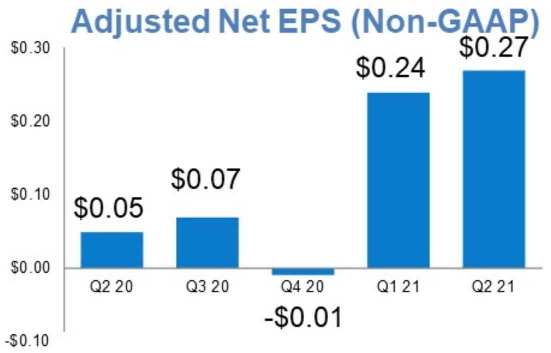
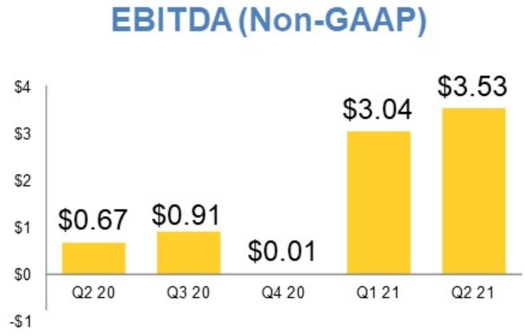
Q2 2021 Financial Results

($ in millions except EPS)





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Balance Sheet Highlights

($ in millions)

	As of 6/30/2021
Cash and Cash Equivalents	$14.6
Working Capital	$25.0
Total Assets	$70.7
Long-Term Debt	$0
Shareholder Equity	$51.2

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Q3 2021 Guidance

Net Revenue	$20.5M to $21.5M
GAAP Net Earnings per diluted share	$0.18 to $0.22 diluted EPS
Non-GAAP Adjusted Net Earnings per diluted share	$0.21 to $0.25 diluted EPS
Gross Margin	49% to 51%

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; as well as our expectations for the balance of the quarter, subject to any strategic investments we may choose to make. Actual results may differ materially as a result of, among other things, the factors described under "Forward-Looking Statements" on slide #2.

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Q&A

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Thank You

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Reconciliations for Non-GAAP Measures

Reconciliations for Non-GAAP Measures
(Dollars in thousands)

Reconciliation of Net Earnings (Loss) (GAAP) to EBITDA (Non-GAAP)	Years Ended December 31,					
	2015	2016	2017	2018	2019	2020
Net earnings (loss) (GAAP)	1,861	2,658	975	3,037	2,322	(895)
Net interest (income) expense	(27)	(49)	(47)	(22)	(17)	33
Income tax expense (benefit)	722	1,549	2,863	2,006	282	(336)
Depreciation expense	464	369	618	768	685	630
Amortization expense	289	229	1,161	1,102	1,257	1,233
EBITDA (Non-GAAP)	3,309	4,756	5,570	6,891	4,529	665

Reconciliations for Non-GAAP Measures

(Dollars in thousands)

Reconciliation of Net Earnings (Loss) (GAAP) to EBITDA (Non-GAAP)	Quarters Ended					
	3/31/20	6/30/20	9/30/20	12/31/20	3/31/21	6/30/21
Net earnings (loss) (GAAP)	(1,143)	170	458	(380)	2,212	2,609
Net interest (income) expense	0	25	4	4	0	2
Income tax expense (benefit)	(250)	13	(25)	(74)	366	447
Depreciation expense	155	155	164	156	156	167
Amortization expense	311	309	307	306	304	305
EBITDA (Non-GAAP)	(927)	672	908	12	3,038	3,530

Reconciliations for Non-GAAP Measures

(Dollars in thousands, except per share)

Reconciliation of Net Earnings (Loss) (GAAP) to Adjusted Net Earnings (Non-GAAP) and Net Earnings (Loss) Per Diluted Share (GAAP) to Adjusted Net Earnings Per Diluted Share (Non-GAAP)	Years Ended	
	2019	2020
Net earnings (loss) (GAAP)	2,322	(895)
Add back: Acquired intangible amortization	1,257	1,233
Tax adjustments	(9)	(26)
Adjusted net earnings (Non-GAAP)	3,570	312
Diluted weighted average shares outstanding	10,392	10,281
Net earnings (loss) per diluted share (GAAP)	$ 0.22	$ (0.09)
Add back: Acquired intangible amortization	0.12	0.12
Tax adjustments	0.00	0.00
Adjusted net earnings per diluted share (Non-GAAP)	$ 0.34	$ 0.03

inTEST

Reconciliations for Non-GAAP Measures

(Dollars in thousands, except per share)

