TRANSCAT®

Trust in every measure

Instrument Distribution | Calibration Services | Analytical & Validation Services | Consulting Services

NASDAQ: TRNS | www.TRANSCAT.com | **Investor Fact Sheet – Q2 FY2016**

Company Profile

Transcat, Inc. is a leading provider of accredited calibration and compliance services, including analytical instrument qualifications, equipment and process validation. We are focused on providing best-in-class calibration analytics to highly regulated industries, including life science, aerospace, pharmaceuticals, medical device manufacturing and biotechnology. We perform more than 250,000 specialized technical services annually through a variety of delivery options, including permanent and periodic on-site services, mobile calibration services and in-house services (often accompanied by pick-up and delivery). The in-house services are offered through 19 Calibration Service Centers strategically located across the United States, Puerto Rico and Canada. 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 and GLP 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 proprietary brand instruments to nearly 22,000 customers.

Our growth strategy is to leverage our service capabilities, strong brand and leading distribution platform to drive organic sales growth and to expand our addressable calibration market through acquisitions and capability investments to further realize the inherent leverage of our business model.

Service: *Growth Opportunity*

- Market opportunity for companies requiring calibration and compliance services is estimated at over $1.0 billion
- Provides an all-encompassing outsource model for managing companies' calibration programs
- Expanded presence in Southern California and deepened life science market position with the August 2015 acquisition of Anmar Metrology, Inc.

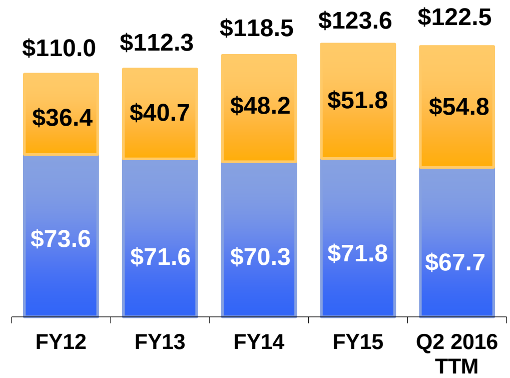
Distribution: *Core Strength*

- Markets and distributes more than 100,000 test and measurement instruments to nearly 22,000 customers
- At the forefront of buying behavior shift by increasing online presence through search engine optimization, marketing automation and pay per click advertising

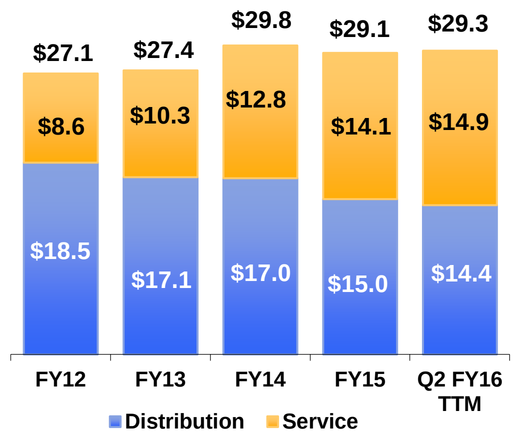
Investment Considerations

- 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

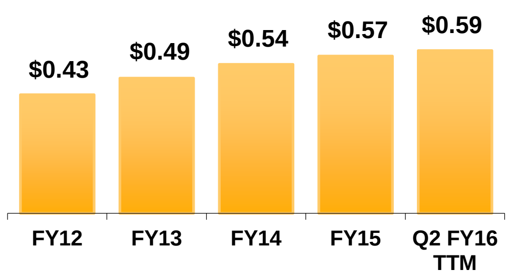
Revenue (in millions)



Gross Profit (in millions)



Earnings per Share - diluted



Market Data (as of November 9, 2015)

Shares Outstanding *(millions)*	6.9
Market Cap *(millions)*	$66.5
Avg. Daily Volume *(3 mos)*	3.6k
Recent Price	$9.65
52-Week Range	$8.76 – $10.55

[Source: Bloomberg]

Financial Highlights

Price to Book	2.1x
Price to Earnings	16.4x
Operating Margin *(Q2 FY16 TTM)*	5.6%
Net Margin *(Q2 FY16 TTM)*	3.4%
EPS *(Q2 FY16 TTM)*	$0.59

