Fiscal Second Quarter 2022
Conference Call Presentation

February 4, 2022

SXI LISTED NYSE

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Key Q2 FY22 Messages

Q2 FY22 RESULTS &TRENDS

- Consolidated organic revenue growth ~ 20% YOY and 13.6% adjusted operating margin, +220 basis point increase YOY
- Record Electronics & Scientific sales and third consecutive quarter of highest quarterly margin in SXI history
- Electronics revenue increased ~27% YOY; broad-based end market strength with continued solid demand for renewable energy and electric vehicle applications
- Scientific revenue grew ~ 38% YOY; positive trends in core markets and strong demand for COVID-19 vaccine storage

POSITIONING FOR HIGHER GROWTH & MARGIN

- Total company backlog realizable under one year increased ~ 11% sequentially and ~ 53% YOY; record backlog at Electronics and Specialty
- Highly targeted investment in R&D focused on sustainable and high growth end markets
- First year sales from new business opportunities in Electronics forecasted to be ~$19M in FY22
- Expect to enter a pilot plant phase for solar power project for a global energy company by calendar year-end

PRODUCTIVITY & FINANCE INITIATIVES

- Driving cost management through manufacturing and supply chain productivity initiatives complemented by price realization actions
- Strong working capital management; W/C turns of 5.5x represented ~ 20% increase YOY
- On track to substantially complete reed switch production and material substitution project by end of FY22

STRONG FINANCIAL POSITION

- Free cash flow of ~ $19M in Q2 FY22, 11.6% increase YOY; ~$281M in available liquidity and net debt to adjusted EBITDA ratio of 0.42x
- Repatriated ~$16M from foreign subsidiaries in Q2 FY22; expect to repatriate between $30M to $35M in FY22
- Declared 230th consecutive dividend ~ 8% increase YOY

OUTLOOK

- In FY22 expect stronger financial performance with 2H22 increasing YOY and compared to 1H22
- In Q3 FY22, expect revenue to be similar to slightly higher and operating margin to be slightly higher sequentially with a significant increase in revenue and operating margin YOY
- Well-positioned to exceed prior long-term revenue outlook of mid-single digit organic growth
- Aligned with sustainable global growth trends including EV's, renewable energy, space commercialization and smart grid

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Electronics

YOY Comparison

$ in 000's	Q2 FY22	Q2 FY21	% Change
Revenue	$76,626	$60,156	27.4%
Operating Income	$17,157	$9,962	72.2%
OI Margin	22.4%	16.6%	

Expect strong growth from new renewable programs in EU and Asia

KT relay: Provides ideal galvanic isolation in solar inverter switching applications

Q2 FY22 Summary

- **Organic revenue growth of approximately $16.8M or 27.9% YOY** with continued broad-based geographical recovery and demand for relays in solar and electric vehicle applications
- **Positive trends** in electric transportation, solar, magnetics for Mil-Aero and semi-conductor markets
- **Operating income increase** reflected operating leverage due to organic sales growth and productivity initiatives, partially offset by increased raw material and freight cost
- **New Business Opportunity funnel has grown to $64M**; key contributors include expansion in EV and renewable market and share gain in Mil-Aero market
- Sequentially, **backlog realizable under a year increased by 9%** in Q2 FY22

Q3 FY22 Outlook

- Sequentially, **expect slight revenue increase** backed by record high backlog **and slight expansion of our operating margin**
- Expecting **broad based strong demand to continue** across all product categories and regions with military-aerospace programs continuing to ramp up for magnetics products

Engraving

YOY Comparison

$ in 000's	Q2 FY22	Q2 FY21	% Change
Revenue	$36,644	$37,950	-3.4%
Operating Income	$5,204	$6,501	-20.0%
OI Margin	14.2%	17.1%	

One Partner Approach for Global Customers

- "One Partner" strategy secures texturizing for new Global Ford Ranger P703 program
- 3-year global project; Vehicle to be assembled in Thailand, South Africa, Argentina, US and India

Q2 FY22 Summary

- **Revenue and operating income decrease** reflected the timing of projects and geographic mix
- **Laneway sales at ~$15.7M or up ~ 14% YoY** including positive trends in soft trim tools, laser engraving, and tool finishing
- Sequentially, **backlog realizable under a year increased $1.3M or 7%** in Q2 FY22

Q3 FY22 Outlook

- **Expect sales and operating margin to be similar** to Q2 FY22
- **Expect a decrease in project work in Asia** associated with the Chinese New Year **offset by** contributions from projects in **Europe and growth in soft trim sales**

Scientific

YOY Comparison

$ in 000's	Q2 FY22	Q2 FY21	% Change
Revenue	$24,636	$17,893	37.7%
Operating Income	$5,490	$4,234	29.7%
OI Margin	22.3%	23.7%	

Products Certified to New NSF Vaccine Storage Standards

First in the industry to launch new products Certified to the NSF 456 Standard

Assures that customers know they are storing valuable medications in capable cabinets to avoid losses

