



Transcat[®]

Annual Meeting of Shareholders

September 11, 2012



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Annual Meeting of Shareholders

Charles P. Hadeed
President and CEO

Safe Harbor Statement

These slides, and the accompanying oral discussion, contain “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements involve known and unknown risks, uncertainties and other factors that could cause the actual results of the Company to differ materially from the results expressed or implied by such statements, including general economic and business conditions, conditions affecting the industries served by the Company and its subsidiaries, conditions affecting the Company’s customers and suppliers, competitor responses to the Company’s products and services, the overall market acceptance of such products and services, the effect of the Company’s strategy and other factors disclosed in the Company’s periodic reports filed with the Securities and Exchange Commission. Consequently, such forward looking statements should be regarded as the Company’s current plans, estimates and beliefs. The Company does not undertake and specifically declines any obligation to publicly release the results of any revisions to these forward-looking statements that may be made to reflect any future events or circumstances after the date of such statements or to reflect the occurrence of anticipated or unanticipated events.



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Senior Management Team

Michael Craig

VP of Human Resources

John Hennessy

VP of Sales and Marketing

Lee Rudow

Chief Operating Officer

Rainer Stellrecht

VP of Laboratory Operations

Jay Woychick

*VP of Special Market Sales and
Strategic Partner Relations*

John Zimmer

SVP of Finance and CFO



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Agenda

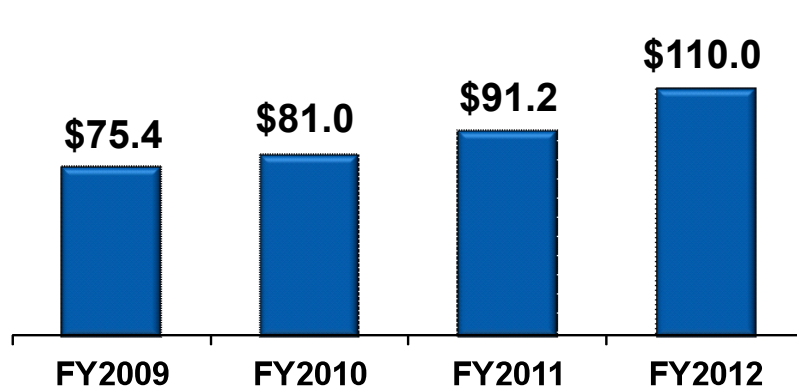


FY 2012 – Proven Track Record

(\$ in millions)

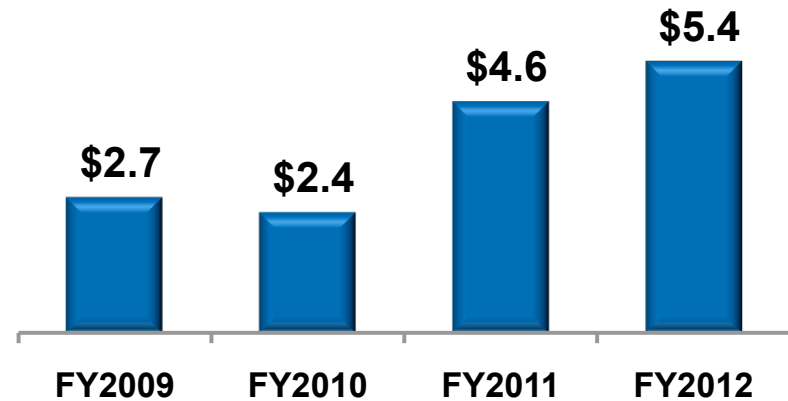
**13.4%
CAGR***
2009 - 2012

Revenue



**26.4%
CAGR***
2009 - 2012

Operating Income



*CAGR – Compound annual growth rate $(FY2012 / FY2009)^{(1/3)} - 1$



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FY 2012 Highlights

Revenue	+ 20.7%
Gross Profit	+ 16.4%
Operating Income	+ 18.3%
Net Income	+ 18.4%
EPS	+ 16.2%
EBITDA*	+ 20.9%

