Standex International





Third-Quarter Fiscal Year 2009
Conference Call

May 7, 2009

SXI LISTED NYSE

Agenda

Overview
- Roger Fix – President & Chief Executive Officer

Financial Review
- Tom DeByle – Chief Financial Officer

Third Quarter 2009 Segment Results and Outlook
- Roger Fix – President & Chief Executive Officer

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Third Quarter 2009 Overview

Cost cutting initiatives result in savings exceeding initial expectations – on track to deliver $25M in cost savings

- Standex's Q3 FY09 results reflect the full impact of the economic recession
- $131.0M in revenue; down 22.5% year-over-year
- Focus on cost reductions and cash generation delivers solid results in Q3
  - Operating expenses down 28%
  - US workforce compensation costs reduced by 21%
  - Total operating expense and indirect labor down 29%
  - Generated $28 million in free cash flow in Q3
  - Net debt reduced $19.1 million

Third Quarter 2009 Results

Top-line impacted by global recession

(In millions)

	Current Year	**Prior Year**	**% Change**
Total Sales	$131.0	$169.0	-22.5%
Organic Growth		($33.8)	-20.0%
Foreign Exchange		($4.2)	-2.5%

Income Statement

Operating income affected by lower sales, asset impairments, and restructuring

(In thousands)

	GAAP Q3 09 As Reported	Non-Recurring Items: Operational Items	Discrete Tax Items	Asset Impairment	Adjusted Results (Non-GAAP)	Q3 08 As Reported	Variance
Net Sales	$ 130,970				$ 130,970	$ 169,002	$ (38,032)
Reversal of Long-Term Incentive Plan accruals		$ (3,600)					
Restructuring charges		$ 1,365					
Impairment of goodwill and intangible assets				$ 21,339			
Lower-of-cost-or-market adjustment				$ 3,536			
Operating Income (Loss)	$ (19,945)	$ (2,235)	$ -	$ 24,875	$ 2,695	$ 6,774	$ (4,079)
Operating Margin	-15.2%				2.1%	4.0%	10.7%
Interest Expense	$ (1,398)				$ (1,398)	$ (2,257)	$ 859
Income (Loss) Before Taxes	$ (21,470)	$ (2,235)	$ -	$ 24,875	$ 1,170	$ 3,927	$ (2,757)
Provision for Taxes	$ 3,251	$ 771	$ (1,700)	$ (2,516)	$ (194)	$ (1,288)	$ 1,094
Net Income (Loss) from Continuing Operations	$ (18,219)	$ (1,464)	$ (1,700)	$ 22,359	$ 976	$ 2,639	$ (1,663)
Shares Outstanding	12,326	12,326	12,326	12,326	12,326	12,379	
EPS from Continuing Operations	$ (1.48)	$ (0.12)	$ (0.14)	$ 1.81	$ 0.08	$ 0.21	$ (0.13)

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Working Capital Management

Steady focus on improving working capital continues

($, in thousands)

	3/31/2009	12/31/2008	Change
Net Receivables	73,973	84,828	10,855
Days Sales Outstanding	52	50	(2)
Inventories	87,584	96,850	9,266
Turns	4.3	4.6	(0.3)
Total Accounts Payable	(59,357)	(55,404)	3,953
DPO	48	37	11
Net Working Capital	**102,200**	**126,274**	**24,074**
% to Revenue	19.5%	20.3%	0.8%
Working Capital Turns	5.1	4.9	0.2

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Strong Cash Flow Generation

Standex generated $28.0 M of cash in Q1; $44.4 M in YTD09

($, in thousands)

	12/31/08	3/31/2009	QTD	6/30/08	3/31/2009	YTD
EBIT			$ (21,470)			$ (7,288)
+ Non-Recurring Items			$ 22,640			$ 22,640
EBIT*			$ 1,170			$ 15,352
Depreciation			$ 2,934			$ 9,283
Amoritzation			$ 764			$ 2,509
EBITDA*			$ 4,868			$ 27,144
Accounts Receivable	$ 84,828	$ 73,973	$ 10,855	$ 103,055	$ 73,973	$ 29,082
Net Inventory	$ 96,850	$ 87,584	$ 9,266	$ 87,619	$ 87,584	$ 35
Accounts Payable	$ (55,404)	$ (59,357)	$ 3,953	$ (66,174)	$ (59,357)	$ (6,817)
Change in NWC Impact	$ 126,274	$ 102,200	$ 24,074	$ 124,500	$ 102,200	$ 22,300
CAPEX			$ (978)			$ (5,028)
Free Cash Flow			$ 27,964			$ 44,416

**As Adjusted for non-recurring items*

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Debt Reduction

Standex focused on using operational and financial measures to dramatically reduce debt in Q309

($, in thousands)

