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,” “plans” 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 a discussion of these non-GAAP financial measures and reconciliations of comparable GAAP to non-GAAP measures in tables found in the Supplemental Information portion of this presentation.
A Leader in the Calibration & Laboratory Instrument Service Market and Value-Added Distributor of Test, Measurement & Control Instrumentation

✓ Service segment is our primary growth engine
✓ Acquisitions will continue to be part of our growth strategy
✓ Long-term operating earnings to grow faster than revenue
✓ Distribution segment differentiated with cross-segment synergies
✓ Strong demonstrated leadership
✓ Leverage technology to increase productivity

<table>
<thead>
<tr>
<th>Market Capitalization</th>
<th>$173 Million</th>
</tr>
</thead>
<tbody>
<tr>
<td>52-Week Price Range</td>
<td>$12.00- $25.35</td>
</tr>
<tr>
<td>Recent Price</td>
<td>$24.05</td>
</tr>
<tr>
<td>Average Volume (3 mo.)</td>
<td>34,200</td>
</tr>
<tr>
<td>Common Shares Outstanding</td>
<td>7.2 Million</td>
</tr>
<tr>
<td>Ownership:</td>
<td>Institutions 61%</td>
</tr>
<tr>
<td></td>
<td>Insiders 6%</td>
</tr>
</tbody>
</table>
The Calibration process is critical to ensure customers’ test equipment is operating according to specifications.

Our target customers usually operate in regulated environments like Life Sciences and Aerospace where the cost of failure is very high and require calibration services on a regular, recurring basis.

We sell and rent Test, Measurement and Control Instruments that are used in manufacturing processes.

Key instrument types include temperature, pressure, electrical, flow and physical/dimensional measuring disciplines among others...
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
- Rentals
- Strong cash generation

Q1 FY 2019 TTM
Revenue: $155.1M
(Service 50% Distribution 50%)

- Unique value proposition
- Leverage between segments
Taking Market Share

$1.3 Billion Addressable Calibration Services Market\(^1\)

- **25%** OEMs
- **40%** 3\(^{rd}\) Party Service Providers
- **35%** In-house Laboratories

#2 in Market Share by Revenue for 3\(^{rd}\) Party Service Providers\(^2\)

- **26%** (fragmented)
- **18%**
- **21%** (fragmented)
- **8%**
- **11%**
- **16%**

**Transcat**

**Tektronix**

**Regionals ($5M-$15M)**

**Transcat**

**Trescal**

**Others (highly fragmented; $500k-$5M annual revenue)**

**SIMCO Electronics**

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\(^1\) *Estimated Addressable North American Calibration Market*

\(^2\) *Percentage of Revenue (North America), Company estimates*
Flexible Service Value Proposition

21 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
Broad and Diverse Blue Chip Customer Base

Percentage of Service Revenue*

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

* Company estimates
What Makes Transcat Different

Unique Value Proposition...Centered on Life Science, Aerospace and Industrial Manufacturing
Technology as a Competitive Advantage

Digital Transformation
With industry leading web domain authority

Proprietary “C3”
Portal for customer asset management

Operational Excellence
Productivity focus
Lean/best practices
Process automation
Financial Results
Record Consolidated Results

($ in millions)

Consolidated Revenue

Consolidated Operating Income

$123.6 $122.2 $143.9 $155.1 $155.5

FY 2015 FY 2016 FY 2017 FY 2018 Q1 FY19 TTM

7% CAGR

$6.8 $6.3 $7.9 $9.0 $9.6

FY 2015 FY 2016 FY 2017 FY 2018 Q1 FY19 TTM

11% CAGR

CAGR calculated FY 2015 – Q1 FY19 TTM
**Service Segment Continues to Deliver**

($ in millions)

### Service Revenue

<table>
<thead>
<tr>
<th></th>
<th>FY 2012</th>
<th>FY 2015</th>
<th>FY 2016</th>
<th>FY 2017</th>
<th>FY 2018</th>
<th>Q1 FY19 TTM</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>$36.4</td>
<td>$51.8</td>
<td>$59.2</td>
<td>$71.1</td>
<td>$77.4</td>
<td>$78.3</td>
</tr>
</tbody>
</table>

