



inTEST Corporation

We're Not Just Semi...

We Make Things **HOT** and **COLD** Where It Matters

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President and CEO

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Treasurer and CFO

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Dougherty & Company

2019 Institutional Investor Conference

Forward-Looking Statements

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

Generally Accepted Accounting Principles

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

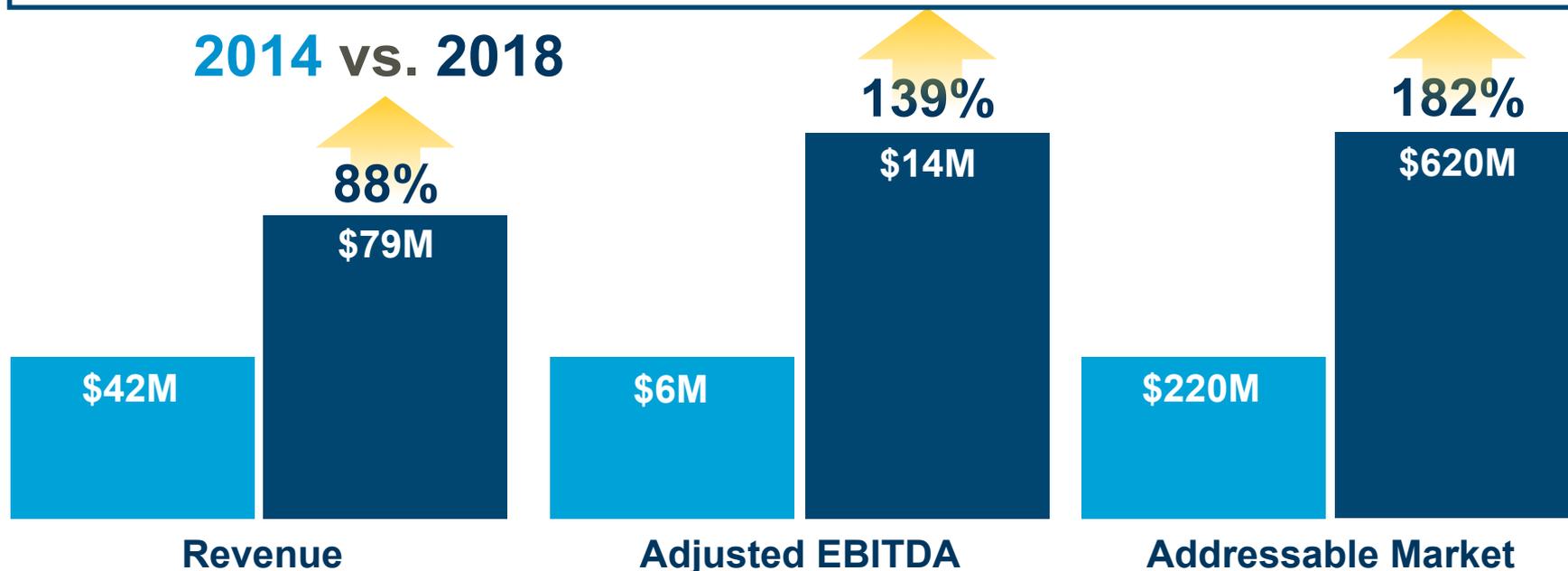
Enabling Technology to Multiple Markets

Global supplier precision-engineered solutions (manufacturing/test) – wide range of industries:
Automotive, Defense/Aerospace, Energy, Industrial, Semi, Telecommunications

Solve difficult thermal, mechanical and electronic challenges for customers worldwide
Temperature Forcing Systems | Low-temp Chillers | Induction Heating Systems
ATE Test Head Manipulators, Docking, and Interfaces

