Fourth Quarter Fiscal 2018 Conference Call

Standex

August 28, 2018





SXI LISTED NYSE

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Fourth Quarter 2018 Overview

- **YOY sales were up 4.8%** to $227.5M
  - Organic sales 1.2%
  - FX impact of 1.8%
  - Acquisitions 1.8%
- Q4 GAAP operating income up 28.2% and EPS of $0.99 per share
- Q4 adjusted operating income up 11.0% and adjusted EPS of $1.60 up 14.3%
- Net debt position reduced to $84.2M at end of Q4
- Key quarterly highlights:
  - Strong sales growth in Electronics, Engraving and Hydraulics
  - Food Service margins improved 70 bps year over year in Q4
  - Engineering Technologies sales and margins were challenged due to the delayed aviation ramp that had been anticipated in Q4

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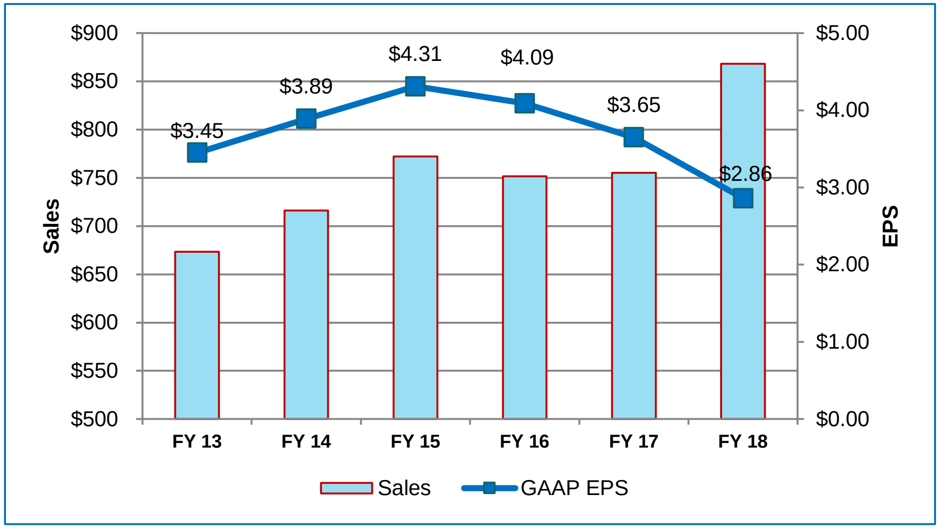
FY 2018 Full Year

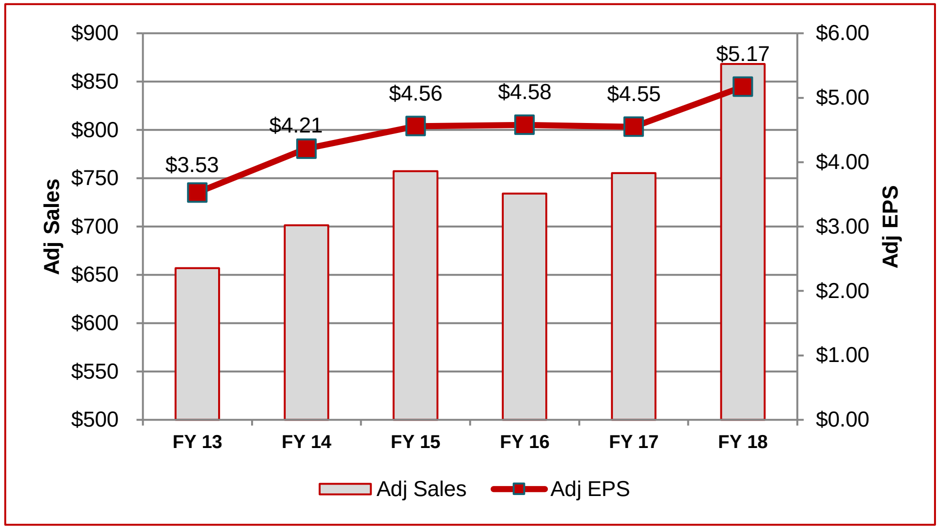
- **YOY sales were up 15.0%** to $868.4M
  - Organic sales 5.2%
  - FX impact of 1.9%
  - Acquisitions 7.9%
- Full Year GAAP operating income up 29.2% and EPS of $2.86 per share
- Full Year adjusted operating income up 17.8% and adjusted EPS of $5.17 up 13.6%
- Key FY 18 highlights:
  - Engraving, Electronics and Hydraulics grew over 10% organically. Standex Electronics Japan first full year of ownership under SXI showed strong growth in sensors and reed switch sales
  - Engraving acquired Piazza Rosa in Q1 of FY 18, opening up the $2+ Billion market for tool finishing
  - Engineering Technologies Sales and EBIT Margins were impacted by delays in aviation ramp
  - Refrigeration and Cooking restructuring were completed, delivering operating and margin improvements in Q4 of FY 18