Q2 FY22 Summary

- **Record sales quarter** with revenue increase of $6.7M or 37.7% YOY reflecting end market strength
- **Positive trends** in pharmaceutical, clinical laboratories, and academic institution markets complemented by strong demand for COVID-19 vaccine storage
- **Operating income increase** reflected volume growth and pricing initiatives offset by investments to support new product development and higher freight costs
- Sequentially, **backlog realizable under a year increased $0.5M or 7%** in Q2 FY22

Q3 FY22 Outlook

- Sequentially, **expect moderate decrease in revenue and operating margin** due to anticipated lower demand for COVID-19 vaccine storage
- **Active pipeline** of new product development projects

Engineering Technologies

YOY Comparison

$ in 000's	Q2 FY22	Q2 FY21	% Change
Revenue	$18,095	$17,507	3.4%
Operating Income	$2,314	$1,363	69.8%
OI Margin	12.8%	7.8%	

Increasing Business Opportunities

From leveraging solutions provided in support of numerous space launch vehicle companies…

… to collaborating with commercial air framers on **net zero carbon aviation applications**

Q2 FY22 Summary

- **Revenue increase YOY** reflected continued recovery in commercial aviation demand offset by recent divestiture of Enginetics which contributed $2.3M in sales in Q2 FY21
- **Operating income increase** primarily due to recovery in commercial aviation end markets and the absence of the divested Enginetics business
- Sequentially, **backlog realizable under a year increased $3.4M or 8%** in Q2 FY22

Q3 FY22 Outlook

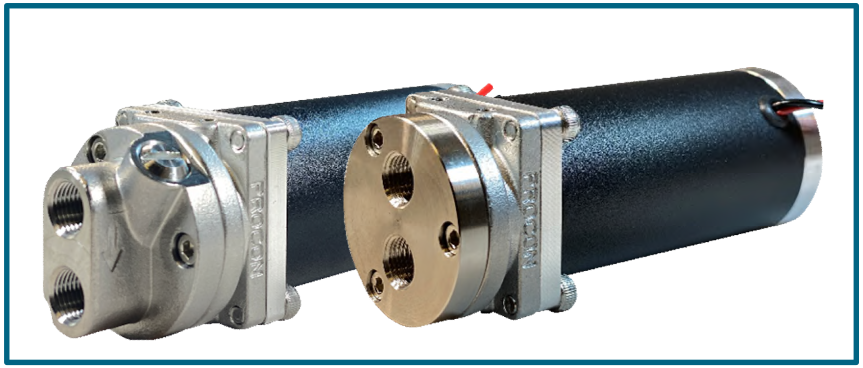
- **Expect revenue to be** sequentially **similar to slightly higher** primarily due to growth in space and medical end markets
- **Expect slight to moderate increase in operating margin** sequentially reflecting end market strength and productivity initiatives

Specialty Solutions

YOY Comparison

$ in 000's	Q2 FY22	Q2 FY21	% Change
Revenue	$29,708	$22,777	30.4%
Operating Income	$3,738	$3,211	16.4%
OI Margin	12.6%	14.1%	

PROCON new Nautilus helical gear pumps



- Helical Gear design requires low amp draw, saving power
- Compact size fits in same footprint as pumps currently used
- Smoother and quieter operation for Espresso and Milk Foaming applications

Q2 FY22 Summary

- **Revenue increase of $6.9M or 30.4% YOY reflected continued end market recovery** particularly in food service, specialty retail and refuse end markets
- **Operating income increase** reflected volume growth and pricing actions partially offset by material inflation and increased freight costs
- Sequentially, **backlog realizable under a year increased $10.1M** or approximately 29% in Q2 FY22

Q3 FY22 Outlook

- Sequentially, **expect a slight to moderate increase in revenue and operating margin** reflecting strength in backlog and end market trends
- Seeking to **recover material inflation** through pricing actions

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Q2 FY22 Income Statement Summary

($ in M's)		Q2 FY22	Q2 FY21	YOY	Comments
Revenue		$185.7	$156.3	18.8%	**Strong demand acoss business segments**
					Electronics and Scientific segments with record sales
					Organic revenue: 20.5% YOY
					Divestiture-related: -1.5%
					F/X impact: -0.2%
Adj. Operating Income		$25.2	$17.8	41.7%	Operating leverage associated with increased sales
	Margin %	13.6%	11.4%	+220 bps	and productivity initiatives partially offset by
					increased material costs
Adj. EBITDA		$32.5	$26.2	23.8%	
	Margin %	17.5%	16.8%	+70 bps	
Net, Interest Expense		$1.5	$1.6	-4.7%	
	Tax Rate %	24.7%	20.9%	+380 bps	
Adj. Net Income		$17.6	$12.9	37.2%	
	Margin %	9.5%	8.2%	+130 bps	
Adj. EPS		$1.45	$1.05	38.1%	
Shares Outstanding		12.1	12.3	-1.1%	Lower share count due to share repurchase activity