Reconciliation of Net Earnings (Loss) (GAAP) to Adjusted Net Earnings (Loss) (Non-GAAP) and Net Earnings (Loss) Per Diluted Share (GAAP) to Adjusted Net Earnings (Loss) Per Diluted Share (Non-GAAP)	Quarters Ended					
	3/31/20	6/30/20	9/30/20	12/31/20	3/31/21	6/30/21
Net earnings (loss) (GAAP)	(1,143)	170	458	(380)	2,212	2,609
Add back: Acquired intangible amortization	311	309	307	306	304	305
Tax adjustments	(4)	(5)	(15)	(2)	(4)	(4)
Adjusted net earnings (loss) (Non-GAAP)	(836)	474	750	(76)	2,512	2,910
Diluted weighted average shares outstanding	10,221	10,259	10,288	10,283	10,526	10,765
Net earnings (loss) per diluted share (GAAP)	$ (0.11)	$ 0.02	$ 0.04	$ (0.04)	$ 0.21	$0.24
Add back: Acquired intangible amortization	0.03	0.03	0.03	0.03	0.03	0.03
Tax adjustments	0.00	0.00	0.00	0.00	0.00	0.00
Adjusted net earnings (loss) per diluted share (Non-GAAP)	$ (0.08)	$ 0.05	$ 0.07	$ (0.01)	$ 0.24	$0.27

EXHIBIT 99.4

On August 6, 2021, 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.

inTEST Corporation (NYSE: American INTT)
2021 Q2 Financial Results Conference Call & Webcast
August 6, 2021
8:30 a.m. EDT

Presentation:

Operator
Welcome to inTEST Corporation's 2021 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, one, on your phone. As a reminder, this conference is being recorded today. A replay will be accessible at www.intest.com. I will now turn the call over to inTEST's Investor Relations consultant, Laura Guerrant. Please go ahead, Ma'am.

Laura Guerrant-Oiye, (inTEST Corporation IR Consultant)
Thank you, Operator. And thank you for joining us for inTEST's 2021 second quarter financial results conference call. With us today are Nick Grant, inTEST's President and CEO, and Duncan Gilmour, Treasurer and Chief Financial Officer. Nick will briefly review the quarter's highlights as well as current business trends. Duncan will then review inTEST's detailed financial results for the quarter and discuss guidance for the 2021 third quarter. We'll then have time for any questions. A copy of today's press release can be obtained on inTEST's website, www.intest.com. In addition to our press release we have issued Supplemental Information, which can be downloaded from our website on the Investors page just mentioned. The Supplemental Information is offered to provide shareholders and analysts with additional information and detail for analyzing our results in advance of the quarterly results conference call.

Before we begin the formal remarks, please note 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. In addition to the factors mentioned in our press release, such risks and uncertainties include, but are not limited to the risk factors set forth from time to time in our Securities and Exchange Commission filings, including, but not limited to, our annual report on Form 10-K for the year ended December 31, 2020. Any forward-looking statement made by us in this conference call is based only on information currently available to us and speaks to circumstances only as of the date on which it is made. We undertake no obligation to update the information on this call to reflect events or circumstances after the date hereof or to reflect the occurrence of anticipated or unanticipated events.

During today's call, we will refer to non-GAAP financial measures. We have provided additional information concerning these non-GAAP financial measures, including a reconciliation to the directly comparable GAAP financial measure, in our press release, as well as in the Supplemental Information and the slide presentation for this call. The release, Supplemental Information and slide presentation are posted on the Investors page of our website. www.intest.com.

And lastly, we will be participating in the following conferences during the third quarter: The Colliers 2021 Institutional Conference September 9th and Lake Street's 5th Annual Best Ideas Growth Conference September 14th through the 15th. In addition, we will be hosting our first Analyst Day in November. We are targeting November 16th or 17th, likely in New York City. We will have more details on the event shortly. And with that, let me now turn the call over to Nick Grant. Please go ahead, Nick.

Nick Grant (inTEST President, CEO & Director)
Thanks Laura, and welcome, everyone. I'm pleased you are joining us for our second quarter 2021 financial results conference call. I'd like to start by welcoming our new CFO, Duncan Gilmour, to today's call. Many of you will have an opportunity to meet Duncan at the upcoming conferences Laura mentioned, as well as at our Analyst Event, which we are planning for November. We're delighted to have Duncan on board.

Shifting now to the quarter's performance…strong demand for our innovative test and process technology solutions across a diverse set of end applications resulted in financial results for the second quarter which exceeded our guidance. Our growth was predominantly fueled by broad end market demand in the semiconductor industry across both of our segments, along with increasing demand for our products outside of Semi as our industrial markets continue to strengthen. Once again, I'm pleased with the progress we are making to capture growth within Semi while investing for growth in developing vertical growth markets and segments outside of the semiconductor market which over time will serve to lessen our dependency on this cyclical industry. Finally, I want to thank the entire inTEST team for delivering a truly solid quarter.

Let's look first at bookings and backlog. Our consolidated Q2 bookings of $25.1 million were comparable to the bookings levels we reported in Q1, which was a near record quarter for us.

Second quarter bookings continued to be fueled by the Semi markets, with Semi bookings of $16.5 million slightly down vs. Q1 and accounting for 66% of our consolidated bookings. Our EMS Segment once again had solid orders in back-end test – and our Thermal Segment was also buoyed by semi strength in front-end and lab applications.

Q2 Multimarket bookings of $8.6 million made up 34% of the overall bookings, driven by the industrial and automotive markets, as well as returning strength in defense/aero. This represents a 6% increase compared to the Q1 Multimarket bookings.