Sales and Earnings Per Share Trend

As Reported, GAAP

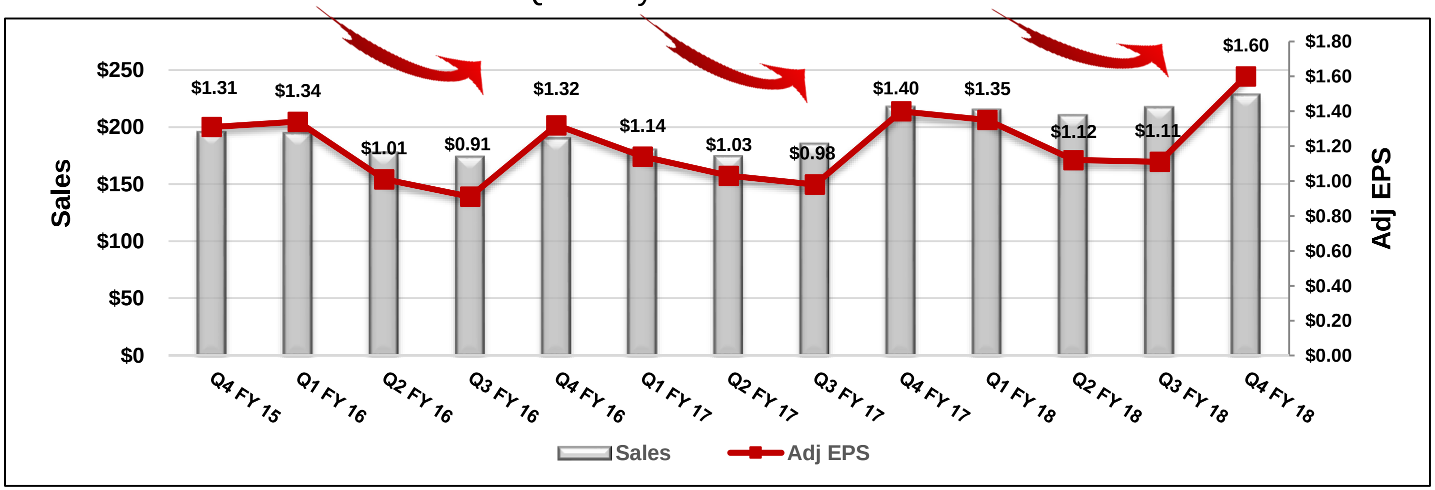


Non-GAAP



FY 13-16 Adjusted and Restated without RPM

Quarterly Seasonal Trend



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Revenue Changes

Q4 2018 YOY Change %	Food Service	Engraving	Engineering Technologies	Electronics	Hydraulics	Total
Organic	-2.5%	8.9%	-15.3%	11.3%	19.5%	1.2%
Acquisitions	0.0%	14.2%	0.0%	0.0%	0.0%	1.8%
Currency	0.3%	5.5%	0.4%	4.1%	0.0%	1.8%
Total	-2.2%	28.6%	-14.9%	15.4%	19.5%	4.8%

