Fiscal Second Quarter 2021 Conference Call Presentation

February 5, 2021

SXI LISTED NYSE

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Key Q2 FY21 Messages

Q2 FY21 RESULTS &TRENDS

- Electronics revenue increased +30% YOY; ~15% organic growth with positive trends in electric vehicles, general automotive, white goods and semiconductor equipment
- Scientific revenue increased 16% YOY; expect high end of previous $10M-$20M range for COVID-19 vaccine storage sales in FY21
- Sequentially, Engraving margin improved 100 bps; favorable geographic mix and productivity/cost actions

POSITIONING FOR HIGHER GROWTH & MARGIN

- Sequentially, ~14% increase in total backlog realizable under one year; strength in Electronics, Scientific and gradual market recovery in Specialty Solutions
- Actively engaged with customers regarding emerging global trends; e.g., electric vehicles, renewable energy and 5G
- Leveraging Renco Electronics' complementary customer base and end markets; integration efforts ahead of plan

PRODUCTIVITY & FINANCE INITIATIVES

- On track for over $7M in annual savings in FY21 from cost actions; ongoing productivity/efficiency initiatives in 2H FY21
- Addressing rhodium material inflation in Electronics with price actions in the short term, transitioning customers to products with alternate materials over the next two years
- Interest expense ~17% lower YOY from previously announced floating to fixed rate interest swaps
- Expect ~22% tax rate in FY21 reflecting ongoing tax optimization strategies

STRONG FINANCIAL POSITION

- Free cash flow of $17M in Q2 FY21; ~ 95% FCF to net income conversion rate through 1H FY21 with strong working capital performance
- Repatriated ~$17M from foreign subsidiaries in Q2 FY21; expect $35M in repatriation in FY21
- ~$200M in available liquidity and net debt to adjusted EBITDA ratio of 0.9x

Q3 FY21 OUTLOOK

- In Q3 expect a moderate sequential revenue and operating margin increase vs. Q2 FY21
- Expect sequential revenue increase at Electronics, Scientific, Engineering Technologies, and Specialty Solutions segments in Q3
- Engraving revenue expected to decline sequentially reflecting geographic mix and timing of projects, but recover in Q4 FY21

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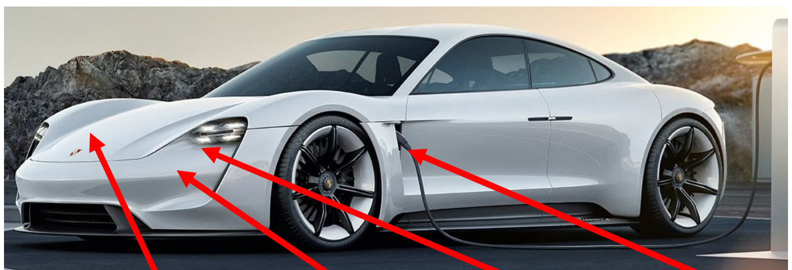
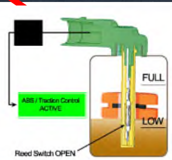
Electronics

$ in 000's	Q2 FY21	Q2 FY20	% Change
Revenue	$60,156	$45,834	31.2%
Operating Income	$9,962	$7,776	28.1%
OI Margin	16.6%	17.0%	

Electronics Well Positioned to Serve Growing EV Market



Isolation Relay



Coolant Sensor

DC-DC/AC Converter

Charger Plug Sensor

Higher content – more relays, planars, coolant level sensors and charging position sensors

Q2 FY21 Summary

- Organic revenue growth of ~ 15% YOY reflecting recovery in all geographic regions; positive trends in electric vehicles, general automotive, appliances, and semiconductor equipment
- Renco acquisition contributed approximately $6M in revenue; effectively leveraging customer base and end markets
- Operating income increase reflected operating leverage associated with revenue growth, productivity initiatives, and Renco profit contribution partially offset by increased raw material prices
- New business opportunity funnel has increased to $56M across broad range of markets; expected to deliver $12M of incremental sales in FY21

