



TRANSCAT®

INVESTOR PRESENTATION

February 2025

Safe Harbor Statement

This investor presentation may contain forward-looking statements within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended, and Section 27A of the Securities Act of 1933, as amended. All statements other than statements of historical fact are “forward-looking statements” for purposes of this investor presentation. In some cases, you can identify forward-looking statements by terminology such as “believe,” “expect,” “anticipate”, “could”, “may”, “would”, “strategy,” “estimates”, “target,” “will,” “project”, “potential”, “likely” and similar expressions and variations thereof.

Forward-looking statements are based largely on our current expectations and projections about future events and trends that we believe may affect our financial condition, results of operations, business strategy, short-term and long-term business operations and objectives and financial needs. These forward-looking statements are subject to a number of risks, uncertainties and assumptions, including those described in the “Risk Factors” section of the prospectus supplement and the accompanying prospectus and the documents incorporated by reference therein. Moreover, we operate in a competitive and rapidly changing environment, and new risks emerge from time to time. It is not possible for our management to predict all risks, nor can we assess the impact of all factors on our business. In light of these risks, uncertainties and assumptions, actual results could differ materially and adversely from those anticipated in the forward-looking statements. These statements reflect our current views as of the date of this investor presentation with respect to future events and are based on assumptions and subject to risks and uncertainties.

All written and verbal forward-looking statements attributable to us or any person acting on our behalf are expressly qualified in their entirety by the cautionary statements contained or referred to in this disclaimer, the prospectus supplement, and the accompanying prospectus. We caution investors not to rely too heavily on the forward-looking statements we make or that are made on our behalf. We undertake no obligation to update publicly any forward-looking statements for any reason after the date of this investor presentation to conform these statements to actual results or to changes in our expectations, except as required by law.

Before you invest, you should carefully read the preliminary prospectus supplement and the accompanying prospectus, together with the information incorporated by reference therein, and other documents the Company has filed with the SEC for more complete information about the Company and this offering. You may obtain a copy of the preliminary prospectus supplement and accompanying prospectus, when available, and the other documents for free by visiting EDGAR on the SEC’s website at www.sec.gov. Alternatively, you may obtain a copy of the preliminary prospectus supplement and accompanying prospectus, when available, by contacting Oppenheimer & Co. Inc., Attention: Syndicate Prospectus Department, 85 Broad Street, 26th Floor, New York, NY 10004, or by telephone at (212) 667-8055, or by email at EquityProspectus@opco.com.

Non-GAAP Disclaimer:

This presentation includes “Non-GAAP financial measures” as that term is defined in Regulation G. Further discussion regarding our use of Non-GAAP financial measures, as well as the most directly comparable GAAP (accounting principles generally accepted in the United States) financial measures and information reconciling these Non-GAAP financial measures to our financial results prepared in accordance with GAAP, are included at the end of this presentation. These non-GAAP measures are presented as supplemental information and reconciled to the appropriate GAAP measures at the end of this presentation. The non-GAAP financial measures presented may be determined or calculated differently by other companies. The non-GAAP financial information presented should not be unduly relied upon.

A Leader in the Calibration Service Market, Provider of Cost, Control & Optimization Services and Value-add Distributor of Test, Measurement & Control Instrumentation

- ✓ Service segment, consisting of high levels of recurring revenue streams, is our primary growth engine
- ✓ Distribution segment, including expanding Rental business, differentiates with cross-segment synergies, provides economic diversification and customer finance flexibility
- ✓ Complementary segments serving highly regulated, high cost of failure and mission critical industries with a premium offering
- ✓ Blue-chip client base encompassing a diverse set of industries
- ✓ NEXA Cost, Control and Optimization Services provides access to markets that did not exist to Transcat prior to the acquisition
- ✓ Track record of successful acquisitions, which are expected to expand addressable markets, geography and capabilities
- ✓ Proven, experienced leadership team in place to support next level of growth and beyond

Seasoned Executive Management Team



Lee D. Rudow
President & Chief Executive Officer and Director

- 33+ years of experience in calibration, distribution and software services
- Demonstrated ability to accelerate growth at companies
- Previously, VP at SIMCO Electronics and President and CEO at Davis Calibration, Inc. and Davis Inotek Corp



Thomas Barbato
Chief Financial Officer & Treasurer

- 20+ years of corporate finance experience in electronics and manufacturing services companies
- Previously, CFO of IEC Electronics Corp. and held various positions at Xerox, most recently VP of Finance



Michael W. West
Chief Operating Officer

- 15+ years of experience in B2B distribution marketing and consulting
- Previously, VP of Distribution & Marketing at Transcat and principal owner of QuestCom Inc., a marketing and advertising firm

QuestCom Inc.



Theresa A. Conroy
Senior Vice President of Human Resources

- 25+ years of experience in labor, employment and human resources law
- Previously, Partner at Harter Secrest & Emery LLP



Marcy Bosley
Vice President of Sales

- 19+ years of experience in the calibration industry
- Previously, Senior Director of Sales at Transcat and VP of Sales at SIMCO Electronics, prior to leaving in 2019



Company Overview

Industry leading provider of mission critical, accredited calibration services and equipment



FOUNDED IN 1964
OVER 59 YEARS
OF INDUSTRY
EXPERIENCE



NASDAQ:TRNS
PUBLICLY-TRADED
COMMERCIAL
CALIBRATION LAB



DISTRIBUTOR AND
RENTAL OF TEST
AND MEASUREMENT
EQUIPMENT



FOOTPRINT AND
SCALE TO
SERVICE LARGE
NATIONAL
OPPORTUNITIES



28 COMMERCIAL
LABS
ACCREDITED TO
ISO/IEC 17025:2017



TRANSAT
UNIVERSITY -
BUILD-A-TECH



NEXA COST,
CONTROL AND
OPTIMIZATION
SERVICES



60 CONSECUTIVE
QUARTERS OF YOY
SERVICE REVENUE
GROWTH

Key Customers



13%
Total YOY
Revenue
Growth (FY'23)



19%
YOY Service
Revenue
Growth (FY'23)



11%
YOY Organic
Service
Revenue
Growth (Q1
FY'24)



33%
Service Gross
Margin (Q1
FY'24)



66% / 34%
Service /
Distribution
Revenue Split
(Q1 FY'24)