FY 2018 YOY Change %	Food Service	Engraving	Engineering Technologies	Electronics	Hydraulics	Total
Organic	1.3%	10.2%	-0.4%	12.1%	17.0%	5.2%
Acquisitions	2.5%	12.5%	0.0%	27.2%	0.0%	7.9%
Currency	0.4%	5.9%	0.7%	4.3%	0.1%	1.9%
Total	4.2%	28.6%	0.3%	43.6%	17.1%	15.0%

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Quarter Financials

	Q4 FY18			Q4 FY17			YOY Change	
	GAAP Reported	Adjustments	Non-GAAP Adjusted	GAAP Reported	Adjustments	Non-GAAP Adjusted	GAAP Reported	Non-GAAP Adjusted
Net Revenues	$ 227.5	$ -	$ 227.5	$ 217.1	$ -	$ 217.1	$ 10.4	$ 10.4
% Change							4.8%	4.8%
Gross Profit	82.3	-	82.3	72.7	2.0	74.7		
%	36.2%		36.2%	33.5%		34.4%	270 bps	180 bps
Operating Income	26.4	2.0	28.4	20.6	5.0	25.6	28.2%	11.0%
%	11.6%		12.5%	9.5%		11.8%	210 bps	70 bps
Net Interest (Expense)	(2.2)	-	(2.2)	(1.5)	-	(1.5)		
Other Income (Expense)	0.5	-	0.5	0.1	-	0.1		
Pre-Tax Income	24.6	2.0	26.7	19.2	5.0	24.2	28.5%	10.3%
Provision for Income Taxes	12.0	(5.8)	6.2	5.0	1.3	6.3		
Net Income Continuing Operation	$ 12.6	$ 7.8	$ 20.4	$ 14.1	$ 3.7	$ 17.9	$ (1.5)	$ 2.6
%	5.5%		9.0%	6.5%		8.2%	-100 bps	80 bps
Tax Rate	24.7%		24.7%	25.6%		25.6%		
Diluted EPS	$ 0.99	$ 0.61	$ 1.60	$ 1.11	$ 0.29	$ 1.40	-10.8%	14.3%
Weighted Avg Diluted Shares	12.8	12.8	12.8	12.8	12.8	12.8		
EBITDA			$ 36.6			$ 32.2		$ 4.4
%			16.1%			14.8%		1.3%

* Totals or subtotals may not foot due to rounding

GAAP Operating Margin at 11.6% in Q4 FY 18 versus 9.5% in Q4 FY 17
Non-GAAP Operating Margin at 12.5% in Q4 FY 18 versus 11.8% in Q4 FY 17

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Q4 FY 18 Quarter Bridge

	Q4 FY18				Q4 FY17				% Change		
	Pre-tax Income	Tax	Net Income	EPS	Pre-tax Income	Tax	Net Income	EPS	Pre-tax Income	Net Income	EPS
Reported - GAAP	**$ 24.6**	**$ (12.0)**	**$ 12.6**	**$ 0.99**	**$ 19.2**	**$ (5.0)**	**$ 14.1**	**$ 1.11**	**28.5%**	**-10.7%**	**-10.8%**
Add:											
Restructuring Charges	1.3	(0.3)	1.0	0.08	2.7	(0.7)	2.0	0.16			
Purchase Accounting	-	-	-	-	2.0	(0.5)	1.5	0.12			
Acquisition-related costs	0.7	(0.2)	0.6	0.04	0.9	(0.2)	0.7	0.05			
Discrete Tax Items	-	6.3	6.3	0.49	-	-	-	-			
Less:											
Gain on sale of real estate	-	-	$ -	-	(0.7)	0.2	(0.5)	(0.04)			
Adjusted	**$ 26.7**	**$ (6.2)**	**$ 20.4**	**$ 1.60**	**$ 24.2**	**$ (6.3)**	**$ 17.9**	**$ 1.40**	**10.3%**	**14.4%**	**14.3%**
Diluted Shares				12,800				12,757			

