Fourth Quarter Fiscal 2020 Conference Call Presentation

August 25, 2020

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Key Q4 FY20 Messages

Q4 FY20 RESULTS &TRENDS

- Continued focus on safety and health of employees, customers and suppliers; high degree of global collaboration
- Q4 FY20 results in line with Company expectations, despite very challenging operating environment
- Since the end of April, end markets have exhibited a gradual increase in the level of customer activity which has continued into Q1 FY21

POSITIONING FOR HIGHER GROWTH & MARGIN

- Completed Refrigerated Solutions Group divestiture; ~200 basis point increase in adj. operating margin
- Acquired Renco Electronics, custom magnetics manufacturer with significant engineering and technical expertise and highly complementary customer base and end markets
- Realigned reporting segments highlighting Scientific's highly attractive business profile and long-term outlook; aligning Hydraulics, Pumps and Merchandising consistent with common leadership structure

IMPLEMENTING ADDITIONAL COST & EFFICIENCY INITIATIVES

- Cost reduction efforts reading out; ~$4.2M expense savings in Q4 FY20
- Expect ~$7M in annualized expense savings from cost actions in FY21
- Implementing significant number of productivity and efficiency initiatives to strengthen market leadership and cost position

STRONG FINANCIAL POSITION

- Generated $19.5M free cash flow in Q4; repaid ~$13M of debt
- ~ $200M of available liquidity; 0.8x TTM net debt to adjusted EBITDA and ~9x interest coverage ratio
- Repatriated ~$19M from foreign subsidiaries in Q4 FY20; total repatriation of ~$39M in FY20
- Utilized cash on hand to purchase Renco, incurring no additional debt

OUTLOOK

- Strong balance sheet and financial flexibility to capitalize on healthy pipeline of internal projects and inorganic growth opportunities with attractive returns
- Significant operational excellence funnel to further drive efficiency and profitable growth
- In Q1 FY21, Standex expects revenue to be flat to slightly above Q4 FY20 and operating margin to improve

Electronics

$ in 000's	Q4 FY20	Q4 FY19	% Change
Revenue	$44,773	$49,726	-10.0%
Operating Income	$5,856	$8,645	-32.3%
OI Margin	13.1%	17.4%	

Custom magnetic sensor for Smart Grid monitoring

- Standex' process controls and design capabilities were key to this application
- Enables remote, wireless underground monitoring of electric power quality
- Multi-year sales cycle, leading to a long product life cycle

Q4 FY20 Summary

- Sales decrease primarily reflected COVID-19 impact on North America and European markets partially offset by a modest recovery in Asia
- Margin decline reflects lower volume, higher raw material costs, and COVID-19 caused temporary plant shutdowns, partially mitigated by cost savings and productivity initiatives
- New Business Opportunities funnel remains active and is currently over $40M

Q1 FY21 Outlook

- Expect meaningful sequential increase in revenue due to positive trends in magnetics product line and contribution from recently closed Renco acquisition
- Expect meaningful sequential improvement in operating margin due to continued cost and productivity initiatives combined with price realization and limited incremental impact from reed switch raw material cost increases

Engraving

$ in 000's	Q4 FY20	Q4 FY19	% Change
Revenue	$31,618	$38,091	-17.0%
Operating Income (*)	$2,569	$5,293	-51.5%
OI Margin (*)	8.1%	13.9%	

(*) FY19 results excludes $180K purchase accounting expense

- Standex Engraving provided broad service offering including Architecture design services, chemical and laser texturizing, soft trim tools and tool finishing services
- The program required global coordination. Standex was able to deliver in each region of the world

Q4 FY20 Summary

- Revenue decrease primarily due to delays in the receipt of tools from customers; some volume shifting to Q1 FY21 with auto OEMs continuing to hold their new program rollout schedules
- Operating income decline reflects volume decline associated with the economic impact of COVID-19, partially mitigated by productivity and expense savings in the quarter
- Laneway growth of 9% YTD to $43.9M including soft trim tools, laser engraving and tool finishing

Q1 FY21 Outlook

- Expect meaningful sequential increase in revenue reflecting both orders that have shifted from Q4 FY20 to Q1 FY21 as well as an increase in the level of overall customer activity
- Expect meaningful sequential improvement in operating margin associated with higher volumes combined with cost efficiency and productivity initiatives primarily in North America and Europe
- Leveraging global SAP platform for enhanced productivity