As a result of the strong bookings, the Company's backlog exceeded $20 million at the end of June, a 19% sequential increase.

Looking at revenue in the quarter, Q2 consolidated revenues of $21.8 million continued to be driven by the Semi market and exceeded our guidance range, increasing 12% sequentially and 64% year-over-year. The operations teams across the Company did an outstanding job managing our supply chains and overcoming resource challenges to support customer demand within the quarter.

As a percentage of overall revenue, Semi comprised 72% of the net shipments and increased 18% sequentially to $15.7 million; while Multimarkets made up the balance at 28% of sales in Q2 at $6.1 million, essentially flat sequentially and reflective of the lower Multimarket orders in Q1.

Turning to net income … I am pleased to report that net earnings and earnings per share increased both sequentially and year-over-year – with earnings per share coming in at the high-end of our guidance range, while absorbing the CFO transition costs within the quarter.

We reported GAAP net earnings of $2.6 million, up compared to $2.2 million in Q1 and $170,000 a year ago; with non-GAAP adjusted net earnings of $2.9 million, up compared to $2.5 million in Q1 and $474,000 a year ago.

This equates to GAAP net earnings of $0.24 per diluted share and non-GAAP adjusted net earnings of $0.27 per diluted share when adjusted for intangible amortization, both of which reflect an increase of $0.03 cents sequentially and $0.22 cents vs. the same period a year ago.

And our EBITDA for the quarter was $3.5 million.

Duncan will fill you in on the details around these figures in just a few minutes.

So, let's now turn to the quarterly performance of our two operating segments along with some customer highlights, starting with EMS. In EMS, we continue to capture growth from our current customers while driving installed base diversification by securing new customers and broadening our geographic reach.

The Segment's traditional end markets remained strong, with automotive, consumer electronics and 5G all driving demand.

Specific to back-end semi, extremely strong customer demand continued through Q2 as customers worked to address chip shortages by procuring our products to expand and upgrade their production capacities.

Both bookings and revenue for the first half of the year represent one of the best 6-month periods for EMS. As we communicated last quarter, we shipped more manipulators in the first half of 2021 than were shipped in all of 2019 & 2020 combined. We see improved precision, higher levels of integration and a shift towards automation as the primary reasons for increased adoption of our solutions by new and existing customers.

Q2 EMS bookings remained strong finishing at $10.3 million, decreasing 2% sequentially off of a very strong Q1 and essentially tripling on a year-over-year basis. EMS continues to be successful penetrating new accounts. In addition, and perhaps more importantly, we are replacing incumbents at targeted accounts. Lastly, we are seeing our backlog stretch out further over time as our customers adapt to increasing industry lead-times.

Q2 EMS revenues of $9.1 million increased 6% sequentially and 138% year-over-year, which once again was a terrific performance - actually the highest in a dozen years for this business.

Let me now share with you some specific EMS highlights in the quarter.

The business shipped a prototype interface unit to a global semiconductor manufacturer for use in the development of next generation Ultra High-Definition automotive radar. This is an initial shipment that we expect will drive significant production orders in 2022 and 2023.

EMS also had multiple interface design wins against the competition at a multinational electronics and semiconductor manufacturer which could drive an additional $500,000 of growth per year at this account. The recurring themes around these wins are reliability, performance, and flexibility.

On the new products frontier at EMS, in the second quarter we delivered our initial production units of high voltage/high current test systems to one of the leaders in subassemblies for EV power management solutions. Volume orders are expected in either Q4 2021 or Q1 2022 from this account and they continue to work with a leading ATE manufacturer to standardize this product for more customers.

In the Quarter, EMS placed an LS-4 manipulator in the applications laboratory of a major ATE manufacturer. This is an example of our strategy to team up with complementary Test Equipment manufacturers to further advance sales of our automated manipulators.

From a new customer perspective, EMS made good progress penetrating a targeted strategic account in the Analog/Mixed Signal market as they received their first order for a docking solution in the quarter. It's great to finally get this door open, as this account had been a stronghold for their competitors.

A well-known maker of communications processing chips ordered $1.5 million of automation equipment for testing their 5G power management ICs. This is confirmation - in a big way - of our new success at this marquee customer.

Lastly, EMS also received their first orders from an OSAT in Thailand for their Cobal-250 manipulator and docking solutions.

So, to summarize, we are seeing solid evidence that our strategy to grow and win new business while penetrating adjacent verticals is indeed working.

Shifting now to our Thermal Segment which includes iTS and Ambrell.
Thermal bookings for the second quarter of $14.8 million were also comparable to Q1 and up 42% year-over-year. In the quarter, bookings exceeded shipments by $2 million. This growth was fueled by continued strength in the front-end semi and industrial markets, as well as automotive and defense/aero. In fact, our defense/aero bookings in the quarter were up 97% vs. Q1.

Q2 revenues for the segment of $12.8 million were up 15% sequentially and 35% year-over-year.

Diving deeper into the orders: Our Semi-lab market continues to be strong with bookings up greater than 20% sequentially from what was a relatively strong Q1. In the 2nd quarter they had 10 different back-end semi customers each ordered over $100,000, and we continue working with several semiconductor crystal manufacturers on new applications that could leverage our carbon-friendly induction heating solutions.

