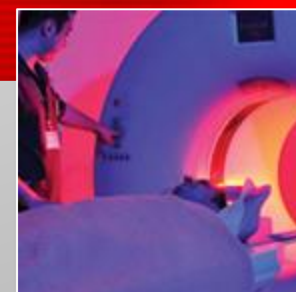
Second Quarter Fiscal 2019 Conference Call

Standex

January 31, 2019

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Second Quarter 2019 Overview

Portfolio Transformation is Delivering Improved Profitability and Earnings

Q2 Financial Highlights

- YOY sales were up 5.3% to $195.5M
  - Organic sales +1.6%
  - Acquisitions +5.1%
  - FX impact of -1.4%
- Q2 GAAP operating income up 117 bps; GAAP EPS at $0.98 per share
- Q2 adjusted operating income up 38 bps; adjusted EPS of $0.98 per share
- Adjusted Q2 EBITDA margin increased by 76 bps
- Net debt position of $196.5M at end of Q2.
  - Opportunistically bought back $17.1M of stock at an average price of $80.21

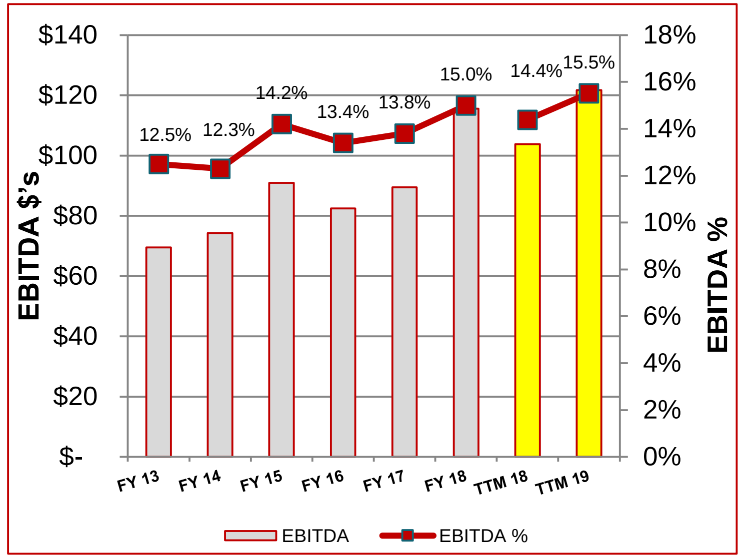
Key Business Highlights

- Strong organic sales growth in Electronics, Engineering Technologies, Scientific and Hydraulics
- Sales from laneways (new products) grew 42% to $14.5M
- Second sequential quarter of profitability improvement for Engineering Technologies
- Tenibac and Agile acquisitions advancing well
- Cooking divestiture proceeding as planned
- Refrigeration market slowdown continued to impact FSEG sales and margins
- Headwinds from material inflation & China tariff impact in Electronics and Engraving

Financial Performance

Q2 FY 19
Improvements
VS Q2 FY 18

Sales	5.3% ↑	Strong Sales Growth
GP%	17 bps ↑	Gross Profit improved
OI %	38 bps ↑	Business Performance Improved
Interest, Tax & Other	-73 bps ↓	Financing Impact
Net Income	-35 bps ↓	
Adjusted EPS	Flat @ $0.98	
EBITDA %	76 bps ↑	Strong EBITDA Growth



*Sales and EBITDA % - FY 13-18 include Cooking; TTM FY 19 Excludes Cooking

- ✓ Quality of Earnings improved
- ✓ Business performance improved despite headwinds
- ✓ Lower Interest Expense anticipated in Q4 as we complete the repatriation