Scientific

$ in 000s	Q4 FY20	Q4 FY19	% Change
Revenue	$12,689	$15,292	-17.0%
Operating Income	$2,775	$3,689	-24.8%
OI Margin	21.9%	24.1%	

- Has grown significantly since acquisition in 2016
- Competes and wins through superior customer service with rapid design and launch of new products to meet the rapidly evolving needs of the life sciences end market
- Serves biopharma, pharmacies, healthcare, industrial, government and universities
- Deployed Standex growth disciplines to develop and launch new products and build an R&D organization

Q4 FY20 Summary

- Revenue and operating income decreased YOY reflecting a market shift toward consumable protective equipment due to the COVID-19 pandemic with less emphasis on capital equipment expenditures
- Orders began to ramp rapidly in late May and June as capital equipment demand returned

Q1 FY21 Outlook

- Expect to see meaningful sequential revenue increase as customer ordering patterns return to historical mix with increase in purchase of capital equipment
- Expect 2021 flu season vaccine delivery shifting to a greater extent to pharmacies from clinics, further accelerating trends from recent years
- Continuing to invest in R&D and new product development in coming quarters
- Actively assessing and pursuing COVID-19 vaccine storage opportunity

Engineering Technologies

$ in 000s	Q4 FY20	Q4 FY19	% Change
Revenue	$26,178	$33,452	-21.7%
Operating Income	$4,149	$4,534	-8.5%
OI Margin	15.8%	13.6%	

Next Generation Missile nose cones

- Highly collaborative co-development projects to support new platforms
- Standex proprietary spin forming process reduces material inputs and machining processes for high strength alloys

Q4 FY20 Summary

- Sales decreased YOY reflecting lower aviation-related sales offset partially by increased sales in the space end market
- Despite sales decline, operating margin increased due to favorable product mix, cost actions and manufacturing efficiencies

Q1 FY21 Outlook

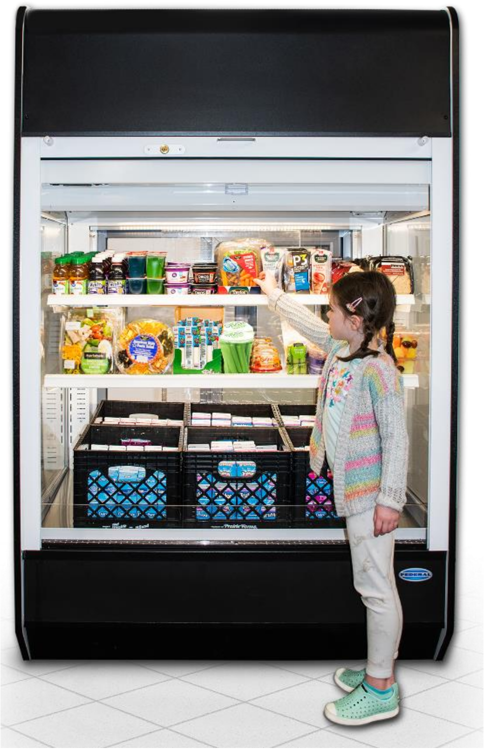
- Expect both significant sequential revenue and operating margin decrease due to the economic impact of COVID-19 on the commercial aviation market, particularly in the engine parts product line
- Space end market sales expected to sequentially decline in Q1, due to timing of projects
- Defense end markets are expected to grow throughout the fiscal year driven by legacy and new missile programs
- Emphasis on aligning cost structure with the current demand environment

Specialty Solutions

$ in 000s	Q4 FY20	Q4 FY19	% Change
Revenue	$24,128	$32,182	-25.0%
Operating Income	$3,678	$6,011	-38.8%
OI Margin	15.2%	18.7%	

Developed with Standex Growth Discipline Process, The new Federal brand milk merchandiser provides offer several advantages

- ✓ Flexibility to merchandise wide assortment of products and product accessibility to young students
- ✓ Reduces labor by not removing milk every night
- ✓ Innovative condenser cleaning alarm with Standex Electronics sensor