CALIBRATED
BY TRANSAT

Building a Services Engine

History

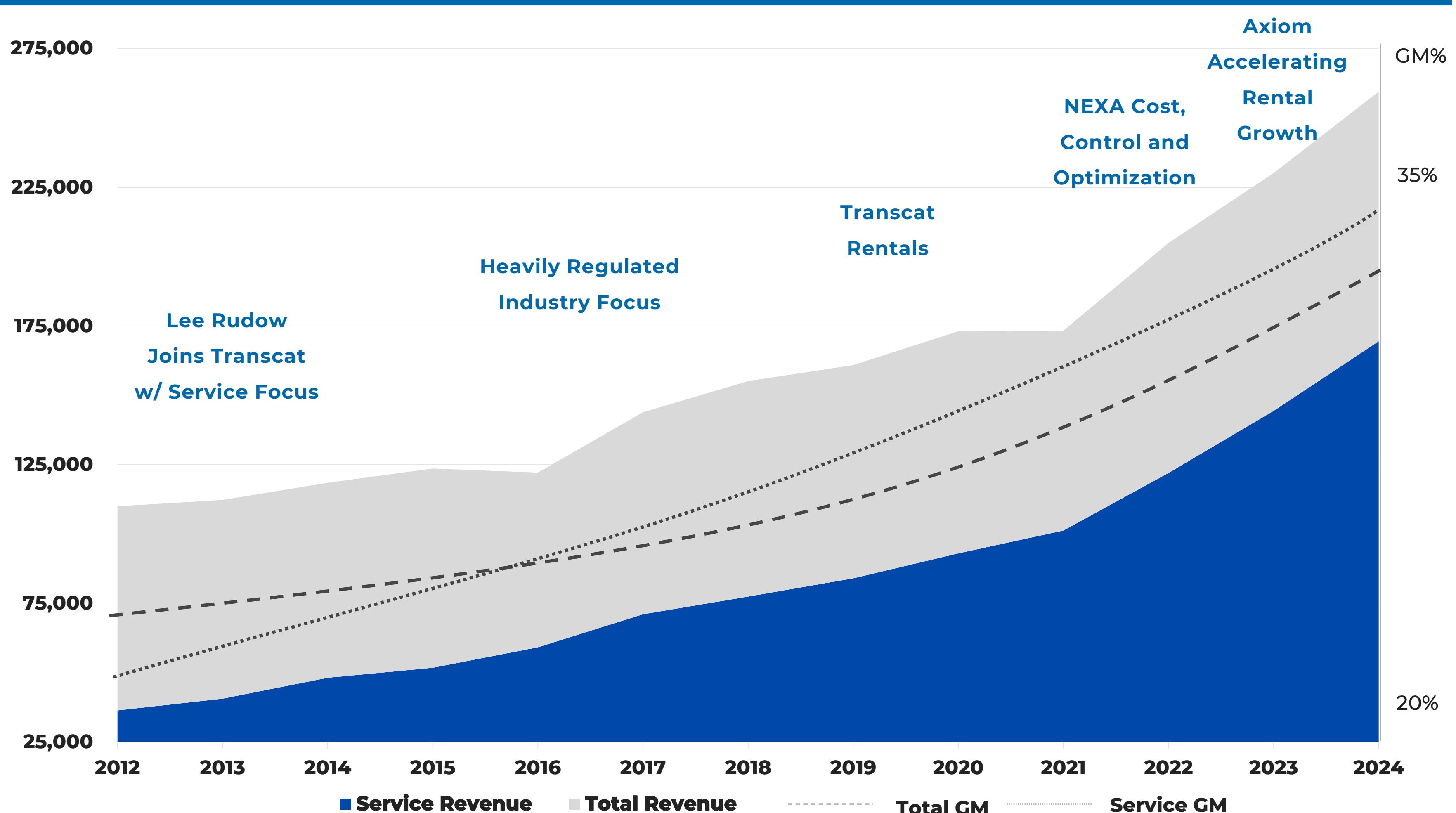
Transmation
1964-1982
Manufacturing

TRANSCAT®
1982-2005
Distribution

CALIBRATED BY TRANSCAT®
2005-Present
Services

NEXA
ENTERPRISE ASSET MANAGEMENT
2021-Present
Cost, Control & Optimization Services

61 Consecutive Quarters of YOY Service Revenue Growth



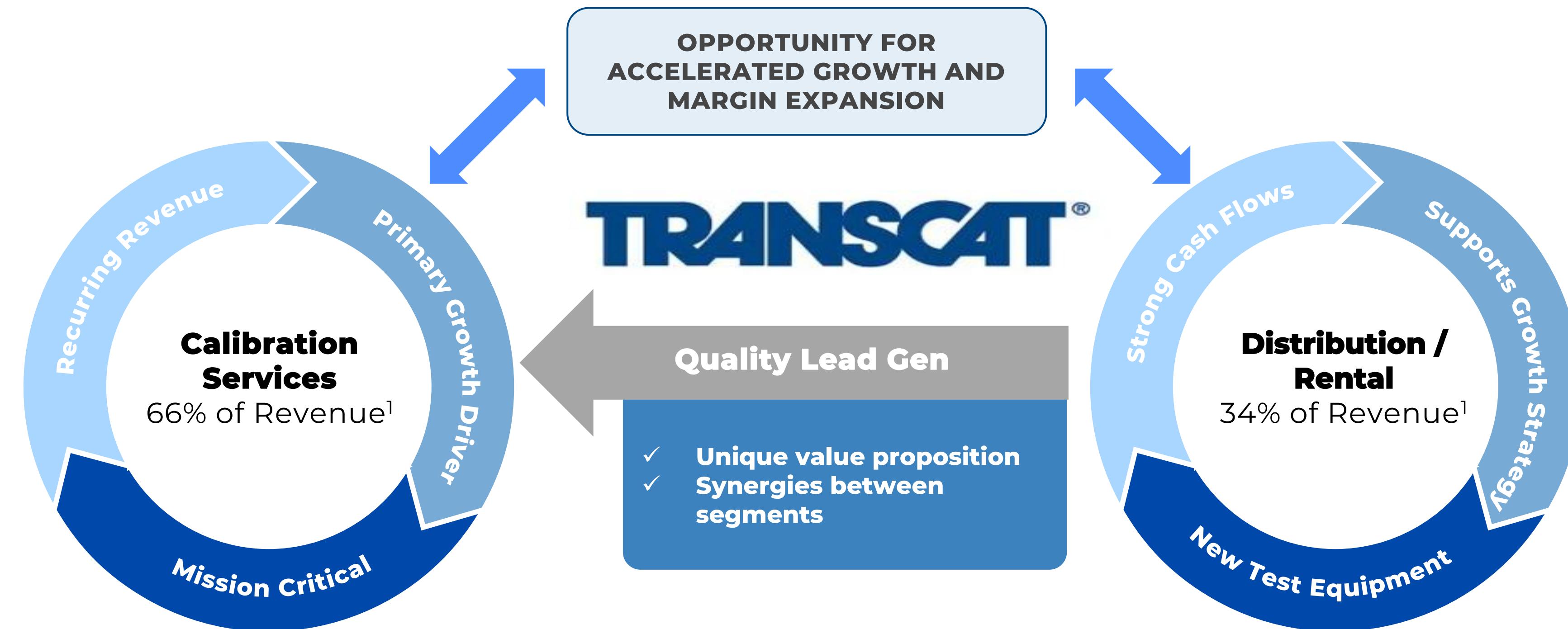
Service Segment: Consistent Performance and Growth

	Fiscal Year												
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Service Revenue	\$ 36.4	\$ 40.7	\$ 48.2	\$ 51.8	\$ 59.2	\$ 71.1	\$ 77.4	\$ 84.0	\$ 93.0	\$ 101.3	\$ 122.0	\$ 144.9	\$ 169.5
Service GM%	23.7%	25.3%	26.6%	27.2%	26.3%	26.8%	25.7%	24.9%	25.3%	30.3%	31.9%	32.2%	33.8%
Service Op Income	\$ (0.2)	\$ 1.3	\$ 2.4	\$ 3.7	\$ 4.2	\$ 4.8	\$ 5.2	\$ 5.2	\$ 5.7	\$ 10.4	\$ 10.8	\$ 11.4	\$ 15.0
Service Adjusted EBITDA	\$ 2.0	↗											\$ 27.8

¹ Service Adjusted EBITDA is a non-GAAP financial measure. See further information in the presentation regarding this measure and a reconciliation to the most directly comparable GAAP measure

Complementary Business Segments

Strong cross-selling opportunities from distribution to calibration services



- ✓ **Approx. 18% service revenue growth, approx. 11% organic growth**
- ✓ **Driven by regulation and high cost of failure, life sciences focus**
- ✓ **Strong operating leverage**

- ✓ **Flat revenue growth with improving gross margins**
- ✓ **Focused growth in higher margin rental business**
- ✓ **Generates calibration services leads**

1. As of Q1 FY 2024 TTM Revenue Ended June 24, 2023.

1. As of Q1 FY 2024, Revenue Ended June 24, 2023.

Competitive Landscape and Differentiators

Calibration Industry – Competitive Landscape

5 National Players

Transcat

Trescal

Tektronics

Simco Electronics

Applied Technical Services (ATS)

Numerous Regional Players (\$5m to \$30m in Annual Revenue)

Hundreds of Other Players (Highly Fragmented (\$500K to \$5M)

Industry Attributes

Recurring Service
Revenue Streams

Growing Service
Market

Driven by
Regulation and
High Cost of Failure



Differentiators = Premium Priced Service



Distribution and Rental a Source of Service Leads and Cash Flow

NEXA Cost, Control and Optimization Services

Highly Regulated Life Science Target Market

Acquisitions to Expand Addressable Markets, Geography and Capabilities

Footprint and Transcat scale to University - Service Large National Opportunities

Footprint and Transcat scale to University - Service Large National Opportunities

