

# Standex International



**Food Service  
Equipment**



**Engraving**



**Engineering  
Technologies**



**Air Distribution  
Products**



**Electronics**



**Hydraulics**

**First Quarter Fiscal Year 2011  
Conference Call  
October 28, 2010**

**SXI  
LISTED  
NYSE**

**Overview**

- Roger Fix – President & Chief Executive Officer

**Financial Review**

- Tom DeByle – Chief Financial Officer

**First Quarter 2011 Segment Results and Outlook**

- Roger Fix – President & Chief Executive Officer

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## *We continue to build sales and EPS momentum*

- Sales increase 3.3% to \$157 million
- Adjusted Operating Income Margin increased by 29 bps
- EPS up 6.7% on an adjusted basis

	As Adjusted*			As Reported (GAAP)		
	Q1 FY 2011 9/30/2010	Q1 FY 2010 9/30/2009	Delta	Q1 FY 2011 9/30/2010	Q1 FY 2010 9/30/2009	Delta
Sales	\$ 157.1	\$ 152.1	3.3%	\$ 157.1	\$ 152.1	3.3%
Operating Income	\$ 15.5	\$ 14.615	6.4%	\$ 17.6	\$ 13.1	35.1%
Operating Income Margin	9.90%	9.61%	29 bps	11.23%	8.58%	265 bps
EPS Continue Ops	\$ 0.80	\$ 0.75	6.7%	\$ 0.90	\$ 0.67	34.3%

\* Excludes restructuring expense and gain on sale of real estate

## Tri-Star

- Maker of commercial-grade ranges, fryers, convection ovens, broilers, and warmers
- Further advances the Food Service Equipment Group's position as a full-line manufacturer
- Marginally dilutive in FY11, but expected to be accretive within first year of acquisition



## Mold-Tech India

- Accretive to earnings in first quarter of operation
- Integration proceeding as planned with technology transfer well underway
- Strong project list developed to take advantage of rapidly growing in-country auto industry