Semiconductors and Multi Markets Strategy

- Generate strong cash flow and profits
- Leverage operational excellence and acquisition experience to grow & increase shareholder value
- Maximize core businesses and add complementary businesses



inTEST at a Glance

2018 Performance

Orders

\$78.2M

Previous year
\$69.0M

Revenue

\$78.6M

Previous year
\$66.8M

Gross Margin

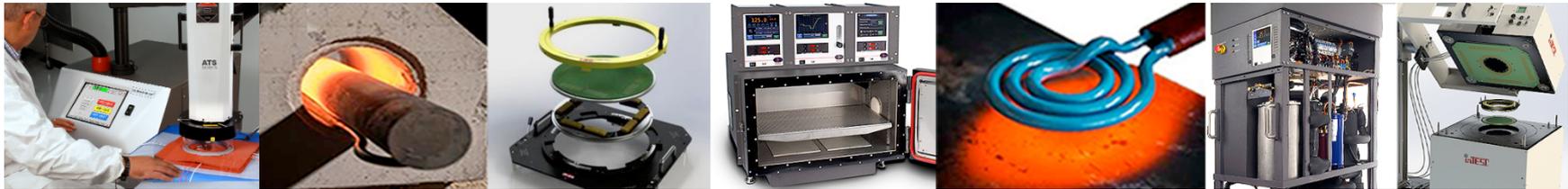
50%

Previous year
52%

Adj. EBITDA

\$13.8M

Previous year
\$13.6M



EPS GAAP

\$0.29

Previous year \$0.09

EPS Non-GAAP

\$1.06

Previous year \$0.88

Cash from Ops

\$11.0M

Previous year \$7.2M

Employees

226

Previous year 218

Investment Thesis: Long-Term Growth

Organic Growth Through Innovative Technologies

- Expansion from Back-End Test to Front-End Semi (CVD and Crystal Growth)
- Expanded Process Chillers offering to the chemical extraction market
- Custom products for aerospace test

Strategic Acquisitions / Expand Multi Markets

- Diversify served markets and reduce exposure to semiconductor cycle
- Increase scale
- Leverage ability for operational improvements to increase profitability of acquired businesses

Deliver Profitable Growth

- History of generating profits & cash, even during cyclical Semi downturns
- 9 consecutive years of profitability
- Highly leveraged P&L with no debt

Strategic Acquisition Criteria

Technical fit with thermal strategy

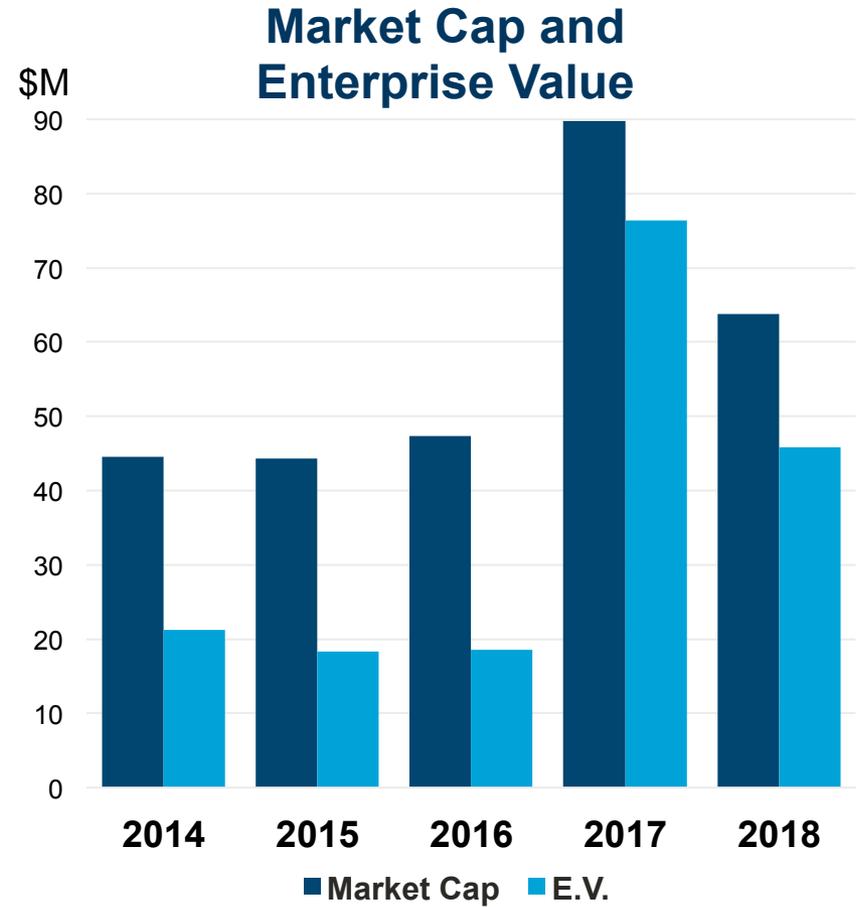
Multi-Market product for further diversification