The Automotive / Electric Vehicle segment keeps expanding for our Thermal businesses as we continue to receive orders from OEMs and Integrators supplying the Auto Industry. During the quarter, Ambrell received another order from their large existing EV manufacturer which was just shy of $0.5 million bringing their total to approximately $900,000 for the first half of the year. They also continue to work with numerous EV OEMs and their sub-suppliers to develop induction heating solutions for their applications. They’ve already identified over $300,000 in new potential opportunities from our targeted marketing campaign that was initiated in the quarter.

iTS received a new blanket order for approximately $1.5 million in Thermonics chillers from a key Automotive OEM manufacturer of materials used in catalytic converters – this represents the largest single order in iTS company history. Units will ship in Q4 2021 and Q1 2022 and should lead to more in the longer term as they upgrade additional manufacturing lines over time.

Our service business has recovered from the pandemic driven low of 2020 as customers are now allowing visitors to the sites and our service team members are back to making in person service calls.

Our Thermal business strategies are, much like EMS, focusing on new products, growth applications and customers.

Relative to new products, Ambrell’s recently launched EKOHEAT® Compact Series and Compact Workheads for under 50 KW applications, have begun production shipments and represent broad offerings that inTEST can ship in volume relatively standard products. These two lines cover a large swath of applications and stand to become industry standards within their footprints and power ranges. And they will be expanding the Workhead line further in the coming months to extend power ranges.

From an iTS perspective, in a press release earlier this week we highlighted the success we had working with a strategic OEM partner in the cannabis space to develop a chiller solution that incorporates an ultra-low Thermonics® Chiller combined with a condensing chiller to precondition solvents in order to drive efficiency, increase capacity and lower costs. Working with C1D1 Labs, a recognized leader in providing extraction solutions, has been a good experience for our team and I’m looking forward to the success it will bring in the months and years ahead.

Now let me shift the discussion to our *Vision and Strategic Plan* along with the strategies we are driving to transform this business. As I have communicated, I plan to spend a portion of each quarterly conference call sharing a particular aspect of these core strategies along with our progress. On our Q1 call, I focused on Geographic & Market expansion. Today I want to discuss investments we are making in Talent and Culture across the organization. As I have indicated, ensuring the right people are in the right roles and empowering them to deliver results is critical to our success. Since joining, I believe we are making good strides towards building a winning team to drive execution of our strategy.

Among the investments we have made include realigning our proven, in-house leaders as well as invigorating our team by bringing in external talent to drive change. To date, we have strengthened our leadership teams in finance, sales, and R&D, providing inTEST with a best-in-class leadership team with industry experience and core commitments to achieving our strategic priorities.

Our most recent appointment, as you know, is our new CFO, Duncan Gilmour. Duncan is enhancing our financial discipline and operating efficiency and succeeds Hugh Regan, who retired from inTEST after 25 years of service. Duncan's strong financial acumen and public audit experience combined with proven P&L oversight skills are already having a positive impact on the Company.

We have strengthened our leadership team with a focus on R&D and product innovation within our EMS Segment with the appointment of Joe McManus as VP/General Manager of that business. Joe has extensive experience in driving organic growth of similar companies – with a focus on technology and product development – and has already added significant strength as we focus on organic growth opportunities.

We have also introduced a new pay-for-performance compensation plan to reward employees for meeting performance targets. We did this by changing our annual review from an inflation adjustment process to one that awards increases based on merit, achievement, and performance. In addition, a new performance management software system was implemented in Q1 of this year across the Company, which will be the cornerstone for talent development going forward.

In Q2 our shareholders approved the proposed Employee Stock Purchase Plan, which allows employees to share in the success of our Company. We intend to implement the plan in October of this year. In addition, the GMs have been given more control to reward and set priorities to drive growth, and each regional manager is now incentivized to bring in new accounts and increase our customer penetration levels with a focus on growth in targeted segments like EV and Cannabis extraction. I'm a strong believer that reward and ownership drives motivation; and I believe these changes will aid in keeping everyone focused and motivated to meet our targets. We will end up spending a bit more in compensation in the long run, but I see a disproportionate payoff in the top line growth and customer diversity as the real rewards.

Finally, in Q2 we conducted the first ever employee engagement survey across inTEST, and I was quite pleased with the level of optimism and support for the new Vision and forward direction of the company. The culture is indeed slowly changing.

While Duncan will review Q2 results and give our guidance for the third quarter in just a moment, I'd like to share with you my perspective on where we see things mid-way through the year. On all accounts, the first half of 2021 has been an exceptional year for the semiconductor industry, despite supply chain challenges. Equipment companies continue to experience substantial demand as global production capacities expand. As we enter the third quarter, we expect many of our larger customers will be focused on digesting the deliveries we (and others) have made to their test floors in the first half and therefore expect semi-related orders to moderate in the 2^{nd}. To be clear, we simply see this as a digestion period. Listen, COVID is not going away anytime soon, which will continue to drive consumer electronics, the 5G buildout is still in its early stages, technology advances are ongoing, and we believe the regional infrastructure buildouts that have been announced will drive further demand for our products. There are a lot of positives driving semi demand which we are well positioned to take full advantage of as they happen. Likewise, we are investing in multimarket growth opportunities, like EV, cannabis and the medical market. As a part of our growth plans, we have made investments in Sales, Marketing, R&D and Service since I joined the company, and more are planned. In Q3, we are experiencing more travel and are rejoining in-person trade shows, which will help drive topline. I like where the company is today, and I like the diversification plans we are executing.