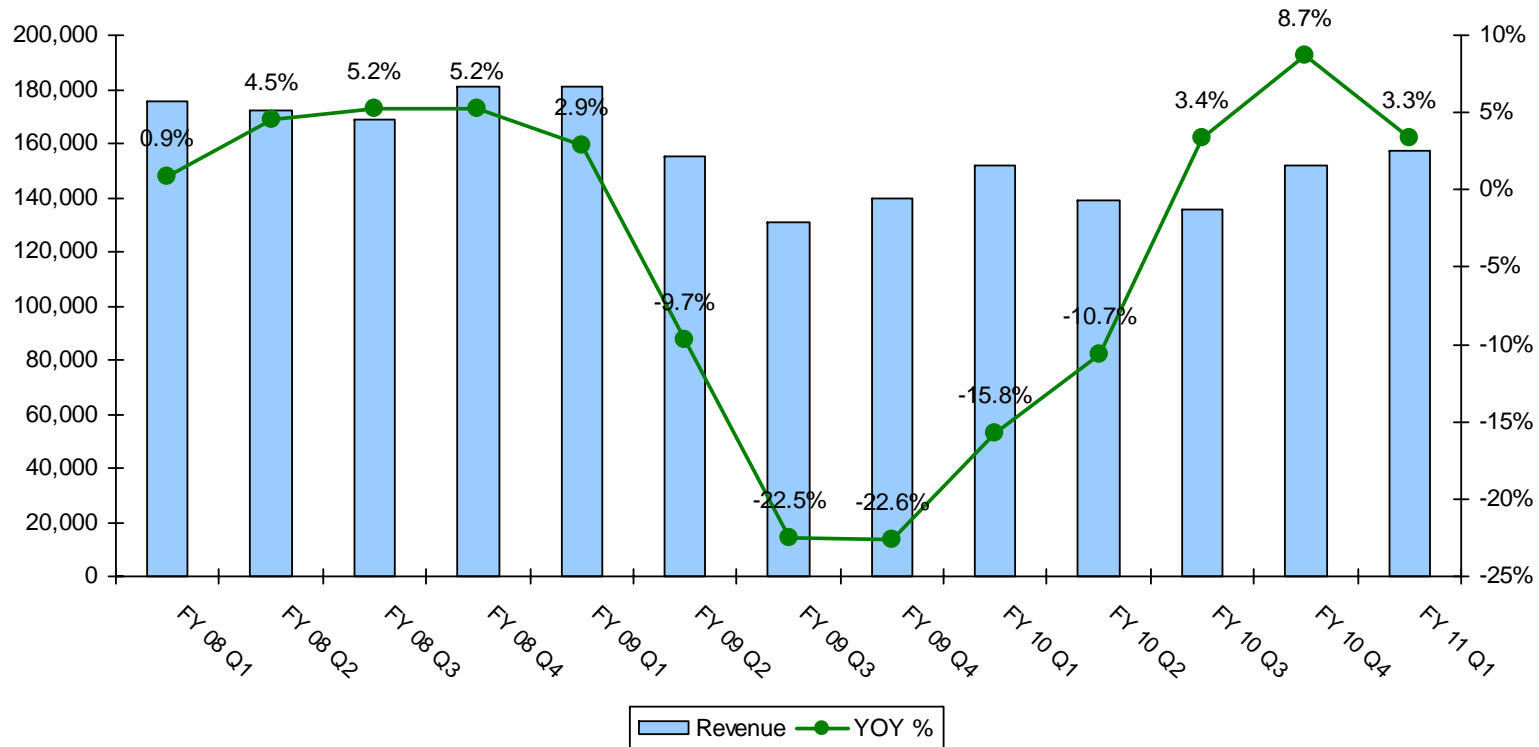


## Third Consecutive Quarter of Positive Organic Growth

- 3.3% total YOY sales growth; 3.7% organic growth in Q1

(\$, in thousands)

Standex YOY Revenue Change



(\$, in millions, except per share amounts)

	Q1 FY 11	Q1 FY 10	Delta
Sales	\$ 157.059	\$ 152.109	3.3%
Operating Income	\$ 17.640	\$ 13.058	35.1%
Operating Income Margin	11.23%	8.58%	265 bps
Operating Income excl Special Items	\$ 15.545	\$ 14.615	6.4%
Operating Income Margin % excl Special Items	9.90%	9.61%	29 bps
EBITDA	\$ 20.975	\$ 17.021	23.2%
EBITDA %	13.35%	11.19%	216 bps
EBITDA w/o Special Items	\$ 18.880	\$ 18.578	1.6%
EBITDA % w/o Special Items	12.02%	12.21%	-19 bps
EPS Continue Ops	\$ 0.90	\$ 0.67	34.3%
EPS Continue Ops w/o Special Items	\$ 0.80	\$ 0.75	6.7%

*Special items are restructuring expenses and the gain on the sale of real estate*

# Trailing Twelve Months Performance

	Q2 FY 10 to Q1 FY 11	Q2 FY 09 to Q1 FY 10	Delta
(\$, in millions, except per share amounts)			
Sales	\$ 583.404	\$ 578.500	0.8%
Operating Income	\$ 46.848	\$ 8.328	462.5%
Operating Income Margin	8.03%	1.44%	659 bps
Operating Income excl Special Items	\$ 46.532	\$ 34.678	34.2%
Operating Income Margin % excl Special Items	7.98%	5.99%	198 bps
EBITDA	\$ 61.381	\$ 23.123	165.5%
EBITDA %	10.52%	4.00%	652 bps
EBITDA w/o Special Items	\$ 61.065	\$ 49.473	23.4%
EBITDA % w/o Special Items	10.47%	8.55%	192 bps
EPS Continue Ops	\$ 2.45	\$ (0.07)	\$ 2.52
EPS Continue Ops w/o Special Items	\$ 2.33	\$ 1.58	47.5%

*Special items include restructuring expenses, gain on the sale of real estate, and other non-recurring items*

## *Strong Non-GAAP Net Income From Cont Ops Growth*

(\$, in thousands, except per share amounts)

	Net Income Q1			EPS Q1		
	FY 11	FY 10	% Change	FY 11	FY 10	% Change
Net Income Continuing Operations	\$ 11,527	\$ 8,387	37.4%	\$ 0.90	\$ 0.67	34.3%
Add:						
Restructuring (Tax Affected)	\$ 643	\$ 1,020		\$ 0.05	\$ 0.08	
Less:						
Sale of KD Building	\$ (1,977)			\$ (0.15)	\$ -	
Proforma Net Income from Continuing Operations	<u>\$ 10,193</u>	<u>\$ 9,407</u>	<u>8.4%</u>	<u>\$ 0.80</u>	<u>\$ 0.75</u>	<u>6.7%</u>