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

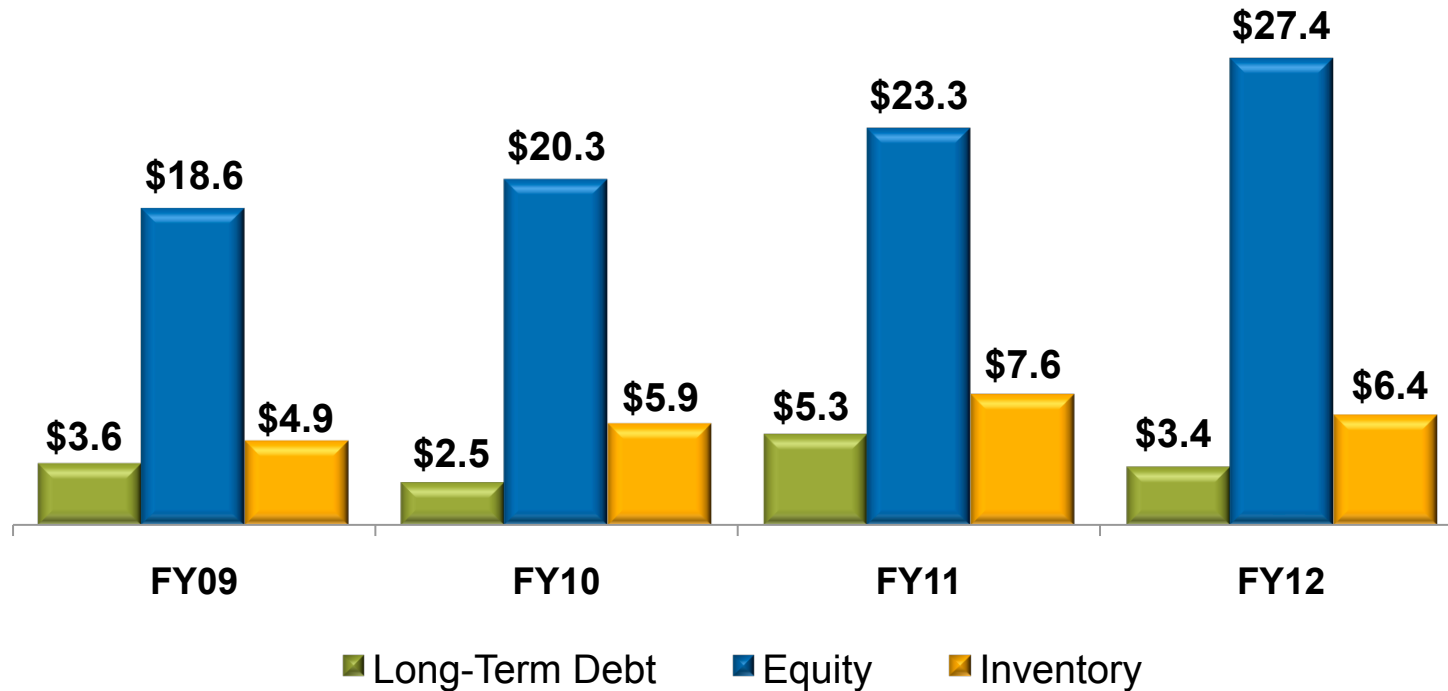


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Strong Balance Sheet

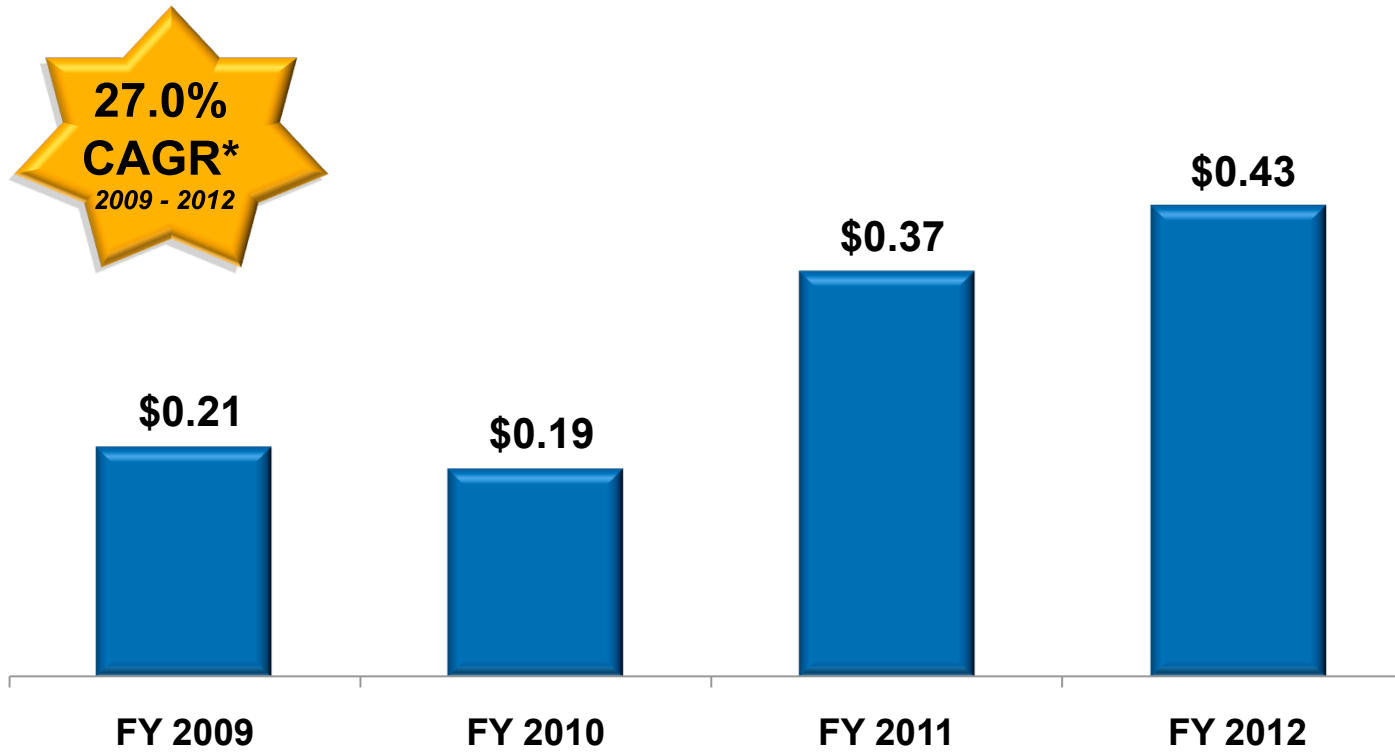
(\$ in millions)