I will now turn it over to Duncan to walk you through the details of our most recent quarter's performance and discuss our guidance for Q3. Duncan, over to you…

Duncan Gilmour, (inTEST Treasurer, CFO & Secretary)
Thanks, Nick. I'm delighted to be on board and look forward to meeting the investment community as we go forward. Our second quarter gross margin of 50% came in at the middle of our guidance range and was improved from the gross margin we reported for the first quarter. Our fixed manufacturing costs of $2.4 million were better absorbed at the higher net revenue levels in the second quarter, representing 11% of net revenues in Q2 compared to 13% in Q1. Our Q2 2021 component material costs were unchanged from the first quarter at 36.2%.

Selling expense grew 8% sequentially to $2.6 million in the second quarter, driven by increased commission expense on higher net revenue levels and to a lesser extent by increased salary & benefit costs associated with headcount investments.

Engineering and product development expense increased 3% sequentially to $1.4 million, primarily driven by headcount additions associated with growth investments as well as increased spending on product development.

General and administrative expense increased 19% sequentially to $3.8 million for the second quarter. Restructuring and other charges were $197,000 for the second quarter, up from $55,000 in the first quarter. Non-recurring costs were the primary driver of this $750,000 total increase. During the second quarter we incurred $424,000 of non-recurring costs, of which $347,000 related to the CFO transition and $77,000 were associated with our previously announced manufacturing consolidation of our EMS Products segment. The final integration of our EMS manufacturing operation has taken longer than originally anticipated, as a result of the significant increase in the business activity for this segment in the first half of 2021. During the second quarter, we delayed some integration activities and allocated our resources instead to meet customer demand for shipments of our products. We currently expect to complete the integration of the EMS manufacturing operations in the third quarter and expect to incur additional charges in the range of $50,000 to $100,000. Although the actions to complete the consolidation have been spread out over a longer period than originally planned, the total cost to complete the consolidation is currently estimated to be approximately $1.1 million as compared to $1.3 million which was our estimate of total costs when we undertook the actions during the fourth quarter of 2020.

In terms of recurring general & administrative costs, the main drivers of increase were higher levels of professional service fees associated with our various strategic initiatives and an increase in stock-based compensation expense reflecting a higher stock price at the time of the issuance of annual awards in March and April.

We accrued income tax expense of $447,000 in the second quarter, reflecting a 15% effective tax rate. This compares to $366,000 of income tax expense accrued in the first quarter, which reflected an effective tax rate of 14%. We expect that our effective tax rate in 2021 will range from 14% to 16%.

We had net earnings of $2.6 million or $0.24 per diluted share for the second quarter, compared to net earnings of 2.2 million or $0.21 per diluted share for the first quarter. As previously noted, our second quarter results included $424,000 in non-recurring charges, and when tax effected, these costs amounted to $362,000 or approximately $0.03 per diluted share. Our first quarter results included $55,000 in non-recurring charges, and when tax effected, these costs amounted to less than a penny per diluted share.

We have provided a summary of our non-recurring costs by quarter in the supplemental information posted to our website in connection with this call.

Diluted average shares outstanding were 10.8 million for the second quarter of 2021. During the quarter we issued 44,741 shares of restricted stock and had forfeitures of 18,125 shares of restricted stock. During the second quarter we saw 45,835 option shares exercised, which raised $285,000 in cash proceeds.

EBITDA increased to $3.5 million for the second quarter, up from $3.0 million reported for the first quarter.

Consolidated headcount at June 30th was 222, an increase of 14 staff from the level we had at March 31st. The increase was equally split between Thermal and EMS.

I’ll now turn to our balance sheet. Cash and cash equivalents increased by $4.4 million sequentially to $14.6 million. We generated $4.2 million of cash from operations during the second quarter. We currently expect cash and cash equivalents to increase throughout the balance of 2021 subject to any strategic investments we may choose to make. As mentioned in our call last quarter, in early April we increased our line of credit with M&T Bank from $7.5 million to $10.0 million and changed the facility from a 364-day facility to a committed 3-year facility that will mature on April 9, 2024. In connection with this change, the bank imposed a 15 basis-point non-usage fee.

Accounts receivable declined $655,000 or 5% sequentially to $12.8 million at June 30th, with 54 DSO (down from 62 DSO at March 31st).

Inventories grew $490,000 or 6% sequentially, to $8.7 million, primarily driven by raw material influx to support the increased Semi demand we are seeing.

Capital expenditures during the second quarter were $75,000, down from $388,000 in the first quarter. Included in the first quarter capital expenditures was $236,000 to complete the tenant improvements to our Mt Laurel, NJ facility related to the EMS consolidation.

