Standex International

Food Service Equipment

Engraving

Engineering Technologies

Air Distribution Products

Electronics

Hydraulics

Second-Quarter Fiscal Year 2010
Conference Call
January 28, 2010

SXI LISTED NYSE

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Agenda

Overview

- Roger Fix – President & Chief Executive Officer

Financial Review

- Tom DeByle – Chief Financial Officer

Second Quarter 2010 Segment Results and Outlook

- Roger Fix – President & Chief Executive Officer

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Second Quarter 2010 Overview

Third Consecutive Quarter of Bottom-Line Improvement

- **Cost reductions continue to drive bottom line improvement in a difficult sales environment**
- **Net income from continuing operations up 84% on down volume of 11%**
- **EPS from continuing operations of $1.72/share (excluding special items) over past three quarters despite a 17% sales decline**

	Q4 FY 09	Q1 FY 10	Q2 FY 10	Total
EPS Continuing Operations	$0.46	$0.67	$0.51	
Add: Restructuring	$0.06	$0.08	$0.08	
Subtract: Building Sale Discrete Tax Items	 $ (0.07)		 $(0.07)	
Adjusted EPS Continuing Operations	$0.45	$0.75	$ 0.52	$1.72

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Second Quarter 2010 Overview

Third Consecutive Quarter of Bottom-Line Improvement

- **Strong balance sheet and cash generation**
  - **Free Operating Cash Flow of $16.4 million**
  - **Net debt reduced by $23.9 million in Q210**
  - **Net debt to capital ratio of 22% at December 31, 2009**
- **Investing in organic growth**
- **Well-positioned for acquisitions**
  - **Actively seeking bolt-on acquisitions up to $20 million**
  - **Accretive within the first year of ownership**
  - **Strategically enhances core platforms**

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Continued Bottom-Line Improvement

Strong Bottom-line Performance on Reduced Sales

	Q2 FY 10	Q2 FY 09	Delta
Sales	$ 138.853	$ 155.510	-10.71%
Operating Income	$ 10.269	$ 5.987	71.52%
Operating Income Margin	7.40%	3.85%	+355 bps
Operating Income w/o Special Items	$ 10.334	$ 7.068	46.21%
Operating Income Margin w/o Special Items	7.44%	4.55%	+290 bps
EBITDA	$ 13.881	$ 10.081	37.69%
EBITDA %	10.00%	6.48%	+351 bps
EBITDA w/o Special Items	$ 13.946	$ 11.162	24.94%
EBITDA % w/o Special Items	10.04%	7.18%	+287 bps

** Special Items include restructuring expense of $1.5M in Q2 2010 and $1.1M in Q2 2009, gain on building sale of $1.4M in Q2 2010, and discrete tax items of $0.6M in Q2 2009*

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EPS Performance

Strong Non-GAAP Net Income From Cont Ops Growth

	Net Income ($K)			EPS		
	FY 10	FY 09	% Change	FY 10	FY 09	% Change
Profit from Continuing Operations	$ 6,392	$ 3,470	84.2%	0.51	0.28	82.1%
<u>Add:</u>						
Restructuring (net of tax)	$ 963	$ 708		0.08	0.06	
<u>Subtract:</u>						
Discrete Tax Items		$ (553)		-	(0.04)	
Building Sale	$ (920)			(0.07)	-	
Proforma Profit from Continuing Operations	$ 6,435	$ 3,625	77.5%	0.52	0.30	73.3%