Portfolio moves have improved the quality of earnings of Standex

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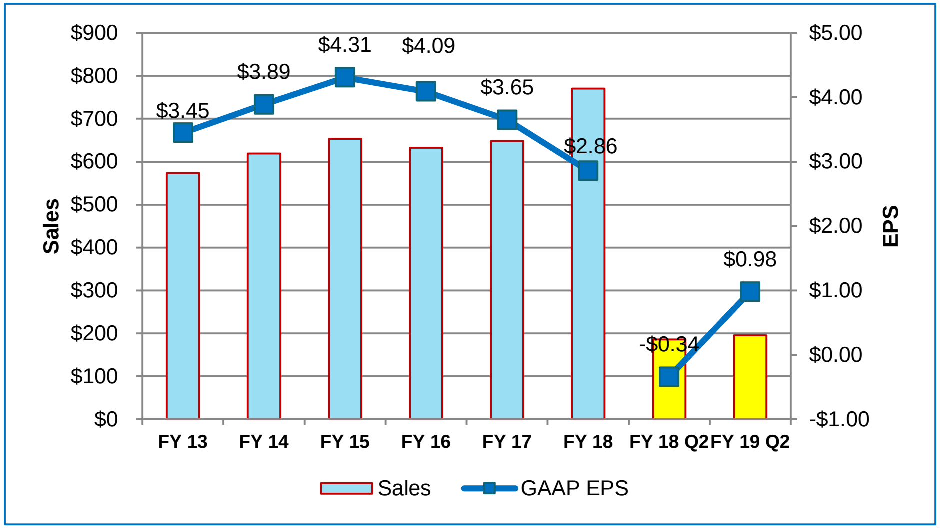
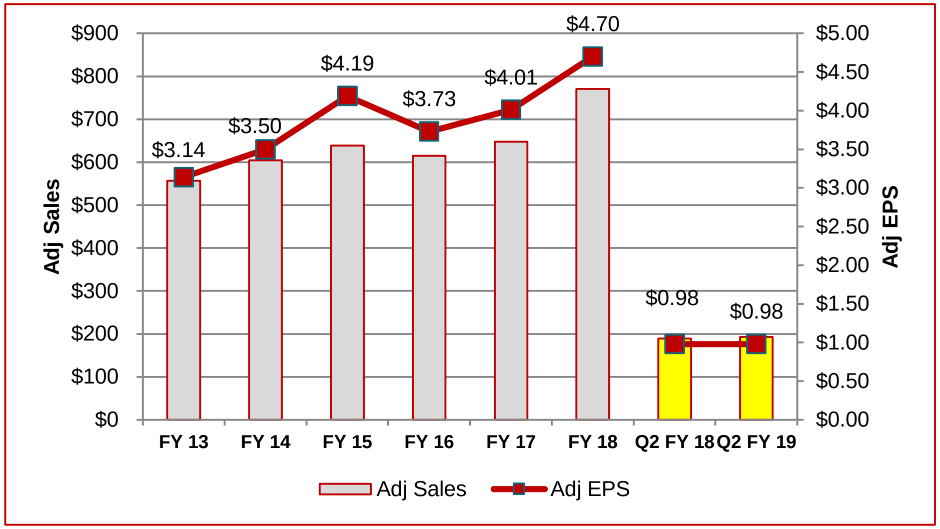
Sales and Earnings Per Share Trend