# EPS Trailing Twelve Months

***Achieved TTM Adjusted EPS of \$2.33 per share***

	Q2 FY 10	Q3 FY 10	Q4 FY 10	Q1 FY 11	TTM
EPS Continuing Operations	\$ 0.51	\$ 0.37	\$ 0.67	\$ 0.90	\$ 2.45
Add:					
Restructuring	\$ 0.08	\$ 0.03		\$ 0.05	\$ 0.16
ADP Supplier Dispute			\$ 0.05		\$ 0.05
Less:					
Building Sale	\$ (0.07)			\$ (0.15)	\$ (0.22)
Discrete Tax Items		\$ (0.03)	\$ (0.08)		\$ (0.11)
Adjusted EPS Continuing Operations	\$ 0.52	\$ 0.37	\$ 0.64	\$ 0.80	\$ 2.33

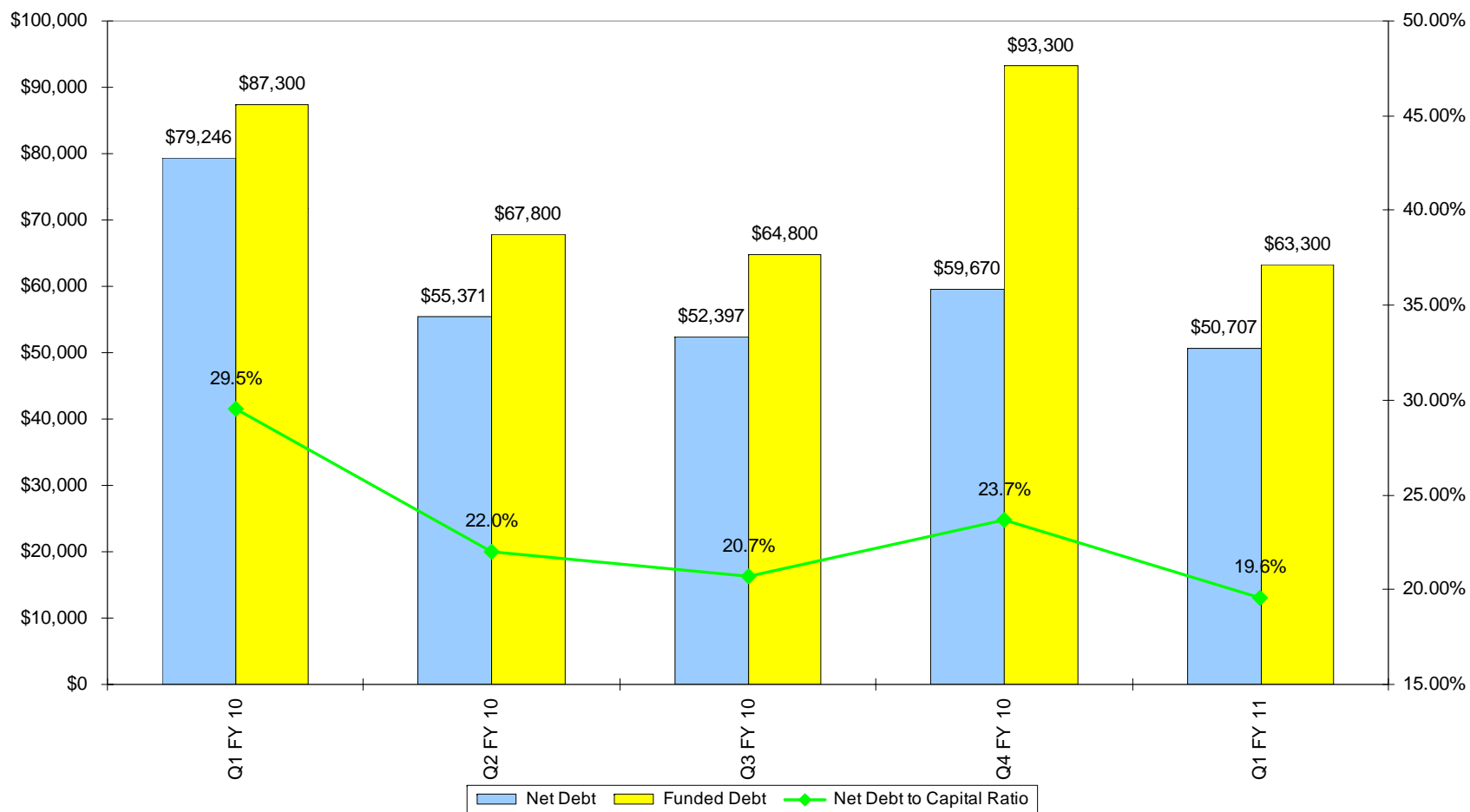
## *Inventory Turns continue to trend upward*