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Improved Balance Sheet

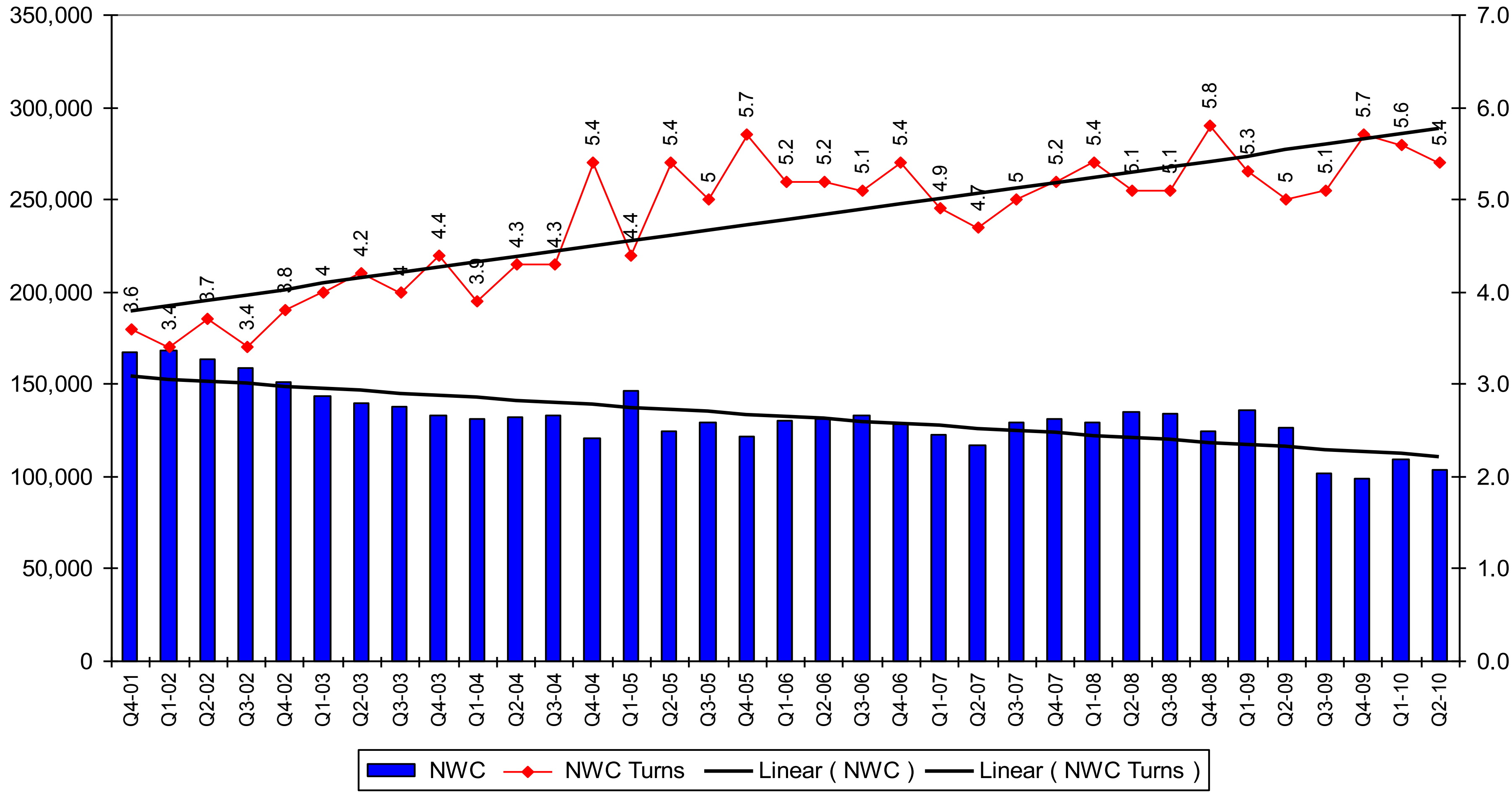
Continued Focus on Balance Sheet Enhancement through Debt Reduction

($, in thousands)