**Taking market share**

37 consecutive quarters of YOY revenue growth: 9+ years

**Revenue:**

+8% *(YOY Q1 FY19 TTM)*  
+14% *(CAGR*)

### Service Operating Income & Margin

<table>
<thead>
<tr>
<th></th>
<th>FY 2012</th>
<th>FY 2015</th>
<th>FY 2016</th>
<th>FY 2017</th>
<th>FY 2018</th>
<th>Q1 FY19 TTM</th>
</tr>
</thead>
<tbody>
<tr>
<td>Margin</td>
<td>$(0.2)</td>
<td>$3.7</td>
<td>$4.2</td>
<td>$4.8</td>
<td>$5.2</td>
<td>$5.3</td>
</tr>
</tbody>
</table>

FY 2018 gross margin negatively impacted from short-term productivity constraints and lab closures due to inclement weather

**Increased focus on productivity initiatives**

*CAGR calculated FY 2015 – Q1 FY19 TTM*
Improved Distribution Margins

($ in millions)

**Distribution Sales**

<table>
<thead>
<tr>
<th>Year</th>
<th>FY 2015</th>
<th>FY 2016</th>
<th>FY 2017</th>
<th>FY 2018</th>
<th>Q1 FY19 TTM</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>$71.8</td>
<td>$63.0</td>
<td>$72.8</td>
<td>$77.7</td>
<td>$77.2</td>
</tr>
</tbody>
</table>

**Distribution Operating Income & Margin**

<table>
<thead>
<tr>
<th>Year</th>
<th>FY 2015</th>
<th>FY 2016</th>
<th>FY 2017</th>
<th>FY 2018</th>
<th>Q1 FY19 TTM</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income</td>
<td>$3.1</td>
<td>$2.1</td>
<td>$3.2</td>
<td>$3.9</td>
<td>$4.3</td>
</tr>
<tr>
<td>Margin</td>
<td>4.3%</td>
<td>3.4%</td>
<td>4.3%</td>
<td>5.0%</td>
<td>5.6%</td>
</tr>
</tbody>
</table>

Sales drivers:
- Diversification strategy and an improving U.S. industrial market
- Higher demand from core customers
- Growing rental business
- Investments in e-commerce capabilities and web-based marketing

Margin drivers:
- Automated pricing initiative
- Favorable mix
Strong Cash Generation and Record Net Income

($ in millions)

Net Income

<table>
<thead>
<tr>
<th>Year</th>
<th>Diluted EPS</th>
<th>Net Income</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 2015</td>
<td>$0.57</td>
<td>$4.0</td>
</tr>
<tr>
<td>FY 2016</td>
<td>$0.58</td>
<td>$4.1</td>
</tr>
<tr>
<td>FY 2017</td>
<td>$0.64</td>
<td>$4.5</td>
</tr>
<tr>
<td>FY 2018</td>
<td>$0.81</td>
<td>$5.9</td>
</tr>
<tr>
<td>Q1 FY19 TTM</td>
<td>$0.88</td>
<td>$6.5</td>
</tr>
</tbody>
</table>

Adjusted EBITDA¹

<table>
<thead>
<tr>
<th>Year</th>
<th>Distribution</th>
<th>Service</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 2015</td>
<td>$4.1</td>
<td>$6.1</td>
<td>$10.3</td>
</tr>
<tr>
<td>FY 2016</td>
<td>$3.1</td>
<td>$7.5</td>
<td>$10.6</td>
</tr>
<tr>
<td>FY 2017</td>
<td>$4.9</td>
<td>$9.6</td>
<td>$14.5</td>
</tr>
<tr>
<td>FY 2018</td>
<td>$6.2</td>
<td>$10.2</td>
<td>$16.4</td>
</tr>
<tr>
<td>Q1 FY19 TTM</td>
<td>$6.5</td>
<td>$10.4</td>
<td>$16.8</td>
</tr>
</tbody>
</table>