Revenue Size: \$10M - \$50M

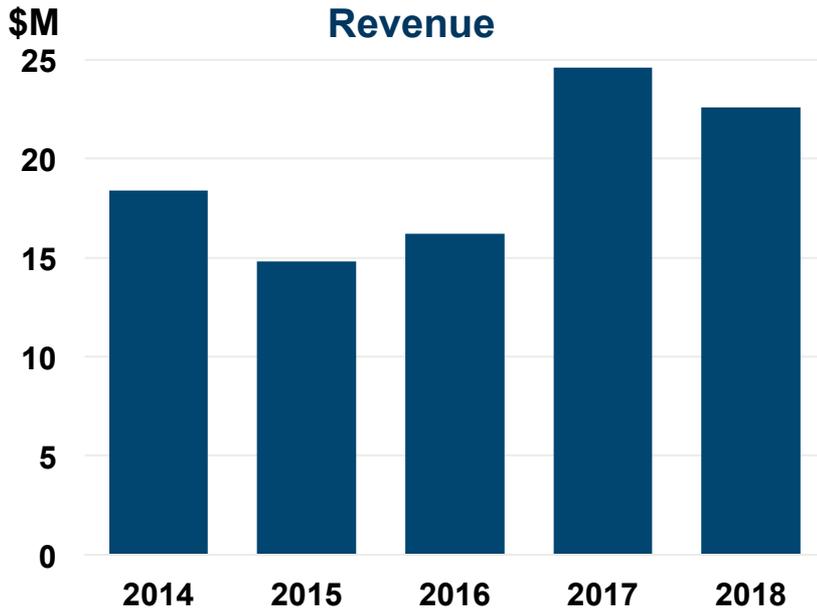
Growth potential

Operational synergies

Long-Term Solid Results

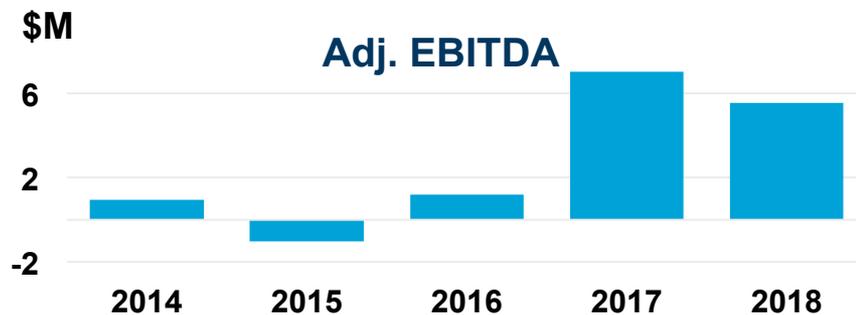


Maximize Businesses Optimized and Revitalized EMS



2016 Optimization

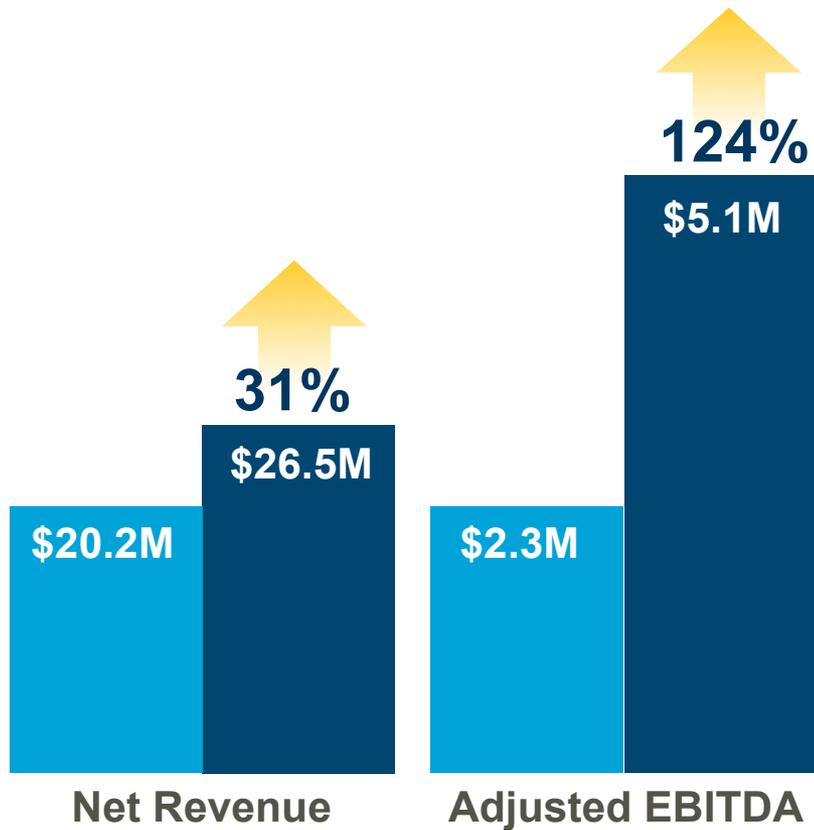
- Rationalized core product lines
- Cost-down/repriced manipulator line
- Streamlined manufacturing



Operational Excellence

Ambrell Acquisition

Run-Rate at Acquisition – 2018



Acquired May 2017

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

Thermal Segment

Brands



Products



Induction Heating

Application

Manufacturing Process

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

THERMONICS



Chillers

Semi Test and Manufacturing Process

Thermal Segment

Brands



Products



Thermo Stream™

Application

Semi and Non-Semi Test

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



Chambers and Plates

Non-Semi Test

EMS Segment – inTEST's Foundation

Products

Test Interfaces



Docking Systems



Manipulators



Application

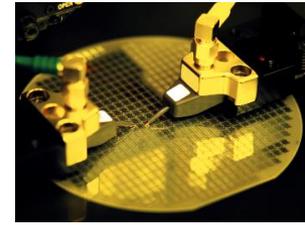
Providing high integrity signal path between DUT and tester

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

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

Serving Diverse Applications

Hardware to interface with testers to develop and test Semiconductors



Critical temperature testing to ensure reliability of infotainment electronics

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