(\$, in thousands)

	1st Quarter		Versus Prior Quarter		Versus Prior Year	
	9/30/2010	6/30/2010	Increase (Decrease)	9/30/2009	Increase (Decrease)	
Accounts Receivable	\$ 95,966	\$ 92,520	\$ 3,446	\$ 89,879	\$ 6,087	
DSO	54	54	-	54	-	
Inventory	\$ 73,932	\$ 69,554	\$ 4,378	\$ 76,819	\$ (2,887)	
Turns	5.9	5.7	0.2	5.4	0.5	
Accounts Payable	\$ (57,101)	\$ (58,514)	\$ 1,413	\$ (57,795)	\$ 694	
DPO	41	44	(3)	44	(3)	
Net Working Capital	\$ 112,797	\$ 103,560	\$ 9,237	\$ 108,903	\$ 3,894	
% of Revenue	18.0%	17.0%	100 bps	17.9%	10 bps	
Turns	5.6	5.9	(0.3)	5.6	-	

**•Net Debt to Capital Ratio remains at a historically low level**

(\$, in thousands)



## *Continued Ability to Generate Free Cash Flow*

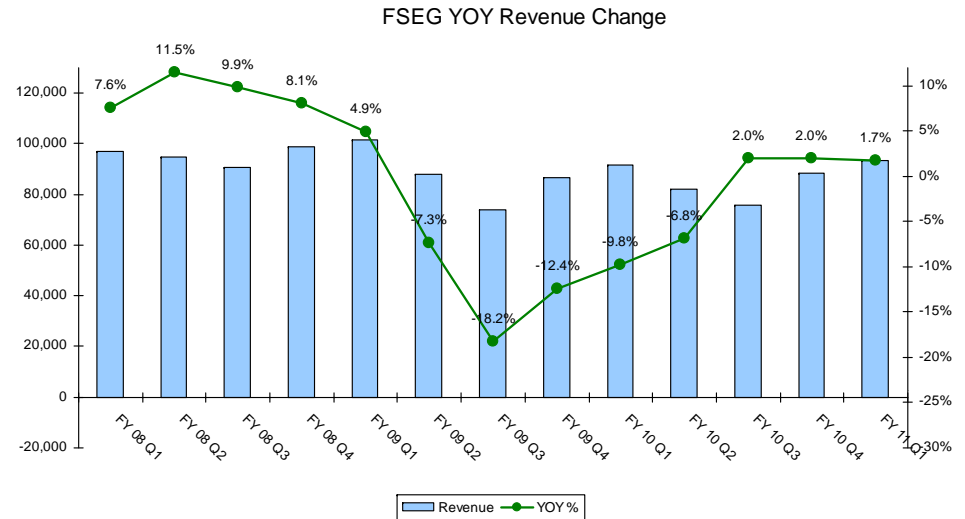
(\$, in thousands)

*Free operating cash flow:*

<b>Net cash provided by operating activities, as reported</b>	\$ 8,139	\$ 7,435
Less: Capital Expenditures	<u>(1,395)</u>	<u>(739)</u>
<b>Free operating cash flow</b>	\$ 6,744	\$ 6,696
Net income	<u>10,988</u>	<u>9,782</u>
<b>Conversion of free operating cash flow</b>	<u>61.4%</u>	<u>68.5%</u>

