March 29, 2018

Sidoti Spring 2018 Conference

Lee D. Rudow
President and CEO

Michael J. Tschiderer
Chief Financial Officer
Safe Harbor Statement

This presentation contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements are not statements of historical fact and thus are subject to risks, uncertainties and assumptions. Forward-looking statements are identified by words such as “expects,” “estimates,” “projects,” “anticipates,” “believes,” “could” and other similar words. All statements addressing operating performance, events or developments that Transcat, Inc. (“Transcat” or the “Company”) expects or anticipates will occur in the future, including but not limited to statements relating to anticipated revenue, profit margins, sales operations, capital expenditures, cash flows, operating income, growth strategy, segment growth, potential acquisitions, integration of acquired businesses, market position, customer preferences, outlook and changes in market conditions in the industries in which Transcat operates are forward-looking statements. Forward-looking statements should be evaluated in light of important risk factors and uncertainties. These risk factors and uncertainties are more fully described in Transcat’s Annual Report and Quarterly Reports filed with the Securities and Exchange Commission, including under the heading entitled “Risk Factors.” Should one or more of these risks or uncertainties materialize, or should any of the Company’s underlying assumptions prove incorrect, actual results may vary materially from those currently anticipated. In addition, undue reliance should not be placed on the Company’s forward-looking statements. Except as required by law, the Company disclaims any obligation to update, correct or publicly announce any revisions to any of the forward-looking statements contained in this presentation.

This presentation will discuss some non-GAAP financial measures, which the Company believes are useful in evaluating our performance. You should not consider the presentation of this additional information in isolation or as a substitute for results compared in accordance with GAAP. The Company has provided reconciliations of comparable GAAP to non-GAAP measures in tables found in the Supplemental Information portion of this presentation.
Service segment is our primary growth engine
Achieving high-single digit organic revenue growth
Acquisitions will continue to be part of our growth strategy
Used equipment sales, rentals and cross-segment synergies differentiate our Distribution segment
Long-term operating earnings to grow faster than revenue
Demonstrated strong leadership to drive TRNS to next level

**Market Capitalization**  $108 Million
**52-Week Price Range**  $11.60 - $16.49
**Recent Price**  $15.25
**Average Volume (3 mo.)**  11,700
**Common Shares Outstanding**  7.1 Million
**Ownership:**
- Institutions: 61%
- Insiders: 6%

Market data as of March 23, 2018 [Source: S&P Capital IQ]; ownership as of most recent filing

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Two Complementary Segments

**Service**
- Solid organic growth
- Recurring revenue stream
- Strong operating leverage
- Driven by regulation and the high cost of failure

**Distribution**
- New test equipment
- Used equipment
- Strong cash generation

Q3 FY 2018 TTM Revenue: $151.1M
(Service 50%, Distribution 50%)

- Unique value proposition
- Leverage between segments
Taking Market Share

$1.3 Billion Addressable Calibration Services Market¹

- 25% OEMs
- 40% 3rd Party Service Providers
- 35% In-house Laboratories

#2 in Market Share by Revenue for 3rd Party Service Providers²

- Transcat 16%
- Tektronix 26% (fragmented)
- SIMCO Electronics 11%
- Others (highly fragmented; $500k-$5M annual revenue)
- Regionals ($5M-$15M)
- Others (highly fragmented; $500k-$5M annual revenue)

¹ Estimated Addressable North American Calibration Market
² Percentage of Revenue (North America), Company estimates
Flexible Service Value Proposition

22 Locations to Serve Customers in the U.S., Canada and Puerto Rico

Flexible Service Delivery Options:
- Permanent on-site
- Periodic on-site
- Mobile
- In-house
- Pickup & Delivery

Map Legend
- Transcat Headquarters
- Transcat Calibration Labs

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Broad and Diverse Blue Chip Customer Base

Percentage of Service Revenue*

- **5%** Aerospace & Defense
- **6%** Chemical/Process
- **7%** Energy/Utilities
- **17%** Other
- **21%** Industrial
- **44%** Life Science / FDA-regulated