Investor Relations Contact

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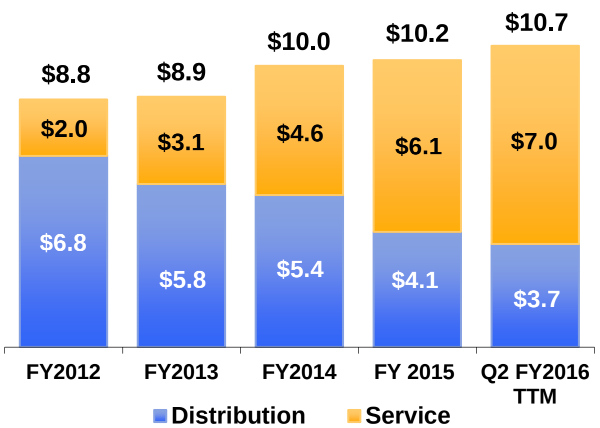
Financial Highlights (in thousands, except per share data)	Second Quarter Ended		Fiscal Year Ended		
	Sep 26, 2015	Sep 27, 2014	March 28, 2015	March 29, 2014	March 30, 2013
Service	$ 14,190	$ 12,595	$ 51,801	$ 48,184	$ 40,655
Distribution	15,286	18,516	71,823	70,324	71,614
Total revenue	29,476	31,111	123,624	118,508	112,296
Total cost of revenue	22,739	24,185	94,537	88,718	84,892
Gross margin	22.9%	*22.3%*	*23.5%*	*25.1%*	24.4%
Total operating expenses	5,367	5,410	22,319	23,085	21,458
Operating margin	4.6%	*4.9%*	*5.5%*	*5.7%*	5.3%
Net Income	878	859	4,026	3,984	3,704
Earnings per share – diluted	$ 0.12	$ 0.12	$ 0.57	$ 0.54	$ 0.49
Weighted average shares – diluted	7,119	7,056	7,059	7,357	7,592
Cash	$ 163	$ 263	$ 65	$ 23	$ 406
Other current assets	25,075	27,237	27,077	25,508	25,412
Non-current assets	39,202	35,654	35,007	28,343	29,229
Total assets	64,440	63,154	62,149	53,874	55,047
Current liabilities	12,756	11,688	11,933	13,857	13,327
Long-term debt	11,984	16,327	12,168	7,593	8,017
Other liabilities	3,704	3,274	3,730	2,341	2,053
Shareholders' equity	35,996	31,865	34,318	30,083	31,650
Total liabilities and shareholders' equity	$ 64,440	$ 63,154	$ 62,149	$ 53,874	$ 55,047
Return on average assets	6.6%	6.4%	6.9%	7.3%	7.4%
Return on average equity	12.4%	11.7%	12.5%	12.9%	12.5%
Current ratio	2.0	2.4	2.3	1.8	1.9
Book value per share	$ 5.06	$ 4.52	$ 4.86	$ 4.09	$ 4.17
Debt to total capitalization	25.0%	33.9%	26.2%	20.2%	20.2%
Cash flow from operations	$ 2,678	$ 2,003	$ 4,439	$ 7,612	$ 5,241

Adjusted EBITDA*

(in millions)



*** Adjusted EBITDA Reconciliation** *(in millions)*

	FY2012	FY2013	FY2014	FY2015	Q2 FY2016 TTM
Operating Income	$5.43	$5.95	$6.71	$6.77	$6.89
Other (Expense) /Income	($0.11)	($0.11)	($0.13)	($0.11)	($0.04)
Noncash Stock Comp	$0.55	$0.34	$0.52	$0.51	$0.40
Depreciation & Amortization	$2.90	$2.70	$2.95	$3.09	$3.46
Adjusted EBITDA*	$8.82	$8.88	$10.05	$10.26	$10.71

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

Second Quarter Fiscal Year 2016 Highlights

- Second quarter consolidated revenue was $29.5 million, a decrease of $1.6 million, or 5.3%, over the prior-year period.
- Combined organic and acquisition-related revenue growth drove the Service segment revenue increase of 12.7%, or $1.6 million, to a record second quarter of $14.2 million.
- Distribution sales declined $3.2 million, or 17.4%, to $15.3 million in the second quarter, primarily due to market weakness in the oil & gas and related industries and weaker sales to customers impacted by the strength of the U.S. dollar.
- Service segment operating income increased 26.0% to $0.8 million, and segment operating margin expanded 60 basis points to 5.9%.
- Second quarter net income was $0.9 million, a 2.2% increase over the prior-year period. Diluted earnings per share were $0.12, consistent with the prior-year period.
- As of September 26, 2015, the Company had $17.5 million in availability under its secured revolving credit facility.
- Capital expenditures in the first six months of fiscal 2016 were $2.7 million, up from $1.8 million in the prior-year period, and were primarily for expanded Service segment capabilities and assets for the Company's growing rental business.