As Reported, GAAP

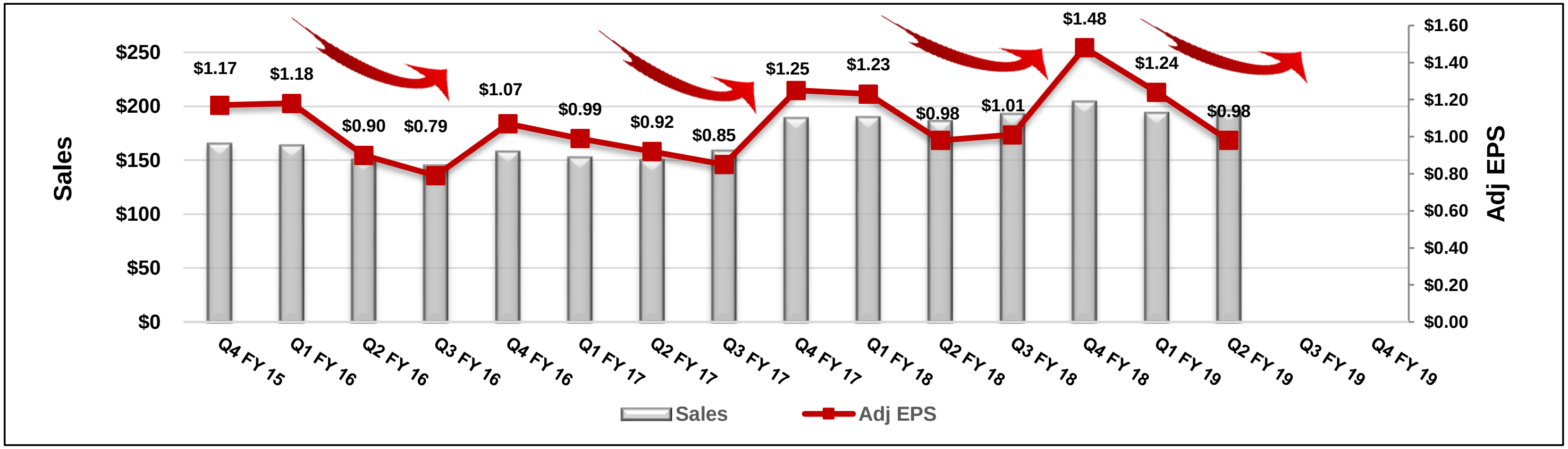


Non-GAAP



FY 13-16 Adjusted and Restated without RPM

Quarterly Seasonal Trend



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All results are restated to exclude the Cooking Solutions Group

Revenue Changes

Q2 2019 YOY Change %	Food Service (Excludes Cooking) *	Engraving	Engineering Technologies	Electronics	Hydraulics	Total *
Organic	-6.0%	-0.5%	8.0%	9.5%	13.4%	1.6%
Acquisitions	0.0%	18.6%	0.0%	6.8%	0.0%	5.1%
Currency	-0.2%	-4.5%	-0.5%	-1.8%	0.0%	-1.4%
Total	-6.2%	13.6%	7.5%	14.5%	13.4%	5.3%

YTD 2019 YOY Change %	Food Service (Excludes Cooking) *	Engraving	Engineering Technologies	Electronics	Hydraulics	Total *
Organic	-6.5%	0.9%	5.4%	10.1%	11.6%	1.3%
Acquisitions	0.0%	14.3%	0.0%	3.4%	0.0%	3.4%
Currency	-0.1%	-3.6%	-0.3%	-1.3%	0.0%	-1.0%
Total	-6.6%	11.6%	5.1%	12.2%	11.6%	3.7%

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* Restated - excludes Cooking Solutions

Q2 2019 Quarter Financials

	Q2 FY19			Q2 FY18			YOY Change	
	GAAP Reported	Adjustments	Non-GAAP Adjusted	GAAP Reported	Adjustments	Non-GAAP Adjusted	GAAP Reported	Non-GAAP Adjusted
Net Revenues	**$ 195.5**	**$ -**	**$ 195.5**	**$ 185.9**	**$ -**	**$ 185.9**	**$ 9.6**	**$ 9.6**
% Change							5.2%	5.2%
Gross Profit	**66.9**	**0.1**	**67.0**	**63.3**	**-**	**63.3**		
%	34.2%		34.3%	34.1%		34.1%	17 bps	20 bps
Operating Income	**20.2**	**1.1**	**21.3**	**17.1**	**2.5**	**19.5**	18.5%	9.0%
%	10.4%		10.9%	9.2%		10.5%	117 bps	38 bps
Net Interest (Expense)	(3.1)	-	(3.1)	(1.8)	-	(1.8)		
Other Income (Expense)	(0.8)	-	(0.8)	(0.3)	-	(0.3)		
Pre-Tax Income	16.3	1.1	17.4	15.0	2.5	17.5	8.8%	-0.4%
Provision for Income Taxes	3.9	1.1	4.9	19.4	(14.4)	5.0		
Net Income Continuing Operation	**$ 12.5**	**$ 0.0**	**$ 12.5**	**$ (4.3)**	**$ 16.9**	**$ 12.5**	**$ 16.8**	**$ (0.0)**
%	6.4%		6.4%	-2.3%		6.7%	872 bps	-35 bps
Tax Rate	28.3%		28.3%	25.4%		25.4%		
Diluted EPS	$ 0.98	$ -	$ 0.98	$ (0.34)	$ 1.32	$ 0.98	NM	0.0%
Weighted Avg Diluted Shares	12.7	12.7	12.7	12.7	12.7	12.7		
EBITDA			**$ 28.7**			**$ 25.9**		**$ 2.9**
%			14.7%			13.9%		76 bps