- ***GAAP Net Income & GAAP EPS down primarily due to discrete tax item related to the new tax law***

GAAP Net Income down 10.7%, Adjusted Net Income up by 14.4%
GAAP EPS down by 10.8%, Adjusted EPS up 14.3% over prior year

Full Year FY 18 Financials

	Full Year FY 18			Full Year FY 17			YOY Change	
	GAAP Reported	Adjustments	Non-GAAP Adjusted	GAAP Reported	Adjustments	Non-GAAP Adjusted	GAAP Reported	Non-GAAP Adjusted
Net Revenues	**$ 868.4**	**$ -**	**$ 868.4**	**$ 755.3**	**$ -**	**$ 755.3**	**$ 113.1**	**$ 113.1**
% Change							15.0%	15.0%
Gross Profit	**301.8**	**0.2**	**302.0**	**252.8**	**3.1**	**255.8**		
%	34.8%		34.8%	33.5%		33.9%	130 bps	90 bps
Operating Income	**84.0**	**11.5**	**95.5**	**65.0**	**16.1**	**81.1**	29.2%	17.8%
%	9.7%		11.0%	8.6%		10.7%	110 bps	30 bps
Net Interest (Expense)	(8.0)	-	(8.0)	(4.0)	-	(4.0)		
Other Income (Expense)	1.2	-	1.2	0.9	-	0.9		
Pre-Tax Income	77.3	11.5	88.8	61.9	16.1	78.0	24.7%	13.8%
Provision for Income Taxes	40.6	(18.0)	22.6	15.4	4.6	19.9		
Net Income Continuing Operation	**$ 36.6**	**$ 29.5**	**$ 66.1**	**$ 46.6**	**$ 11.5**	**$ 58.1**	**$ (9.9)**	**$ 8.1**
%	4.2%		7.6%	6.2%		7.7%	-190 bps	-10 bps
Tax Rate	24.7%		24.7%	25.6%		25.6%		
Diluted EPS	$ 2.86	$ 2.31	$ 5.17	$ 3.65	$ 0.90	$ 4.55	-21.6%	13.6%
Weighted Avg Diluted Shares	12.8	12.8	12.8	12.8	12.8	12.8		
EBITDA			**$ 126.0**			**$ 102.4**		**$ 23.6**
%			14.5%			13.6%		0.9%

* Totals or subtotals may not foot due to rounding

GAAP Operating Margin at 9.7% in FY 18 versus 8.6% in FY 17
Non-GAAP Operating Margin at 11.0% in FY 18 versus 10.7% in FY 17

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Full Year FY 18 Bridge

	Q4 FY18				Q4 FY17				% Change		
	Pre-tax Income	Tax	Net Income	EPS	Pre-tax Income	Tax	Net Income	EPS	Pre-tax Income	Net Income	EPS
Reported - GAAP	**$ 77.3**	**$ (40.6)**	**$ 36.6**	**$ 2.86**	**$ 61.9**	**$ (15.4)**	**$ 46.6**	**$ 3.65**	**24.7%**	**-21.3%**	**-21.6%**
Add:											
Restructuring Charges	7.6	(1.9)	5.7	0.45	5.8	(1.5)	4.3	0.34			
Purchase Accounting	0.2	(0.1)	0.2	0.01	3.1	(0.8)	2.3	0.18			
Acquisition-related costs	3.7	(0.9)	2.8	0.22	7.8	(2.0)	5.8	0.46			
Discrete Tax Items	-	20.8	20.8	1.63	-	-	-	-			
Less:											
Discrete Tax Items	-	-	-	-	-	(0.5)	(0.5)	(0.04)			
Adjusted	**$ 88.8**	**$ (22.6)**	**$ 66.1**	**$ 5.17**	**$ 78.0**	**$ (19.9)**	**$ 58.1**	**$ 4.55**	**13.8%**	**13.9%**	**13.6%**
Diluted Shares				12,788				12,766			

GAAP Net Income down 21.3%, Adjusted Net Income up by 13.9%
GAAP EPS down by 21.6%, Adjusted EPS up 13.9% over prior year