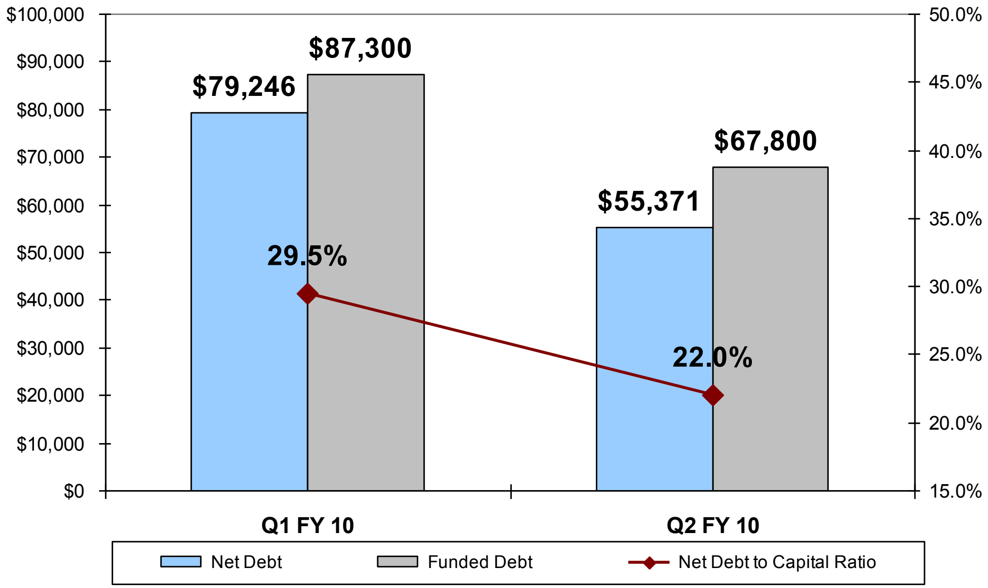
	Quarter 2	Versus Prior Quarter		Versus Prior Year	
	12/31/2009	**9/30/2009**	**Increase (Decrease)**	**12/31/2008**	**Increase (Decrease)**
Net Receivables	$ 78,878	$ 89,879	$ (11,001)	$ 84,828	$ (5,950)
DSO	52	54	(2)	50	2
Inventories	$ 76,149	$ 76,819	$ (670)	$ 96,850	$ (20,701)
Turns	4.9	5.4	(0.5)	4.6	0.3
Total Accounts Payable	$ (51,503)	$ (57,795)	$ 6,292	$ (55,404)	$ 3,901
DPO	40	44	(4)	40	-
Net Working Capital	**$ 103,524**	**$ 108,903**	**$ (5,379)**	**$ 126,274**	**$ (22,750)**
% to Revenue	18.6%	17.9%	0.7%	20.3%	-1.7%
Working Capital Turns	5.4	5.6	(0.2)	5.0	0.4

Working Capital & WC Turns

Working capital decreased by $22.8M yoy; Working capital turns increased 8% yoy



Standex Debt Management



•Net Debt reduced by $24M during the quarter

•Net Debt to Capital at 22% as of 12/31/09

FY 10 Q2 Net Debt Reduction

Net Debt 9/30/2009	79,246
Routine Cash Items	
EBITDA	13,881
WC Reduction	5,379
CAPEX	(929)
Cash Interest	(799)
Cash Taxes	(4,555)
Dividends	(609)
Other	933
Total Routine Cash Items	13,301
Non-Routine Cash Items	
Baker's Pride Factory Proceeds	5,298
Salem HQ Building Proceeds	2,876
Insurance Proceeds Disc Ops	2,400
Total Non-Routine Cash Items	10,574
Net Debt Reduction during the quarter	23,875
Net Debt 12/31/2009	55,371