Tax rate expectations²

Fiscal 2019: 25% to 27%
(includes Federal, various state, and Canadian income taxes)

Adjusted EBITDA CAGR³

+16% Consolidated
+18% 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 2019 tax rate guidance provided as of July 24, 2018

³ CAGR calculated FY 2015 – Q1 FY19 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

FY 2015: $12.2 million, 26.2%
FY 2016: $19.1 million, 32.9%
FY 2017: $27.3 million, 38.6%
FY 2018: $22.9 million, 30.8%
Q1 FY 2019: $21.5 million, 28.5%

$22.0 million available from credit facility as of June 30, 2018

1.28x leverage ratio at Q1 FY 2019
(Total debt to TTM Adjusted EBITDA\(^1\))

$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

Capital Expenditures

FY 2015: $3.5 million
FY 2016: $4.1 million
FY 2017: $5.3 million
FY 2018: $5.9 million
Q1 FY 2019 YTD: $1.9 million

Anticipate CapEx spend of $7.0 million to $7.5 million in fiscal 2019, as follows\(^2\)
- Service capabilities: ~$4.0 million
- Rental assets: ~$2.0 million
- Maintenance: ~$1.0 to $1.5 million

\(^1\) 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 July 24, 2018
Generating Cash to Drive Key Investments

FY 2009 (start of acquisition strategy) to Q1 FY 2019

($ in millions)

Sources of Cash  Uses of Cash

- FY2009 Cash & Investments, Net
- Net Income
- D&A and Working Capital Change
- Financing/Other
- FX Effect
- Capital Expenditures
- Business Acquisitions
- Repurchase of Common Stock (largely in FY 2014)
- Q1 FY19 Cash & Investments, Net
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”
Diversification Driving Distribution

Strong Rental Revenue Growth

($ in millions)

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

Acquisition Strategy

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

<table>
<thead>
<tr>
<th></th>
<th>Geographic Expansion</th>
<th>Increased Capabilities and Expertise</th>
<th>Leveraged Infrastructure</th>
</tr>
</thead>
<tbody>
<tr>
<td>Angel’s Instrumentation</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>NBS Calibrations</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Excalibur Engineering</td>
<td>✓</td>
<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>
</tbody>
</table>
FY19 Outlook¹ -- Building for the Long Term

**SERVICE SEGMENT:** expect mid to high single-digit organic revenue growth

**ACQUISITIONS:** expected to drive Service segment to double-digit revenue growth; active pipeline and we believe ample dry powder to execute

**DISTRIBUTION SEGMENT:** expect low to mid single-digit growth

**NEW PRODUCTIVITY AND AUTOMATION INVESTMENTS:** expected to accelerate integration of acquisitions and drive margin enhancement in the 12-24 month time frame.

¹ Outlook provided as of July 24, 2018
Supplemental Information
Adjusted EBITDA Reconciliation

($ in thousands)

<table>
<thead>
<tr>
<th></th>
<th>FY 2015</th>
<th>FY 2016</th>
<th>FY 2017</th>
<th>FY 2018</th>
<th>1QFY19 TTM</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Income</td>
<td>$4,026</td>
<td>$4,124</td>
<td>$4,522</td>
<td>$5,922</td>
<td>$6,494</td>
</tr>
<tr>
<td>+ Interest</td>
<td>234</td>
<td>247</td>
<td>719</td>
<td>1,018</td>
<td>988</td>
</tr>
<tr>
<td>+ Other Expense / (Income)</td>
<td>111</td>
<td>48</td>
<td>51</td>
<td>60</td>
<td>44</td>
</tr>
<tr>
<td>+ Tax Provision</td>
<td>2,397</td>
<td>1,883</td>
<td>2,642</td>
<td>2,026</td>
<td>2,115</td>
</tr>
<tr>
<td>Operating Income</td>
<td>$6,768</td>
<td>$6,302</td>
<td>$7,934</td>
<td>$9,026</td>
<td>$9,641</td>
</tr>
<tr>
<td>+ Depreciation &amp; Amortization</td>
<td>3,090</td>
<td>3,946</td>
<td>6,184</td>
<td>5,991</td>
<td>6,072</td>
</tr>
<tr>
<td>+ Other (Expense) / Income</td>
<td>(111)</td>
<td>(48)</td>
<td>(51)</td>
<td>(60)</td>
<td>(44)</td>
</tr>
<tr>
<td>+ Noncash Stock Compensation</td>
<td>507</td>
<td>359</td>
<td>453</td>
<td>1,411</td>
<td>1,181</td>
</tr>
<tr>
<td><strong>Adjusted EBITDA</strong></td>
<td><strong>$10,254</strong></td>
<td><strong>$10,559</strong></td>
<td><strong>$14,520</strong></td>
<td><strong>$16,368</strong></td>
<td><strong>$16,850</strong></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)