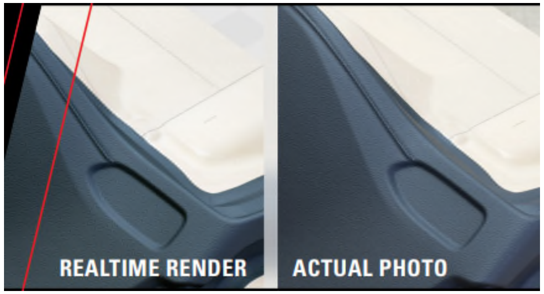
Q3 FY21 Outlook

- Sequentially, expect a moderate increase in revenue and operating margin compared to Q2 FY21
- Expect further growth for relays in solar and electric vehicle applications and recovery in reed switch demand in transportation end markets
- Sequentially, backlog realizable under a year increased ~$15M or 25%

Engraving

$ in 000's	Q2 FY21	Q2 FY20	% Change
Revenue	$37,950	$38,256	-0.8%
Operating Income	$6,501	$6,916	-6.0%
OI Margin	17.1%	18.1%	

Innovation During Pandemic



Engraving has developed an industry-unique *"Remote Model Approval"* service to enable customer engagement and design approvals despite global travel restrictions

Q2 FY21 Summary

- Revenue and operating income decrease reflected volume decline associated with COVID-19 economic impact partially mitigated by ongoing productivity and expense savings initiatives
- Sequentially, revenue increased 2.5%, excluding FX, and operating margin improved approximately 100 basis points reflecting favorable geographic mix and productivity/cost actions
- Laneway sales at ~$12.9M, or up 9% sequentially, including soft trim tools, laser engraving and tool finishing

Q3 FY21 Outlook

- Sequentially, expect a slight revenue decline and a moderate decline in operating margin reflecting geographic mix and timing of projects
- In Q4 FY21, expect an increase in revenue and operating margin on a sequential and year-over-year basis

Scientific

$ in 000's	Q2 FY21	Q2 FY20	% Change
Revenue	$17,893	$15,414	16.1%
Operating Income	$4,234	$4,056	4.4%
OI Margin	23.7%	26.3%	

COVID Vaccine Storage

- Standex Scientific is well-positioned with strong distribution channels to support national COVID-19 vaccine rollout
- Bookings have significantly increased during fiscal Q2 FY21. Entering January with the highest backlog in the history of the business

Q2 FY21 Summary

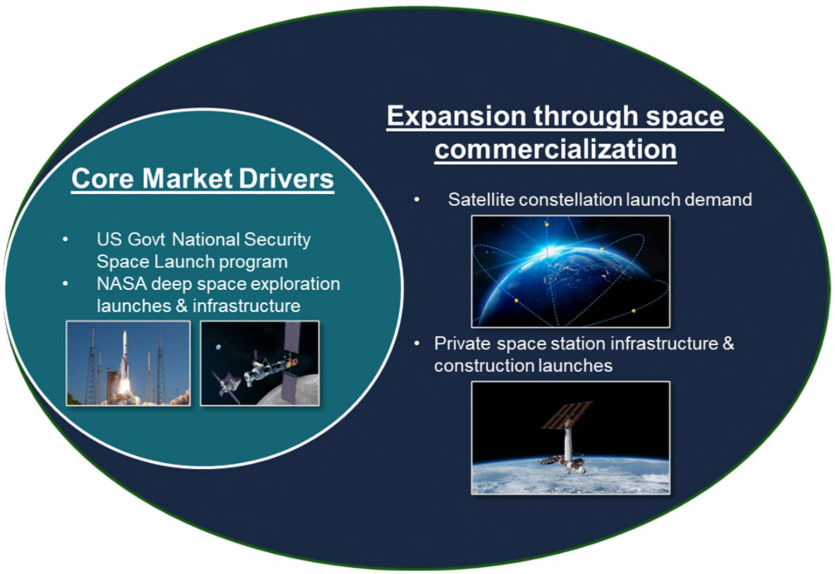
- Revenue increase reflected positive trends at retail pharmaceutical chains and medical distribution companies, much of it due to demand for COVID vaccine storage
- Operating income increase reflected the volume increase balanced with investments to support growth opportunities