- ✓ Adjusted Gross Profit, Operating Income and EBITDA Margins Improved
- ✓ EPS impacted by higher interest and tax rate

Second quarter of fiscal 2018 results have been recast to reflect announced disposition of the Cooking Solutions Group and reclass of $0.6 million of defined benefit pension expense in connection with the adoption of ASU 2017-07, Improving the Presentation of Net Periodic Pension Cost.

* Totals or subtotals may not foot due to rounding

GAAP Operating Margin at 10.3% in Q2 FY 19 versus 9.2% in Q2 FY 18
Non-GAAP Operating Margin at 10.9% in Q2 FY 19 versus 10.5% in Q2 FY 18

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Q2 FY 19 Quarter Bridge

	Q2 FY19				Q2 FY18				% Change		
	Pre-tax Income	Tax	Net Income	EPS	Pre-tax Income	Tax	Net Income	EPS	Pre-tax Income	Net Income	EPS
Reported - GAAP	**$ 16.3**	**$ (3.9)**	**$ 12.5**	**$ 0.98**	**$ 15.0**	**$ (19.4)**	**$ (4.3)**	**$ (0.34)**	**8.8%**	**NM**	**NM**
Add:											
Restructuring Charges	0.2	(0.1)	0.1	0.01	1.8	(0.5)	1.3	0.10			
Purchase Accounting	0.1	(0.0)	0.0	-	-	-	-	-			
Acquisition-related costs	0.9	(0.2)	0.6	0.05	0.7	(0.2)	0.5	0.04			
Discrete Tax Items	-	-	-	-	-	15.0	15.0	1.18			
Less:											
Discrete Tax Items	-	(0.8)	(0.8)	(0.06)	-	-	-	-			
Adjusted	**$ 17.4**	**$ (4.9)**	**$ 12.5**	**$ 0.98**	**$ 17.5**	**$ (5.0)**	**$ 12.5**	**$ 0.98**	**-0.4%**	**-0.3%**	**0.0%**
Diluted Shares				12,685				12,703			

Second quarter of fiscal 2018 results have been recast to reflect announced disposition of the Cooking Solutions Group and reclass of $0.6 million of defined benefit pension expense in connection with the adoption of ASU 2017-07, Improving the Presentation of Net Periodic Pension Cost.

- ✓ ***Q2 19 reflects lower restructuring, higher interest costs and higher tax rate based upon anticipated repatriation***
- ✓ ***Q2 18 GAAP impacted by tax law change that resulted in a net loss position***

GAAP Net Income and Adjusted Net Income were $12.5M
GAAP EPS and Adjusted EPS were $0.98 cents

