



## 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, particularly healthcare, which includes companies in pharmaceuticals, medical devices and bioscience. With 18 strategically-located centers of excellence in the United States, Canada and Puerto Rico, Transcat performs over 200,000 specialized technical services annually. 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 answers the call with cGMP, GLP, and GXP compliant services.

In addition, Transcat operates as a leading distributor of professional grade handheld test, measurement and control instrumentation, marketing more than 100,000 premier and propriety brand instruments to nearly 30,000 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

- Performs approximately 200,000 calibrations annually across 18 Calibration Centers of Excellence
- Market opportunity for companies requiring calibration and compliance services is estimated at over \$1.5 billion
- Provides an all-encompassing outsource model for managing companies' calibration programs

### Distribution: Core Strength

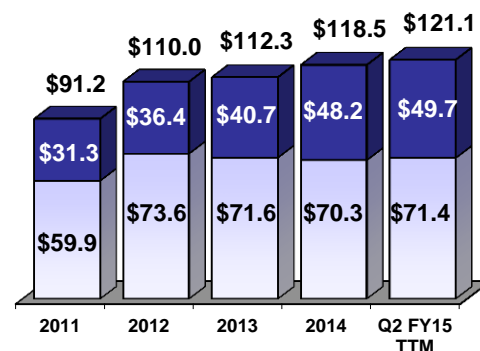
- Markets and distributes more than 100,000 test and measurement instruments to nearly 30,000 customers
- Presence in growth industries provides \$700 million market opportunity
- At the forefront of buying behavior shift by increasing online presence through search engine optimization, marketing automation and pay per click advertising

### Investment Considerations

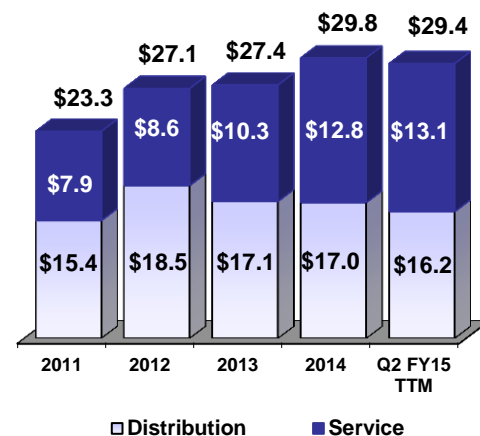
- Offers a wide breadth of products and services which can be leveraged for both sales opportunities and operating efficiency
- National brand name recognition and strong, credible management team with reputation for trust, honesty and reliability
- Strong balance sheet and cash flow
- Growing opportunity in life sciences, pharmaceutical and energy industries
- Acquisition strategy focused on geographic expansion, increased capabilities, and bolt-on opportunities

Q2 Fiscal Year 2015

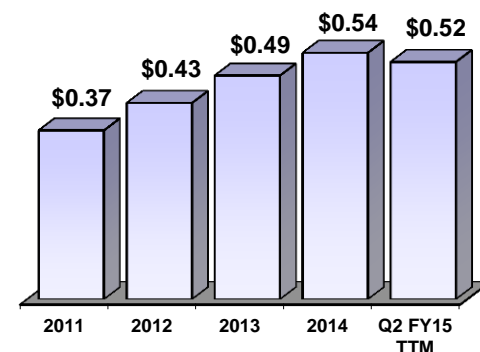
### Revenue (in millions)



### Gross Profit (in millions)



### Earnings per Share - diluted



## Market Data (as of November 7, 2014) & Financial Highlights

Shares Outstanding (millions) ..... 6.8  
 Market Cap (millions) ..... \$71.9  
 Avg. Daily Volume (3 mos) ..... 9.4k  
 Recent Price ..... \$10.55  
 52-Week Range ..... \$7.24 – \$10.90

Price to Book ..... 1.9x  
 Price to Earnings ..... 17.1x  
 Operating Margin (Q2 FY2015) ..... 4.9%  
 Net Margin (Q2 FY2015) ..... 2.8%  
 EPS (Q2 FY2015) ..... \$0.12

[Market Data Source: Bloomberg]

## Investor Relations Contact

**Deborah Pawlowski**  
**Kei Advisors LLC**

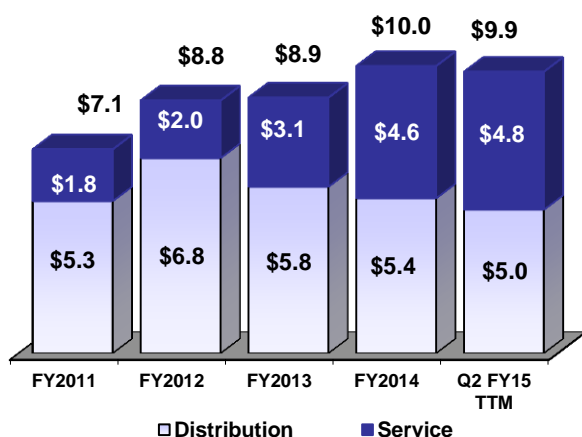
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## Financial Highlights