<table>
<thead>
<tr>
<th></th>
<th>FY 2015</th>
<th>FY 2016</th>
<th>FY 2017</th>
<th>FY 2018</th>
<th>1QFY19</th>
</tr>
</thead>
<tbody>
<tr>
<td>Service Operating Income</td>
<td>$ 3,693</td>
<td>$ 4,155</td>
<td>$ 4,769</td>
<td>$ 5,158</td>
<td>$ 5,342</td>
</tr>
<tr>
<td>+Depreciation &amp; Amortization</td>
<td>2,362</td>
<td>3,216</td>
<td>4,660</td>
<td>4,397</td>
<td>4,477</td>
</tr>
<tr>
<td>+Other (Expense) / Income</td>
<td>(138)</td>
<td>(64)</td>
<td>(55)</td>
<td>(61)</td>
<td>(47)</td>
</tr>
<tr>
<td>+Noncash Stock Compensation</td>
<td>224</td>
<td>171</td>
<td>217</td>
<td>706</td>
<td>603</td>
</tr>
<tr>
<td>Service Adjusted EBITDA</td>
<td>$ 6,141</td>
<td>$ 7,478</td>
<td>$ 9,591</td>
<td>$ 10,200</td>
<td>$ 10,375</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>FY 2015</th>
<th>FY 2016</th>
<th>FY 2017</th>
<th>FY 2018</th>
<th>1QFY19</th>
</tr>
</thead>
<tbody>
<tr>
<td>Distribution Operating Income</td>
<td>$ 3,075</td>
<td>$ 2,147</td>
<td>$ 3,165</td>
<td>$ 3,868</td>
<td>$ 4,299</td>
</tr>
<tr>
<td>+Depreciation &amp; Amortization</td>
<td>728</td>
<td>730</td>
<td>1,524</td>
<td>1,594</td>
<td>1,595</td>
</tr>
<tr>
<td>+Other (Expense) / Income</td>
<td>27</td>
<td>16</td>
<td>4</td>
<td>1</td>
<td>3</td>
</tr>
<tr>
<td>+Noncash Stock Compensation</td>
<td>283</td>
<td>188</td>
<td>236</td>
<td>705</td>
<td>578</td>
</tr>
<tr>
<td>Distribution Adjusted EBITDA</td>
<td>$ 4,113</td>
<td>$ 3,081</td>
<td>$ 4,929</td>
<td>$ 6,168</td>
<td>$ 6,475</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
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<tr>
<td><strong>Total Adjusted EBITDA</strong></td>
<td><strong>$ 10,254</strong></td>
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Seasoned Executive Team Driving Growth

Lee D. Rudow
President and Chief Executive Officer
- More than 32 years of industry experience
- Demonstrated growth record
- Joined Transcat in 2011

Benjamin P. Hawley
Vice President of Operational Excellence
- 31 years of senior leadership in business process re-engineering and enterprise quality assurance
- Joined Transcat in January 2017

Robert A. Flack
Vice President of Service Sales & Operations
- 19 Years in Service Segment; previously with Davis Calibration and Tektronix
- Joined Transcat in 2014

Jennifer J. Nelson
Vice President of Human Resources
- More than 18 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

Michael J. Tschiderer
Chief Financial Officer
- Public company, PE and VC experience
- Joined Transcat in 2015