

# TRANSCAT®

Better by every measure.



NASDAQ: TRNS

www.TRANSCAT.com

Investor Fact Sheet

## Company Profile

Transcat, Inc. is a leading provider of accredited calibration, repair, inspection and compliance services including analytical instrument qualifications, equipment and process validation. Targeted industries include life science, biotechnology, medical device, pharmaceutical and other FDA-regulated industries, industrial manufacturing, energy and utilities, chemical manufacturing and other industries. Throughout its 18 strategically located centers of excellence in the United States, Canada and Puerto Rico, Transcat delivers precise services with reliable turn-around times. The breadth and depth of measurement parameters addressed by Transcat's ISO/IEC 17025 scopes of accreditation are believed to be among the best in the industry.

In addition, Transcat operates as a leading distributor of professional grade handheld test, measurement and control instrumentation. Through its distribution products segment, Transcat markets and distributes premier and propriety brand instruments to nearly 15,000 customers. The Company offers access to more than 25,000 test, measurement and control products.

Transcat's growth strategy is to expand its service and distribution platform comprised of a balanced suite of test products and analytical, calibration, compliance, and validation services. The goal is to deliver specialized technical services with a quality assurance approach, which maximizes document accuracy and on-time job delivery. Transcat answers the call with cGMP, GLP, and GXP compliant services. Transcat can provide life science companies with a reliable alternative service and product solution to the OEMs and to the "generalist" service providers who cannot meet the client's specialized needs.

## Service: Growth Opportunity

- Performs approximately 200,000 calibrations annually across 18 Calibration Centers of Excellence
- Market opportunity for companies requiring calibration and compliance services is estimated at over \$1.5 billion
- Provides an all encompassing outsource model for managing companies' calibration programs

## Distribution: Core Strength

- Markets and distributes more than 25,000 test and measurement instruments to nearly 15,000 customers
- Presence in growth industries provides \$700 million market opportunity
- At the forefront of buying behavior shift by increasing online presence through search engine optimization, marketing automation and pay per click advertising

## Investment Considerations

- Offers a wide breadth of products and services which can be leveraged for both sales opportunities and operating efficiency
- National brand name recognition and strong, credible management team with reputation for trust, honesty and reliability
- Strong balance sheet and cash flow
- Growing opportunity in life sciences, pharmaceutical and energy industries

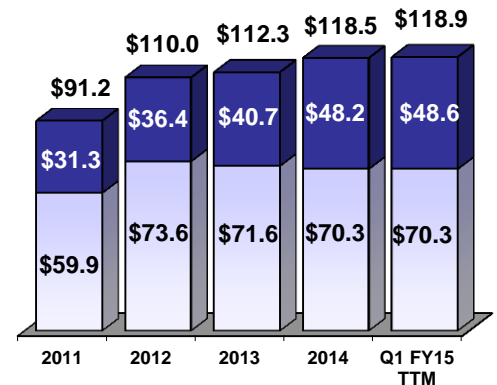
## Market Data (as of August 11, 2014) & Financial Highlights

Shares Outstanding (millions) .....	6.8	Price to Book .....	2.1x
Market Cap (millions) .....	\$61.2	Price to Earnings .....	20.3x
Avg. Daily Volume (3 mos).....	23.2k	Operating Margin (Q1 2014).....	2.6%
Recent Price.....	\$9.01	Net Margin (Q1 2014).....	1.5%
52-Week Range .....	\$7.24 – \$10.90	EPS (Q1 2014).....	\$0.06

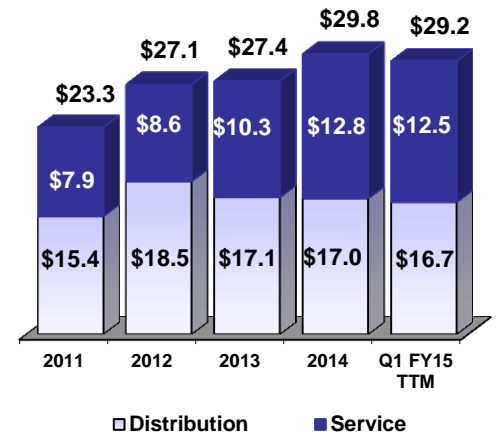
[Market Data Source: Bloomberg]

Q1 Fiscal Year 2015

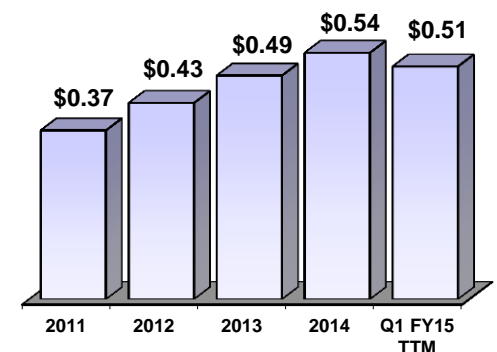
## Revenue (in millions)