Q4 FY20 Summary

- As expected, revenue decreased YOY associated with the economic impact of COVID-19 on several end markets including food service equipment and hospitality markets at the Pumps and Merchandising businesses and dump market at Hydraulics
- Operating income decrease reflected lower volume partially mitigated by cost actions including headcount reductions and temporary plant shutdowns
- Three businesses now reported as a segment, reflecting our common management structure

Q1 FY21 Outlook

- Expect Q1 FY21 revenue and operating income to be similar to Q4 FY20, with Merchandising demand to slightly improve while Hydraulics and Pumps to be sequentially similar
- Continued focus on Hydraulics aftermarket opportunity

Q4 FY20 Income Statement Summary

($ in M's)	Q4 FY20	Q4 FY19	YOY	Comments
Revenue	$139.4	$168.7	-17.4%	**Components of revenue decline:** Organic -16.4% Acquisitions +0.1% F/X impact of -1.1%
Gross Margin	33.7%	35.7%	-200 bps	Contribution margin decline due to volume loss, partially offset by productivity actions
Adj. Operating Income	$12.1	$21.3	-43.1%	
Margin %	8.7%	12.6%	-390 bps	
Adj. EBITDA	$20.6	$28.9	-28.9%	
Margin %	14.8%	17.1%	-230 bps	
Net, Interest Expense	$1.7	$2.2		Lower effective interest rate
Tax Rate %	26.7%	24.6%	-210 bps	Primarily due to domestic/foreign earnings mix
Net Income	$6.1	$12.4		
Margin %	4.4%	7.3%		
Adj. Net Income	$8.0	$13.8	-41.9%	
Margin %	5.7%	8.2%	-250 bps	
Adj. EPS	$0.65	$1.10	-40.9%	Repurchased 30,000 shares during the quarter
Diluted Shares	12,281	12,483		

Q4 FY20 Free Cash Flow

AS REPORTED ($M)	Q4 FY 20	Q4 FY 19
Net cash provided by operating activities, as reported	$ 25.2	$ 43.4
Less: Capital Expenditures	(5.7)	(15.6)
Free operating cash flow	$ 19.5	$ 27.8

- Net cash provided by operating activities decrease primarily reflects lower net income year-over-year
- Lower capital spending reflected focus on maintenance, safety and highest priority growth initiatives given COVID-19 related slowdown

Consistent Free Cash Flow Generation

Q4 FY20 Capitalization

Favorable Liquidity Profile

- Net debt to adj. EBITDA of 0.81x
- Net debt to total capital of 14.8%
- ~9x interest coverage ratio
- ~$200M of available liquidity

Capital Spending

- $5.7M of CAPEX in Q4 FY20 compared to $15.6M in Q4 FY19
- FY21 CAPEX will be $28M - $30M from $19M in FY20
- Expect depreciation of $20M - $22M in FY21
- Amortization expected to be $11M - $12M in FY21

(in $M)	Q4 FY20		Q3 FY20	
Debt (with-issuance costs)	199.1		212.1	
Cash	118.8		109.3	
Net Debt	80.3		102.8	
Net Debt to Capital Ratio	14.8%		18.0%	
Funded Debt to Capital	30.1%		31.3%	
Leverage Ratio per Bank Credit Agreement	1.47	x	1.49	x
TTM Adjusted EBITDA as Reported	98.9		108.6	
Adjusted EBITDA to Net Debt	0.81	x	0.95	x

- Net debt to capital at 14.8% vs 18.0% in Q3 FY20
- Repatriated $19M in Q4 FY20 and $39M in FY20; expect to repatriate ~$35M in FY21
- Q4 FY20 capital spending focused on safety, maintenance, & highest priority growth activities

Strong Balance Sheet With Significant Liquidity

Standex

Q4 FY20 Reporting Segment Realignment

Prior Reporting Segments

Q4 FY20 Revenue ($ in 000's)	
Electronics	$44,773
Engraving	31,618
Engineering Technologies	26,178
Hydraulics	13,108
Food Service Equipment	23,709
Total Revenue	**$139,386**

Q4 FY20 Operating Income ($ in 000's)	
Electronics	$5,856
Engraving	2,569
Engineering Technologies	4,149
Hydraulics	2,651
Food Service Equipment	3,802
Total Segment Operating Income	**$19,027**