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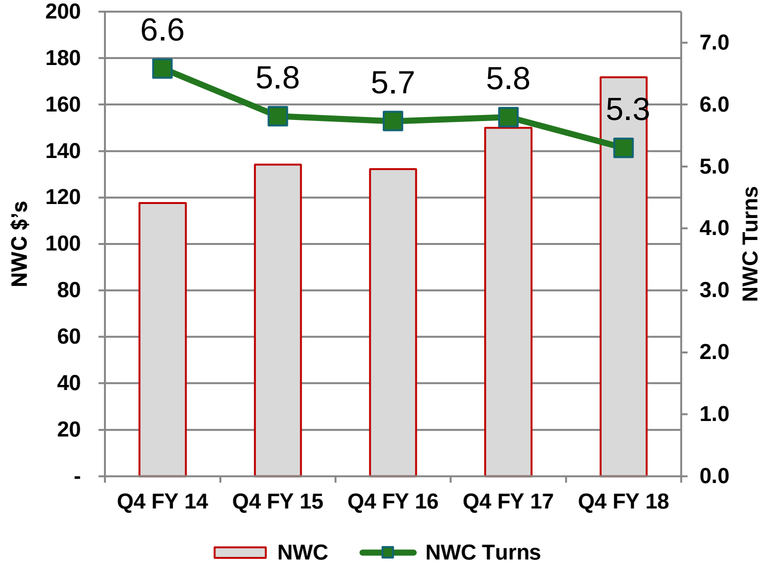
Net Working Capital



Note: FY 14 -15 excludes Richmond LLC

(Total Consolidated)

	6/30/18	**6/30/17**
A/R	134,228	127,060
DSO	52	50
Inventory	127,223	119,401
Inventory Turns	4.5	4.8
A/P	(89,707)	(96,487)
DPO	50	54
Net Working Capital	171,744	149,974
Working Capital Turns	5.3	5.8

Working Capital turns decreased due to growth and business mix

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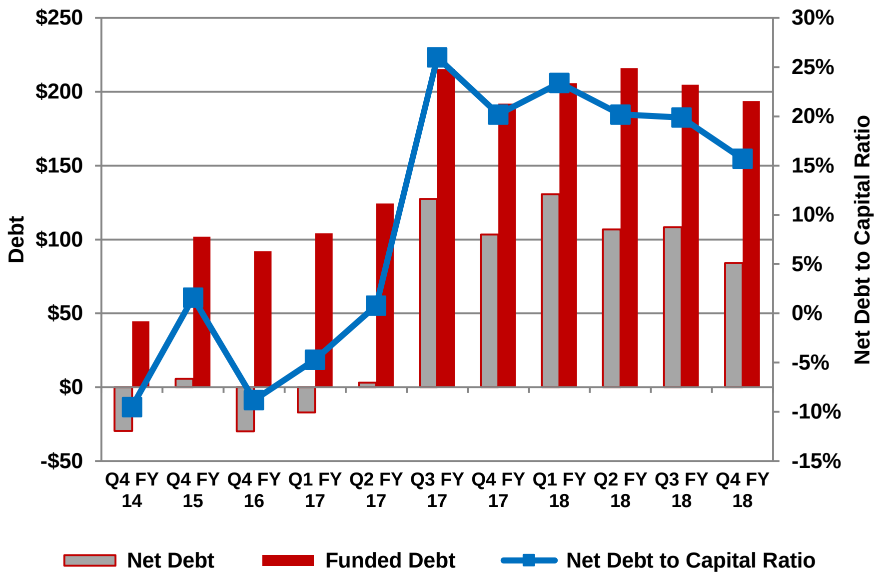
Debt Management



