

Standex International



**Food Service
Equipment**



Engraving



**Engineering
Technologies**



**Air Distribution
Products**



Electronics



Hydraulics

**Third-Quarter Fiscal Year 2010
Conference Call
April 29, 2010**

**SXI
LISTED
NYSE**

Overview

- Roger Fix – President & Chief Executive Officer

Financial Review

- Tom DeByle – Chief Financial Officer

Third Quarter 2010 Segment Results and Outlook

- Roger Fix – President & Chief Executive Officer

Statements in this presentation include, or may be based upon, management's current expectations, estimates and/or projections about Standex's markets and industries. These statements are forward-looking statements within the meaning of The Private Securities Litigation Reform Act of 1995. Actual results may materially differ from those indicated by such forward-looking statements as a result of certain risks, uncertainties and assumptions that are difficult to predict. Among the factors that could cause actual results to differ are uncertainty in conditions in the financial and banking markets, general domestic and international economy including more specifically increases in raw material costs, the ability to substitute less expensive alternative raw materials, the heavy construction vehicle market, the new residential construction market, reduced capital spending by customers, successful expansion and automation of manufacturing capabilities and diversification efforts in emerging markets, the ability to achieve cost savings through lean manufacturing and low cost sourcing, effective completion of plant consolidations and the other factors discussed in the Annual Report of Standex on Form 10-K for the fiscal year ending June 30, 2009, which is on file with the Securities and Exchange Commission, and any subsequent periodic reports filed by the company with the Securities and Exchange Commission. In addition, any forward-looking statements represent management's estimates only as of the day made and should not be relied upon as representing management's estimates as of any subsequent date. While the company may elect to update forward-looking statements at some point in the future, the company and management specifically disclaim any obligation to do so, even if management's estimates change.

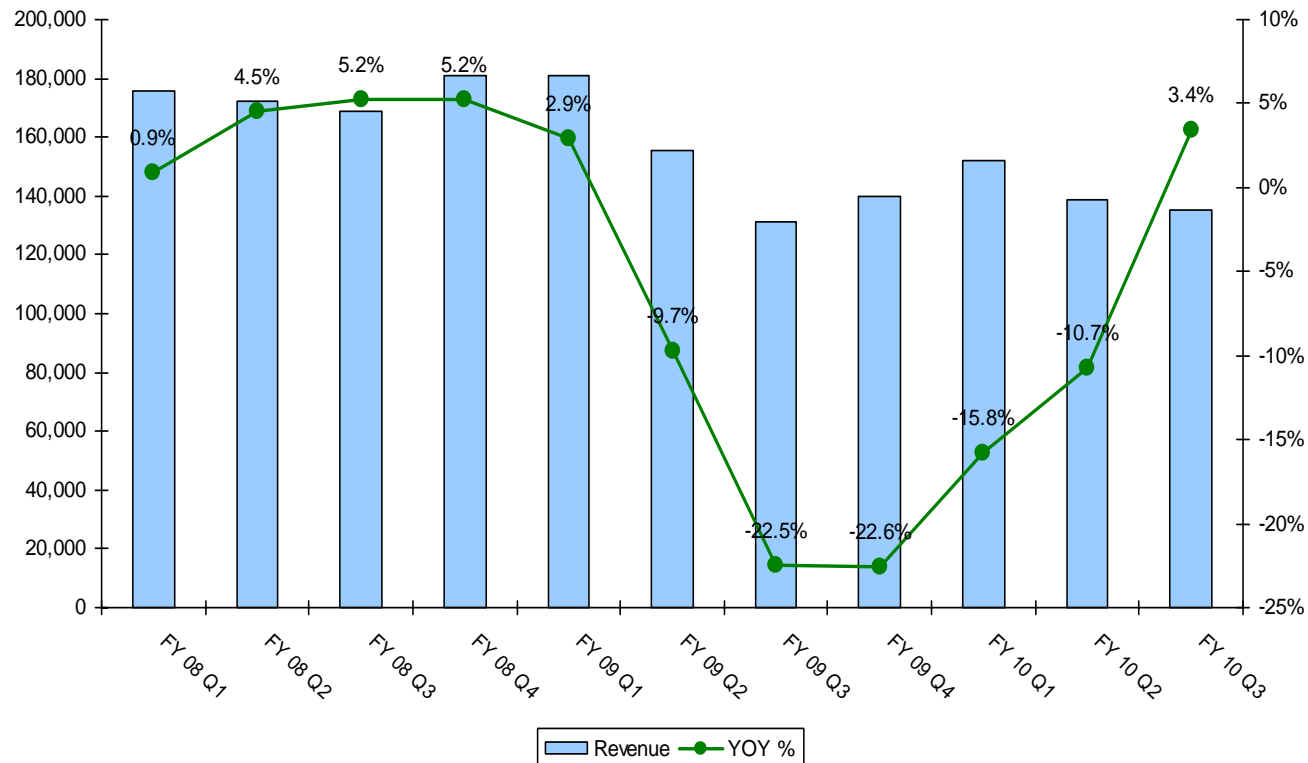
Organic Growth and Cost Focus Drive Bottom-Line Strength