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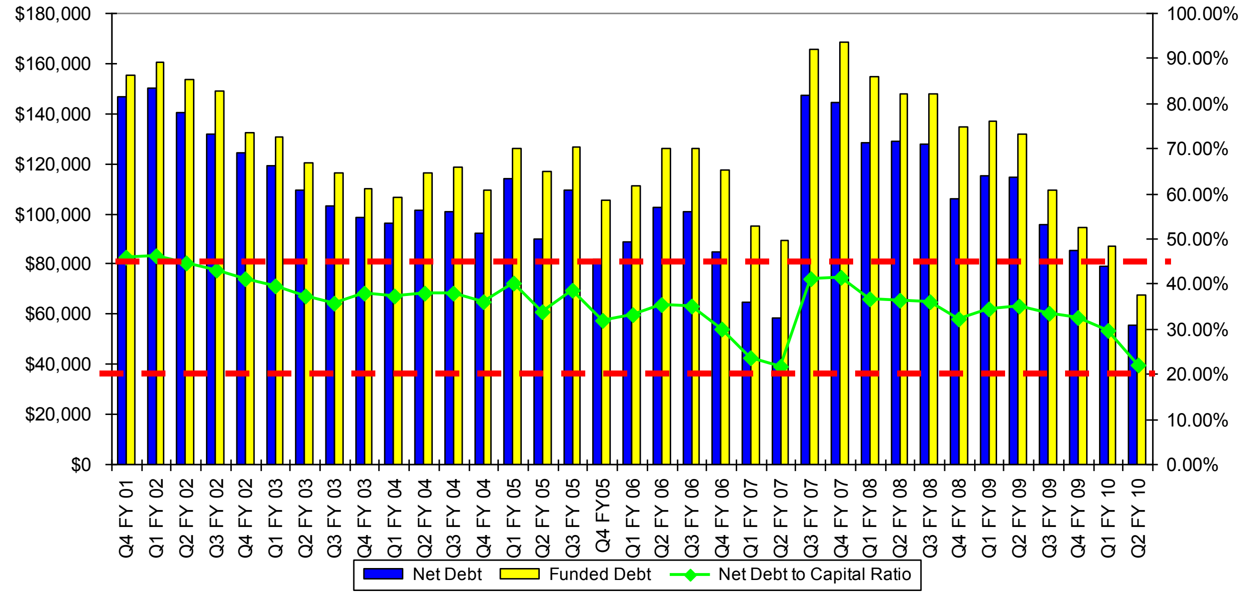
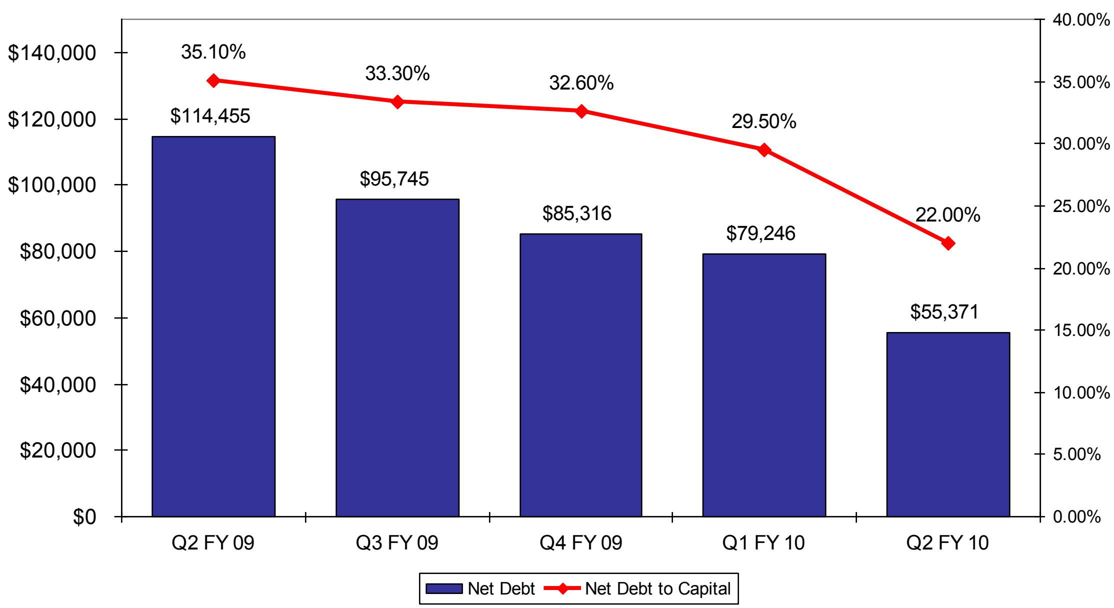
Net Debt & Net Debt to Capital

- *Historical Net Debt to Capital ratios are between 20% and 46%*
- *Net Debt to Capital at 22% as of 12/31/09 is at one of the historical low points since 2001*





