

Q1
Fiscal 2017

Financial Results

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First Quarter Execution

Record consolidated and Service segment revenue

- Total revenue up 12% to \$33.1 million
- Service segment revenue of \$17.2 million
- 29th consecutive quarter of YOY revenue growth in Service segment
- Distribution stabilization: macro challenges nearly offset by organic growth initiatives and acquisition of Excalibur Engineering

Significant operating leverage

- Total operating income up 40% and net income up 39% on 12% revenue growth
- Service segment: 62% growth in operating income on 27% revenue increase

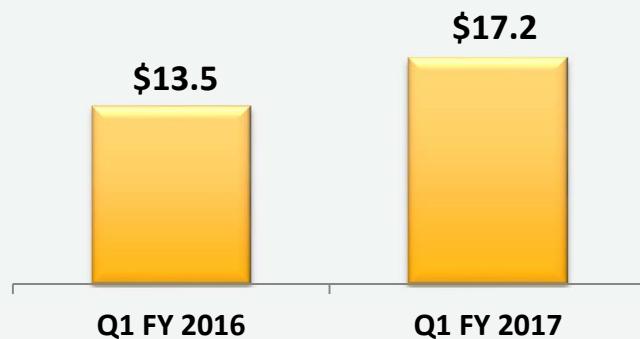
Stronger growth platform

- Excalibur expanded Southern California presence and Service and Distribution capabilities including RF/microwave and equipment rental/sale business
- Acquisitions accelerated revenue growth and strengthened organic growth platform

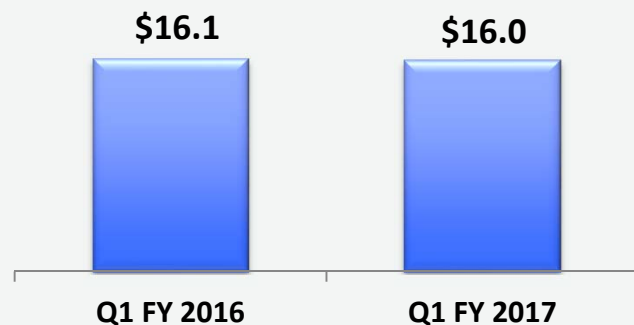
Revenue

(\$ in millions)

Q1 Service Segment

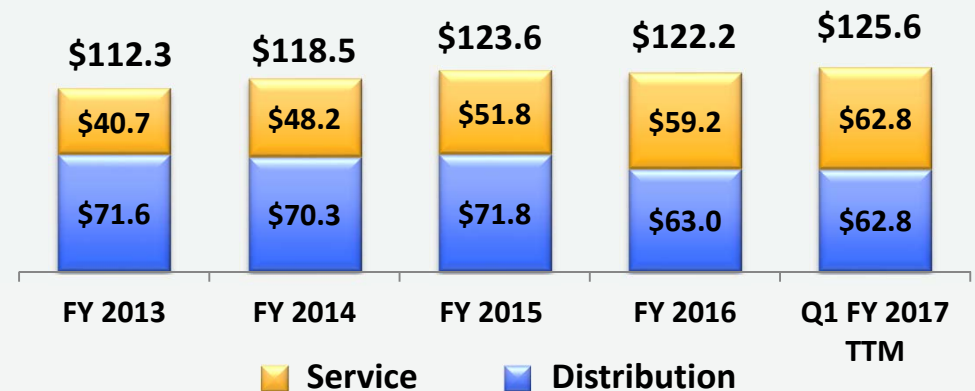


Q1 Distribution Segment



Consolidated – Annual

4% CAGR*



- Total revenue up nearly 12% to record \$33.1 million
- Strong Service segment performance and stable Distribution sales
- 14% CAGR for Service segment sales*

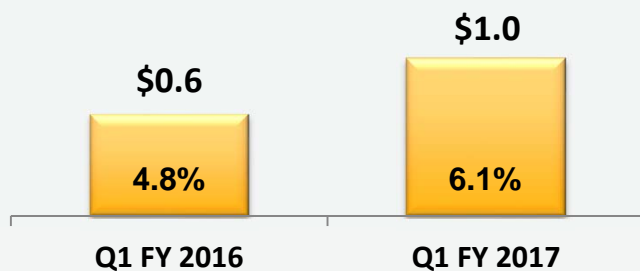
*FY 2013 – Q1 FY 2017 TTM

All figures are rounded to the nearest million. Therefore totals shown in graphs may not equal the sum of the segments.