- Four consecutive quarters of bottom-line improvement during recession
- Achieved TTM non-GAAP EPS of \$2.09/share vs. \$1.58/share in prior 12 months
- Delivered 32% increase in TTM non-GAAP EPS despite 13% sales decline

| | Q4 FY 09 | Q1 FY 10 | Q2 FY 10 | Q3 FY 10 | Last Twelve Months |
|------------------------------------|-------------|-------------|-------------|-------------|--------------------------|
| EPS Continuing Operations | \$ 0.46 | \$ 0.67 | \$ 0.51 | \$ 0.37 | \$ 2.01 |
| <u>Add:</u> | | | | | |
| Restructuring | \$ 0.06 | \$ 0.08 | \$ 0.08 | \$ 0.03 | \$ 0.25 |
| <u>Less:</u> | | | | | |
| Building Sale | | | \$ (0.07) | | \$ (0.07) |
| Discrete Tax Items | \$ (0.07) | | | \$ (0.03) | \$ (0.10) |
| Adjusted EPS Continuing Operations | \$ 0.45 | \$ 0.75 | \$ 0.52 | \$ 0.37 | \$ 2.09 |

First Quarter of Organic Growth in Five Quarters

- 3.4% total YOY sales growth; 1.7% organic growth in Q3
- 3 out of 5 reporting groups demonstrated organic growth
- Focus shifted from cost reductions to organic growth
- Initiatives centered on capturing market share



Sales Growth and Strong Bottom-line Performance

| | <u>Q3 FY 10</u> | <u>Q3 FY 09</u> | <u>Delta</u> |
|---|-----------------|-----------------|--------------|
| Sales | \$ 135.411 | \$ 130.970 | 3.4% |
| Operating Income | \$ 6.745 | \$ (19.945) | \$ 26.690 |
| Operating Income Margin | 4.98% | -15.23% | NM |
| Operating Income w/o Special Items | \$ 7.405 | \$ 2.695 | 174.8% |
| Operating Income Margin % w/o Special Items | 5.47% | 2.06% | 341 bps |
| EBITDA | \$ 10.582 | \$ (16.374) | \$ 26.956 |
| EBITDA % | 7.81% | -12.50% | NM |
| EBITDA w/o Special Items | \$ 11.242 | \$ 6.266 | 79.4% |
| EBITDA % w/o Special Items | 8.30% | 4.78% | 352 bps |
| EPS Continue Ops | \$ 0.37 | \$ (1.48) | \$ 1.85 |
| EPS Continue Ops w/o Special Items | \$ 0.37 | \$ 0.08 | 362.5% |

*Special Items – FY2010: Restructuring (\$0.7M), Discrete Tax Items \$0.4M FY2009: Restructuring (\$1.4M), Impairment (\$21.3M), LOCM Adjustment (\$3.5M), Incentive Compensation Reversal \$3.6M, Discrete Tax Items \$1.7M

Strong Non-GAAP Net Income From Cont Ops Growth

| | Net Income | | | Earnings Per Share | | |
|--|------------|-------------|--------|--------------------|-----------|--------|
| | Q3 FY 10 | Q3 FY 09 | Change | Q3 FY 10 | Q3 FY 09 | Change |
| Net Income from Continuing Operations | \$ 4,641 | \$ (18,219) | | \$ 0.37 | \$ (1.48) | |
| <u>Non-Recurring Tax Impacted</u> | | | | | | |
| Reversal of bonus/LTIP accruals | | \$ (2,358) | | | \$ (0.19) | |
| Restructuring charges | \$ 432 | \$ 894 | | \$ 0.03 | \$ 0.07 | |
| Impairment of goodwill and intangible assets | | \$ 20,043 | | | \$ 1.63 | |
| Inventory reserve adjustment | | \$ 2,316 | | | \$ 0.19 | |
| Discrete Tax Items | \$ (400) | \$ (1,700) | | \$ (0.03) | \$ (0.14) | |
| Total Non-Recurring Tax Impacted | \$ 32 | \$ 19,195 | | \$ 0.00 | \$ 1.56 | |
| Proforma Net Income Continuing Operations | \$ 4,673 | \$ 976 | 379% | \$ 0.37 | \$ 0.08 | 363% |