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

Top 10 Customers: 38% of Sales

Semi

The logo for AIXTRON, featuring the word "AIXTRON" in a red, stylized, italicized font.The logo for ANALOG DEVICES, consisting of a black square with a white right-pointing triangle, followed by the words "ANALOG DEVICES" in a black, sans-serif font.The logo for Hakuto, featuring a black stylized 'H' shape above the word "Hakuto" in a black, sans-serif font.The logo for LPE S.p.A., featuring the letters "LPE" in a white, bold, sans-serif font inside a blue oval, with "S.p.A." in a smaller font below it.The logo for NXP, featuring the letters "NXP" in a bold, sans-serif font with a color gradient from yellow to green.The logo for STMicroelectronics, featuring the letters "ST" in a blue, stylized font above the word "STMicroelectronics" in a black, sans-serif font.The logo for Cohu, featuring a blue stylized 'C' shape above the word "Cohu" in a black, sans-serif font.The logo for TEXAS INSTRUMENTS, featuring a red outline of the state of Texas with the letters "ti" inside, followed by the words "TEXAS INSTRUMENTS" in a black, sans-serif font.

Non-Semi

The logo for EMERSON, featuring a blue and white stylized 'E' shape above the word "EMERSON" in a blue, sans-serif font.The logo for Hakuto, featuring a black stylized 'H' shape above the word "Hakuto" in a black, sans-serif font.The logo for Viasat, featuring the word "Viasat" in a dark blue, sans-serif font, followed by a stylized wave graphic in blue and green.