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EPS Growth



*CAGR – Compound annual growth rate $(FY2012 / FY2009)^{(1/3)} - 1$



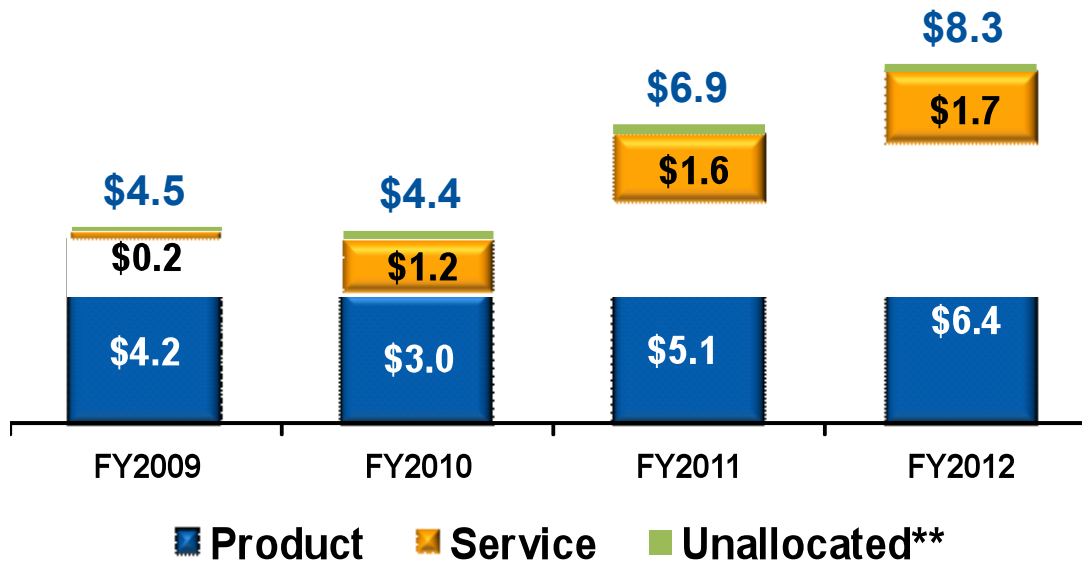
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Strong Cash Generation

(\$ in millions)

EBITDA*



- 22% CAGR¹ from 2009 through 2012
- Strengthened earnings power

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

** EBITDA totals include unallocated amounts for each period : FY 2009 = \$0.1, FY 2010 = \$0.2, FY 2011 = \$0.2 and FY 2012 = \$0.2

¹ CAGR – Compound annual growth rate $(FY2012 / FY2009)^{(1/3)} - 1$



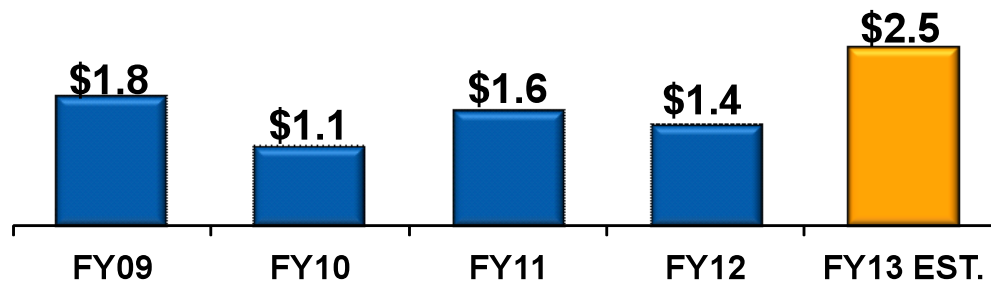
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Investments for the Future

(\$ in millions)

Capital Expenditures



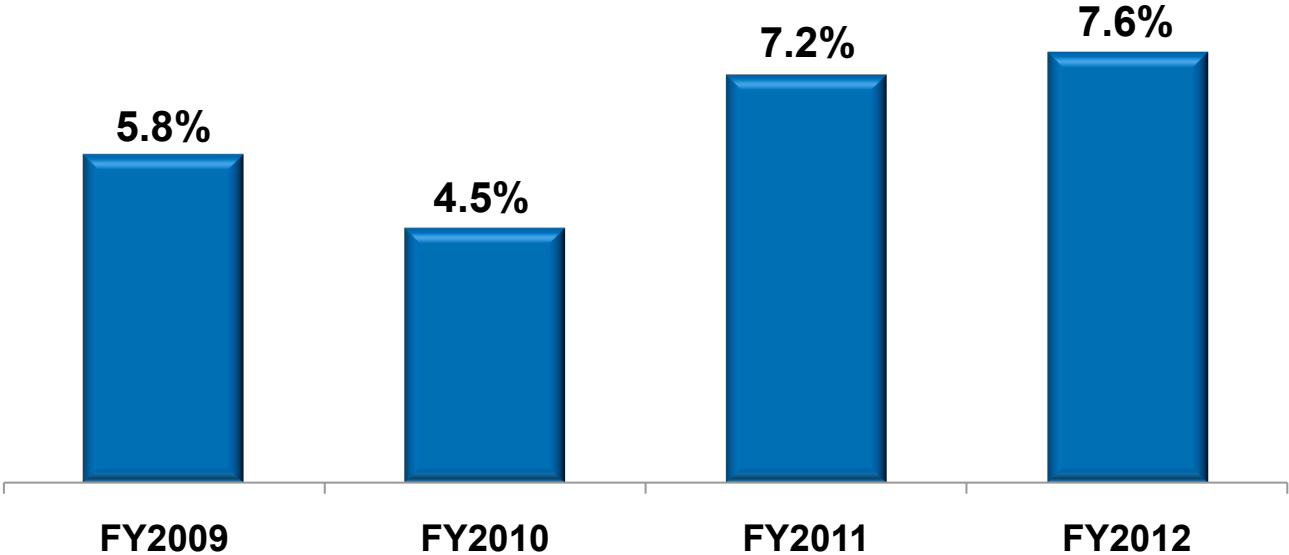
- Expansion of Service segment capabilities and capacity
- Cost reduction efforts
- Software solutions to drive Service segment sales