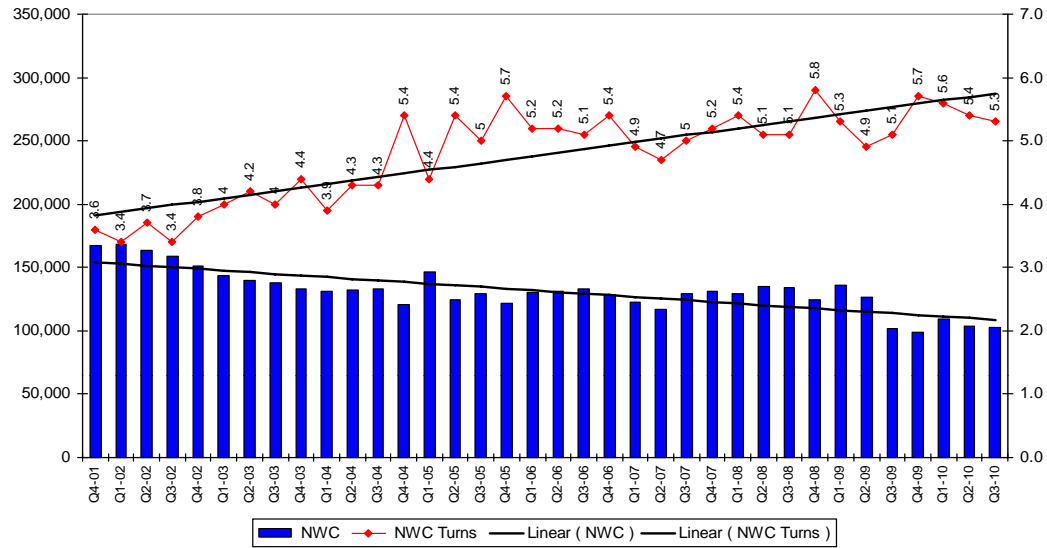
Improving Working Capital Turns Demonstrates Increasing WC Efficiency

(\$, in thousands)

| | 3rd Quarter | | Versus Prior Quarter | | Versus Prior Year | |
|---------------------|-------------|-------------|------------------------|-------------|------------------------|--|
| | 3/31/2010 | 12/31/2009 | Increase (Decrease) | 3/31/2009 | Increase (Decrease) | |
| Accounts Receivable | \$ 83,278 | \$ 78,878 | \$ 4,400 | \$ 73,973 | \$ 9,305 | |
| DSO | 55 | 52 | 3 | 52 | 3 | |
| Inventory | \$ 74,495 | \$ 76,149 | \$ (1,654) | \$ 87,584 | \$ (13,089) | |
| Turns | 5.0 | 4.9 | 0.1 | 4.3 | 0.7 | |
| Accounts Payable | \$ (55,182) | \$ (51,503) | \$ (3,679) | \$ (59,357) | \$ 4,175 | |
| DPO | 44 | 40 | 4 | 46 | (2) | |
| Net Working Capital | \$ 102,591 | \$ 103,524 | \$ (933) | \$ 102,200 | \$ 391 | |
| % of Revenue | 18.9% | 18.6% | 0.3% | 19.5% | -0.6% | |
| Turns | 5.3 | 5.4 | (0.1) | 5.1 | 0.2 | |