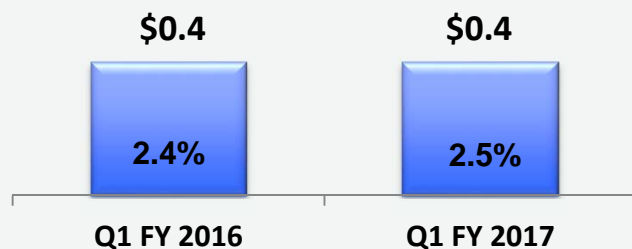
Operating Income and Margin

(\$ in millions)

Q1 Service Segment

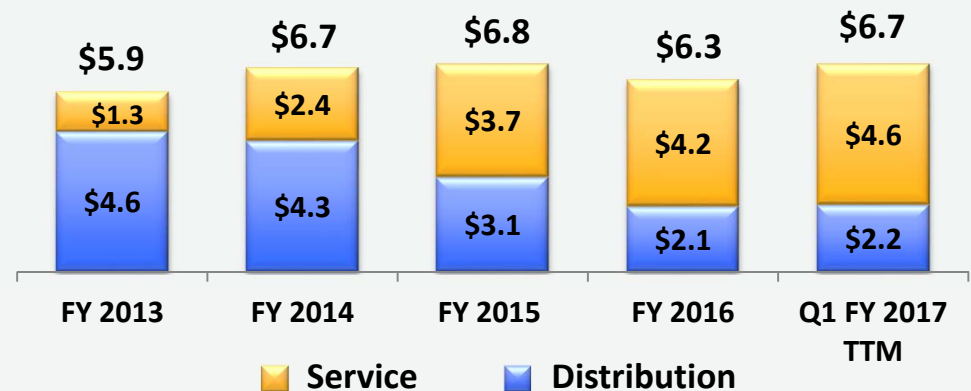


Q1 Distribution Segment



Consolidated – Annual

**4%
CAGR***



- Operating leverage driving Service operating margin expansion
- Distribution margin up 10 bps despite lower sales due to mix and cost control
- Total operating margin up 80 basis points to 4.3%

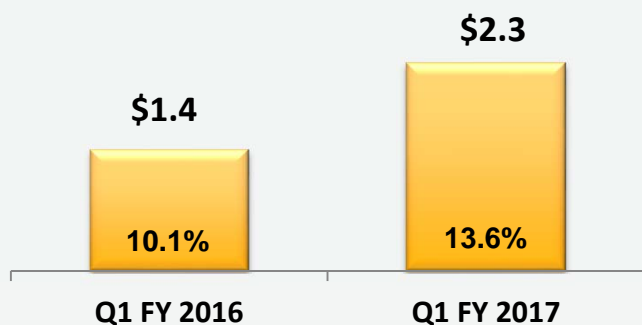
*FY 2013 – Q1 FY 2017 TTM

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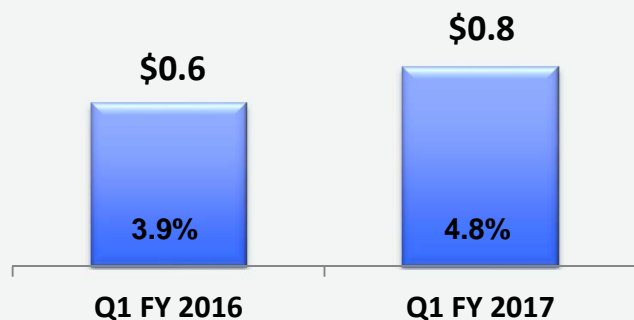
Adjusted EBITDA* and Margin

(\$ in millions)

Q1 Service Segment

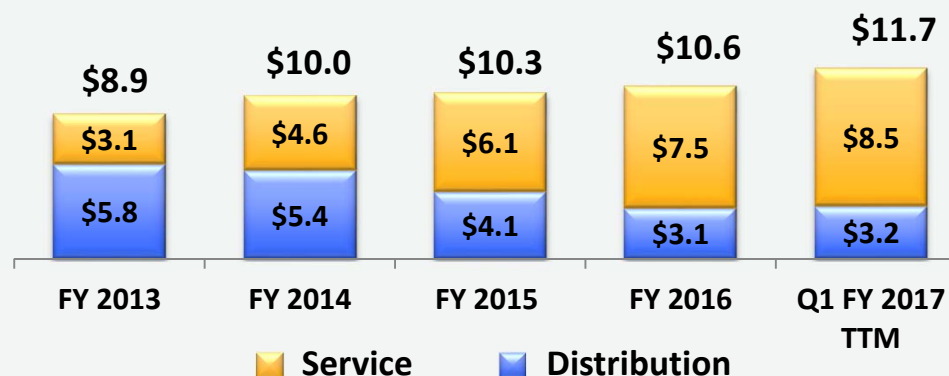


Q1 Distribution Segment



Consolidated – Annual

9%
CAGR**



- Total Adjusted EBITDA* up 56%
 - Service up 71%
 - Distribution up 22%
- 36% CAGR for Service segment**

* See supplemental slides for Adjusted EBITDA reconciliation and other important disclaimers regarding Adjusted EBITDA.