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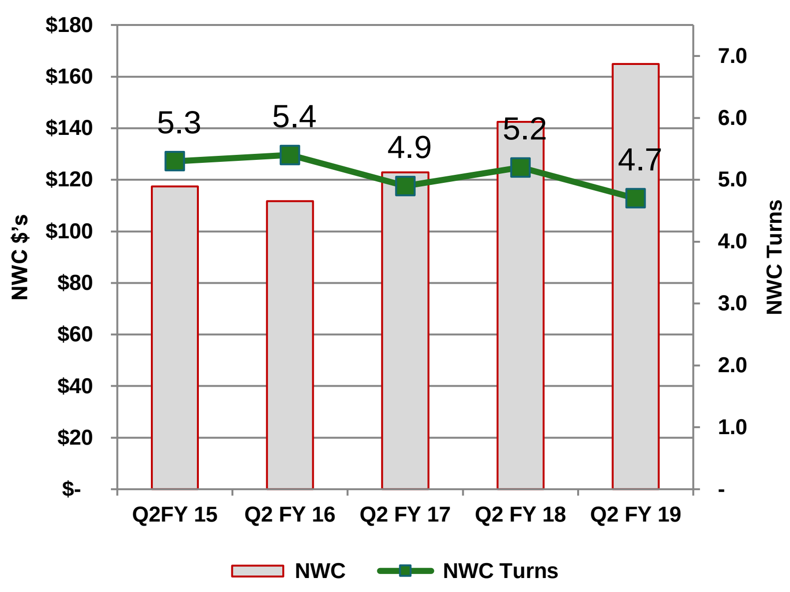
Net Working Capital



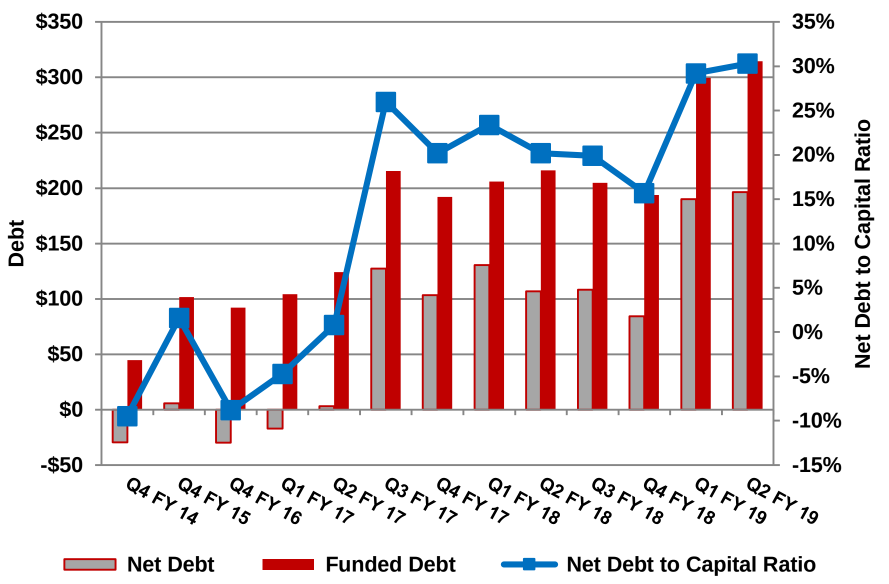
	Q2 FY19 12/31/18	Q2 FY18 12/31/17
A/R	111,904	119,810
DSO	52	52
Inventory	109,423	105,793
Inventory Turns	4.6	4.8
A/P	(56,460)	(83,152)
DPO	35	46
Net Working Capital	164,867	142,451
W/Cap Turns	4.7	5.2

Note: FY 15 excludes divested roll plate business; all periods exclude Cooking Solutions

Net Working Capital increased by $22.4M and Working Capital Turns decreased by 0.5 turns

- ***New accounting rules on Revenue Recognition ASC 606 increased AR by $7M – Decreased Working Capital Turns by 0.3 turns***
- ***Acquisitions increased NWC by $8.1M – No significant impact on Working Capital Turns***
- ***Refrigeration cabinet move in prior year had a favorable increase in accounts payables that did not repeat in Q2 FY 19 - Decreased Working Capital turns by 0.2 turns***