Strategic, Regulated Vertical Markets

- **Provider of premium, mission critical services to regulated, high cost of failure industries that require long qualification cycles**
- **High switching costs deeply entrench customers on Transcat service platform; high barrier to entry that results in recurring, higher margin revenue**



Life Sciences

Pharmaceuticals and Medical Device

Regulating Bodies: FDA, WHO, ICH



Aerospace

R & D / manufacturer of flight vehicles

Regulating Bodies: DOD, FAA, NASA, EPA



Government / Defense

Military / Missile Defense

Regulating Bodies: FDA, OSHA, CPSC, DOD, FTC, FCC, EEOC, FDIC

Double-Digit Service Growth Drivers



**New Business
Current Customers**
(Leverage NEXA)



**New Business
New Customers**
(Leverage NEXA)



**Grow NEXA Current
& New Customers**
(Expanded Market)



**Grow Pipette
Business**
(Expanded Market)



Acquisitions Expand
Geographic Footprint,
Capabilities, Markets



**Execute Sales
Synergies on
Acquired Companies**



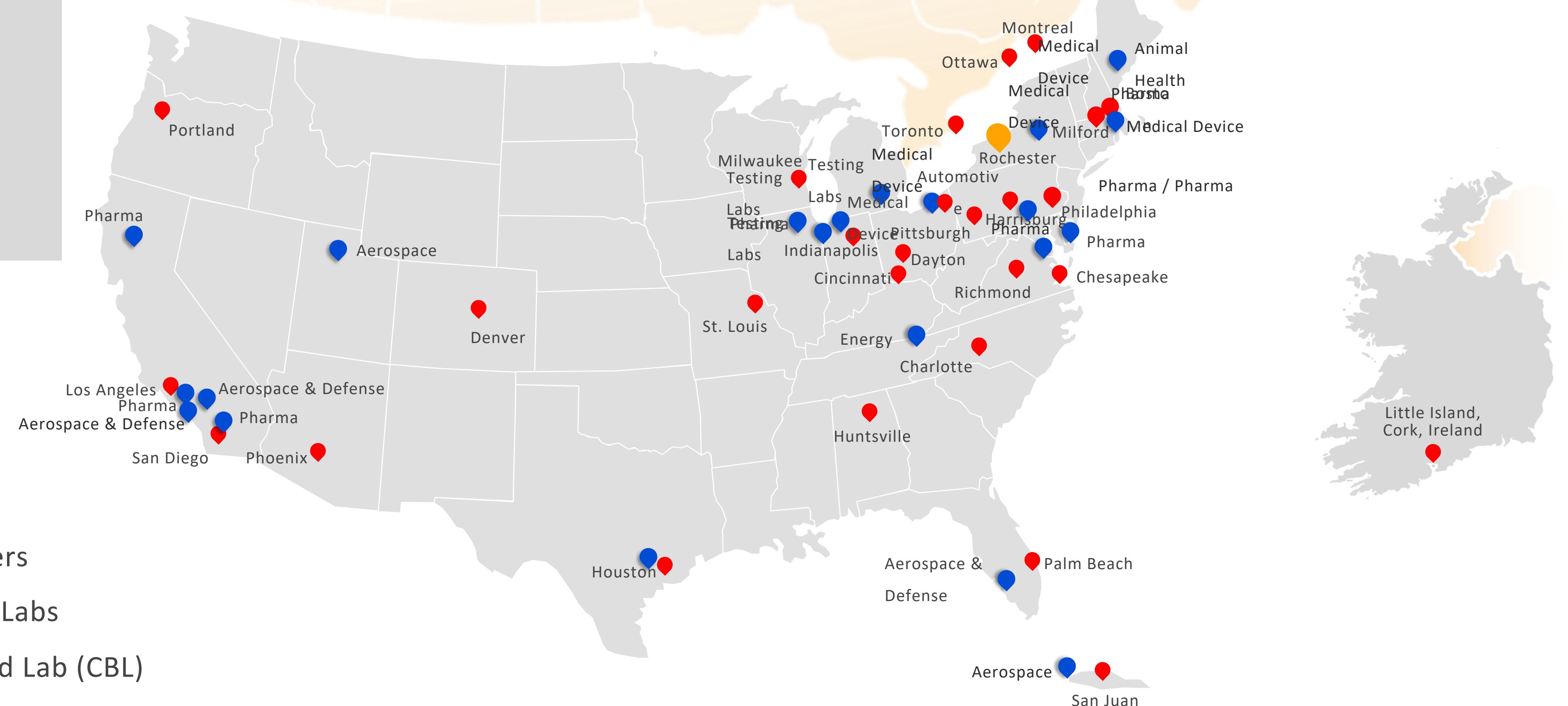
Strong Customer Retention

50 Locations Serving the U.S., Canada, Ireland and Puerto Rico

Flexible Service Delivery

Options:

- ✓ Client-based lab
- ✓ Periodic on-site
- ✓ Mobile
- ✓ In-house
- ✓ Pickup & Delivery



Broad and Diverse Blue Chip Customer Base

**Servicing the Fortune 500
Manufacturers:**

Pharmaceuticals

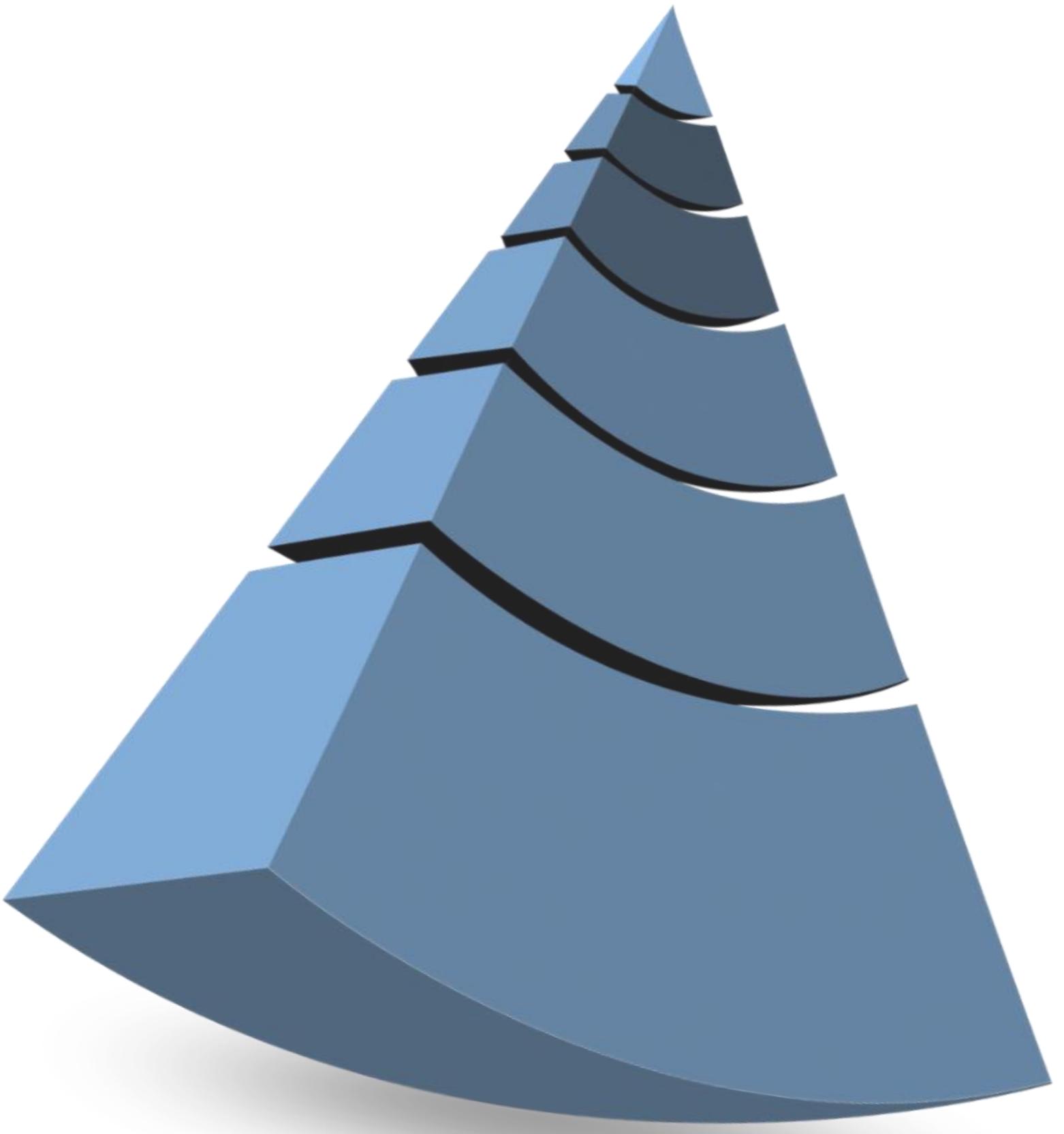
Medical Devices:

Orthopedics
Endoscopy
Surgical Tools

Defense Systems

Aerospace

Uranium Processing / Storage



Percentage of Service Revenue *

4% Other

5% Energy/Utilities

**7% Services/Consumer
Goods**

8% Aerospace/Defense

16% Industrial/Materials

**60% Life Science /
FDA-regulated**



Recent Acquisition Drivers

Year	Target	Geographic Expansion	Increased Capabilities and Expertise	Leveraged Infrastructure (Bolt-on)
FY24	a x i o m	✓	✓	
FY24	STERIQUAL		✓	✓
FY24	TICMS		✓	✓
FY23	e2b calibration	✓	✓	
FY22	ALLIANCE CALIBRATION A TRANSCAT Company	✓		✓
FY22	TANGENT LABS A TRANSCAT Company	✓	✓	
FY22	NEXA ENTERPRISE ASSET MANAGEMENT	✓	✓	
FY21	BIOTEK SERVICES, INC		✓	✓
FY21	tte laboratories™	✓		

Acquisition and Integration Differentiators

Transcat's Proven Integration Process Drives Consistent Long-Term Value Capture and Returns

Diligence and Decision Making

Disciplined approach with high emphasis on cultural fit

Strategic checklist and assessment process

Expertise and experience

Consistent decision making

Acquirer of Choice

Sellers consistently chose Transcat, often at a lower price

Transcat has reputation for treating acquired employees fairly

Cultural sensitivity around integration

Synergy Capture

Leveraging Transcat's broad capabilities and brand to accelerate top-line growth (sales synergy)

Marketing expertise

Reduction of outsourcing by leveraging Transcat full scope of services (cost synergy)

Track Record of Success

20+ acquisitions over the last 10 years, with remarkable success

Martin Calibration – Expanding Presence in Upper Midwest



NEWS RELEASE

Transcat, Inc. • 35 Vantage Point Drive • Rochester, NY 14624 • 585-352-7777

IMMEDIATE RELEASE

Transcat acquires Martin Calibration Inc.'s 7 labs, Expanding Midwest Service presence, including Minneapolis

ROCHESTER, NY, December 10, 2024 – Transcat, Inc. (Nasdaq: TRNS) ("Transcat" or the "Company"), a leading provider of accredited calibration services, cost control and optimization services, and distribution and rental of value-added professional grade handheld test, measurement, and control instrumentation, announced that it has acquired privately-held Martin Calibration Inc. (Martin), effective December 10, 2024. The \$79 million purchase price was paid in combination of \$69 million in cash and \$10 million in Company stock and is subject to certain customary adjustment and holdback provisions.

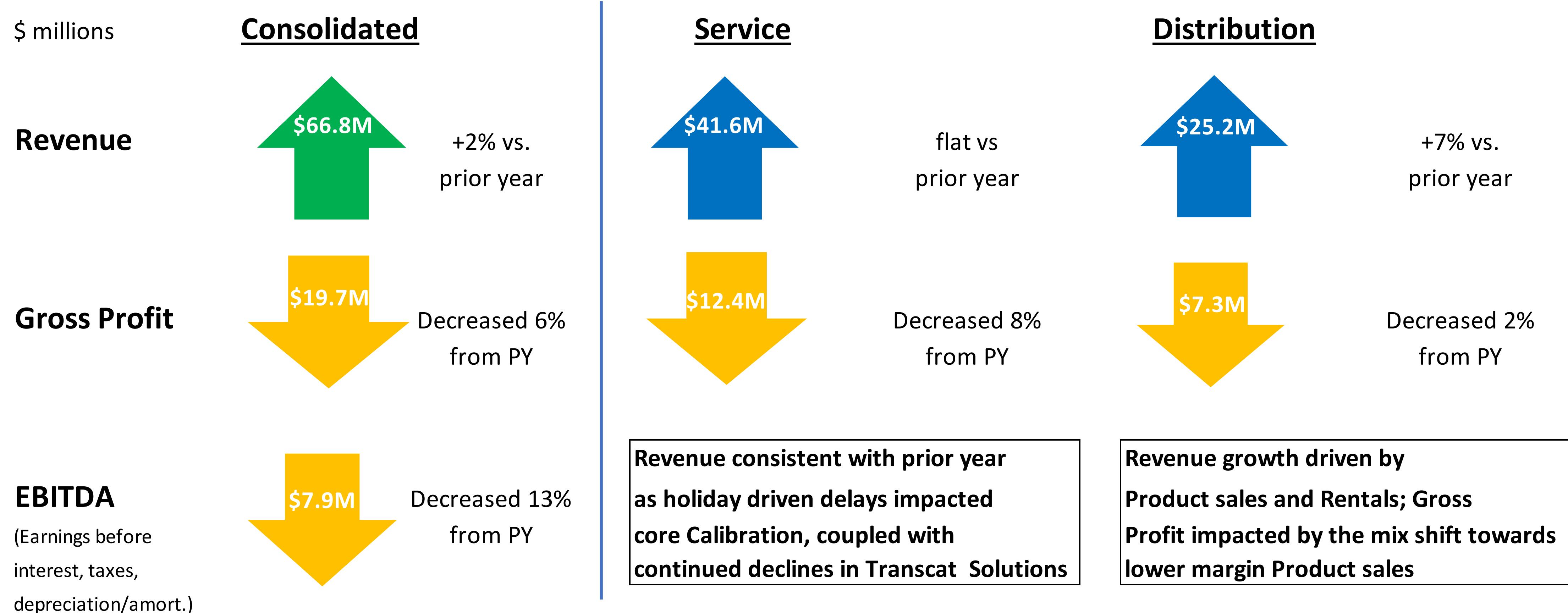
Martin, an ISO-17025 Accredited calibration laboratory network, has been a Midwest leader in the metrology business for almost 35 years, with more than \$25 million dollars of revenue. With its flagship Minneapolis lab, Martin has six additional labs in or near Chicago, Milwaukee, Eau Claire, Tempe, and Los Angeles. Martin serves customers in the highly regulated Medical, Life Science, Aerospace, and Nuclear sectors, providing in-lab and onsite services across a broad range of disciplines.