As Nick noted, our backlog at June 30th was $20.4 million, up $3.3 million or 19% sequentially, with an increasing proportion stretching beyond the current quarter.

As to guidance, as noted in our earnings release, we expect that net revenues for the quarter ended September 30th, 2021 will be in the range of $20.5 million to $21.5 million and that our GAAP financial results will range from net earnings of $0.18 to $0.22 per diluted share. On a non-GAAP basis, we expect our adjusted net earnings per diluted share will range from $0.21 to $0.25. We currently expect that our third quarter gross margin will range from 49% to 51%.

Our guidance is based on the Company’s current views with respect to operating and market conditions and customers’ forecasts, which are subject to change; as well as our expectations for the balance of the quarter and are subject to any strategic investments we may choose to make. Actual results may differ materially as a result of, among other things, the factors described under “Forward-Looking Statements” found in the materials that accompany this conference call, including the press release, the Supplemental Information, and the deck.

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

Operator
We will take the first question from Mr. Jaeson Schmidt with Lake Street.

Jaeson Allen Min Schmidt Lake Street Capital Markets, LLC, Research Division
I just want to start with the supply chain. I just want to start with the supply chain. Curious if those challenges had any impact on Q2 revenue or if you anticipate any impact in Q3 here?

Nick Grant (inTEST President, CEO & Director)
So supply chain, as I mentioned in the pre-remarks, obviously, a challenge for our team. We're seeing daily push-outs, delays, and the teams have done a fantastic job, really working to bring up second sources, locate components needed to keep the production going. So didn't see a whole lot of shipments push out of the quarter due to supply chains in Q2, but those things continue to occur on a day-to-day basis, and we're managing as they arise. But so far, no big impact in Q2. Now with that, though, I would highlight, we have increased lead times on our products due to the lead time push-outs from our suppliers. So that is driving less book-to-bill within the quarter or book and ship in the quarter, if you will.

Jaeson Allen Min Schmidt Lake Street Capital Markets, LLC, Research Division
Okay. No, that's really helpful. And you mentioned some digestion here at some of your large customers in the second half. But just curious if -- what you've seen the first kind of 5 weeks of this quarter from an order standpoint?

Nick Grant (inTEST President, CEO & Director)
That is what I kind of highlighted in there, we are seeing where our Semi business is kind of slowing in the first part of this quarter just because of the high demand that they've taken. And the customers, we work very, very closely with, they tell us that this -- we've got to get these lines up and running and everything else before we can start with the next ones to go forward on that. So as we anticipated, Semi is moderating, and we're seeing some good activities in the Multimarket space out there. We've continued to make progress on the EV front and start of the quarter here. We've got another order in that space over $200,000 that came in, and we continue to drive our growth initiatives in those other areas.

Jaeson Allen Min Schmidt Lake Street Capital Markets, LLC, Research Division
Okay. And the last one for me, and I'll jump back into queue. You highlighted replacing some incumbents within your EMS business at some accounts. Just curious if you could share any color on what's really driving that? And what's really kind of getting you guys over the finish line at some of these customers?

Nick Grant (inTEST President, CEO & Director)
I think it's a combination of our technology, our teams' flexibility working with them to help solve their tester prober interface solutions and our ability to be able to ship still and perhaps better lead times than our competition out there. So we're meeting their needs and demands on multiple fronts.

Operator
The next question comes from Peter Wright from Intro-act.

Peter Wright (Intro-act) Research Analyst
Great. Congratulations on a fantastic first half of the year.

Nick Grant (inTEST President, CEO & Director)
Thanks, Peter.

Peter Wright (Intro-act) Research Analyst
My first question is on the backlog stretching comment. I understand, clearly, some of this is supply chain and transitory. But my question is, is there anything structural that you're doing, that might affect how you're managing backlog, whether it be on the service side or kind of the diversity of your product food chain going forward?

Nick Grant (inTEST President, CEO & Director)
Yes. On the structural side, I would just say, as I commented with Jason there. We are leveraging more of our second source suppliers than we -- our traditional single source ones that we've been using to support volumes. And so managing a broader supply base is a bit of a change. We have commented during the call relative to our consolidation kind of stretching out, that consolidation activity for EMS is wrapping up this quarter. And with that, there's a lot of inefficiencies of floor layout as you're trying to squeeze things in the space and when you're dealing with the volumes they've had there. So we'll continue to optimize our footprint layouts in our factories to support growth going forward on that from a structural standpoint. But service is bouncing back. Our teams are out visiting customers again. So that's a great change to have happening and our sales guys are doing the face-to-face calls at a much higher frequency than they've done in the past, and we started back in person trade shows. So really a lot of really positive changes happening in the third quarter here.

Duncan Gilmour, (inTEST Treasurer, CFO & Secretary)
I would also just add that with the whole global economy dealing with supply chain challenges, we are seeing some of our customers are actually ordering equipment much further in advance. So, there's a little bit of an impact there where we're seeing people order perhaps a couple of quarters in advance versus what they would typically do.

