



Company Profile

Transcat, Inc. is a leading provider of accredited calibration and compliance services, including analytical instrument qualifications, equipment and process validation. The Company is focused on providing best-in-class calibration analytics to highly regulated industries, including life science, aerospace, pharmaceuticals, medical device manufacturing and biotechnology. Transcat provides permanent and periodic on-site services, mobile calibration services and in-house services through 20 Calibration Service Centers strategically located across the United States, Puerto Rico and Canada. The breadth and depth of measurement parameters addressed by Transcat's ISO/IEC 17025 scopes of accreditation are believed to be the best in the industry.

Transcat also operates as a leading value-added distributor of professional grade handheld test, measurement and control instrumentation, marketing more than 100,000 premier and proprietary brand instruments to approximately 22,000 customers.

Transcat's growth strategy is to leverage its service capabilities, strong brand and leading distribution platform to drive organic sales growth and to expand its addressable calibration market through acquisitions and capability investments to further realize the inherent leverage of its business model.

Service: Growth Opportunity

- Market opportunity for companies requiring calibration and compliance services is estimated at over \$1.0 billion
- Provides an all-encompassing outsource model for managing companies' calibration programs
- Expanded geographic footprint and grew our service platform in the highly regulated life science and biomedical industries with the December 2015 acquisition of Spectrum Technologies, Inc.

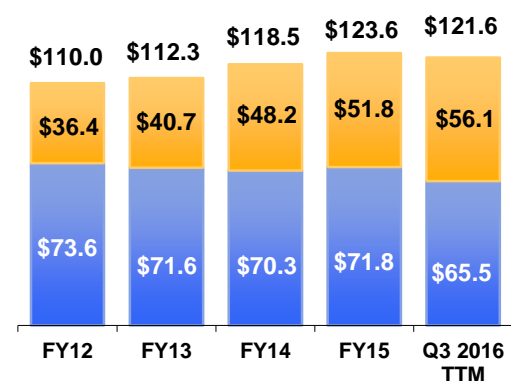
Distribution: Core Strength

- Markets and distributes more than 100,000 test and measurement instruments to nearly 22,000 customers
- At the forefront of buying behavior shift by increasing online presence through search engine optimization, marketing automation and pay per click advertising

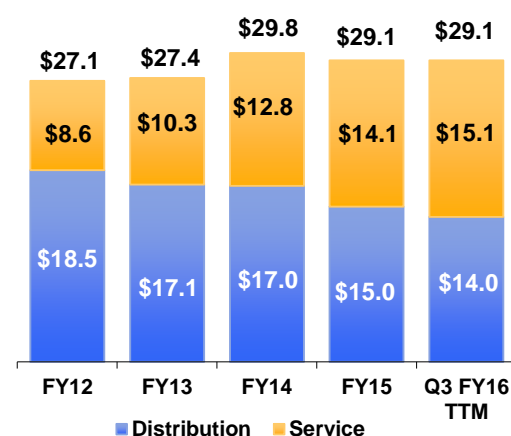
Investment Considerations

- 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
- Acquisition strategy focused on geographic expansion, increased capabilities, and bolt-on opportunities

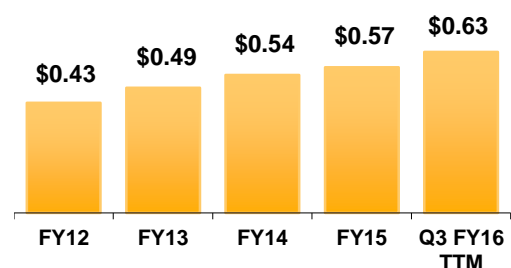
Revenue (in millions)



Gross Profit (in millions)



Earnings per Share - diluted



Market Data (as of March 29, 2016)

Shares Outstanding (millions)	6.9
Market Cap (millions)	\$70.0
Avg. Daily Volume (3 mos)	8.4k
Recent Price	\$10.13
52-Week Range	\$8.70 – \$10.50

[Source: Bloomberg]

Financial Highlights

Price to Book	1.9x
Price to Earnings	16.1x
Operating Margin (Q3 FY16 TTM)	5.9%
Net Margin (Q3 FY16 TTM)	3.7%
EPS (Q3 FY16 TTM)	\$0.63

Investor Relations Contact

Deborah Pawlowski
Kei Advisors LLC

716.843.3908

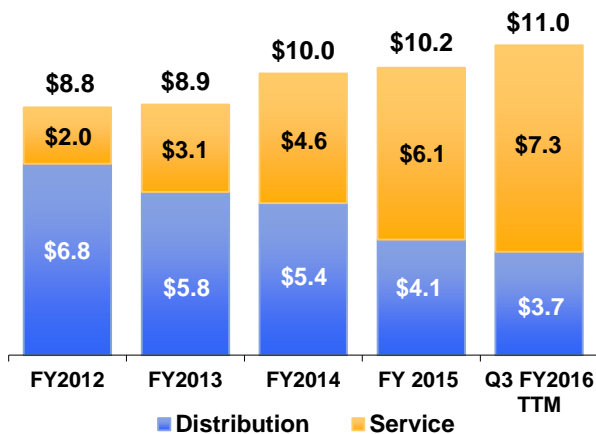
dpawlowski@keiadvisors.com

Financial Highlights

(in thousands, except per share data)

