



## 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 100,000 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
- Life sciences market opportunity for companies requiring calibration and compliance services is estimated at \$1.6 billion
- Provides an all encompassing outsource model for managing companies' calibration programs

## Distribution: Core Strength

- 500+ of the industry's leading brands
- 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

- Expanding addressable markets by vertically integrating Service Segment capabilities
- Scalable business model with operating leverage
- Experienced management team with record of successful strategic acquisitions
- Flexible balance sheet and strong cash flow

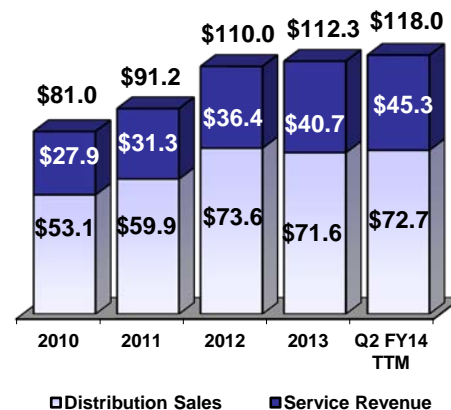
## Market Data (as of November 6, 2013) & Financial Highlights

Shares Outstanding (millions) ..... 7.4  
 Market Cap (millions) ..... \$57.5  
 Avg. Daily Volume (3 mos)..... 10.4K  
 Recent Price.....\$7.81  
 52-Week Range ..... \$5.20 – \$9.06

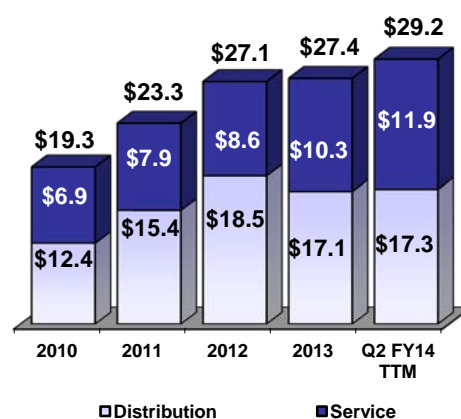
Price to Book ..... 1.75 x  
 Price to Earnings ..... 14.5 x  
 Operating Margin (Q2 2014).....4.4%  
 Net Margin (Q2 2014).....2.7%  
 EPS (Q2 2014).....\$0.10

[Market Data Source: Bloomberg]

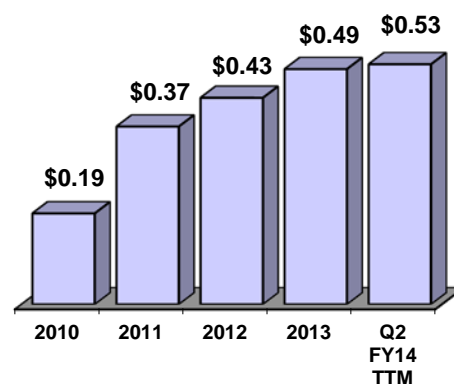
## Revenue (in millions)



## Gross Profit (in millions)



## Earnings per Share - diluted



## Investor Relations Contact

Deborah Pawlowski  
 Kei Advisors LLC

7606 Transit Road, Suite 300  
 Buffalo, NY 14221  
 716.843.3908 ph  
 dpawlowski@keiadvisors.com

## Financial Highlights

(in thousands, except per share data)

	Second Quarter Ended		Fiscal Year Ended		
	Sept 28, 2013	Sept 29, 2012	March 30, 2013	March 31, 2012	March 26, 2011
Service	\$ 11,472	\$ 9,840	\$ 40,655	\$ 36,406	\$ 31,324
Distribution	17,410	16,948	71,614	73,614	59,862
Total revenue	28,882	26,788	112,296	110,020	91,186
Total cost of revenue	22,061	20,710	84,892	82,896	67,888
Gross margin	23.6%	22.7%	24.4%	24.7%	25.5%
Total operating expenses	5,540	4,898	21,458	21,696	18,711
Operating margin	4.4%	4.4%	5.3%	4.9%	5.0%
Net Income	771	745	3,704	3,302	2,788
Earnings per share – diluted	\$ 0.10	\$ 0.10	\$ 0.49	\$ 0.43	\$ 0.37
Weighted average shares – diluted	7,586	7,567	7,592	7,651	7,521
	Sept 28, 2013	Sept 29, 2012	March 30, 2013	March 31, 2012	March 26, 2011
Cash	\$ 409	\$ 194	\$ 406	\$ 32	\$ 32
Other current assets	27,062	23,381	25,412	23,146	21,723
Non-current assets	28,377	25,305	29,229	21,799	19,605
Total assets	55,848	48,880	55,047	44,977	41,360
Current liabilities	12,102	11,481	13,327	13,053	12,028
Long-term debt	8,718	7,242	8,017	3,365	5,253
Other liabilities	2,263	1,462	2,053	1,181	750
Shareholders' equity	32,765	28,695	31,650	27,378	23,329
Total liabilities and shareholders' equity	\$ 55,848	\$ 48,880	\$ 55,047	\$ 44,977	\$ 41,360
Return on average assets	7.8%	7.1%	7.4%	7.6%	7.2%
Return on average equity	13.3%	12.4%	12.5%	13.0%	12.8%
Current ratio	2.3	2.1	1.9	1.8	1.8
Book value per share	\$4.32	\$ 3.79	\$ 4.17	\$ 3.58	\$ 3.10
Debt to total capital	21.0%	20.2%	20.2%	10.9%	18.4%
Cash flow from operations (YTD)	\$ 234	\$ 654	\$ 5,241	\$ 6,259	\$ 2,573

### EBITDA\* (\$ in millions)



### EBITDA Reconciliation (\$ in millions)

EBITDA Reconciliation (\$ millions)	2010	2011	2012	2013	Q2 FY2014 TTM
Net Income	\$1.45	\$2.79	\$3.30	\$3.70	\$4.09
+ Interest Expense	\$0.06	\$0.07	\$0.13	\$0.12	\$0.11
+ Income Tax Provision	\$0.83	\$1.69	\$1.94	\$2.01	\$2.31
+ Depreciation & Amortization	\$2.08	\$2.29	\$2.90	\$2.70	\$2.92
EBITDA*	\$4.43	\$6.85	\$8.28	\$8.53	\$9.43

\*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

## Second Quarter Fiscal Year 2014 Highlights

- Fiscal 2014 second quarter total revenue increased 7.8% to \$28.9 million from \$26.8 million in the second quarter of the prior fiscal year, driven by the Service segment revenue growth of 16.6%. Service growth was attributable to recent business acquisitions, as well as organic growth.
- Distribution segment sales increased 2.7% from the prior fiscal year period. Sales per business day improved 4.5% year-over-year.
- Operating income for the second quarter of fiscal 2014 was \$1.3 million, an increase of 8.6% from \$1.2 million in the second quarter of 2012.
- Net income increased 3.5% to \$0.8 million from \$0.7 million in the prior fiscal year period. Net income was \$0.10 per diluted share in the second quarter of fiscal 2014, consistent with the second quarter fiscal 2013.
- EBITDA\* for the second quarter was \$1.9 million, up \$0.2 million from the prior year. The TTM compound annual growth rate since FY2010 is 24.1%.
- Transcat purchased and subsequently retired 100,000 shares of its own common stock for \$0.7 million in a privately-negotiated transaction in the second quarter of fiscal 2014.
- Capital expenditures in the first six months of fiscal 2014 were \$0.6 million compared with \$1.3 million in the first six months of fiscal 2013, and were primarily for additional service capabilities and information technology.