(in thousands, except per share data)

	Second Quarter Ended		Fiscal Year Ended		
	Sept 27, 2014	Sept 28, 2013	March 29, 2014	March 30, 2013	March 31, 2012
Service	\$ 12,595	\$ 11,472	\$ 48,184	\$ 40,655	\$ 36,406
Distribution	18,516	17,410	70,324	71,614	73,614
Total revenue	31,111	28,882	118,508	112,296	110,020
Total cost of products and services sold	24,185	22,061	88,718	84,892	82,896
Gross margin	22.3%	23.6%	25.1%	24.4%	24.7%
Total operating expenses	5,410	5,540	23,085	21,458	21,696
Operating margin	4.9%	4.4%	5.7%	5.3%	4.9%
Net Income	859	771	3,984	3,704	3,302
Earnings per share – diluted	\$ 0.12	\$ 0.10	\$ 0.54	\$ 0.49	\$ 0.43
Weighted average shares – diluted	7,056	7,586	7,357	7,592	7,651
	Sept 27, 2014	Sept 28, 2013	March 29, 2014	March 30, 2013	March 31, 2012
Cash	\$ 263	\$ 409	\$ 23	\$ 406	\$ 32
Other current assets	27,237	27,062	25,508	25,412	23,146
Non-current assets	35,654	28,377	28,343	29,229	21,799
Total assets	63,154	55,848	53,874	55,047	44,977
Current liabilities	11,688	12,102	13,857	13,327	13,053
Long-term debt	16,327	8,718	7,593	8,017	3,365
Other liabilities	3,274	2,263	2,341	2,053	1,181
Shareholders' equity	31,865	32,765	30,083	31,650	27,378
Total liabilities and shareholders' equity	\$ 63,154	\$ 55,848	\$ 53,874	\$ 55,047	\$ 44,977
Return on average assets	6.4%	7.8%	7.3%	7.4%	7.6%
Return on average equity	11.7%	13.3%	12.9%	12.5%	13.0%
Current ratio	2.4	2.3	1.8	1.9	1.8
Book value per share	\$ 4.52	\$ 4.32	\$ 4.09	\$ 4.17	\$ 3.58
Debt to total capital	33.9%	21.0%	20.2%	20.2%	10.9%
Cash flow from operations	\$ (411)	\$ 234	\$ 7,612	\$ 5,241	\$ 6,259

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



### Adjusted EBITDA Reconciliation (\$ in millions)

	2011	2012	2013	2014	Q2 FY2015 TTM
Operating Income	\$4.60	\$5.43	\$5.95	\$6.71	\$6.55
Other (Expense) /Income	-	(\$0.11)	(\$0.11)	(\$0.13)	(\$0.21)
Noncash Stock Comp	\$0.43	\$0.55	\$0.34	\$0.52	\$0.66
Depreciation & Amortization	\$2.05	\$2.90	\$2.70	\$2.95	\$2.88
EBITDA*	\$7.08	\$8.82	\$8.88	\$10.05	\$9.87

\*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 2015 second quarter total revenue increased 7.7% to a record \$31.1 million from \$28.9 million in the second quarter of the prior fiscal year, driven by Service segment revenue growth of 9.8% and Distribution segment sales increase of 6.4%.
- Consolidated operating income increased 18.3% to \$1.5 million, compared with \$1.3 million in the second quarter of fiscal 2014. Operating margin expanded 50 basis points to 4.9%.
- Net income was up 11.4%, or \$0.1 million, to \$0.9 million in the quarter. Diluted earnings per share reached \$0.12 compared with \$0.10 per diluted share in the second quarter of fiscal 2014, a 20% increase.
- The Company expanded its leadership position in Canada with the acquisition of Ulrich Metrology Inc. on August 31, 2014.
- Adjusted EBITDA (earnings before interest, taxes, depreciation and amortization) was \$2.4 million, a \$0.3 million, or 15.0%, increase over the same quarter of the prior fiscal year.
- On August 26, 2014, the Company entered into an amendment to its secured revolving credit facility agreement, increasing the funds available under the credit facility from \$20 million to a maximum of \$30 million and extending the term to September 2018. The amendment also increased borrowings available for acquisitions from \$10 million to \$15 million in any fiscal year. As of September 27, 2014, the Company had \$10.8 million in availability under its secured revolving credit facility and \$0.3 million in cash. The Ulrich Metrology acquisition used \$6.7 million of borrowings available for acquisitions, leaving \$8.3 million available for acquisitions for the remainder of the fiscal year.