## Gross Profit (in millions)



## Earnings per Share - diluted



## Investor Relations Contact

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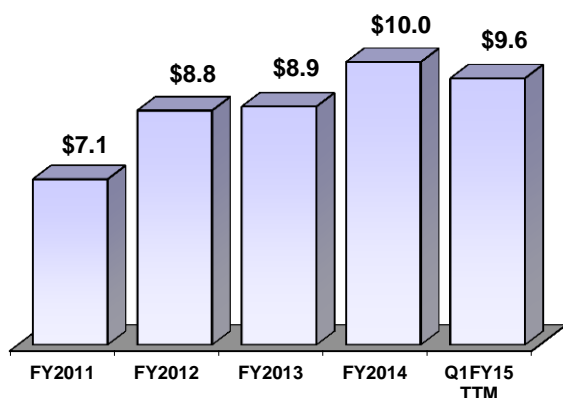
## Financial Highlights

(in thousands, except per share data)

	First Quarter Ended		Fiscal Year Ended		
	June 28, 2014	June 29, 2013	March 29, 2014	March 30, 2013	March 31, 2012
Service	\$ 12,138	\$ 11,739	\$ 48,184	\$ 40,655	\$ 36,406
Distribution	16,981	16,971	70,324	71,614	73,614
Total revenue	29,119	28,710	118,508	112,296	110,020
Total cost of products and services sold	22,450	21,496	88,718	84,892	82,896
Gross margin	22.9%	25.1%	25.1%	24.4%	24.7%
Total operating expenses	5,910	6,062	23,085	21,458	21,696
Operating margin	2.6%	4.0%	5.7%	5.3%	4.9%
Net Income	445	721	3,984	3,704	3,302
Earnings per share – diluted	\$ 0.06	\$ 0.09	\$ 0.54	\$ 0.49	\$ 0.43
Weighted average shares – diluted	7,025	7,691	7,357	7,592	7,651
	June 28, 2014	June 29, 2013	March 29, 2014	March 30, 2013	March 31, 2012
Cash	\$ 168	\$ 577	\$ 23	\$ 406	\$ 32
Other current assets	25,616	24,419	25,508	25,412	23,146
Non-current assets	28,784	28,693	28,343	29,229	21,799
Total assets	54,568	53,689	53,874	55,047	44,977
Current liabilities	10,321	10,363	13,857	13,327	13,053
Long-term debt	10,821	8,653	7,593	8,017	3,365
Other liabilities	2,574	2,136	2,341	2,053	1,181
Shareholders' equity	30,852	32,537	30,083	31,650	27,378
Total liabilities and shareholders' equity	\$ 54,568	\$ 53,689	\$ 53,874	\$ 55,047	\$ 44,977
Return on average assets	6.9%	8.3%	7.3%	7.4%	7.6%
Return on average equity	11.7%	13.5%	12.9%	12.5%	13.0%
Current ratio	2.5	2.4	1.8	1.9	1.8
Book value per share	\$4.39	\$4.23	\$ 4.09	\$ 4.17	\$ 3.58
Debt to total capital	26.0%	21.0%	20.2%	20.2%	10.9%
Cash flow from operations	\$ (2,414)	\$ (505)	\$ 7,612	\$ 5,241	\$ 6,259

## Adjusted EBITDA\*

(\$ in millions)



## Adjusted EBITDA Reconciliation (\$ in millions)

	2011	2012	2013	2014	Q1 FY2015 TTM
Operating Income	\$4.60	\$5.43	\$5.95	\$6.71	\$6.31
Other (Expense) /Income	-	(\$0.11)	(\$0.11)	(\$0.13)	(\$0.16)
Noncash Stock Comp	\$0.43	\$0.55	\$0.34	\$0.52	\$0.57
Depreciation & Amortization	\$2.05	\$2.90	\$2.70	\$2.95	\$2.85
<b>EBITDA*</b>	<b>\$7.08</b>	<b>\$8.82</b>	<b>\$8.88</b>	<b>\$10.05</b>	<b>\$9.57</b>

## First Quarter Fiscal Year 2014 Highlights

- Fiscal 2015 first quarter total revenue increased 1.4% to \$29.1 million from \$28.7 million in the first quarter of the prior fiscal year, driven by Service segment revenue growth of 3.4%. Distribution segment sales remained consistent with the first quarter of the prior fiscal year at \$17.0 million.
- Service segment Q1 FY2015 trailing 12-month operating income was up 7.6% over the prior year period.
- Net income for the first quarter was \$0.4 million, or \$0.06 per diluted share, compared with \$0.7 million, or \$0.09 per diluted share, in the prior-year period.
- During the first quarter of fiscal 2015, Transcat generated \$1.5 million of adjusted EBITDA (earnings before interest, taxes, depreciation and amortization). On a trailing 12-month basis, adjusted EBITDA was nearly 8% higher demonstrating the growth of this segment.
- As of June 28, 2014, the Company had \$9.2 million in availability under its \$20 million secured revolving credit facility and \$0.2 million in cash.
- Capital expenditures in the first three months of fiscal 2015 were \$0.7 million compared with \$0.4 million in the first three months of fiscal 2014, and were primarily for additional service capabilities and information technology.

\*The Company believes that when used in conjunction with GAAP measures, EBITDA, or earnings before interest, taxes, depreciation and amortization, which is a non-GAAP measure, allows investors to view its performance in a manner similar to the methods used by management and provides additional insight into its operating results.