- *Net Debt at $55.4M as of 12/31/09 versus $114.5M as of 12/31/08 for a reduction of $59M*
- *Net Debt to Capital at 22% as of 12/31/09 versus 35.1% as of 12/31/08*

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Free Cash Flow Generation

($, in thousands)

	Continuing Operations	Discontinued Operations	Total Operations
Cash from Operating Activities	$ 16,368	$ 990	$ 17,358
Cash CAPEX	(929)	-	(929)
Free Operating Cash Flow	$ 15,439	$ 990	$ 16,429
Net Income	$ 6,392	$ (438)	$ 5,954
Conversion of Free Operating Cash Flow	241.5%	NM	275.9%

Second-Quarter FY10
Operational Segment Review

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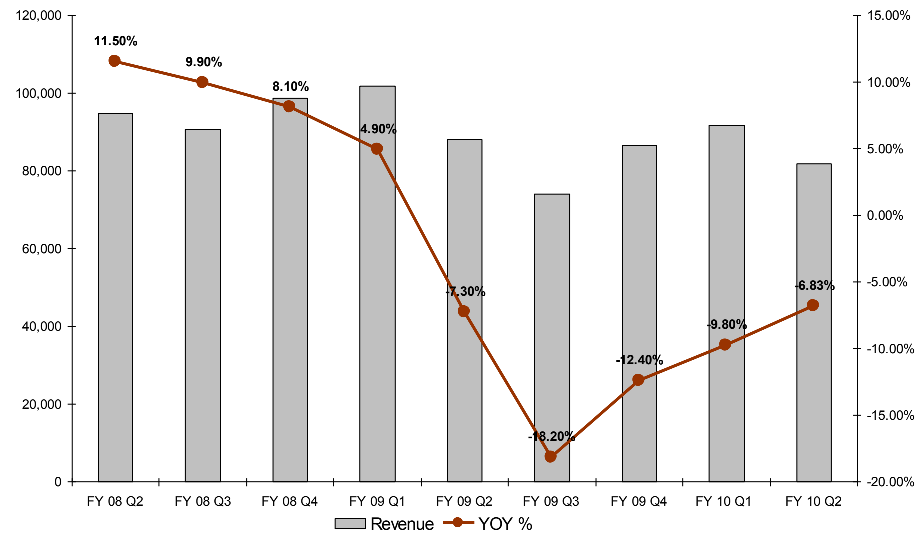
Food Service Equipment Group

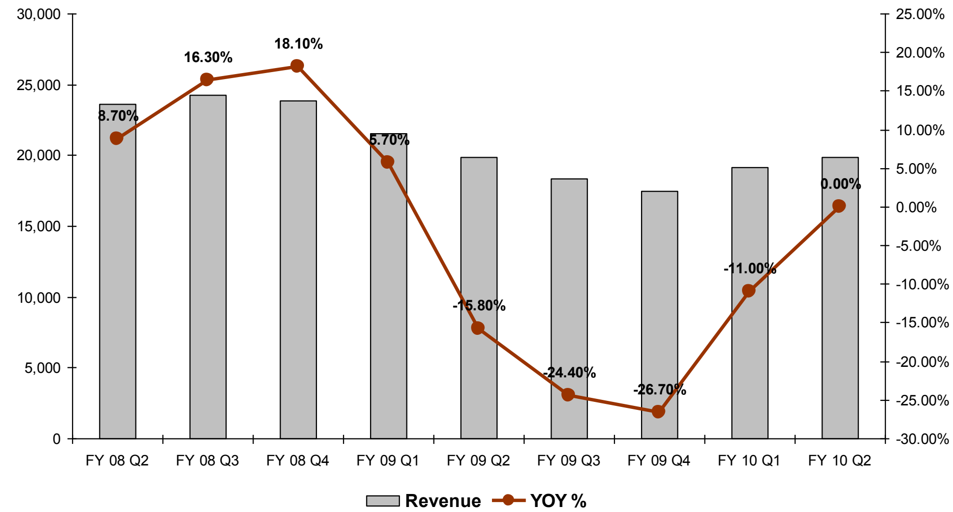
Q2'10 ('000s)	$	Δ% (yoy)
Revenues	$81,937	-6.8%
Operating Income	$9,821	+86.0%