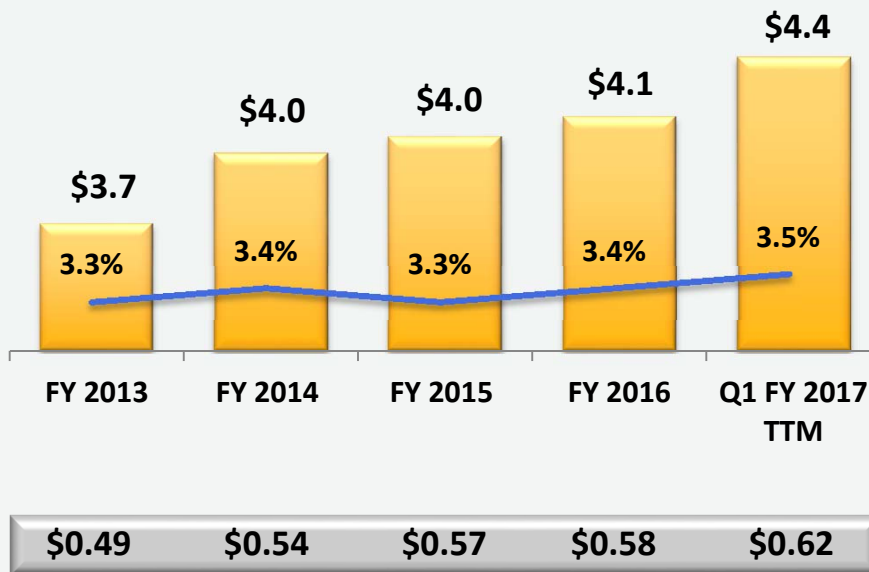
** FY 2013 – Q1 FY 2017 TTM

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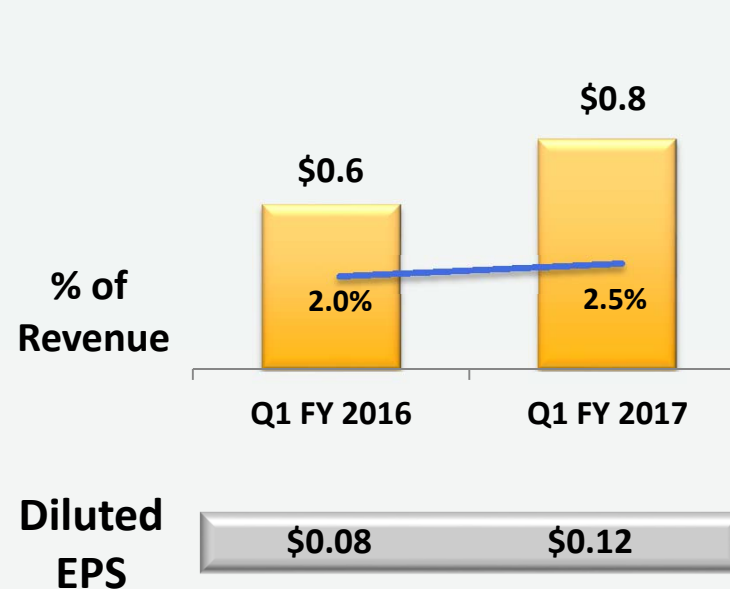
Net Income

(\$ in millions)

Annual Net Income



Quarterly Net Income



\$0.49 \$0.54 \$0.57 \$0.58 \$0.62

**Diluted
EPS**

\$0.08 \$0.12

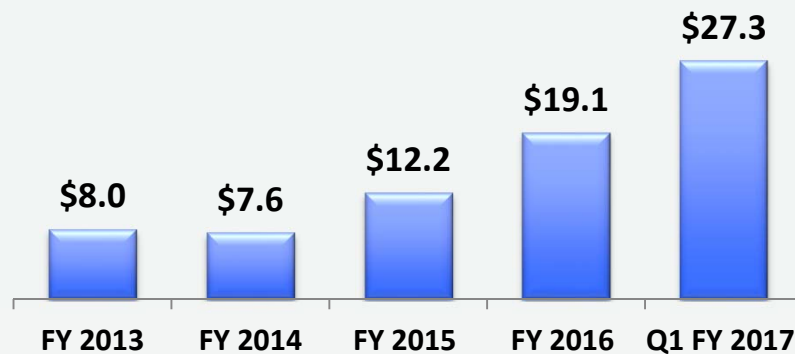
- First quarter net income up 39% on sales growth and disciplined cost control
- 5% CAGR for net income (FY 2013 – Q1 FY 2017 TTM)
- Expect tax rate to range between 34% and 36% in fiscal 2017*