Debt Management



	Q2 FY19 12/31/2018		Q1 FY19 9/30/2018	
Issuance Costs	(1,339)		(62)	
Funded Debt	316,000		299,500	
Long Term Debt	314,661		299,438	
Cash	118,174		109,270	
Net Debt	196,487		190,168	
Shareholders Equity	452,826		460,030	
Letters of Credit	7,438		7,438	
EBITDA per Credit Agreement	131,523		130,516	
Net Debt to Capital Ratio	30.3%		29.2%	
Funded Debt to Capital	41.1%		39.4%	
Excluded Cash for Purposes of Leverage Calculation	(50,000)		-	
EBITDA to Funded Debt (Includes Letters of Credit)	2.08	x	2.35	x
Maximum Leverage Per Agreement	3.5	x	3.5	x

- ✓ ***Renewal of credit facility during the quarter increased facility size to $500M with favorable terms***
- ✓ ***Anticipate repatriating $50M in FY 19***

Net debt to capital at 30.3%, EBITDA to Funded Debt at 2.08x and Net Debt position at $196.5M

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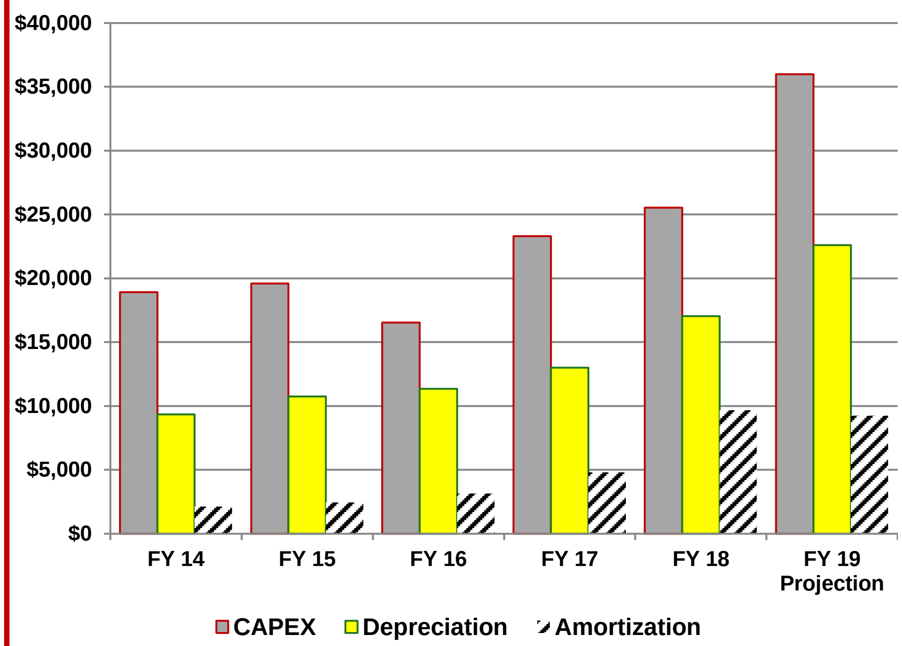
Capital Spending



Capital Spending

(In thousands, except percentages)	Q2 FY 19 Actl	Q2 FY 18 PY	YTD Dec FY19	YTD Dec FY18
Food Service Equipment	$ 701	$ 894	$ 1,151	$ 1,385
Engraving	$ 2,275	$ 2,834	$ 5,315	$ 6,005
Engineering Technologies	$ 618	$ 1,047	$ 1,337	$ 2,661
Electronics	$ 3,423	$ 1,026	$ 7,014	$ 3,177
Hydraulics	$ 601	$ 744	$ 884	$ 1,166
HQ	$ 20	$ 54	$ 44	$ 62
Total CAPEX including AP	$ 7,638	$ 6,599	$ 15,745	$ 14,455
Sales	$ 195,522	$ 185,694	$ 388,602	$ 374,836
CAPEX % of Sales	3.9%	3.6%	4.1%	3.9%