- **Ongoing cost reduction initiatives continue to drive profitability**
  - **Operating income margin of 12.0% in Q2 FY10; up 600 bps from Q2 FY09**
- **Dallas APW Wyott consolidation into Nogales essentially complete**
  - **More than 250 employees now on-site in Nogales**
  - **Minimal disruption to customers**
- **Optimistic on future growth of FSEG business**
  - **Continue to penetrate strategic dealer buying groups**
  - **Focus on product innovation and product enhancement**
  - **Drive market share gains in convenience store segment**
  - **Increase market share at Yum! brands and other national chains**

Standex Engraving Group

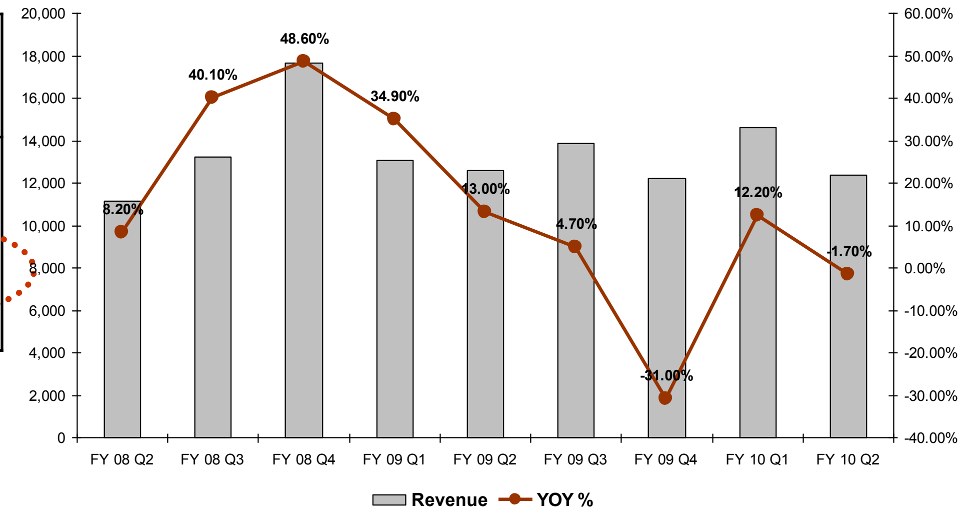
Q2’10 (‘000s)	$	Δ% (yoy)
Revenues	$19,879	0.0%
Operating Income	$2,422	48.8%



- **Sales strong internationally**
- **Cost savings, plant consolidations and increased productivity driving bottom-line gains**
  - **Operating income up 48.8% yoy; Operating margin up 400 bps yoy**
- **Ongoing restructuring in Europe in 2010**
  - **Expected to save $1.5 million annually**
- **Technological leadership and global manufacturing footprint continues to differentiate Standex Engraving**