Blue-Chip Customer Base



Financial Overview



Operating Model

	2015	2016	2017	2018	2019 YTD
Gross Margin	48%	51%	52%	50%	48%
SG&A	31% ^a	31% ^a	30% ^a	29%	37% ^a
Eng. & Prod. Development	10%	9%	6%	6%	8%
Operating Margin	7% ^b	11% ^b	17% ^{bc}	15% ^c	3% ^b
Adj. EBITDA	9%	12%	19%	18%	6%

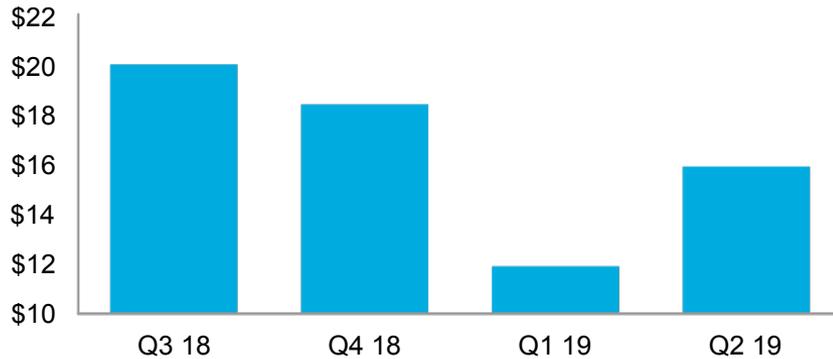
a. Includes due diligence and other acquisition related expenses: 2015 - \$329K; 2016 - \$510K; 2017 - \$905K ; 2019 - \$703K

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

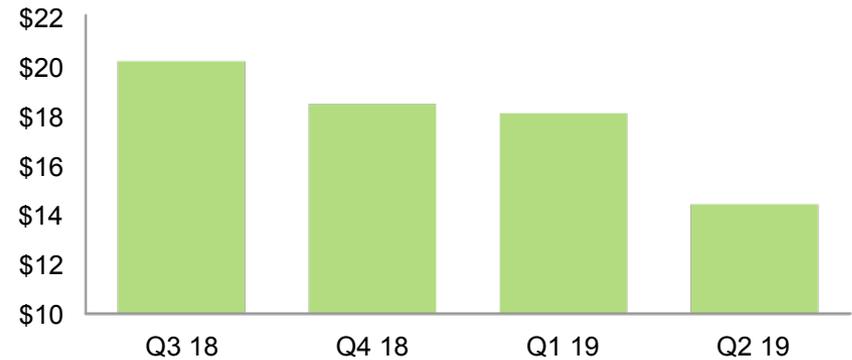
c. Adjusted for contingent consideration adjustment (related to earnout): \$7.0M (2017) and \$6.9M (2018)