	Qtr 3/31/09			
EBITDA (excluding non-recurring items)	4,868	**Beginning Funded Debt 12/31/2008**	**$**	**131,970**
CAPEX	(978)	Foreign Cash Repatriation	$	(4,435)
Cash Interest	(1,398)	Cash from operations applied to debt	$	(17,933)
Cash Taxes	(943)			
Change in Operating Assets/Liabilities, Other	16,384			
Cash from Operations applied to Debt	**17,933**	**Ending Funded Debt 3/31/2009**	**$**	**109,602**

Standex Net Debt & Equity

$19.1M decrease in net debt underscores management's focus on paying down debt

($, in thousands)

Total Capital	Mar 03/31/09	Dec 12/31/08	Increase (Reduction)
Short Term Debt	3,588	4,705	(1,117)
Long term Debt	106,015	127,265	(21,250)
Funded Debt	109,603	131,970	(22,367)
Less: Cash	(14,232)	(17,515)	3,283
Net Debt	95,371	114,455	(19,084)
Stockholder's Equity	191,869	211,717	
Net Debt & Equity	287,240	326,172	
Net Debt to Capital	33.2%	35.1%	

-16.9% yoy

-16.7% yoy

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Third-Quarter FY09
Operational Segment Review

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Food Service Equipment Group

Q3'09 ('000s)	$	Δ% (yoy)
Revenues	$74,119	-18.2%
Operating Income*	$5,699	-7.2%

* *Excluding goodwill impairment*

Q3 FY09 Drivers

- **Recession affecting various components of FSEG at different rates**
- **"Hot" side of business is faring worse than the "Cold" side**
- **$21.3 million goodwill and intangible assets impairment during the quarter**

Looking Ahead

- **Focus on achieving market share gains**
- **Seeking cost reductions across the entire Group**

Faced with a softening food service equipment market, we are taking every opportunity to cut costs, enhance margins, and generate cash

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Engraving Group

Q3'09 ('000s)	$	Δ % (yoy)
Revenues	$18,364	-24.4%
Operating Income	$1,791	-34.0%

Q3 FY09 Drivers

- **Lower automotive work worldwide – especially internationally**
- **N. America ops benefited from plant consolidations, cost reductions and productivity improvements.**
- **Int'l ops negatively affected by volume, product mix and negative FX impact**

Looking Ahead

- **Expect weakness in international sales due to lack of auto platform work in Q4**
- **Driving market share gains in diverse, non-auto related markets**

Expansion into new markets and geographies and the introduction of new technologies will be strong long-term growth drivers

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Engineered Products Group

Q3'09 ('000s)	$	Δ % (yoy)
Revenues	$21,959	-13.5%
Operating Income	$3,081	+27.1%

Q3 FY09 Drivers

- Continued strength in Spincraft's end-markets – energy, aerospace & aviation
- Good OI growth from Electronics
  - Plant consolidations
  - Material substitutions
  - Favorable commodity pricing

Looking Ahead

- Continued optimism regarding Spincraft
- Continued focus on margin improvement at Electronics

Demand remains strong in industrial, aviation and aerospace markets; continued weakness in housing and automotive

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Hydraulics Products Group

Q3'09 ('000s)	$	Δ% (yoy)
Revenues	$4,871	-47.4%
Operating Loss	($285)	NM

Q3 FY09 Drivers

- **Downturn in the US off-road heavy construction vehicle market continued**
- **Shipped first batch of telescopic hoists out of new manufacturing facility in Tianjin, China**

Looking Ahead

- **Economic stimulus package could stimulate infrastructure-related construction, which would lead to growth in Hydraulics**
- **Lower steel costs and automated machining equipment installed in 1H 2009 will improve profitability going forward**
- **Anticipate profitability from Tianjin facility in FY10 and beyond**

Continue to be affected by downturn in domestic and export markets

Air Distribution Products Group

Q3'09 ('000s)	$	Δ % (yoy)
Revenues	$11,657	-40.1%
Operating Loss*	($1,274)	NM

Excluding $3.5M inventory write-down

Q3 FY09 Drivers

- **Sales volumes continued to decline in-line with housing starts**
- **Pricing pressure as competitors dropped prices to win business**
- **Higher metal cost**
- **Lower-of-cost-or-market analysis resulted in a $3.5 million inventory write-down**

Looking Ahead

- **Going forward, write-down in inventory will assist ADP in being profitable**
- **Continue to focus on costs**
- **Aggressive in sales area**
- **Adding new products**

Visibility for ADP remains difficult; do not expect a near-term upturn

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Summary

Management remains focused on cost reductions and cash conservation in face of economic uncertainties

- Q3 FY09 results affected by a full quarter of recessionary economic conditions
- Cost reductions initiated in Q209 and continuing into Q3 should result in approximately $25M of annualized cost savings in place by the beginning of FY10
- Board of Directors decided to temporarily reduce the Company's quarterly dividend from $0.21 per share to $0.05 per share
- Despite near-term challenges caused by the worldwide economic downturn, taking the necessary actions to reduce our cost structure and maximize profitability