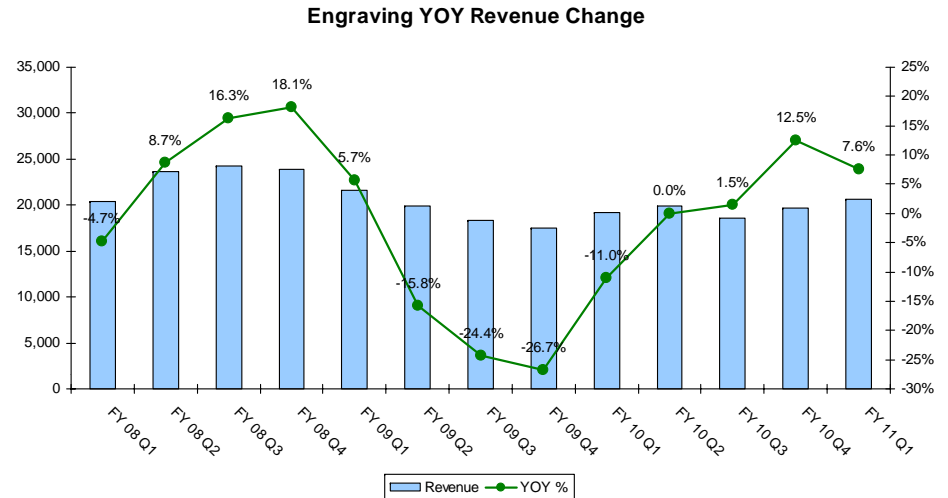
# **First-Quarter FY11 Operational Segment Review**

Q1'11 ('000s)	\$	Δ% (yoy)
Revenues	\$93,317	1.7%
Operating Income	\$11,184	-15.9%



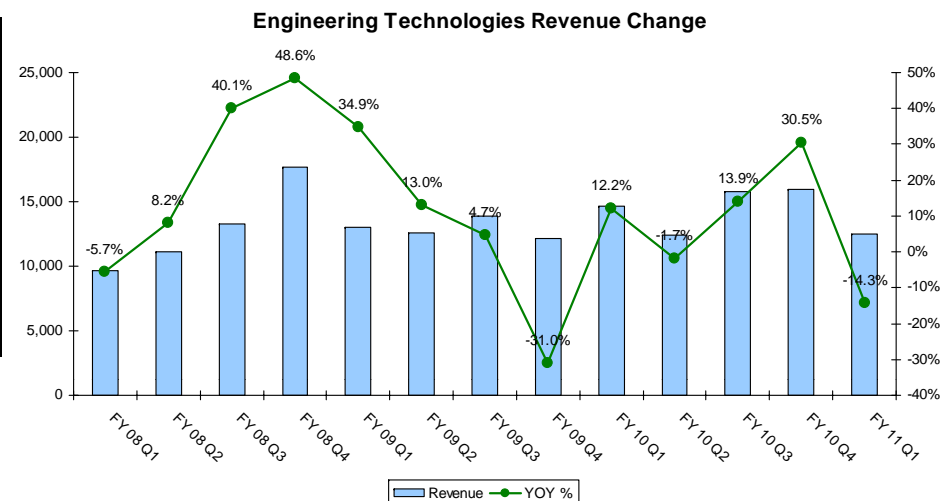
- Top-line growth driven by Refrigerated Solutions and Procon
- Volume and bookings up significantly at Refrigerated Solutions
- Weakness at Cooking Solutions result of program roll-out timing at national accounts
- Cooking Solutions received recent project awards from newly penetrated C-store and quick service restaurants
- OI decline due to deleveraging effect of lower volume at Cooking Solutions and pricing, higher material costs and product mix at Refrigerated Solutions

Q1'11 ('000s)	\$	Δ% (yoy)
Revenues	\$20,638	7.6%
Operating Income	\$3,937	66.8%



- Sales primarily driven by automotive mold texturizing work in North America
- Asia Pacific and European demand also strong
- Innovent on pace for record year in aviation; strong order activity in emerging markets
- Roll, plate and machining still soft but appears to have begun to stabilize
- Indian acquisition accretive in first quarter of ownership
- New Tianjin facility expected to open in current second fiscal quarter
- Strong operating income result of volume leverage