	6/30/2018		3/31/2018	
Short Term Debt	-		-	
Long Term Debt	193,772		204,726	
Funded Debt	193,772		204,726	
Cash	109,602		96,325	
Net Debt	84,170		108,401	
Shareholders Equity	450,795		446,407	
Letters of Credit	7,936		8,939	
EBITDA per Credit Agreement	120,098		116,197	
Net Debt to Capital Ratio	15.7%		19.5%	
Funded Debt to Capital	30.1%		31.4%	
EBITDA to Funded Debt (Includes Letters of Credit)	1.68	x	1.84	x
Maximum Leverage Per Agreement	3.5	x	3.5	x

Net debt to capital at 15.7%, EBITDA to Funded Debt at 1.68x and Net Debt position at $84.2M

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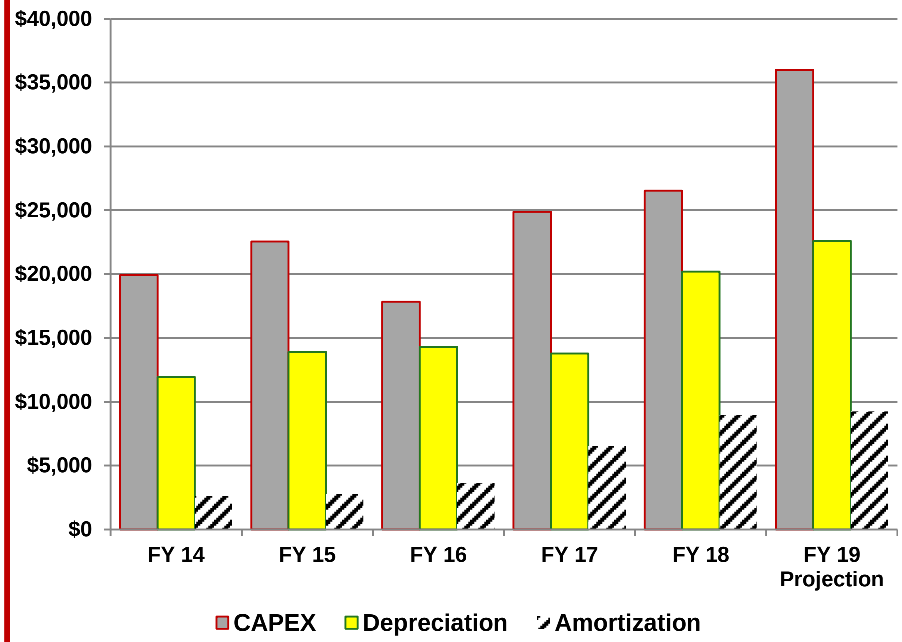
Capital Spending



Capital Spending

(In thousands, except percentages)	Q4 FY 18 Actl	Q4 FY 17 PY	FY 18	FY 17
Food Service Equipment	$ 768	$ 1,122	$ 3,809	$ 5,090
Engraving	$ 2,249	$ 2,985	$ 9,338	$ 7,808
Engineering Technologies	$ 389	$ 1,876	$ 3,583	$ 6,509
Electronics	$ 2,269	$ 1,465	$ 8,487	$ 4,000
Hydraulics	$ 188	$ 287	$ 1,394	$ 1,058
HQ	$ 108	$ 94	$ 259	$ 418
Total CAPEX including AP	$ 5,971	$ 7,829	$ 26,869	$ 24,883
Sales	$ 227,508	$ 217,089	$ 868,382	$ 755,258
Cash CAPEX % of Sales	2.6%	3.6%	3.1%	3.3%
CAPEX in A/P				
Beginning Qtr / Yr	$ 30	$ 1,045	$ 524	$ 2,091
Ending - June 30, 2018	$ 841	$ 939	$ 841	$ 524
Net Change CAPEX in A/P	$ (811)	$ 106	$ (317)	$ 1,567
Cash CAPEX	$ 5,160	$ 7,935	$ 26,552	$ 26,450
Cash CAPEX % of Sales	2.3%	3.7%	3.1%	3.5%

FY 19 includes $5.0M for new Electronics plant in Cincinnati

FY19 CAPEX projected to be $35-$36 million
Depreciation ~$23M million and Amortization ~$9 million in FY19