CAPEX, Depreciation and Amortization has been restated without Cooking Solutions

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

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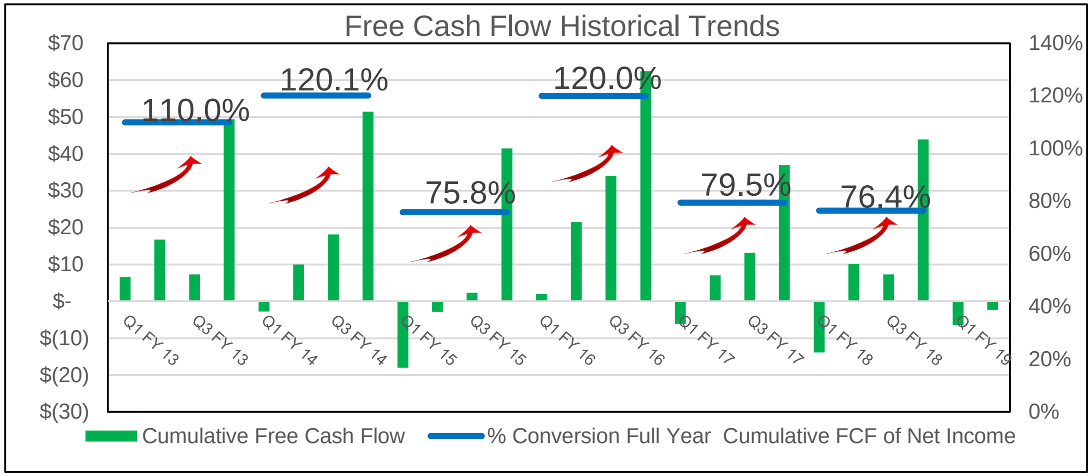
Non-GAAP Conversion Chart



Key Comments:

- ***Following typical seasonal cash flow pattern***
- ***Target continues to be FCF 100% of Net Income***

Free Cash Flow adjusted for Voluntary Pension and Discrete Tax Items related to US tax law changes
Includes Cooking in all years

Free operating cash flow (continuing ops):	**Q2 FY 2019**	**Q2 FY 2018**	**YTD FY 19**	**YTD FY 18**
Net cash provided by operating activities, as reported	$ 16,421	30,356	$ 13,850	24,901
Less: Capital Expenditures	(8,727)	(5,867)	(16,192)	(14,723)
Free operating cash flow	$ 7,694	$ 24,489	$ (2,342)	$ 10,178
Net Income	$ 12,474	(4,351)	$ 26,767	8,225
Discrete Tax Item - Tax on Foreign Cash	(778)	15,016	(778)	15,016
Adjusted Net Income	11,696	10,665	25,989	23,241
Conversion of free operating cash flow	65.8%	229.6%	NM	43.8%

Standex free cash flow should build throughout the remainder of the fiscal year

Second Quarter FY 2019

Operational Segment Review

Food Service Equipment Group

Q2 FY 2019 ('000s)	$	Delta YOY
Revenues	$68,653	-6.2%
Operating Income	$5,190	-13.0%
OI Margin	7.6%	

Scientific introduced innovative new Norlake "Diamond Series" - glass changes colors based upon program alerts

Q2 Summary

- Scientific sales were up double digits, offset by Refrigeration sales down 13.5%
- Scientific Sales strength due to new equipment roll outs at major Drug Retail customers
- Refrigeration sales were weaker across the board as Drug Retail and Buying Groups were down double digits, in line with national spending

Current Focus & Looking Forward

- Continue to promote new offerings, including the Norlake Diamond scientific refrigeration series
- Display new products at the NAFEM show in Florida in February
- Better position NorLake and Master Bilt refrigeration brands to capitalize when the markets recover

Note: Cooking Solutions not included in the results above

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Engraving

Q2 FY 2019 ('000s)	$	Delta YOY
Revenues	$38,485	+13.6%
Operating Income	$6,594	-5.2%
OI Margin	17.1%	