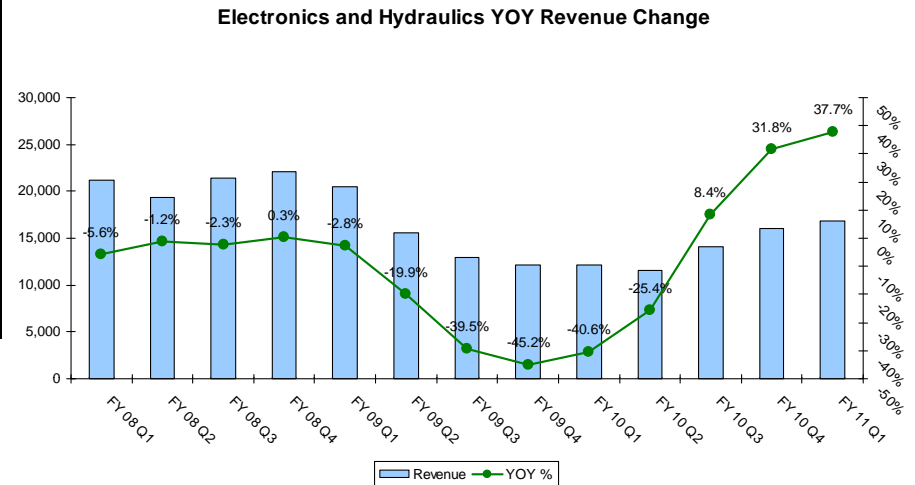
Q1'11 ('000s)	\$	Δ% (yoy)
Revenues	\$12,537	-14.3%
Operating Income	\$2,980	5.3%



- Sales decline the result of lower sales in aerospace segment and softness in energy markets
- Lower aerospace sales caused by project schedule timing
- Diversifying Spincraft's customer base
- Operating income growth reflects strong mix, cost reductions and efficiency improvements

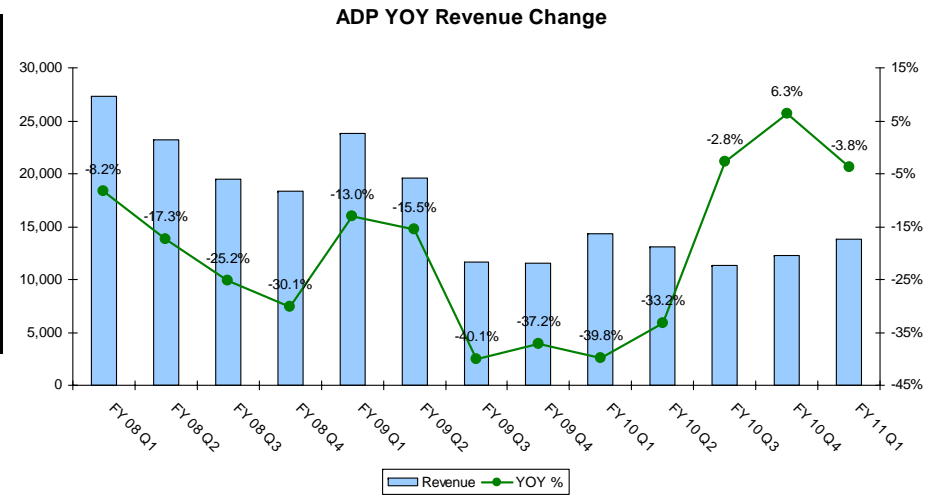


Q1'11 ('000s)	\$	Δ% (yoy)
Revenues	\$16,784	37.7%
Operating Income	\$2,450	211.7%



- Electronics records double-digit year-over-year growth on strengthening end markets and market share gains
- Hydraulics also reports double-digit sales gains as North American market shows early signs of recovery
- Operating income underscored by disciplined cost-reduction efforts undertaken during past two years

Q1'11 ('000s)	\$	Δ% (yoy)
Revenues	\$13,783	-3.8%
Operating Income	(\$455)	NM



- **ADP continues to be affected by housing market downturn**
- **Strategy is to drive market share gains through traditional products and customers, and to add new business through new products and wholesaler accounts**
- **Leveraging new facility in Dallas to increase market share in Texas and Oklahoma**
- **Expects sales pricing and metal costs to be relatively stable for near term**

***Cautiously optimistic about end markets and expect continued growth as we move through 2011***

- **Positive sales momentum in most end markets**
- **Top-line growth in three of five segments**
- **Third consecutive quarter of YOY sales growth**
- **Cost-reduction and productivity improvement initiatives yielding results**
- **Sixth consecutive quarter of YOY growth in non-GAAP operating margins**
- **6.7% increase in non-GAAP EPS to \$0.80**
- **Net debt to capital ratio of 19.6% provides ability for strategic, accretive acquisitions**

# **Q & A Session**