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Return on Assets

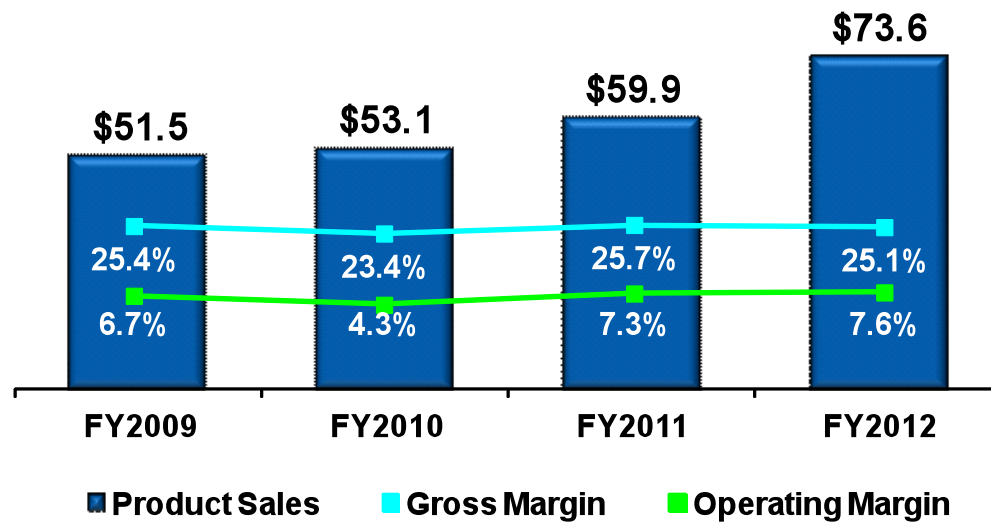


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Product Segment Profitability

(\$ in millions)



Margin Factors:

- Direct vs. resellers
- Customer discounts
- Product mix
- Rebates/Co-op

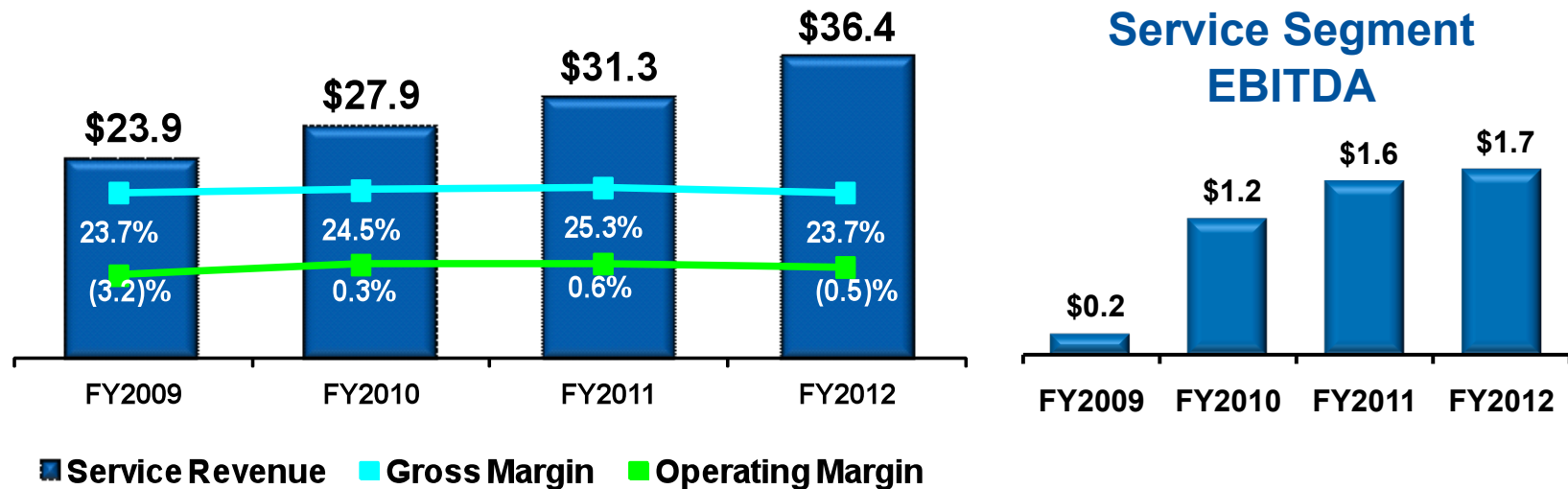


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Service Segment Profitability

(\$ in millions)



Margin Factors:

- Organic vs. acquisition growth
- In-house vs. subcontracted



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Stock Performance



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Economic Uncertainty

- **Product Segment**
 - Delayed purchases
 - Heavier discounting

- **Service Segment**
 - Extended calibration cycles
 - Price sensitivity

- **Acquisition friendly environment**



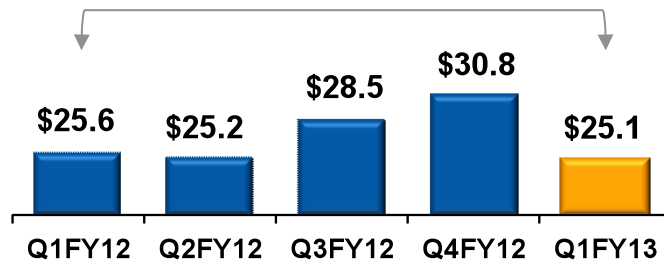
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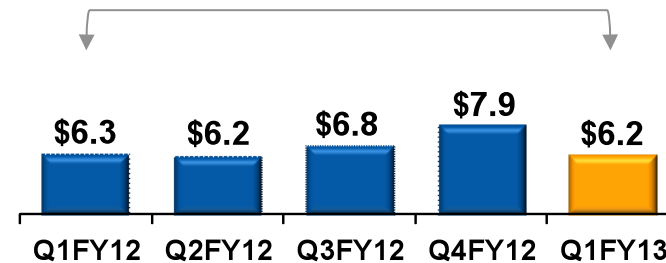
Quarterly Results

(in millions)