Nick Grant (inTEST President, CEO & Director)
Yes. No, that's a great point, Duncan. And that's a nice luxury to have that we can work with our supply chain and plan our manufacturing with these out quarter deliveries.

Peter Wright (Intro-act) Research Analyst
But that -- and so that's the heart of the question is, do you think that, that structural, do you think that, that's permanent or do you think that, that is more transitory related to kind of the short-term supply chain disruption?

Nick Grant (inTEST President, CEO & Director)
I would think it's more of the latter. As lead times return back to normal for products and other supply chains, they'll move back to more traditional approach in the business.

Peter Wright (Intro-act) Research Analyst
Fantastic. Two other things, caught my attention in your comments. The first one is on the leading ATE player for your auto manipulator. Can you help me understand what this means to your smart cell and is it kind of a bundled cell potential that is there? Is -- are they the end customer? Or are they more of a distribution partner? If you could add just a little bit of color there, that would be helpful. And then the other one that caught my attention was on the defense and aero side. Can you share the driver there? And is there anything that makes you feel that, that might be sustainable for the next couple of quarters as well?

Nick Grant (inTEST President, CEO & Director)
Yes. Thanks, Peter. So, on the LS8 manipulator, our automated manipulator. We're working diligently with our network -- our partners out here at the ATE test equipment manufacturers to try to get this visible to as many of their customers as possible and working to get these into their labs, their application labs that they have. So we've had success in Q2 penetrating one in the U.S. here, which basically all customers that come in to see their test equipment and demonstrated there. We'll have the opportunity to see our automated manipulator, working with those -- if the application supports that. So it's just keep driving more visibility and awareness and having our partners, not the end customers, but the test equipment manufacturers help to drive more adoption out there for us.

On the second part of the question, the -- I'm sorry, slipped on that one.

Peter Wright (Intro-act) Research Analyst
The defense/aero up 97% is the driver, something with visibility for…

Nick Grant (inTEST President, CEO & Director)
Sorry, Peter, thanks. The defense/aerospace, as I mentioned in Q1, we really saw a slowdown as things with the new administration coming in, getting tied up, getting through approvals and all that stuff. And that really kind of opened up in Q2 here, although a number of our projects that we've been working on and tracking are still waiting on final approvals, but we just saw a nice pickup of orders in Q2. And as Q3 represents the end of the fiscal year for that defense space, I expect that will continue here as folks work to spend the funds they have available this year and develop the new budgets for 2022.

Peter Wright (Intro-act) Research Analyst
Thank you and congratulations.

Nick Grant (inTEST President, CEO & Director)
Thanks, Peter.

Operator
We'll take the next question from Dick Ryan from Colliers.

Richard Allen Ryan Colliers Securities LLC, Research Division
Nick, back on the Semi side, Q3, a little bit of digestion. And then I think Duncan mentioned some of these customers are stretching out their orders beyond the current quarter. Can you maybe just high-level handicap, how you see the second half building from -- or comparing to the first half? I mean does that digestion period extend into Q4? Or do we start seeing semi coming back then?

Nick Grant (inTEST President, CEO & Director)
Great question, Dick. And as you know, we have much more visibility in the quarter versus the next, based on the activities. But what we know is for our customers to receive the equipment, get it installed, get the lines up and qualified, it's usually a two month period, working with them in that time frame. So it really depends on their -- how quickly they're able to bring the capacity up and online. If it can maintain in that 2 months, then there's a possibility Q4 bounces back. If it drags, given the number of projects that have been ongoing here in the first 2 quarters of the year into Q4, and it might be start of 2022 when things start really coming back. Because as I said, there's a lot of positives, there's a lot of demand drivers out there. And we really just see it as a resource constraint, so to speak, right now as they try to get their lines up and running.

Richard Allen Ryan Colliers Securities LLC, Research Division
Okay. You mentioned service that I think that's been a focus to increase that contribution going forward. What level is service at now? And where do you think you can take that contribution to?

Nick Grant (inTEST President, CEO & Director)
Yes. As I've highlighted, services is one of the growth areas that we've got to do better at. And in Q3, we actually saw it get back to approximately $1.5 million in the quarter, which is not the level that we want to end up here as we want to try to drive this service revenue closer to 20% of our overall business. But it is a bounce back to pre-COVID levels, if you will. In fact, the Q1 of 2020, where we were running before that. So it was difficult to do a number of our service initiatives during the COVID restrictions, travels and everything we want to try to do out there. So hopefully, now that's back up and running, we'll be able to put more focus on service growth.

Richard Allen Ryan Colliers Securities LLC, Research Division
Okay. Maybe a couple for Duncan. On OpEx, how should we look at OpEx for the second half of the year, Duncan?

Duncan Gilmour, (inTEST Treasurer, CFO & Secretary)
I mean I think as Nick talked about, and I touched on a little bit as well. We certainly will continue to invest in headcounts in selling and marketing, in particular, as well as kind of R&D engineering. So I would kind of anticipate that continued investment, perhaps mid- to high single-digit kind of increase in our kind of ongoing kind of spend in those categories. So building in a kind of drag on EPS, if you will, to factor that in, I think, it does make sense. We need to make sure we make these investments for the long-term kind of growth to deliver on the long-term growth strategies. We also will see spending on trade shows, marketing, creeping back up again as we get back out there as the world hopefully opens up a little bit. So really between the headcount investments and the trade show and marketing, I would expect to see that mid to low kind of single-digit kind of sequential quarter kind of increase in our spending rates.