	Third Quarter Ended		Fiscal Year Ended		
	December 26, 2015	December 27, 2014	March 28, 2015	March 29, 2014	March 30, 2013
Service	\$ 13,922	\$ 12,603	\$ 51,801	\$ 48,184	\$ 40,655
Distribution	16,238	18,449	71,823	70,324	71,614
Total revenue	30,160	31,052	123,624	118,508	112,296
Total cost of revenue	23,382	24,058	94,537	88,718	84,892
Gross margin	22.5%	22.5%	23.5%	25.1%	24.4%
Total operating expenses	5,096	5,617	22,319	23,085	21,458
Operating margin	5.6%	4.4%	5.5%	5.7%	5.3%
Net Income	1,068	813	4,026	3,984	3,704
Earnings per share – diluted	\$ 0.15	\$ 0.11	\$ 0.57	\$ 0.54	\$ 0.49
Weighted average shares – diluted	7,137	7,081	7,059	7,357	7,592
Cash	\$ 152	\$ 19	\$ 65	\$ 23	\$ 406
Other current assets	24,130	25,964	27,077	25,508	25,412
Non-current assets	39,174	35,377	35,007	28,343	29,229
Total assets	63,456	61,360	62,149	53,874	55,047
Current liabilities	12,199	10,813	11,933	13,857	13,327
Long-term debt	10,538	14,837	12,168	7,593	8,017
Other liabilities	3,713	3,058	3,730	2,341	2,053
Shareholders' equity	37,006	32,652	34,318	30,083	31,650
Total liabilities and shareholders' equity	\$ 63,456	\$ 61,360	\$ 62,149	\$ 53,874	\$ 55,047
Return on average assets	7.1%	6.6%	6.9%	7.3%	7.4%
Return on average equity	12.8%	12.6%	12.5%	12.9%	12.5%
Current ratio	2.0	2.4	2.3	1.8	1.9
Book value per share	\$ 5.19	\$ 4.61	\$ 4.86	\$ 4.09	\$ 4.17
Debt to total capitalization	22.2%	31.2%	26.2%	20.2%	20.2%
Cash flow from operations	\$ 7,403	\$ 1,219	\$ 4,439	\$ 7,612	\$ 5,241

Adjusted EBITDA* (in millions)



* Adjusted EBITDA Reconciliation (in millions)

	FY2012	FY2013	FY2014	FY2015	Q3 FY2016 TTM
Operating Income	\$5.43	\$5.95	\$6.71	\$6.77	\$7.20
Other (Expense) /Income	(\$0.11)	(\$0.11)	(\$0.13)	(\$0.11)	(\$0.04)
Noncash Stock Comp	\$0.55	\$0.34	\$0.52	\$0.51	\$0.32
Depreciation & Amortization	\$2.90	\$2.70	\$2.95	\$3.09	\$3.53
Adjusted EBITDA*	\$8.82	\$8.88	\$10.05	\$10.25	\$11.01

* The Company believes that when used in conjunction with GAAP measures, Adjusted EBITDA, or earnings before interest, taxes, depreciation and amortization, other income and expenses, and noncash stock compensation expense, 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.

Third Quarter Fiscal Year 2016 Highlights

- Combined organic and acquisition-related revenue growth drove the Service segment revenue increase of 10.5%, or \$1.3 million, to a record third quarter of \$13.9 million.
- Distribution sales declined \$2.2 million, or 12.0%, to \$16.2 million in the third quarter, primarily due to market weakness in the oil and gas and related industries and weaker sales to customers impacted by the strength of the U.S. dollar.
- Total operating income increased 22.1%, or \$0.3 million, to \$1.7 million. Service segment operating income increased 42.2% to \$0.8 million, and segment operating margin expanded 120 basis points to 5.7%.
- Third quarter net income was \$1.1 million, a 31.4% increase over the prior-year period. Diluted earnings per share were \$0.15 and \$0.11, respectively.
- Cash generated by operations was \$7.4 million in the first nine months of fiscal 2016. The Company used cash to support organic and acquisition-related growth, including \$3.8 million in capital expenditures and \$2.9 million on acquisitions in the first nine months of fiscal 2016.
- On December 31, 2015, the Company acquired Spectrum Technologies, Inc. for \$10.1 million, excluding \$1.7 million of typical holdbacks expected to be paid in the fourth quarter of fiscal 2017.