- ✓ **\$79 million purchase price; \$10 million in Company stock and \$69 million in cash**
- ✓ **Existing leadership and staff retained**
- ✓ **Establishes Transcat presence in the highly coveted Minneapolis area, as well as other locations in the Upper Midwest**
- ✓ **Check all of Transcat's "acquisition boxes", geographic reach, increased capabilities and leveraging existing infrastructure (bolt-on opportunities in Los Angeles and Tempe)**
- ✓ **Strong customer relationships should provide opportunities for cross-selling Transcat services, which will accelerate growth.**

FINANCIAL OVERVIEW



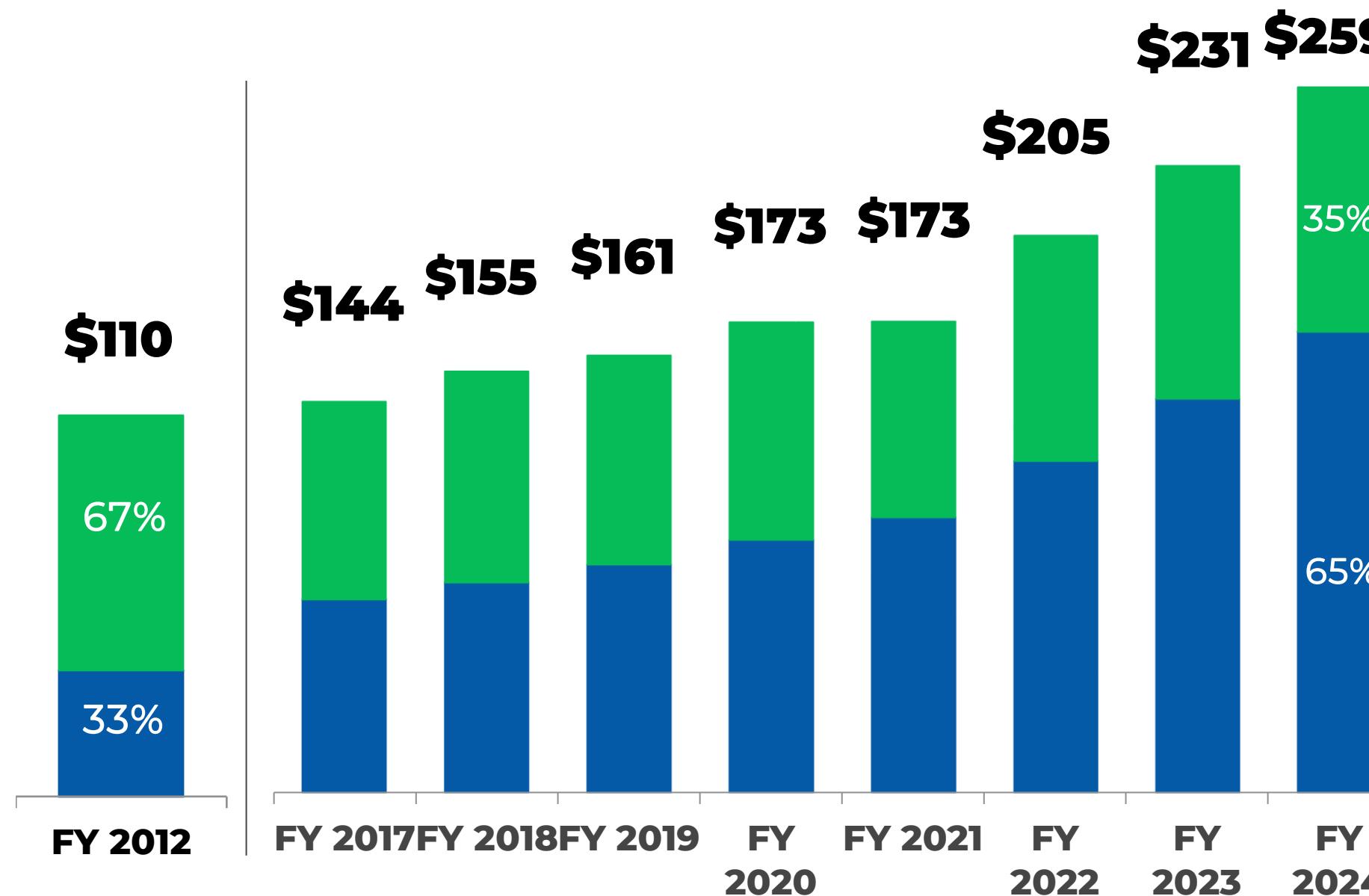
Fiscal Year 2025 Q3 Performance



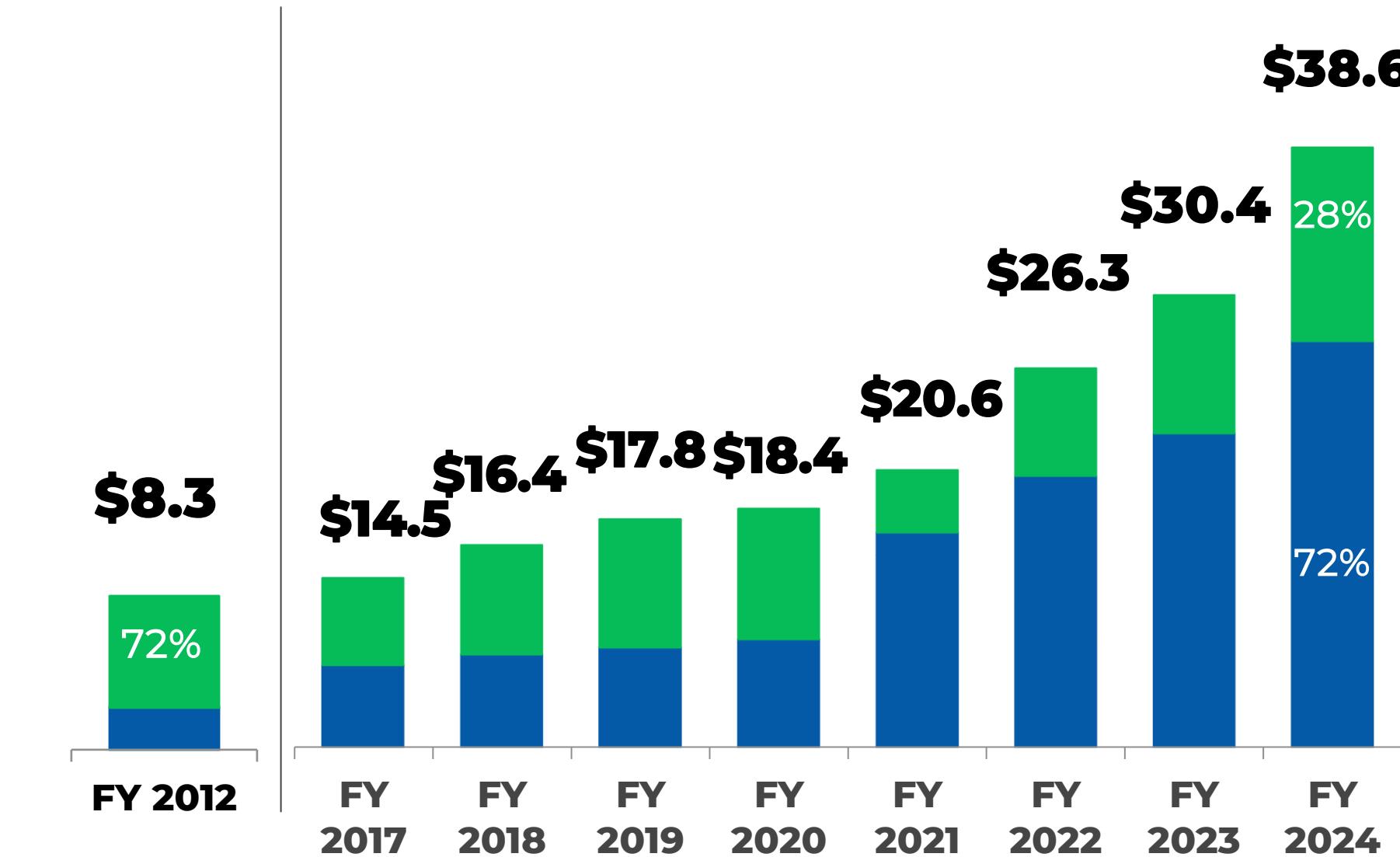
Consolidated Historical Results

(\$ in millions)