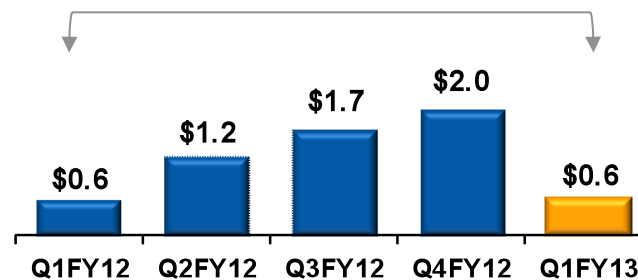
Revenue



Gross Profit



Operating Income



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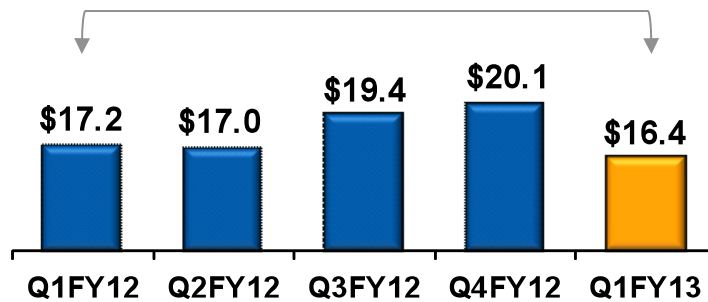


Product Segment

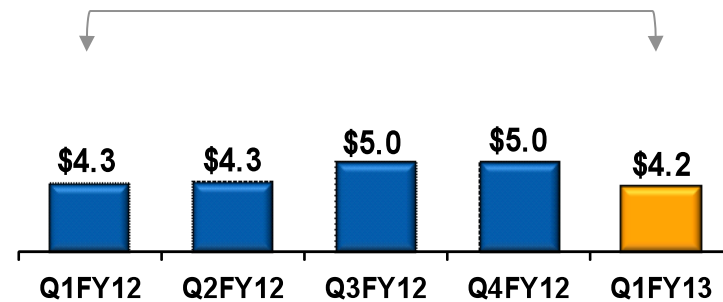
(\$ in millions)

Quarterly Results

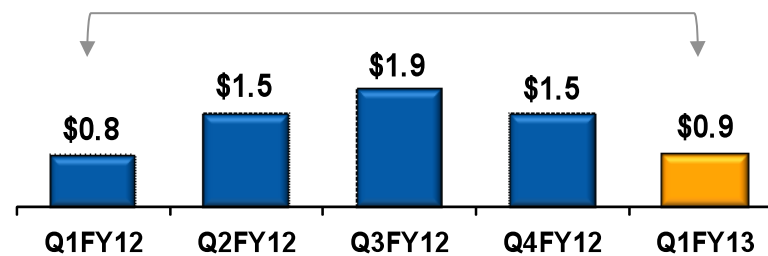
Revenue



Gross Profit



Operating Income



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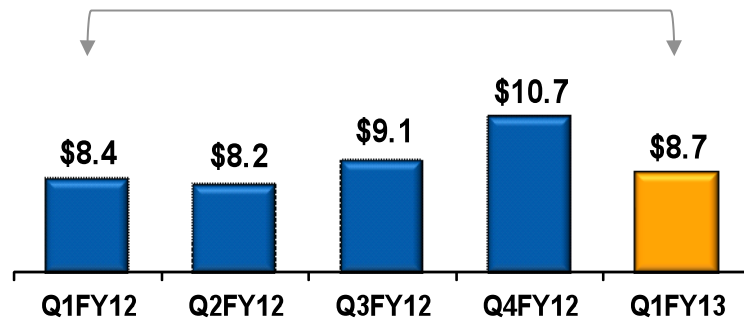


Service Segment

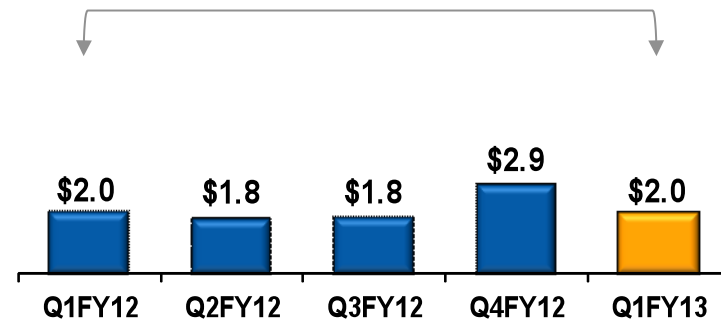
(\$ in millions)

Quarterly Results

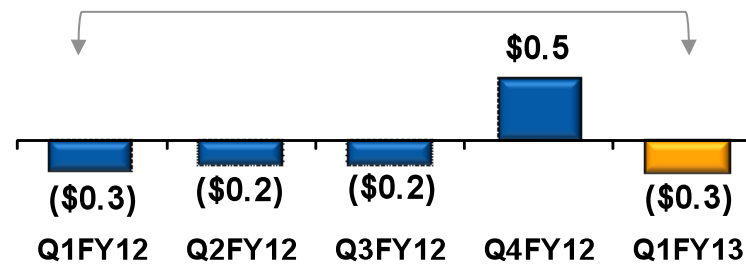
Revenue



Gross Profit



Operating Income (Loss)