Q3 FY21 Outlook

- Sequentially, expect a moderate to strong sequential increase in revenue driven by continued COVID-19 vaccine-storage demand
- Backlog realizable under a year increased ~$4M or 64% compared to Q1 FY21
- Sequentially, expect operating margin to be slightly ahead of Q2 FY21; volume increase balanced with reinvestment in the business for R&D and growth opportunities

Engineering Technologies

$ in 000's	Q2 FY21	Q2 FY20	% Change
Revenue	$17,507	$26,495	-33.9%
Operating Income	$1,363	$3,422	-60.2%
OI Margin	7.8%	12.9%	



Well positioned for continued Space end market growth as commercial work augments existing government launch forecasts

Q2 FY21 Summary

- Revenue and operating income decrease reflected the economic impact of COVID-19 on the commercial aviation market, especially engine parts manufacturing
- On a sequential basis, operating margin increased ~500 basis points on a similar revenue level to Q1 FY21 due to product mix and ongoing productivity actions

Q3 FY21 Outlook

- Sequentially, expect a moderate increase in revenue primarily due to the early stages of recovery in the commercial aviation end market
- Expect operating margin to be sequentially similar due to higher sales mix of lower margin engine parts business, partially offset by productivity initiatives

Specialty Solutions

$ in 000's	Q2 FY21	Q2 FY20	% Change
Revenue	$22,777	$27,698	-17.8%
Operating Income	$3,211	$4,341	-26.0%
OI Margin	14.1%	15.7%	

Spotlight : Hydraulics Business Unit

- Using growth disciplines to focus on higher margin aftermarket sales which increased 15% YOY in Q2 FY21
- Likely to benefit from a US infrastructure bill and investments in roads and bridges

<u>Q2 FY21 Summary</u>

- As expected, revenue and operating income decline reflected the economic impact of COVID-19 pandemic on this segment's end markets
- On a sequential basis, sales decline was primarily associated with seasonality and a lower number of shipping days in the quarter

<u>Q3 FY21 Outlook</u>

- Sequentially, expect a moderate increase in revenue and in operating margin; gradual recovery in the food service industry and strong order trends in the refuse markets
- Backlog realizable under a year increased ~$3.5M or 35% compared to Q1 FY21 reflecting ongoing recovery in food service equipment and refuse end markets

Q2 FY21 Income Statement Summary

($ in M's)		Q2 FY21	Q2 FY20	YOY	Comments
Revenue		$156.3	$153.7	1.7%	**Reflects Renco contribution and F/X partially offset by COVID-19 economic impact** Organic revenue: -4.3% YOY Acquisition-related impact: +3.9% F/X impact: +2.0%
Adj. EBIT		$17.9	$18.5	-3.6%	Impact of COVID 19 pandemic, increased raw materials cost, and additional R&D initiatives offset by productivity actions
	Margin %	11.4%	12.0%	-60 bps	
Adj. EBITDA		$26.2	$26.6	-1.6%	
	Margin %	16.8%	17.3%	-50 bps	
Net, Interest Expense		$1.6	$1.9	-17.0%	Lower borrowings and interest rate
	Adj. Tax Rate %	20.9%	26.0%	-510 bps	Lower tax rate due tax strategies; e.g., foreign tax credit optimization strategies
Adj. Net Income		$12.9	$12.3	4.1%	
	Margin %	8.2%	8.0%	+20 bps	
Adj. EPS		$1.05	$0.99	6.1%	
Shares Outstanding		12.3	12.5	-1.5%	36,600 shares repurchased in Q2 FY21

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Q2 FY21 Free Cash Flow

AS REPORTED ($M)	Q2 FY 21	Q2 FY 20
Net cash provided by operating activities, as reported	$ 22.3	$ 7.3
Less: Capital Expenditures	(5.3)	(3.7)
Free operating cash flow	$ 17.0	$ 3.6

- Solid working capital execution and performance
- Q2 FY21 Free Cash Flow inclusive of $4.8 million pension payment