Revenue



Adjusted EBITDA

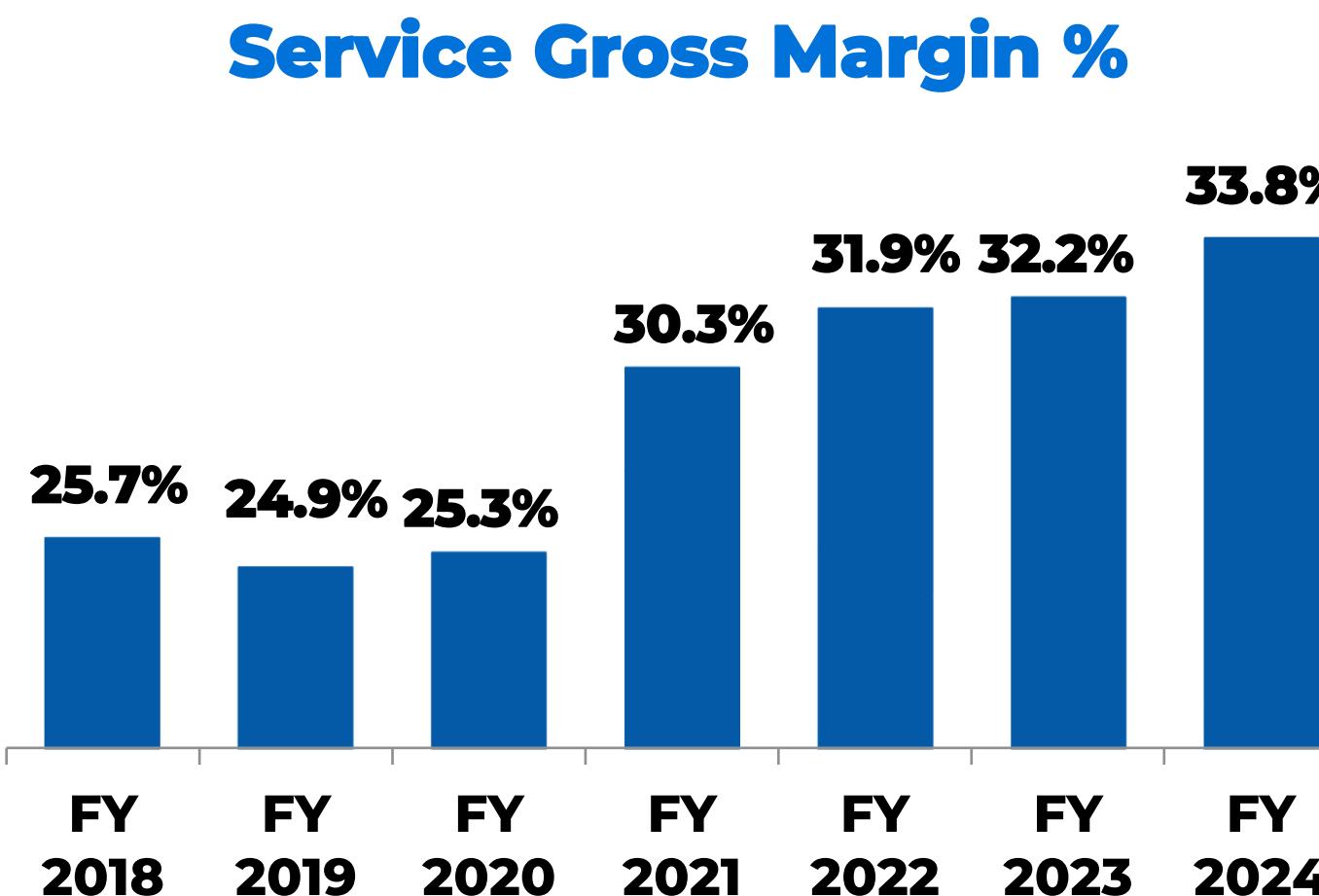
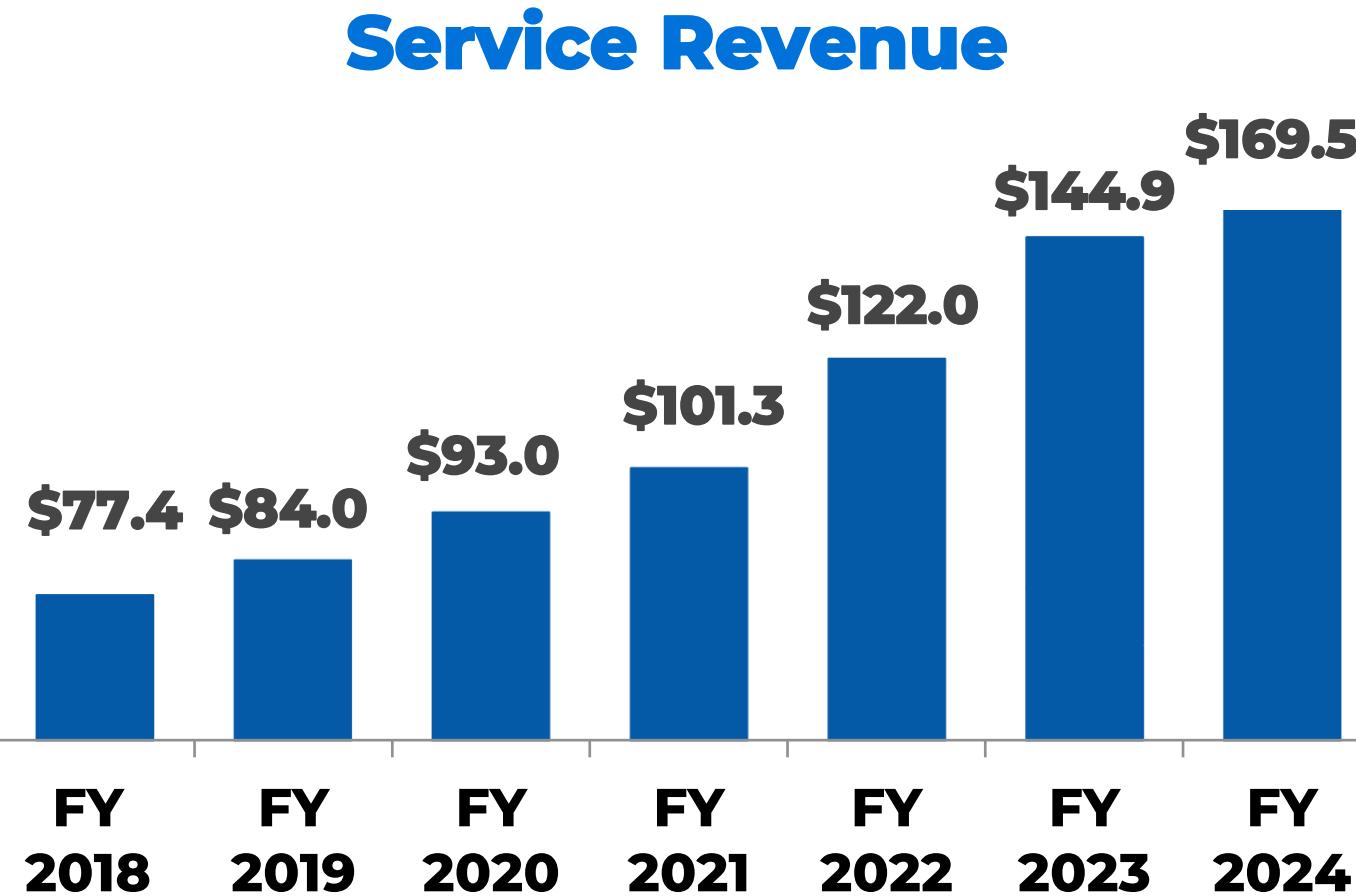


■ Service

■ Distribution

Service Segment Driving Strong Results

(\$ in millions)