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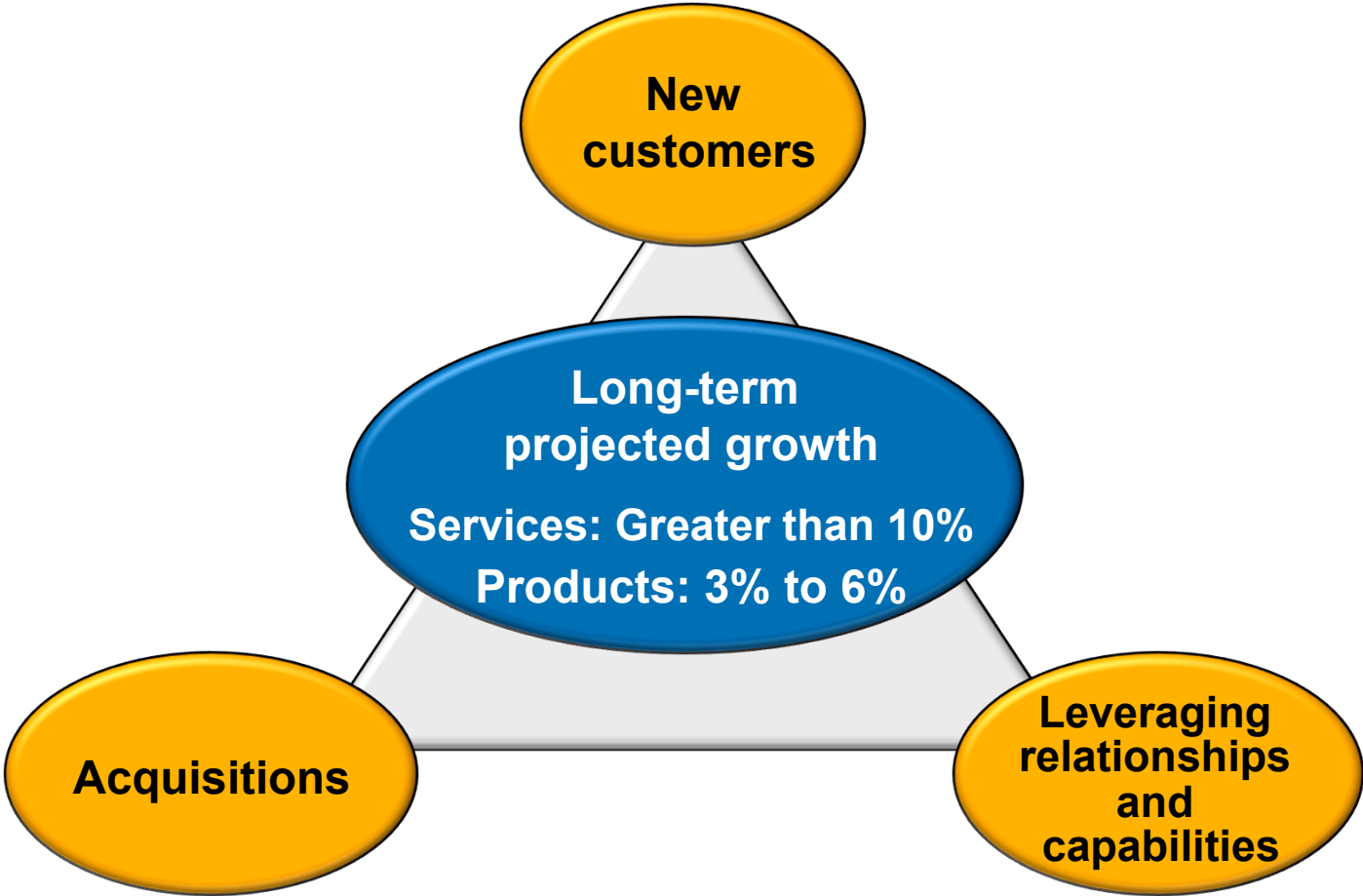




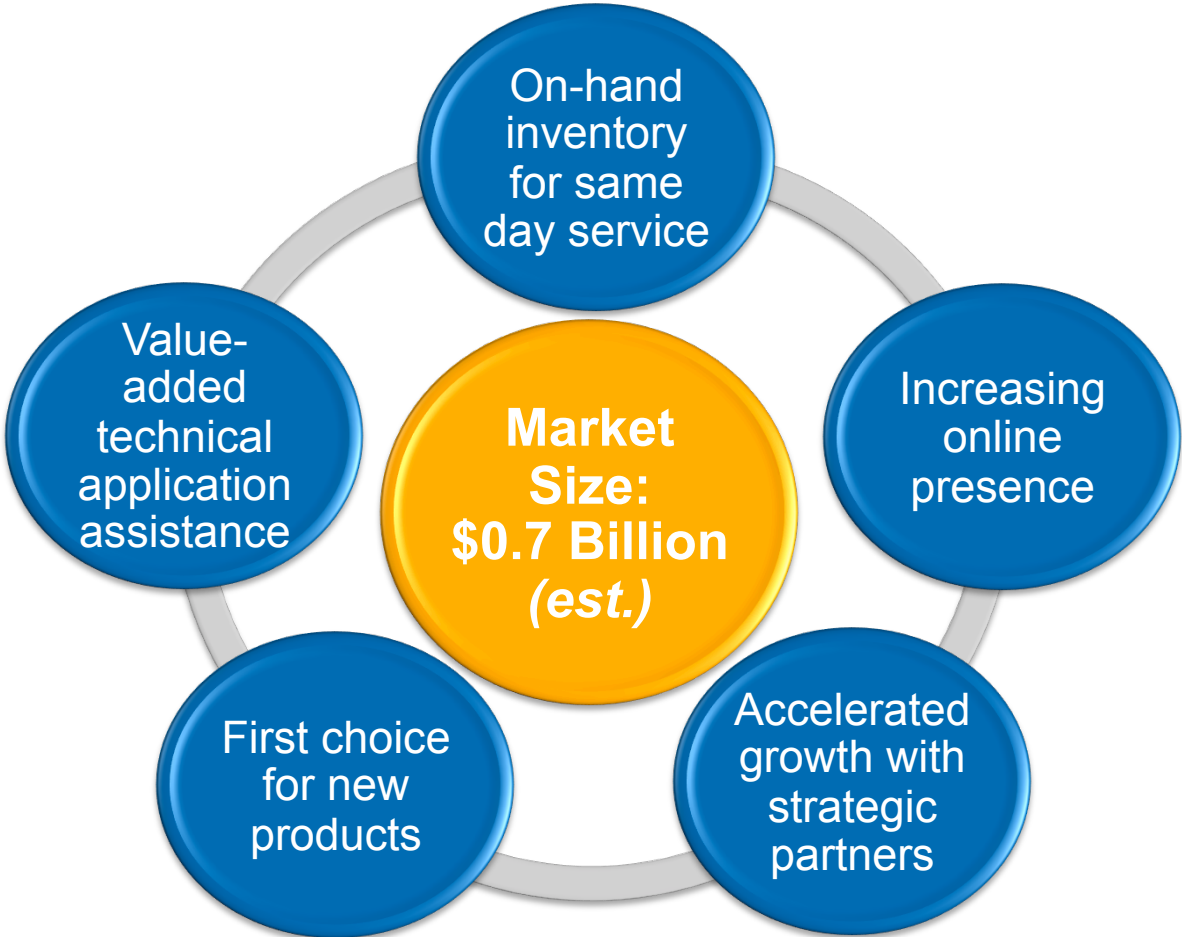
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STRATEGY AND OUTLOOK