~95% Free Cash Flow Conversion Rate Through 1H21

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Q2 FY21 Capitalization

Favorable Liquidity Profile

- Net debt to adj. EBITDA of 0.9x
- Net debt to total capital of 15.4%
- ~10.3x interest coverage ratio
- ~$200M of available liquidity
- Repatriated $17M in Q2 FY21 and expect to repatriate ~$35M in FY21

Capital Spending

- $5.3M of CAPEX in Q2 FY21 compared to $3.7M in Q2 FY20
- CAPEX between $25M - $28M in FY21
- Expect depreciation of $20M - $22M in FY21
- Amortization expected to be $11.5M - $12.5M in FY21

($ in M)	Q2 FY21 12/31/2020	Q1 FY21 9/30/2020
Debt including issuance costs	$200.0	$199.9
Cash	109.1	93.7
Net Debt	$90.9	$106.2
Net Debt to Capital Ratio	15.4%	18.2%
Funded Debt to Capital	28.7%	29.6%
Leverage Ratio per Bank Credit Agreement	1.47x	1.45x
TTM Adjusted EBITDA	$97.7	$98.1
Net Debt to Adjusted EBITDA	0.93x	1.08x

Strong Balance Sheet with Significant Liquidity

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Standex Financial Framework

Organic Growth

EBITDA Margin

Free Cash Flow Conversion

ROIC

LONGER-TERM TARGETS

- ✓ Mid – single digit organic growth
- ✓ EBITDA Margin > 20%
- ✓ FCF ~ 100% Net Income
- ✓ ROIC > 12%

Continued Disciplined Capital Allocation Process

Standex cash prioritization

Goal: Stay investment grade
1.5x to 3.0x leverage

1: Maintenance Capital

2: Growth Capital: IRR ≥ 20%

3: Pay down debt if highly levered

4: Acquisitions: IRR ≥ 15%

5: Return cash to shareholders in the form of increased dividend or share buyback

Disciplined use of Capital as all decisions pass through a "returns filter"

Targeting High Return Opportunities

Key Takeaways

1. In Q3 FY21 expect a moderate revenue and operating margin improvement compared to fiscal second quarter 2021 results; well positioned for stronger 2H fiscal 2021

2. Meaningfully transformed portfolio around businesses with attractive growth and margin profiles, as well as strong end market and customer value propositions

3. Providing a longer-term financial outlook which assumes continued macro-economic recovery

4. Substantial financial flexibility to execute on an active pipeline of growth opportunities

5. Productivity initiatives becoming further embedded within the organization and provide further runway of opportunity

Q&A

APPENDIX

Q2 FY21 GAAP to Non-GAAP Income Bridge

	Q2 FY21				Q2 FY20				% Change		
	Pre-tax Income	Tax	Net Income	EPS	Pre-tax Income	Tax	Net Income	EPS	Pre-tax Income	Net Income	EPS
Reported - GAAP	**$ 15.2**	**$ (3.2)**	**$ 12.0**	**$ 0.98**	**$ 15.1**	**$ (2.8)**	**$ 12.3**	**$ 0.99**	**0.5%**	**-2.3%**	**-1.0%**
Add:											
Acquisition-Related Costs	0.6	(0.1)	0.5	0.04	0.8	(0.4)	0.4	0.03			
Restructuring Charges	0.5	(0.1)	0.4	0.03	0.7	(0.3)	0.4	0.03			
Purchase Accounting	-	-	-	-	-	-	-	-			
Less:											
Other Foreign Tax Adjs.	-	-	-	-	-	(0.7)	(0.7)	(0.06)			
Life Insurance Benefit	-	-	-	-	-	-	-	-			
Adjusted	**$ 16.3**	**$ (3.4)**	**$ 12.862**	**$ 1.05**	**$ 16.6**	**$ (4.3)**	**$ 12.349**	**$ 0.99**	**-2.0%**	**4.2%**	**6.1%**
Diluted Shares				12,270				12,455			

Q2 FY21 GAAP Net Income $12.0M versus Prior Year at $12.3M
Q2 FY21 Non-GAAP Net Income $12.9M versus Prior Year at $12.3M
GAAP EPS decreased 1.0%; Non-GAAP EPS grew 6.1% YOY

Note : Some totals will not foot due to rounding

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