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Q2 FY22 Free Cash Flow

AS REPORTED ($M)	**Q2 FY 22**	**Q2 FY 21**
Net cash provided by operating activities, as reported	$ 23.6	$22.3
Less: Capital Expenditures	(4.7)	(5.3)
Free operating cash flow	$18.9	$17.0

Consistent Cash Generation and Improved Working Capital Performance

Q2 FY22 Capitalization

Favorable Liquidity Profile

- Net debt to adj. EBITDA of 0.42x
- Net debt to total capital of 9.2%
- 14.7x interest coverage ratio
- ~$281M of available liquidity
- Repatriated ~$16M in Q2 FY22; expect to repatriate between $30M to $35M in FY22

Capital Spending and D&A

- $4.7M of CAPEX in Q2 FY22 compared to $5.3M in Q2 FY21
- CAPEX expected to be between $25M to $30M in FY22
- Expect depreciation ~ $21M in FY22
- Amortization expected to be ~ $12M in FY22

($ in M)	**12/31/2021**	**9/30/2021**
Debt including issuance costs	$199.7	$199.6
Cash	147.2	130.7
Net Debt	$52.5	$68.9
Net Debt to Capital Ratio	9.2%	11.8%
Funded Debt to Capital	27.6%	28.1%
Leverage Ratio per Bank Credit Agreement	1.20	1.24
TTM Adjusted EBITDA	$124.6	$118.4
Net Debt to Adjusted EBITDA	0.42x	0.58x

Strengthened Balance Sheet and Liquidity Position

Focused on Sustainable Global Growth Trends

Driving innovation to address the world's emerging opportunities and pressing needs

- **High Growth end markets now contribute $64M sales annually; growing at ~25% CAGR**
  - Renewable Energy, Electric Vehicles, Human Health, Commercialization of Space, Sustainable Products
- **New Office of Innovation and Technology identifying attractive opportunities company-wide**
- **R&D investments doubled from FY19**, while margins expanded; targeting high return opportunities
- **Active new product pipeline in all businesses. Recent product releases include:**
  - Scientific : Blood bank and plasma cabinets
  - Display Merchandising : New Vision series merchandiser, Milk Merchandiser and Hot Merchandiser
  - Pumps : Energy efficient helical gear pump
- **Solar Energy Project :**
  - Electronics, Engraving and Technology Office collaborating to apply custom surface engraving and electronic componentry
  - Standex minority ownership stake in Gr3n SA, whose recycling process will be used for material inputs to module production
  - The project with ENEL, a global energy company, now advances to the design and construction of a pilot plant, which is expected to begin operation in early 2023

gr3n
REDUCE, REUSE, RECYCLE

Well-Positioned To Exceed Long Term Organic Revenue Growth Target

Standex Financial Framework Pacing Ahead of Expectations

	LONGER-TERM TARGETS
Organic Growth	✓ EXCEED mid – single digit organic growth
EBITDA Margin	✓ EBITDA Margin > 20%
Free Cash Flow Conversion	✓ FCF ~ 100% Net Income
ROIC	✓ ROIC > 12%

We Now Expect to Achieve Above Targets Within 18-36 Months

Q&A

APPENDIX

Q2 FY22 Revenue Drivers

Q2 FY22 YOY Change %	Electronics	Engraving	Scientific	Engineering Technologies	Specialty Solutions	Total
Organic	27.9%	(3.8%)	37.7%	16.3%	31.0%	20.5%
Divestiture	0.0%	0.0%	0.0%	(13.1%)	0.0%	(1.5%)
Acquisitions	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Currency	(0.5%)	0.3%	0.0%	0.2%	(0.6%)	(0.2%)
Total	27.4%	(3.4%)	37.7%	3.4%	30.4%	18.8%

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Q2 FY22 GAAP to Non-GAAP Income Bridge

	Q2 FY22				Q2 FY21				% Change		
	Pre-tax Income	Tax	Net Income	EPS	Pre-tax Income	Tax	Net Income	EPS	Pre-tax Income	Net Income	EPS
Reported - GAAP	**$ 20.0**	**$ (4.9)**	**$ 15.0**	**$ 1.24**	**$ 15.2**	**$ (3.2)**	**$ 12.0**	**$ 0.98**	**31.3%**	**25.2%**	**26.5%**
Add:											
Restructuring charges	0.8	(0.2)	0.6	0.05	0.5	(0.1)	0.4	0.03			
Acquisition-related costs	0.9	(0.2)	0.7	0.06	0.6	(0.1)	0.5	0.04			
Lititgation charge	1.7	(0.4)	1.3	0.10	-	-	-	-			
Less:											
Discrete Tax Items	-	-	-	-	-	-	-	-			
Adjusted	**$ 23.4**	**$ (5.8)**	**$ 17.6**	**$ 1.45**	**$ 16.3**	**$ (3.4)**	**$ 12.9**	**$ 1.05**	**43.9%**	**37.2%**	**38.1%**
Diluted Shares				12,138				12,270			

Note : Some totals will not foot due to rounding

Q2 FY22 Non-GAAP Net Income of $17.6M versus Prior Year at $12.9M
Non-GAAP EPS grew 38.1% YOY

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