Multi-Faceted Growth Strategy



Product Segment



Growth Opportunities - Product

✓ Presence in growth industries

✓ Increasing online presence

✓ New strategic vendor partnerships

✓ New product introductions

✓ Vendor rebates and cooperative advertising



Advanced Distribution & Marketing

Progressive Channels

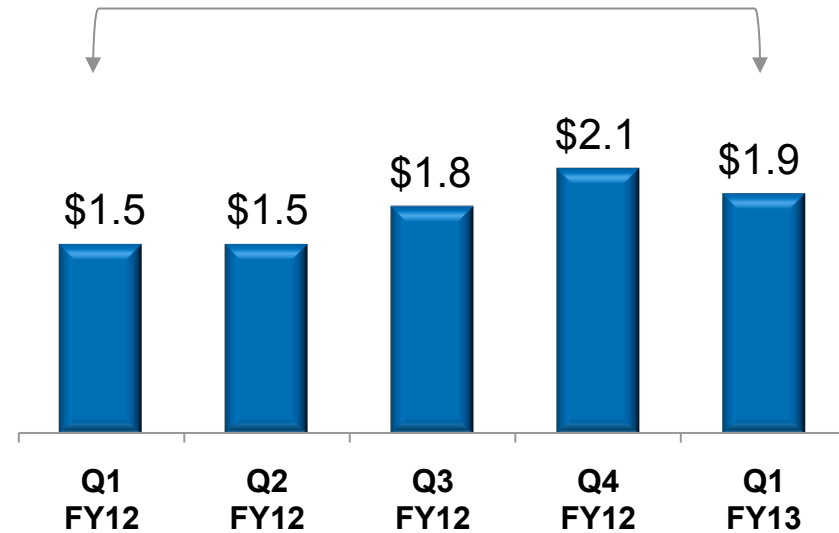


Digital Marketing

- Search Engine Optimization – SEO
- Marketing Automation – Prospect Identification
- Remarketing – Targeted Exposure Campaigns
- State-Of-The-Art Website
- Pay per click

On-line Sales

(\$ in millions)



Service Segment



Growth Opportunities - Service

✓ Presence in growth and regulated industries

✓ Acquisitions

✓ Leverage product relationships

✓ Investments in quality



Acquisition Strategy - Service

Acquire calibration companies which align with our strategy and fit our business model