Recent Financial Results

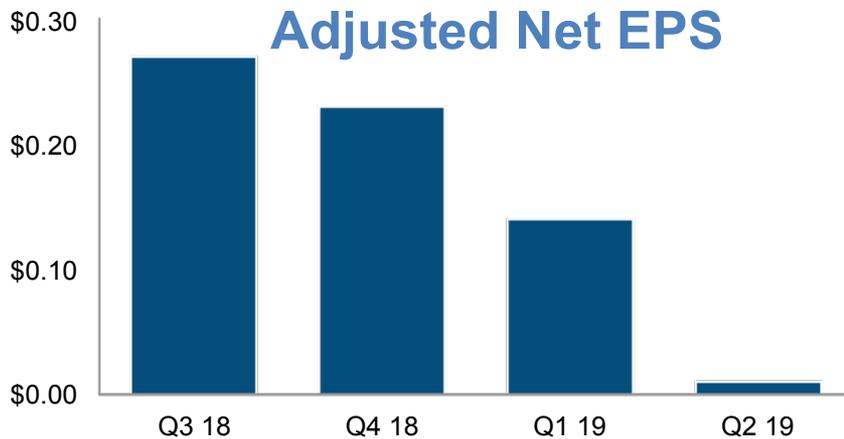
Orders



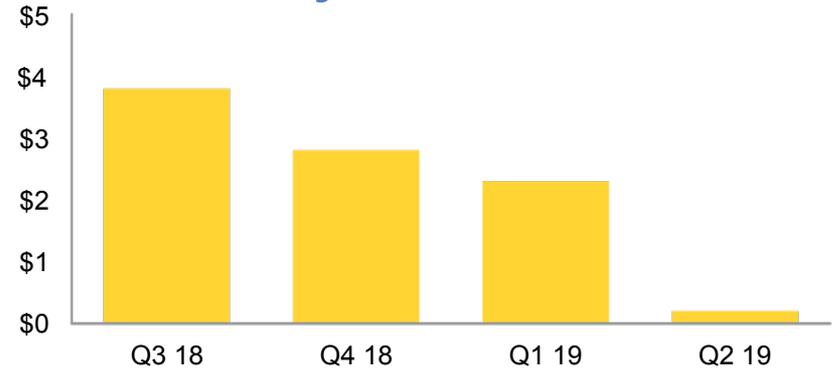
Net Revenues



Adjusted Net EPS



Adjusted EBITDA



Balance Sheet Highlights

	As of 06/30/2019
Cash and Cash Equivalents	\$7.6M
Working Capital	\$15.4M
Total Assets	\$60.8M
Long-Term Debt	0
Shareholder Equity	\$44.2M

Q3 2019 Guidance

Net Revenue	\$14.5M to \$15.5M
GAAP Net Earnings	\$0.02 to \$0.06 diluted EPS
Gross Margin	46% to 49%
Q4 2019	Up slightly compared to Q3 2019 guidance

“Beginning this quarter, we are referring to our business somewhat differently in order to more crisply define our historical roots in serving the inherently cyclical semi market and the many other large, more diversified and growing markets for our precision equipment. ***As the cornerstone of inTEST, the Semi Market is an important component of our business. Complementing this market is our ‘Non-Semi’ market, which will now be known as our ‘Multi Markets.’ ‘Multi Markets’ represents our diversification and refers to any markets other than the semi market.*** This stems from our strategic objective of growing our business in non-semi 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 ‘Multi,’ depending upon how our customers utilize our products or upon their respective applications.” (Quote from Q2 2019 Financial Results Press Release dated August 1, 2019)

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

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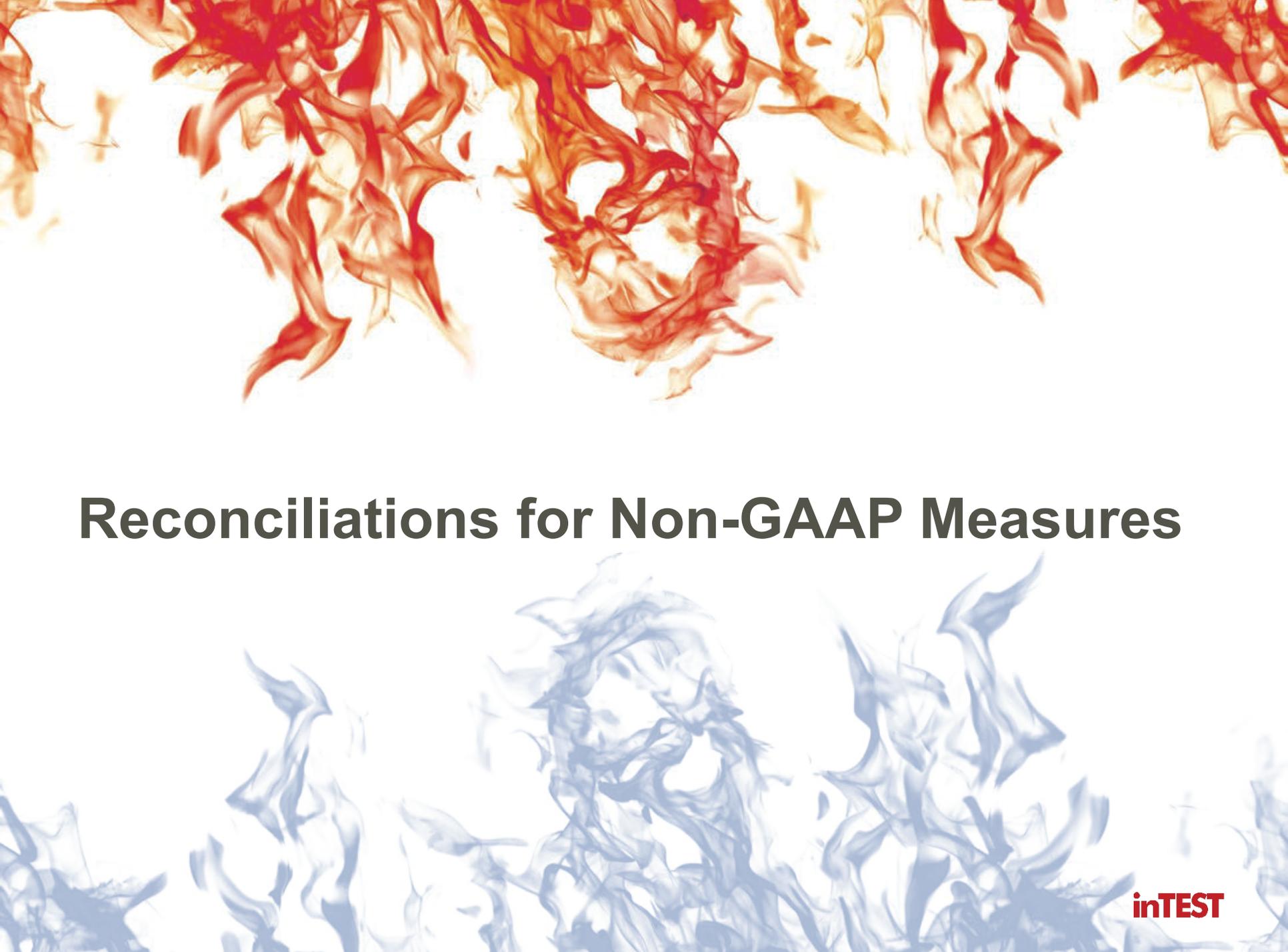
Investor Contacts