* Company estimates
Unique Value Proposition

*Full Suite of Products and Services for Life Science, Industrial Manufacturing and Alternative Energy Markets*

- New Instrument Calibration
- Calibration, Validation & Laboratory Services
- Alternative Energy
- Product Distribution and Rental

Superior Quality
Technology as a Competitive Advantage

- New, Seasoned Technology Leadership
- Digital Transformation with Industry Leading Web Domain Authority
- Proprietary “C3” Portal for Customer Asset Management
- Operational Excellence
  - Productivity focus
  - Lean/best practices
  - Process improvement
Financial Results
Record Consolidated Results

($ in millions)

Consolidated Revenue

- FY 2014: $118.5
- FY 2015: $123.6
- FY 2016: $122.2
- FY 2017: $143.9
- Q3 FY 2018 TTM: $151.1

7% CAGR

Consolidated Operating Income

- FY 2014: $6.7
- FY 2015: $6.8
- FY 2016: $6.3
- FY 2017: $7.9
- Q3 FY 2018 TTM: $8.1

5% CAGR

Distribution

Service

CAGR calculated FY 2014 – Q3 FY 2018 TTM
Service Segment Continues to Deliver

($ in millions)

Service Revenue

<table>
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<tr>
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<tr>
<td>$36.4</td>
<td>$48.2</td>
<td>$51.8</td>
<td>$59.2</td>
<td>$71.1</td>
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Service Operating Income & Margin

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<tbody>
<tr>
<td>$(0.2)</td>
<td>$2.4</td>
<td>$3.7</td>
<td>$4.2</td>
<td>$4.8</td>
<td>$4.7</td>
</tr>
</tbody>
</table>

Solid organic revenue growth
35 consecutive quarters of YOY revenue growth
Revenue: +9% (Q3 FY18 TTM)
+13% (CAGR)

FY 2018 gross margin negatively impacted from short-term productivity constraints and hurricanes

Increased focus on productivity initiatives

CAGR calculated FY 2014 – Q3 FY 2018 TTM
Record Distribution Sales

($) in millions

Sales and margin drivers:
- Diversification strategy and an improving US industrial market
  - Higher demand from core customers
  - Growing rental business
- Automated pricing initiative

Increased sales opportunities
- Investments in e-commerce capabilities and web-based marketing
- Strong domain authority
Strong Cash Generation and Bottom-Line
($ in millions)

Net Income

<table>
<thead>
<tr>
<th></th>
<th>FY 2014</th>
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<th>FY 2017</th>
<th>Q3 FY 2018 TTM</th>
</tr>
</thead>
<tbody>
<tr>
<td>Diluted EPS</td>
<td>$0.54</td>
<td>$0.57</td>
<td>$0.58</td>
<td>$0.64</td>
<td>$0.69</td>
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Adjusted EBITDA¹

<table>
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<tr>
<th></th>
<th>FY 2014</th>
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<th>FY 2016</th>
<th>FY 2017</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>$4.6</td>
<td>$6.1</td>
<td>$7.5</td>
<td>$9.6</td>
<td>$9.7</td>
</tr>
<tr>
<td></td>
<td>$5.4</td>
<td>$4.1</td>
<td>$3.1</td>
<td>$4.9</td>
<td>$5.5</td>
</tr>
<tr>
<td>Distribution</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Service</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Tax rate expectations²
Fiscal 2018: 28% to 29%
Fiscal 2019: 26%

Adjusted EBITDA CAGR
+12% Consolidated
+22% Service segment

¹ See supplemental slides for a description of this non-GAAP financial measure, for Adjusted EBITDA reconciliation and other important information regarding Adjusted EBITDA.
² FY 2018 and FY 2019 tax rate guidance provided as of January 29, 2018
CAGR calculated FY 2014 – Q3 FY 2018 TTM
All figures are rounded to the nearest million; therefore, totals shown in graphs may not equal the sum of the segments.
Financial Flexibility Supports Growth Strategy
($ in millions)