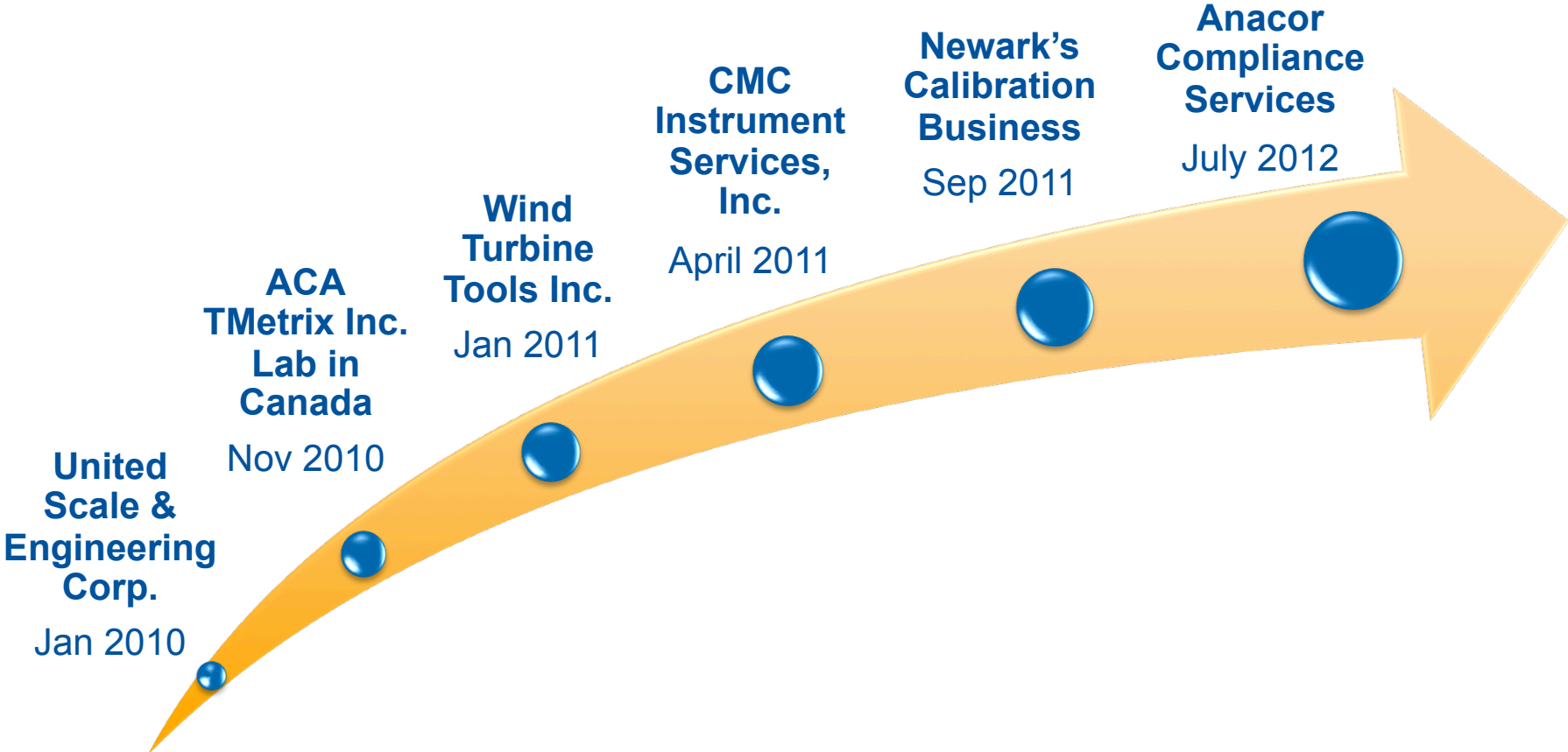
Continuity of management and employees

Expand market reach

Broaden service capabilities



Recent Acquisitions

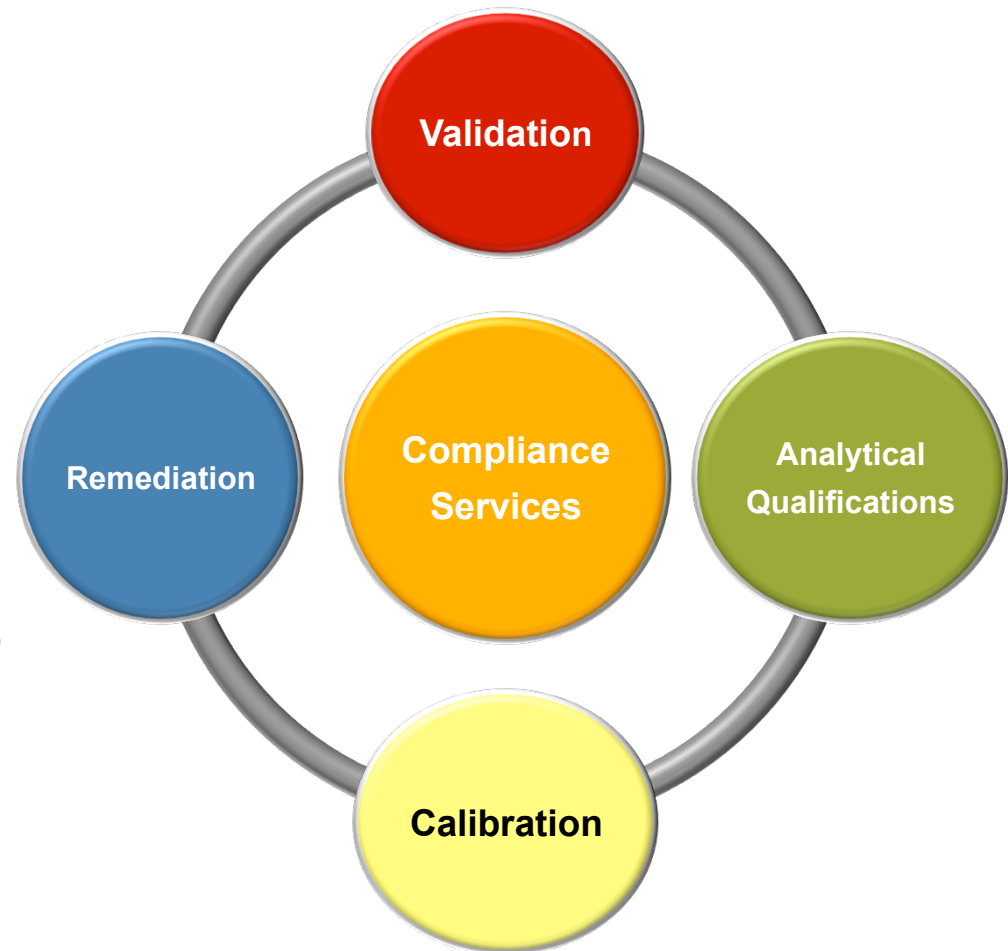


Compliance Services - Anacor

Validation – Process used to confirm validity and applicability of employed process or procedure

Analytical Qualification - Maintain Stability in Service Operations of High-end Analytical Instrumentation

Remediation - FDA Consent Decree litigation requiring evaluating, auditing, repairing and/or rebuilding complex calibration and maintenance systems



The Transcat Advantage

*A Leader in the Test and Measurement Instruments
and Calibration Services Markets*

Scalable business with recurring revenue base

Leverage portfolio of products and services

Top-line growth and expanding margins

Strong balance sheet and cash flow





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SUPPLEMENTAL INFORMATION

EBITDA Reconciliation

	FY09	FY10	FY11	FY12
Service Operating Income	\$ (762)	\$ 94	\$ 192	\$ (175)
Service Depreciation & Amortization	\$ 954	\$ 1,136	\$ 1,377	\$ 1,850
Service EBITDA	\$ 192	\$ 1,230	\$ 1,569	\$ 1,675
Product Operating Income	\$ 3,448	\$ 2,287	\$ 4,395	\$ 5,603
Product Depreciation & Amortization	\$ 778	\$ 742	\$ 673	\$ 787
Product EBITDA	\$ 4,226	\$ 3,029	\$ 5,068	\$ 6,390
Product	\$ 4,226	\$ 3,029	\$ 5,068	\$ 6,390
Service	\$ 192	\$ 1,230	\$ 1,569	\$ 1,675
Unallocated	\$ 98	\$ 167	\$ 211	\$ 211
Total EBITDA	\$ 4,516	\$ 4,426	\$ 6,848	\$ 8,276

**The Company believes that when used in conjunction with GAAP measures, EBITDA, or earnings before interest, taxes and 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. 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.*