Current Reporting Segments

Q4 FY20 Revenue ($ in 000's)	
Electronics	$44,773
Engraving	31,618
Scientific	12,689
Engineering Technologies	26,178
Specialty Solutions	24,128
Total Revenue	**$139,386**

Q4 FY20 Operating Income ($ in 000's)	
Electronics	$5,856
Engraving	2,569
Scientific	2,775
Engineering Technologies	4,149
Specialty Solutions	3,678
Total Segment Operating Income	**$19,027**

Key Takeaways

1. **Standex expects revenue to be flat to slightly above fiscal fourth quarter and operating margin to improve on a sequential basis in fiscal first quarter 2021**

2. **Proactively managing portfolio and building higher margin growth businesses into more significant platforms; divested Refrigerated Solutions Group, acquired Renco Electronics and established Scientific as a stand-alone segment**

3. **Expect $7 million in savings from cost actions in FY21 complemented by a significant funnel of operational excellence initiatives**

4. **Substantial financial flexibility supported by strong balance sheet, significant liquidity, consistent free cash flow generation and continued repatriation of cash**

5. **Disciplined and balanced capital allocation with healthy pipeline of organic and inorganic growth opportunities**

Q&A

APPENDIX

Q4 FY20 GAAP to Non-GAAP Bridge

	Q4 FY20				Q4 FY19				% Change		
	Pre-tax Income	Tax	Net Income	EPS	Pre-tax Income	Tax	Net Income	EPS	Pre-tax Income	Net Income	EPS
Reported - GAAP	**$ 8.9**	**$ (2.8)**	**$ 6.1**	**$ 0.50**	**$ 17.2**	**$ (4.9)**	**$ 12.4**	**$ 0.99**	**-48%**	**-51%**	**-50%**
Add:											
Restructuring Charges	1.9	(0.4)	1.5	0.12	0.5	(0.1)	0.3	0.03			
Purchase Accounting	-	-	-	-	0.2	(0.0)	0.1	0.01			
Acquisition-Related Costs	0.1	-	0.1	0.01	0.7	(0.2)	0.5	0.04			
Property Insurance Deductible	-	-	-	-	0.5	(0.1)	0.4	0.03			
Discrete Tax Items	-	0.3	0.3	0.02	-	-	-	-			
Adjusted	**$ 10.9**	**$ (2.9)**	**$ 8.0**	**$ 0.65**	**$ 19.1**	**$ (5.3)**	**$ 13.8**	**$ 1.10**	**-43%**	**-42%**	**-41%**
Diluted Shares				12,281				12,483			

GAAP 4th Quarter Net Income $6.1M versus Prior Year at $12.4M
Non-GAAP Net Income $8.0M versus Prior Year at $13.8M
GAAP EPS decreased 50%; Non-GAAP EPS down 41%

Note : Totals will not foot due to rounding

Fiscal 2020 Quarterly Results Under New Reporting Structure

	1Q20A	2Q20A	3Q20A	4Q20A	FY20A
Revenue ($ in 000's)					
Electronics	$46,617	$45,834	$48,069	$44,773	$185,294
Engraving	38,431	38,256	35,431	31,618	143,736
Scientific	14,750	15,414	14,670	12,689	57,523
Engineering Technologies	24,644	26,495	26,730	26,178	104,047
Specialty Solutions	31,536	27,699	30,573	24,128	113,935
Total Revenue	**$155,978**	**$153,697**	**$155,474**	**$139,386**	**$604,535**
Operating Income ($ in 000's)					
Electronics	$8,099	$7,776	$8,017	$5,856	$29,749
Engraving	6,537	6,916	4,472	2,569	20,493
Scientific	3,705	4,056	3,204	2,775	13,740
Engineering Technologies	3,359	3,422	3,098	4,149	14,027
Specialty Solutions	5,648	4,341	4,879	3,678	18,546
Total Segment Operating Income	**$27,348**	**$26,512**	**$23,669**	**$19,027**	**$96,556**

Fiscal first and second quarter 2020 results have been adjusted to reflect the divestiture of Refrigerated Solutions Group on April 16, 2020.

Standex