Richard Allen Ryan Colliers Securities LLC, Research Division
Okay. And a housekeeping one. I don't know if I saw what stock-based comp was in the quarter?

Duncan Gilmour, (inTEST Treasurer, CFO & Secretary)
Yes. In the quarter, it was about $450,000, which was a little bit higher than the run rate. So there was a charge in there, tied to some modification of awards. So there's probably about $90,000 or so in there that is a non-recurring element of that.

Operator
The next question comes from George Melas from MKH Management.

George Melas-Kyriazi MKH Management Company, LLC
Congratulations on a remarkable quarter. I just have a question and it's sort of a general question on product developments and how do you think about it? And do you have some -- do you keep internally track? You have some metrics that would have percentage of revenue from products introduced in the last 2 years or 3 years? Or -- so that's sort of one part of the question. And the other one is product -- I mean, I look over the last 5 years and product development spend has gone up just a little bit on a regular basis. But I'm wondering whether you're actually planning to increase that more to sort of -- to drive into new markets?

Nick Grant (inTEST President, CEO & Director)
Yes. Great questions, George. And product development is an area that we absolutely plan to put more focus and more cost towards. Unfortunately, the way the businesses had been structured is the R&D teams and the engineering teams really support the day-to-day operations for a couple of the businesses, primarily iTS and EMS. In the sense that these are very more custom driven applications for specific challenges customers have relative to interface docking, even cooling ultra low-temperature refrigerations, et cetera. So engineering is quite often pulled off of the R&D initiatives to support day-to-day manufacturing. But this is an area that we're putting more investments and we've hired more resources in this area, and also leveraging outside resources to help drive innovation and product development at a faster pace. And I'm working with the businesses to implement a vitality index, which we'll be measuring each of the businesses for -- just as you said, a percent of new products on the sales going forward on that. And that is being defined and kind of captured out there. And it's a bit difficult when you're doing custom for everything, what we really defined as a new product. But as we move to more standard products, standard configurations, we'll be able to capture that at much cleaner. So more to come on that, and hopefully be able to share more at our November Analyst Day. Relative to the spend, we absolutely, as I mentioned, want to do more. And even though the dollars are up slightly, we're not spending at the pace that I would like or had planned here. We've got a number of investments in our growth initiatives in the second half that should pick up the spend there. Duncan, any comments on the spend piece?

Duncan Gilmour, (inTEST Treasurer, CFO & Secretary)
No, no. I mean, I think you're exactly right. We do intend, as we talked about, continuing to invest, both headcount and kind of other spend there. And then also just to echo your remarks on the reporting, I mean, looking into that stuff, tracking, reporting that stuff, demonstrating our success is definitely something we want to kind of look into and try to build more metrics around.

George Melas-Kyriazi MKH Management Company, LLC
Great. Great. I appreciate the color on that. It's not easy to define exactly what's new in the world to that customer end. Great. Thank you very much. Looking forward to the Analyst Day.

Nick Grant (inTEST President, CEO & Director)
Excellent, George. Thanks.

Operator
We'll take a follow-up question from Peter Wright from Intro-act.

Peter Wright (Intro-act) Research Analyst
A quick one. Your cash is running higher than I would have expected at the beginning of the year. Do you guys have kind of a target or guess as to where cash might be at the end of the year? And in light of that, any color that you're willing to share with us on the activity on the potential acquisition side or just activity there in general?

Duncan Gilmour, (inTEST Treasurer, CFO & Secretary)
I mean I can talk a little bit about cash, and then I'll kind of throw it over to Nick on the second part there. Yes, I mean, Q2 was a very strong cash quarter. I would expect Q3 to not be quite as strong, but still fairly strong, to be honest, with respect to converting income into cash. So I would expect our cash coffers to continue to grow over the course of the next couple of quarters here.

Nick Grant (inTEST President, CEO & Director)
Yes, absolutely. Thanks, Duncan. And then on the acquisition front, as I've communicated, a part of our strategy is strategic acquisitions and partnerships, and we are very active on that front out there. And nothing to report yet. But when the time is right, we'll be happy to share and communicate our activities in these areas.

Operator
It appears there are no further questions at this time. I'd now like to turn the call back to Mr. Nick Grant for closing remarks.

Nick Grant (inTEST President, CEO & Director)
Thank you for your interest in inTEST, everyone. We appreciate you listening in. I again want to thank the entire inTEST team for delivering another solid quarter. We are laser focused on capturing growth and driving investments which will position us well long-term. If you have further questions, don't hesitate to reach out to me, Duncan or Laura. We look forward to updating you on our progress when we report our results for the third quarter in early November and seeing you at the events Laura mentioned at the beginning. Stay safe and healthy.

Operator
Ladies and gentlemen, this concludes today's call. Thank you for your participation. You may now disconnect.

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