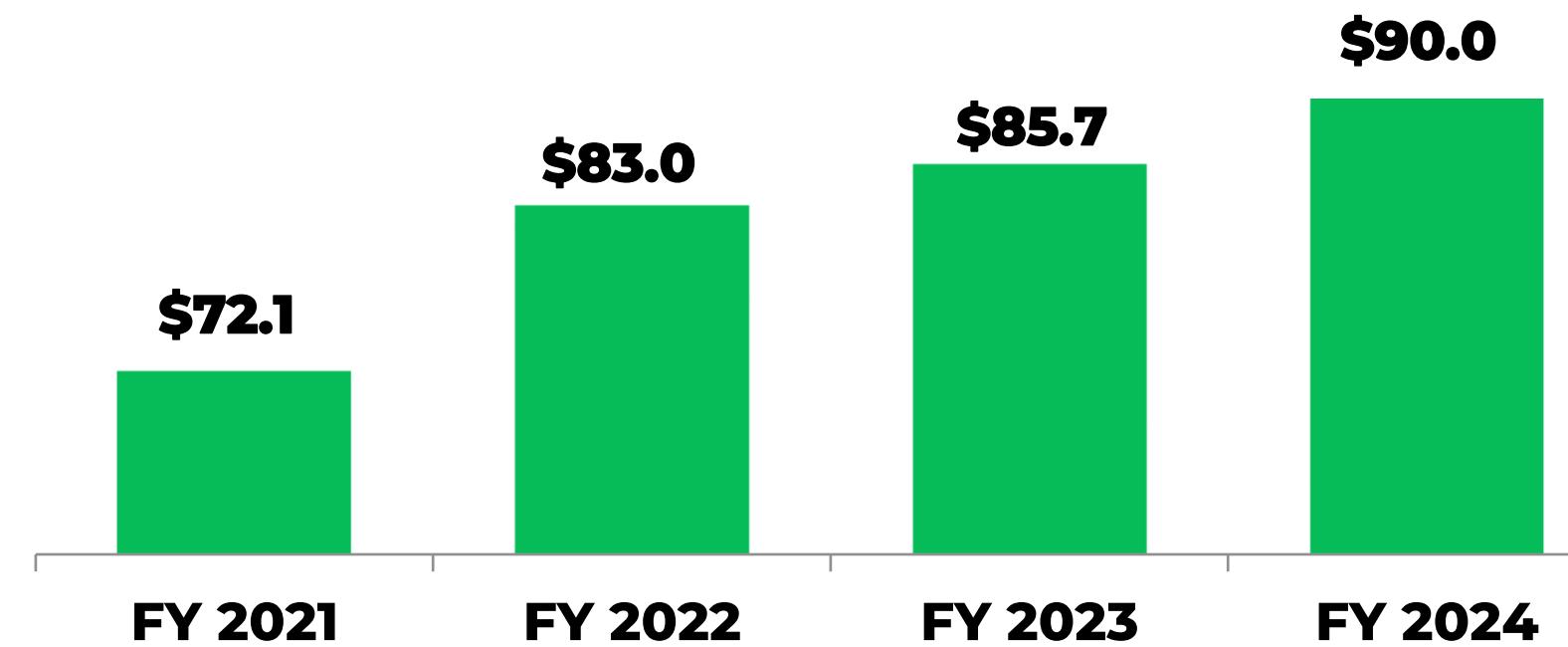


- **Capturing share in highly regulated end markets, including life sciences and Aerospace & Defense**
- **NEXA enterprise asset management acquired on August 31, 2021**
- **Recurring revenue nature of service segment provides for a high degree of visibility into future earnings**
- **Enhanced gross margin profile:**
 - **Driven by operating leverage on organic growth and improved technician productivity**
 - **Operational focus on calibration automation and continuous process improvement**

Distribution Supports Growth Strategy

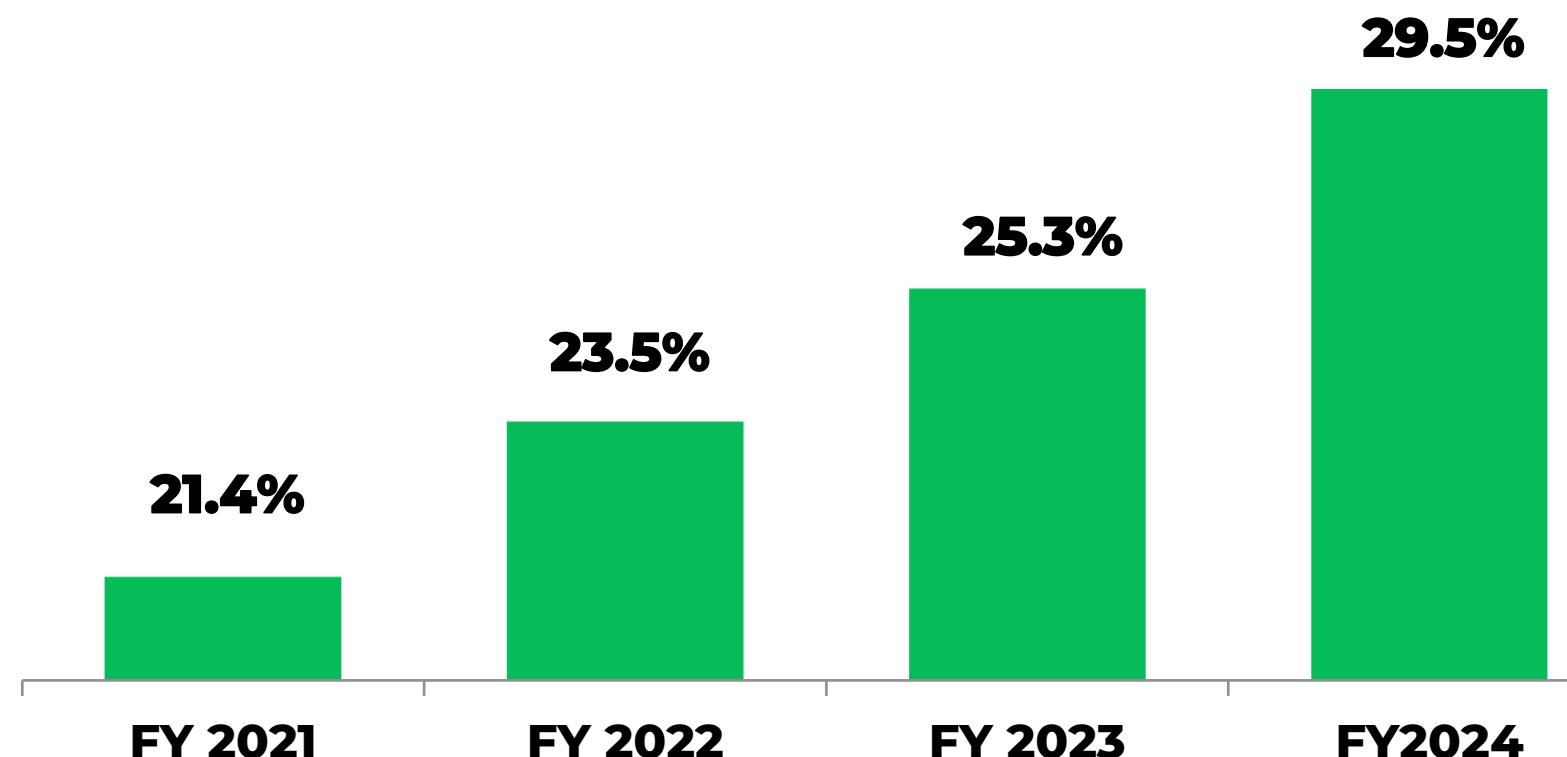
(\$ in millions)

Distribution and Rental Sales



- **Stable performance, which is in line with our strategy to drive service segment growth**

Distribution Gross Margin %



- **Gross margin percentage has improved primarily due to growth of high margin rental business**

Operating Free Cash Flow and Cap Table

(\$ in millions)

Operating Free Cash Flow

	Full Year	
	March 30, 2024	March 25, 2023
<i>Note: Components may not add to totals due to rounding</i>		
Net cash provided by operations	\$32.6	\$17.0
Capital expenditures (CapEx)	(13.3)	(9.4)
Operating free cash flow (FCF)**	\$19.3	\$7.5

- Cash Flow has significantly improved vs prior year
- Capital expenditures up \$4 million year over year and remain focused on Service capabilities/expansion, rental pool assets and technology; in line with expectations

** In addition to reporting net cash provided by operations, a U.S. generally accepted accounting principle ("GAAP") measure, we present operating free cash flow (net cash provided by operations less capital expenditures), which is a non-GAAP measure. We believe operating free cash flow is an important liquidity measure that reflects the cash generated by the business, after the purchases of technology, capabilities and assets, that can then be used for, among other things, strategic acquisitions, investments in the business, and funding ongoing operations. Operating free cash flow is not a measure of financial performance under GAAP and is not calculated through the application of GAAP. As such, it should not be considered as a substitute or alternative for the GAAP measure of net cash provided by operations and, therefore, should not be used in isolation of, rather in conjunction with, the GAAP measure. Operating free cash flow, as presented, 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.