Standex Engineering Technologies Group

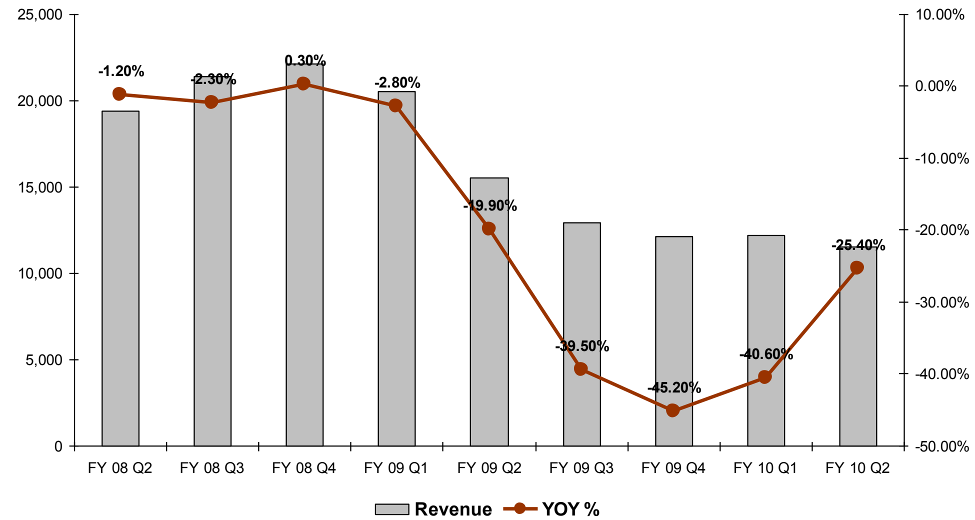
Q2'10 ('000s)	$	Δ% (yoy)
Revenues	$12,382	-1.7%
Operating Income	$2,441	+35.4%



- Lumpy quarter-to-quarter business challenges sales comparisons
  - Operating margin improved 500 basis points
- Strong operating income growth due to improved productivity from Spincraft Wisconsin
- NASA/Teledyne Brown project taken off hold
- Expect good performance in second half of FY10

Electronics & Hydraulics Group

Q1'10 ('000s)	$	Δ% (yoy)
Revenues	$11,581	-25.4%
Operating Income	$775	-10.4%



- **Decline in automotive, construction and housing sectors continues to pressure sales growth**
- **Cost-cutting phase complete at Electronics; vast majority of production is in Mexico and China**
- **Move toward leveraging world-class manufacturing to introduce new products**
- **Limited visibility for hydraulics with no improvement in foreseeable future**

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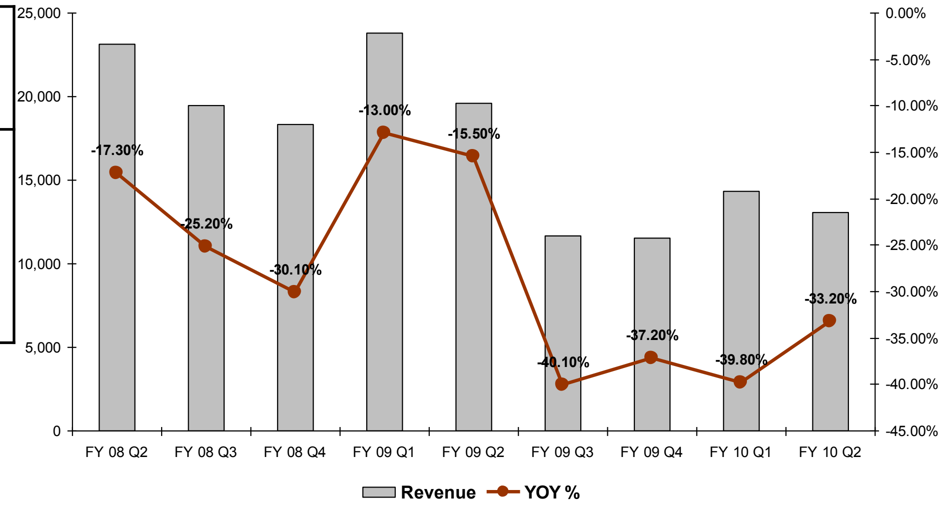
ADP Group

Q1'10 ('000s)	$	Δ% (yoy)
Revenues	$13,074	-33.2%
Operating Income	($354)	NM



- Financial performance affected by lower sales leverage, increasing material prices and sales price deterioration
- Focused on driving incremental share growth

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Summary

- Q2 Results demonstrate that cost reductions are real and sustainable
- Cautiously optimistic about sales environment
  - Seeing some stabilization in demand environment
  - Improvement in select end-markets
- Ongoing focus on balance sheet improvement through WC management and cash conservation
  - Initiatives have enabled strong debt reduction
- Lower debt level and cash generation allows for future acquisitions
  - Company seeking bolt-on acquisitions to enhance strategic platforms

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Q & A
Session