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Non-GAAP Conversion Chart

Free operating cash flow (continuing ops):	Q4 FY 2018	Q4 FY 2017	YTD FY 18	YTD FY 17
Net cash provided by operating activities, as reported	$ 36,219	33,150	$ 65,003	64,033
Less: Capital Expenditures	(5,149)	(8,624)	(26,539)	(26,448)
Add: Voluntary Pension Contribution	5,500	-	5,500	-
Free operating cash flow	$ 36,570	$ 24,526	$ 43,964	$ 37,585
Net Income	12,150	14,132	36,167	46,577
Discrete Tax Item - Tax on Foreign Cash	6,285	-	20,844	-
Adjusted Net Income	18,435	14,132	57,011	46,577
Conversion of free operating cash flow	198.4%	173.5%	77.1%	80.7%

SXI made a $5.5M voluntary pension contribution in Q4 FY 18

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Fourth Quarter FY 2018

Operational Segment Review

Food Service Equipment Group

Q4 FY 2018 ('000s)	$	Delta YOY
Revenues	$101,121	-2.2%
Operating Income	$9,803	5.1%
OI Margin	9.7%	

Federal introduces vegetable display merchandising case

Q4 Summary
- Scientific was up 14.2% with growth in Drug Retail
- Specialty Solutions was up by 10.1%
- Refrigeration sales were down 2.6% on lower shipments to Dollar Stores and Chains
- Cooking sales declined 13.1% due to lower roll-outs compared to prior year and slower than expected return of dealer based business
- Restructuring improvements read through in improved margins

Current Focus & Looking Forward
- Anticipate continued growth in the Specialty Solutions with healthy new business opportunities funnel
- Scientific Refrigeration outlook is strong with new product roll outs and customer demand, however the pending tariffs could be accelerating demand
- Key focus for cooking is rollout of speed oven and 14" fryer and to regain volume from dealers based on improved plant performance
- Softness in the Refrigeration Dollar Stores is anticipated to impact Q1 however recover in 2H of FY 19

Engraving

Q4 FY 2018 ('000s)	$	Delta YOY
Revenues	$35,818	+28.6%
Operating Income	$7,720	+36.1%
OI Margin	21.6%	

Achitexture design center developed a "Dewdrop" Texture for unique customer experience

Q4 Summary

- Sales increased by $8.0M with strength in all regions
- Continued positive momentum with the new technologies sales up $6.1M or 169% year over year
- New automobile platforms from global OEMs drove growth in Q4
- The integration of Piazza Rosa is proceeding well

Current Focus & Looking Forward

- Focus on growth laneways and new technologies worldwide
- Plan approximately $10M in capital investments in FY 19 supporting new technologies of Laser, Tool Finishing and Nickel Shell
- Support new model roll outs, which remain robust for the foreseeable future
- Integrate August '18 acquisition of Tenibac Graphion in North America

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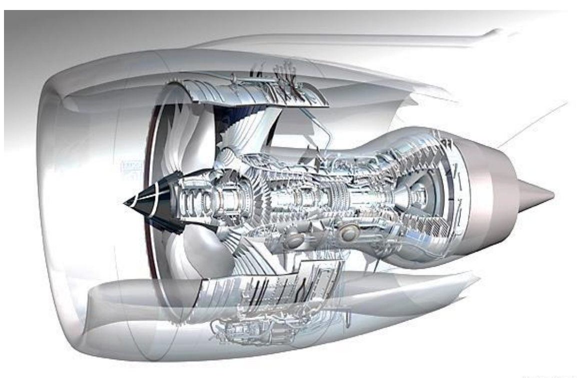
Engineering Technologies

Q4 FY 2018 ('000s)	$	Delta YOY
Revenues	$25,161	-14.9%
Operating Income	$2,613	-32.1%
OI Margin	10.4%	

Single piece Nacelle Lip-skin improves laminar flow, lowers turbulence, saves weight and aircraft fuel