Total Debt
% - Debt to Total Capitalization

$7.6  $12.2  $19.1  $27.3  $26.2
FY 2014  FY 2015  FY 2016  FY 2017  Q3 FY 2018

$18.4M available from credit facility at Q3

Total debt to TTM Adjusted EBITDA¹ 1.7x

$50.0M shelf registration on Form S-3 declared effective by SEC on January 5, 2018
- Good governance to have in place
- No current plans to use, but provides flexibility

CapEx spend of $6.0 million to $6.3 million in FY18²

Service Capabilities/Opportunities  ~$2.5M
Service Maintenance/Asset Replacement  ~$0.8M
Rental assets  ~$1.8M
Technology/Operational Excellence  ~$0.5M
Technology Maintenance/Asset Replacement  ~$0.5M

¹ See supplemental slides for a description of this non-GAAP financial measure, for Adjusted EBITDA reconciliation and other important information regarding Adjusted EBITDA.
² Outlook provided as of January 29, 2018
Generating Cash to Drive Key Investments

FY 2009 (start of acquisition strategy) to Q3 FY 2018

($) in millions)
Growth Strategy and Outlook
Expanded Addressable Distribution Market

Why the pivot in strategy?

Great synergies between Distribution and Service segments
Leverage of current infrastructure
Higher gross margins on used and rental equipment
Well indexed web domain
Differentiation through “value add”

Then

Now

Lead Generation for Service Business
Equipment Rentals / Used Equipment Sales
New Instrument Sales

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Diversification Driving Distribution

Strong Rental Revenue Growth

($ in millions)

Rentals provide higher margin profile

Enhances value proposition

Excalibur acquisition added incremental rental platform for higher-end electronic equipment

Used equipment business further complements and diversifies
Drive Double-Digit Service Growth

Dominate our local markets with integrated sales/operations focus

Take market share from 3rd party providers and OEMs

Capture outsourcing of internal labs

Expansion of RF microwave and high-end electronics capabilities

New fleet of mobile calibration labs

Organic Growth Strategy

Geographic expansion
Increased capabilities and expertise
Bolt-on/leverage infrastructure
Sweet spot = revenue of $2M - $6M
Look for minimum 15% IRR
Executing Acquisition Strategy
## Acquisition Drivers

<table>
<thead>
<tr>
<th></th>
<th>Geographic Expansion</th>
<th>Increased Capabilities and Expertise</th>
<th>Leveraged Infrastructure</th>
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</thead>
<tbody>
<tr>
<td>Excalibur Engineering</td>
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<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Dispersion Laboratory</td>
<td></td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Spectrum Technologies</td>
<td></td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Anmar Metrology</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Calibration Technologies</td>
<td></td>
<td></td>
<td>✓</td>
</tr>
</tbody>
</table>

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FY 2018 Outlook* -- Strong Momentum

Expect to finish the fiscal year strong with record revenue

Service segment: Expect mid to high single digit organic growth

Distribution segment: Optimistic performance will continue

Operational Excellence initiatives ongoing: Investing in people, processes and systems to improve productivity and associated margins

Use technology as a competitive advantage

Remain selective and disciplined in acquisition and investment approach

* Outlook provided as of January 29, 2018
Supplemental Information
Adjusted EBITDA Reconciliation

($ in thousands)