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The background of the slide features abstract, flowing patterns in orange and red at the top, and blue and white at the bottom, resembling smoke or liquid movement.

Reconciliations for Non-GAAP Measures

Reconciliations for Non-GAAP Measures

(Dollars in Thousands, except per share)

Consolidated Adjusted EBITDA	Years Ending December 31,					Six Months Ended
	2014	2015	2016	2017	2018	6/30/2019
Net income (GAAP)	3,439	1,861	2,658	975	3,037	951
Add back: Interest expense	(4)	(27)		0	2	0
Income tax expense	1,469	722	1,549	2,863	2,006	211
Depreciation expense	524	464	370	618	768	365
Amortization expense	355	289	229	1,161	1,102	632
EBITDA (Non-GAAP)	5,783	3,310	4,805	5,617	6,915	2,159
Add back: Acquisition related expenses		329		905		703
Restructuring expenses		21		100		175
Contingent consideration liability adjustment				6,976	6,901	
Adjusted EBITDA (Non-GAAP)	5,783	3,660	4,805	13,598	13,816	3,037

Reconciliations for Non-GAAP Measures

(Dollars in Thousands, except per share)

Consolidated Adjusted Net Earnings	Years Ending December 31		Quarters Ending			
	2017	2018	9/30/2018	12/31/2018	3/31/2019	6/30/2019
Net income (loss) (GAAP)	975	3,037	(566)	(792)	1,138	(187)
Add back: Acquired intangible amortization	1,161	1,103	323	317	317	315
Contingent consideration liability adjustment	6,976	6,901	3,057	2,828		
Tax adjustments	15	22	5	4	5	3
Adjusted net earnings (Non-GAAP)	9,127	11,063	2,819	2,357	1,450	125
Diluted average shares outstanding	10,339	10,382	10,397	10,396	10,414	10,425
Net income (loss) (GAAP)	\$ 0.094	\$ 0.293	\$ (0.054)	\$ (0.076)	\$ 0.109	\$ (0.020)
Add back: Acquired intangible amortization	0.112	0.106	0.031	0.030	0.030	0.030
Contingent consideration liability adjustment	0.675	0.660	0.294	0.272		
Tax adjustments	0.001	0.002	0.000	0.000	0.000	0.000
Adjusted net earnings (Non-GAAP)	\$ 0.883	\$ 1.061	\$ 0.271	\$ 0.227	\$ 0.140	\$ 0.01

Reconciliations for Non-GAAP Measures

(Dollars in Thousands, except per share)

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

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

The background features abstract, fluid, ink-like splatters. The top half is dominated by warm tones of orange and red, while the bottom half is dominated by cool tones of blue and purple. The splatters are organic and flowing, creating a sense of movement and depth.

inTEST Corporation