Capitalization Supports Growth Strategy

	Capitalization	
	March 30, 2024	March 25, 2023
<i>Note: Components may not add to totals due to rounding</i>		
Cash and cash equivalents	\$35.2	\$1.5
Total debt	4.2	49.1
Total net debt	(\$31.0)	\$47.6
Shareholders' equity	225.9	99.6
Total capitalization	\$230.1	\$148.7
Debt/total capitalization	1.8%	33.0%
Net debt/total capitalization	-13.5%	32.0%

- 0.1x leverage ratio at quarter-end (Total debt to TTM Adjusted EBITDA*)
- \$80.0M available from credit facility at quarter-end
- Revolving credit facility was paid off with the proceeds from the Secondary Offering.

*Pro forma for the contemplated transaction.

CALIBRATED BY TRANSCAT®

Questions & Answers

Adjusted EBITDA Reconciliation

(\$ in thousands)

	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Net Income	\$ 4,522	\$ 5,922	\$ 7,145	\$ 8,067	\$ 7,791	\$ 11,380	\$ 10,688
+Interest Expense	719	1,018	903	934	850	810	2,417
+Other (Expense) / Income	51	60	91	186	241	143	344
+Tax Provision	2,642	2,026	2,090	1,663	2,191	1,810	2,799
Operating Income	\$ 7,934	\$ 9,026	\$ 10,229	\$ 10,850	\$ 11,073	\$ 14,143	\$ 16,248
+Depreciation & Amortization	6,184	5,991	6,361	6,658	7,580	9,077	10,955
+Restructuring Expense	-	-	-	-	650	-	-
+Acquisition Related Add-Back	-	-	-	-	-	902	185
+Other (Expense) / Income	(51)	(60)	(91)	15	(241)	(143)	(344)
+Noncash Stock Compensation	453	1,411	1,327	884	1,513	2,328	3,377
Adjusted EBITDA	\$ 14,520	\$ 16,368	\$ 17,826	\$ 18,407	\$ 20,575	\$ 26,307	\$ 30,421

In addition to reporting net income, a U.S. generally accepted accounting principle ("GAAP") measure, we present Adjusted EBITDA (earnings before interest, income taxes, depreciation and amortization, non-cash stock compensation expense, restructuring expense and non-cash loss on sale of building), which is a non-GAAP measure. We believe Adjusted EBITDA is an important measure of our operating performance because it allows management, investors and others to evaluate and compare the performance of our core operations from period to period by removing the impact of the capital structure (interest), tangible and intangible asset base (depreciation and amortization), taxes, stock-based compensation expense and other items, which is not always commensurate with the reporting period in which it is included. As such, we use Adjusted EBITDA as a measure of performance when evaluating our business segments and as a basis for planning and forecasting. Adjusted EBITDA is not a measure of financial performance under GAAP and is not calculated through the application of GAAP. As such, it should not be considered as a substitute or alternative for the GAAP measure of net income and, therefore, should not be used in isolation of, rather in conjunction with, the GAAP measure. Adjusted EBITDA, as presented, 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.

Segment Adjusted EBITDA Reconciliation

(\$ in thousands)	FY 2012	FY 2023
Service Operating Income	\$ (175)	\$ 11,422
+ Depreciation & Amortization	\$ 1,959	\$ 8,800
+ Transaction Expense	\$ 185	
+ Other (Expense) / Income	\$ (37)	\$ (247)
+ Noncash Stock Compensation	\$ 263	\$ 2,463
Service Adjusted EBITDA	<u>\$ 2,010</u>	<u>\$ 22,623</u>
 Distribution Operating Income	 \$ 5,603	 \$ 4,826
+ Depreciation & Amortization	937	2,155
+ Transaction Expense	-	
+ Other (Expense) / Income	(11)	(97)
+ Noncash Stock Compensation	290	914
Distribution Adjusted EBITDA	<u>\$ 6,819</u>	<u>\$ 7,798</u>
 Service Adjusted EBITDA	 \$ 2,010	 \$ 22,623
Distribution Adjusted EBITDA	\$ 6,819	\$ 7,798
 Total Adjusted EBITDA	 \$ 8,829	 \$ 30,421

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Adjusted EBITDA Reconciliation

(\$ in thousands)	FY 2024	FY 2025	FY 2025
	Q3	Q3	Q3 TTM
Net Income	\$ 3,348	\$ 2,357	\$ 16,941
+ Interest Expense / (Income), net	(266)	(20)	(901)
+ Other Expense / (Income)	289	(1,009)	(635)
+ Tax Provision	923	772	4,733
Operating Income	\$ 4,294	\$ 2,100	\$ 20,138
+ Depreciation & Amortization	3,783	4,430	16,578
+ Transaction Expense	78	778	(1,077)
+ Acquisition Earn-Out Adjustment	87	-	-
+ Other (Expense) / Income	(289)	154	(218)
+ Noncash Stock Compensation	1,167	452	3,249
Adjusted EBITDA	\$ 9,120	\$ 7,914	\$ 38,670

In addition to reporting net income, a U.S. generally accepted accounting principle (“GAAP”) measure, we present Adjusted EBITDA (earnings before interest, income taxes, depreciation and amortization, non-cash stock compensation expense, restructuring expense and non-cash loss on sale of building), which is a non-GAAP measure. We believe Adjusted EBITDA is an important measure of our operating performance because it allows management, investors and others to evaluate and compare the performance of our core operations from period to period by removing the impact of the capital structure (interest), tangible and intangible asset base (depreciation and amortization), taxes, stock-based compensation expense and other items, which is not always commensurate with the reporting period in which it is included. As such, we use Adjusted EBITDA as a measure of performance when evaluating our business segments and as a basis for planning and forecasting. Adjusted EBITDA is not a measure of financial performance under GAAP and is not calculated through the application of GAAP. As such, it should not be considered as a substitute or alternative for the GAAP measure of net income and, therefore, should not be used in isolation of, rather in conjunction with, the GAAP measure. Adjusted EBITDA, as presented, 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.

Segment Adjusted EBITDA Reconciliation

(\$ in thousands)	FY 2024 Q3	FY 2025 Q3
Service Operating Income	\$ 2,966	\$ 1,412
+ Depreciation & Amortization	2,362	2,451
+ Transaction Expense	30	778
+ Acquisition Earn-Out Adjustment	87	-
+ Other (Expense) / Income	(203)	94
+ Noncash Stock Compensation	737	186
Service Adjusted EBITDA	\$ 5,979	\$ 4,921
Distribution Operating Income	\$ 1,328	\$ 688
+ Depreciation & Amortization	1,421	1,979
+ Transaction Expense	48	-
+ Other (Expense) / Income	(86)	60
+ Noncash Stock Compensation	430	266
Distribution Adjusted EBITDA	\$ 3,141	\$ 2,993
Service EBITDA	\$5,979	\$4,921
Distribution EBITDA	\$3,141	\$2,993
Total Adjusted EBITDA	\$9,120	\$7,914

In addition to reporting net income, a U.S. generally accepted accounting principle (“GAAP”) measure, we present Adjusted EBITDA (earnings before interest, income taxes, depreciation and amortization, non-cash stock compensation expense, restructuring expense and non-cash loss on sale of building), which is a non-GAAP measure. We believe Adjusted EBITDA is an important measure of our operating performance because it allows management, investors and others to evaluate and compare the performance of our core operations from period to period by removing the impact of the capital structure (interest), tangible and intangible asset base (depreciation and amortization), taxes, stock-based compensation expense and other items, which is not always commensurate with the reporting period in which it is included. As such, we use Adjusted EBITDA as a measure of performance when evaluating our business segments and as a basis for planning and forecasting. Adjusted EBITDA is not a measure of financial performance under GAAP and is not calculated through the application of GAAP. As such, it should not be considered as a substitute or alternative for the GAAP measure of net income and, therefore, should not be used in isolation of, rather in conjunction with, the GAAP measure. Adjusted EBITDA, as presented, 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.