<table>
<thead>
<tr>
<th></th>
<th>FY 2014</th>
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<th>FY 2016</th>
<th>FY 2017</th>
<th>Q3 FY18 TTM</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Income</td>
<td>$3,984</td>
<td>$4,026</td>
<td>$4,124</td>
<td>$4,522</td>
<td>$4,897</td>
</tr>
<tr>
<td>+ Interest Expense</td>
<td>130</td>
<td>234</td>
<td>247</td>
<td>719</td>
<td>985</td>
</tr>
<tr>
<td>+ Other Expense / (Income)</td>
<td>129</td>
<td>111</td>
<td>48</td>
<td>51</td>
<td>92</td>
</tr>
<tr>
<td>+ Tax Provision</td>
<td>2,462</td>
<td>2,397</td>
<td>1,883</td>
<td>2,642</td>
<td>2,114</td>
</tr>
<tr>
<td>Operating Income</td>
<td>$6,705</td>
<td>$6,768</td>
<td>$6,302</td>
<td>$7,934</td>
<td>$8,088</td>
</tr>
<tr>
<td>+ Depreciation &amp; Amortization</td>
<td>2,945</td>
<td>3,090</td>
<td>3,946</td>
<td>6,184</td>
<td>6,044</td>
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<tr>
<td>+ Other (Expense) / Income</td>
<td>(129)</td>
<td>(111)</td>
<td>(48)</td>
<td>(51)</td>
<td>(92)</td>
</tr>
<tr>
<td>+ Noncash Stock Compensation</td>
<td>527</td>
<td>507</td>
<td>359</td>
<td>453</td>
<td>1,232</td>
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<tr>
<td>Adjusted EBITDA</td>
<td>$10,048</td>
<td>$10,254</td>
<td>$10,559</td>
<td>$14,520</td>
<td>$15,272</td>
</tr>
</tbody>
</table>

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, and non-cash stock compensation expense), 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, and stock-based compensation expense, 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, but 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)

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</thead>
<tbody>
<tr>
<td>Service Operating Income</td>
<td>$ 2,379</td>
<td>$ 3,693</td>
<td>$ 4,155</td>
<td>$ 4,769</td>
<td>$ 4,731</td>
</tr>
<tr>
<td>+ Depreciation &amp; Amortization</td>
<td>2,144</td>
<td>2,362</td>
<td>3,216</td>
<td>4,660</td>
<td>4,461</td>
</tr>
<tr>
<td>+ Other (Expense) / Income</td>
<td>(141)</td>
<td>(138)</td>
<td>(64)</td>
<td>(55)</td>
<td>(78)</td>
</tr>
<tr>
<td>+ Noncash Stock Compensation</td>
<td>230</td>
<td>224</td>
<td>171</td>
<td>217</td>
<td>619</td>
</tr>
<tr>
<td>Service Adjusted EBITDA</td>
<td>$ 4,612</td>
<td>$ 6,141</td>
<td>$ 7,478</td>
<td>$ 9,591</td>
<td>$ 9,733</td>
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<tbody>
<tr>
<td>Distribution Operating Income</td>
<td>$ 4,326</td>
<td>$ 3,075</td>
<td>$ 2,147</td>
<td>$ 3,165</td>
<td>$ 3,357</td>
</tr>
<tr>
<td>+ Depreciation &amp; Amortization</td>
<td>801</td>
<td>728</td>
<td>730</td>
<td>1,524</td>
<td>1,583</td>
</tr>
<tr>
<td>+ Other (Expense) / Income</td>
<td>12</td>
<td>27</td>
<td>16</td>
<td>4</td>
<td>(14)</td>
</tr>
<tr>
<td>+ Noncash Stock Compensation</td>
<td>297</td>
<td>283</td>
<td>188</td>
<td>236</td>
<td>613</td>
</tr>
<tr>
<td>Distribution Adjusted EBITDA</td>
<td>$ 5,436</td>
<td>$ 4,113</td>
<td>$ 3,081</td>
<td>$ 4,929</td>
<td>$ 5,539</td>
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Seasoned Executive Team Driving Growth

Lee D. Rudow
President and
Chief Executive Officer

- More than 31 years of industry experience
- Demonstrated growth record
- Joined Transcat in 2011

Robert A. Flack
Vice President of
Service Sales &
Operations

- 18 Years in Service Segment; previously with Davis Calibration and Tektronix
- Joined Transcat in 2014

Jennifer J. Nelson
Vice President of
Human Resources

- More than 17 years of comprehensive HR experience
- Joined Transcat in 2012

Michael W. West
Vice President of
Inside Sales &
Marketing

- Provided services on a consulting basis for several years prior to joining Transcat
- Joined Transcat in 2014

Benjamin P. Hawley
Vice President of Operational Excellence

- 30 years of senior leadership in business process re-engineering and enterprise quality assurance
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