Q4 Summary

- Sales down $4.4M as anticipated
- Space sales down $2.8M or 29.5% as a customer delayed shipments from June to July
- Aviation down slightly with expected program delays. Volume should increase in Q2-Q4 FY 19
- Margins impacted by market mix and lower volume
- Backlog to be delivered within one year is up by 21%

Current Focus & Looking Forward

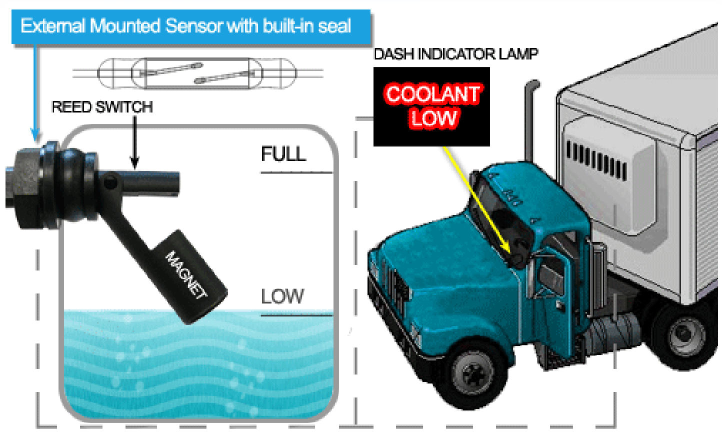
- Support aviation ramp of critical engine parts and lip-skins
- Anticipate increased aviation volume in FY 19 as OEMs deliver their planned volume ramp
- Focus on operational excellence by improving operating efficiencies with reduced machine set up time and improved throughput

Electronics

Q4 FY 2018 ('000s)	$	Delta YOY
Revenues	$52,208	+15.4%
Operating Income	$13,679	+29.1%
OI Margin	26.2%	

Note: Prior year included $2.0M of Purchase Accounting

Truck Coolant System Fluid Sensor



Experts in fluid level sensing technologies

Q4 Summary

- Sales increased by $7.0M with double digit growth in all regions
- Sensor sales up +18.5%, Switches +17.3%, Reed Relay +13.8% and Magnetics +8.2%
- Operating Margins grew to record 26.2%

Current Focus & Looking Forward

- See strong growth continuing across all regions
- Total Backlog billable under one year is up $7.4 million or 13.1%
- Request for Quotations are on the rise and there is a solid funnel of "New Business Opportunities"
- Component and material lead times continue to stretch out and remain a challenge
- Anticipate spending $13M on capital in FY 19 including $5M on new Cincinnati plant and headquarters

Hydraulics

Q4 FY 2018 ('000s)	$	Delta YOY
Revenues	$13,200	+19.5%
Operating Income	$2,239	+16.0%
OI Margin	17.0%	

- ***Wet kits are a complete solution for dump bodies that include the pump, reservoir & controls to compliment the cylinder***

Q4 Summary

- Sales increased by $2.2M driven by Major Refuse Customers, New Applications and Dump Trailer Cylinders
- Orders were up over 30% and backlog more than doubled in the quarter
- Overall EBIT margins were back to normal as price increases countered material cost increases

Current Focus & Looking Forward

- Demand for the remainder of calendar 2018 remains robust in Refuse, Dump Trailer and Aftermarket
- Market conditions in construction, housing and infrastructure remain strong
- Tariffs will impact costs $2-$3M annually, however price actions should mitigate some of these cost increases
- Steel Pricing continues to rise

Summary

1. **Delivered top line growth of 1.2% for the fourth quarter and 5.2% for the full year**
   - Engraving, Electronics and Hydraulics showed double digit organic growth for FY 18
2. **Taking actions to deliver improved bottom line growth**
   - Food service margins improved in Q4 and should show positive momentum going forward
   - Engineering Technologies positioned to deliver on aviation ramp
3. **Recent acquisitions continue to perform well**
   - Piazza Rosa integration and roll out to Mold Tech facilities is on track
4. **Growth laneways and acquisition pipeline remains robust**
   - Last week announced acquisition of Tenibac Graphion in Engraving

Q&A