* Excludes positive adjustment to purchase accounting of $255

New China E200 Electric Car

Q2 Summary

- Sales growth driven by Tenibac acquisition
- Texturizing sales to global auto market increased, with headwinds from China tariffs, consumer product tooling and an Innovent drum order pushout
- Profitability impacted by three items:
    1. Downtime in laser machines resulted in outsourcing at lower margin
    2. Large program cancellation for American OEM due to tariffs
    3. Increased investments in Tool Finishing and Nickel Shell growth laneways

Current Focus & Looking Forward

- Completing Tenibac acquisition integration, which is going according to plan
- Anticipate lower volume in Q3 with a pickup beginning in Q4 based on current OEM launch schedules
- Capitalizing on robust automotive roll outs and proliferation of Electric vehicles model development

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Engineering Technologies

Q2 FY 2019 ('000s)	$	Delta YOY
Revenues	$23,568	+7.5%
Operating Income	$2,061	+33.6%
OI Margin	8.7%	

Q2 Summary

- Sales growth driven by the Space and Energy markets
- Orders increased in the second quarter in Aviation Lipskins, Defense and Space markets
- Development work on Space program lowered overall margins in the quarter. However, once developed and put into production will achieve higher margins

Current Focus & Looking Forward

- Anticipate sales and margin expansion in the second half of the year due to increased demand in the Aviation, Space, Energy and Defense markets
- Continue to work on additional productivity improvements to expand capacity and prepare for future growth

Electronics

Q2 FY 2019 ('000s)	$	Delta YOY
Revenues	$52,700	+14.5%
Operating Income *	$10,686	+4.1%
OI Margin	20.3%	

*Excludes Purchase Accounting for Agile of $310k

Standex Electronics opened a new India factory during the quarter

Q2 Summary

- Sales were strong across all regions
- Sensors and switches were up double digits driven by sales into utility meter and home appliance customers
- Industrial market was up 4.9%, automotive down 2.7% and appliance up 1.6%
- Tariff-related demand slowdown in China
- Agile acquisition added to overall magnetics sales growth, but was impacted by a slowdown in the semiconductor market.
- Switch business experienced $1.1M of material inflation

Current Focus & Looking Forward

- Address softer market conditions with accelerated New Business Opportunities - Electric Vehicles, Military/Aerospace and Industrial sensing applications
- Continued integration of Agile Magnetics to further enhance position in high-reliability, mission-critical, custom-designed magnetics market.

Hydraulics

Q2 FY 2019 ('000s)	$	Delta YOY
Revenues	$12,116	+13.4%
Operating Income	$1,929	+27.2%
OI Margin	15.9%	

Hydraulic lift system for vacuum trucks

Q2 Summary

- Sales, orders and backlog all increased double digits for the quarter
- Markets remain robust in refuse, container handling and aftermarket
- Profitability was favorably impacted by:
  - 301 Tariffs relief for rod cylinders coming out of China
  - Productivity improved in Q2 due to CNC machine uptime

Current Focus & Looking Forward

- Demand expected to remain strong for Q3 and Q4; no order cancellations or pushouts
- Metal prices projected to soften in the next few quarters
- Productivity improvements should flow through to the results going forward

Summary

1. **Delivered top-line growth of 5.3% and improved quality of earnings for Q2 FY 19 despite headwinds**
   - Increased Gross Profit, Operating Income and EBITDA Margins
   - Electronics, ETG & Hydraulics showed very strong YOY organic growth
   - ETG improvements delivered bottom-line growth

2. **Executing on portfolio transformation to improve quality of earnings and profitability**
   - 76 bps increase in EBITDA as a percentage of sales in Q2
   - Sale of Cooking Group proceeding according to plan
   - Advancing integration of Agile and Tenibac acquisitions

3. **Capitalize on second half opportunities and face its challenges**
   - Scientific, Hydraulics and Engineering Technologies positioned to deliver strong 2H
   - Drive continued laneway growth in Engraving and Electronics to counter soft market conditions
   - Completion of Cooking sale and repatriation program
   - Ongoing focus on cost actions in Refrigeration to address softer market

4. **Growth laneways and acquisition pipeline remains robust**

Q&A