* FY 2017 tax rate guidance provided as of July 26, 2016

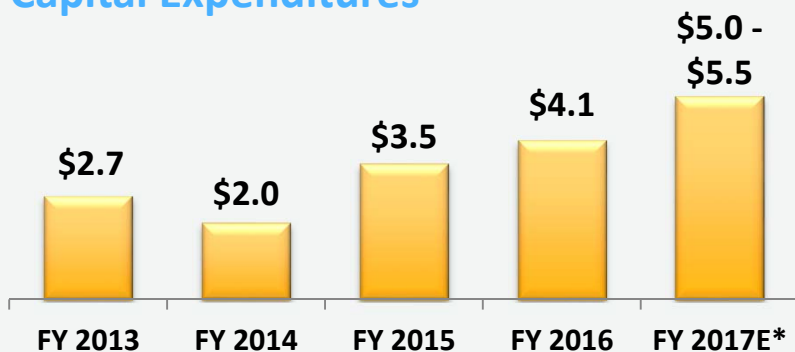
Balance Sheet Supports Growth Strategy

(\$ in millions)

Total Debt



Capital Expenditures



- Financial flexibility
 - Strong cash generation and new expanded credit facility
 - Funded Q1 FY17 Excalibur acquisition with term note
 - \$11.4 million available from credit facility
- FY 2017 CapEx
 - Assets for growing rental business
 - Lab capabilities/maintenance
 - Software/IT

* FY 2017 capital expenditure guidance provided as of July 26, 2016

FY 2017 Outlook*

- Reaffirm Double-digit Service segment revenue growth
 - Incremental sales from recent acquisitions
 - Expect strong organic growth
 - Achieve sales and cost synergies to drive operating leverage and margin expansion
 - Remain selective and disciplined in acquisition approach
- Continue to Stabilize Distribution segment
 - Feeling more positive but still face headwinds
 - Expand high margin rental business with boost from Excalibur
 - Leverage digital transformation
- Reaffirm CapEx spend of \$5.0 million to \$5.5 million

** Outlook provided as of July 26, 2016*

Upcoming Investor Relations Calendar

Mid August	Filing of Q1 FY 2017 Form 10-Q
August 30	IDEAS Midwest Investor Conference (Chicago)
September 7	Annual Meeting of Shareholders (Rochester)
Late October	Q2 FY 2017 Financial Results
November 1	Sidoti Emerging Growth Conference (NYC)



Supplemental Information

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Adjusted EBITDA Reconciliation

(\$ in thousands)

	<u>FY 2013</u>	<u>FY 2014</u>	<u>FY 2015</u>	<u>FY 2016</u>	<u>Q1 FY 2017 TTM</u>
Service Operating Income (loss)	\$ 1,311	\$ 2,379	\$ 3,693	\$ 4,155	\$ 4,553
+Depreciation & Amortization	1,740	2,144	2,362	3,216	3,783
+Other (Expense) / Income	(84)	(141)	(138)	(64)	(52)
+Noncash Stock Comp	150	230	224	171	166
Service Adjusted EBITDA	<u>\$ 3,117</u>	<u>\$ 4,612</u>	<u>\$ 6,141</u>	<u>\$ 7,478</u>	<u>\$ 8,450</u>
Distribution Operating Income	\$ 4,635	\$ 4,326	\$ 3,075	\$ 2,147	\$ 2,160
+Depreciation & Amortization	962	801	728	730	872
+Other (Expense) / Income	(27)	12	27	16	17
+Noncash Stock Comp	193	297	283	188	171
Distribution Adjusted EBITDA	<u>\$ 5,763</u>	<u>\$ 5,436</u>	<u>\$ 4,113</u>	<u>\$ 3,081</u>	<u>\$ 3,220</u>
Service	\$ 3,117	\$ 4,612	\$ 6,141	\$ 7,478	\$ 8,451
Distribution	\$ 5,763	\$ 5,436	\$ 4,113	\$ 3,081	\$ 3,220
Total Adjusted EBITDA	<u>\$ 8,880</u>	<u>\$ 10,048</u>	<u>\$ 10,254</u>	<u>\$ 10,559</u>	<u>\$ 11,670</u>

The Company believes that when used in conjunction with GAAP measures, Adjusted EBITDA, or earnings before interest, income 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. Adjusted EBITDA is not calculated through the application of GAAP and is not the required form of disclosure by the Securities and Exchange Commission. As such, it should not be considered as a substitute for the GAAP measure of net income and, therefore, should not be used in isolation of, but in conjunction with, the GAAP measure. The use of any non-GAAP measure may produce results that vary from the GAAP measure and may not be comparable to a similarly defined non-GAAP measure used by other companies.