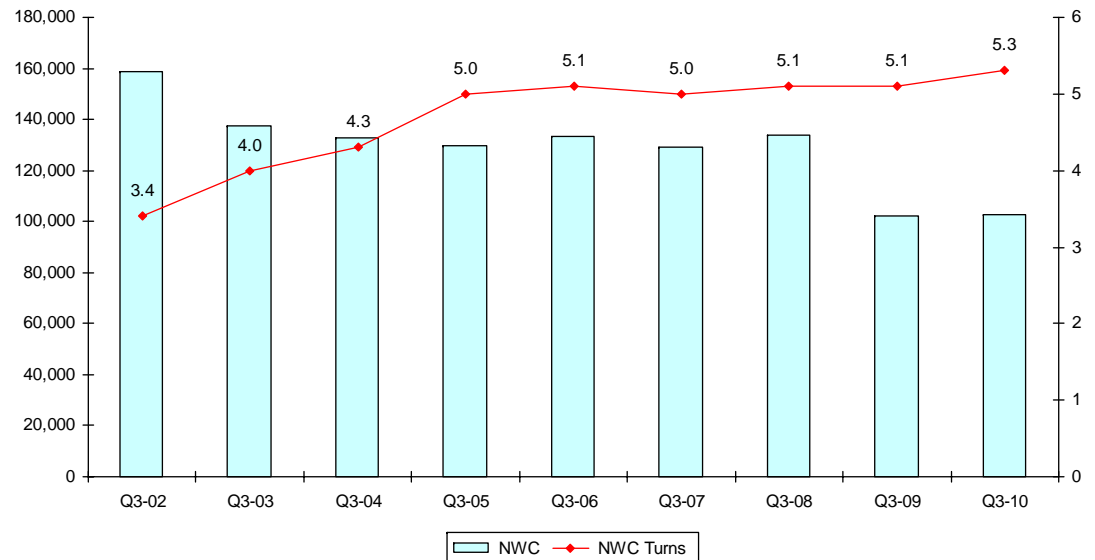


Working Capital & WC Turns

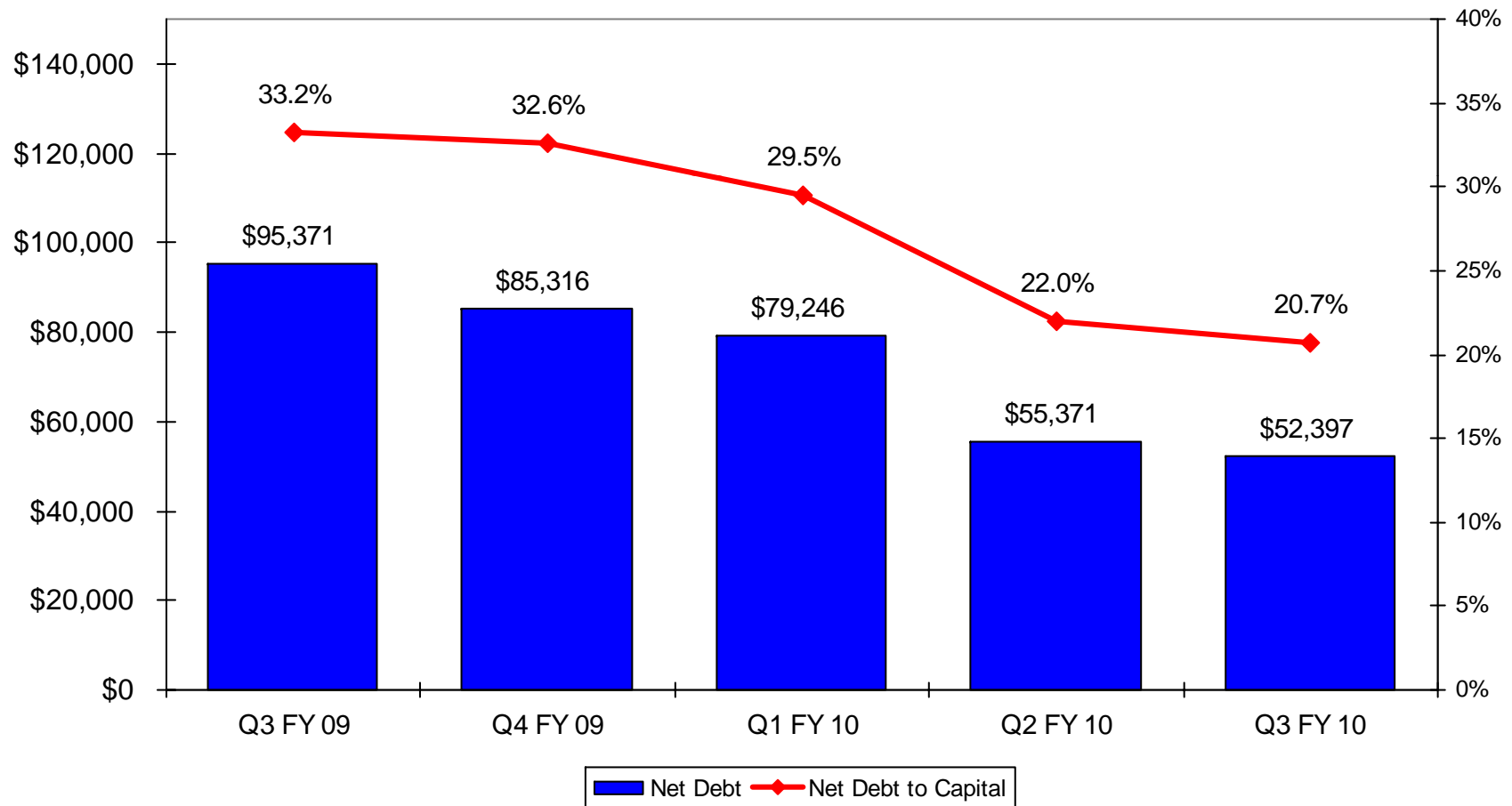


• Continued focus on managing working capital

• YOY 3rd quarter WC turns trend continues to improve



***Net Debt Reduced by \$43M since March 2009;
Net Debt to Capital at 20.7% as of March 2010***



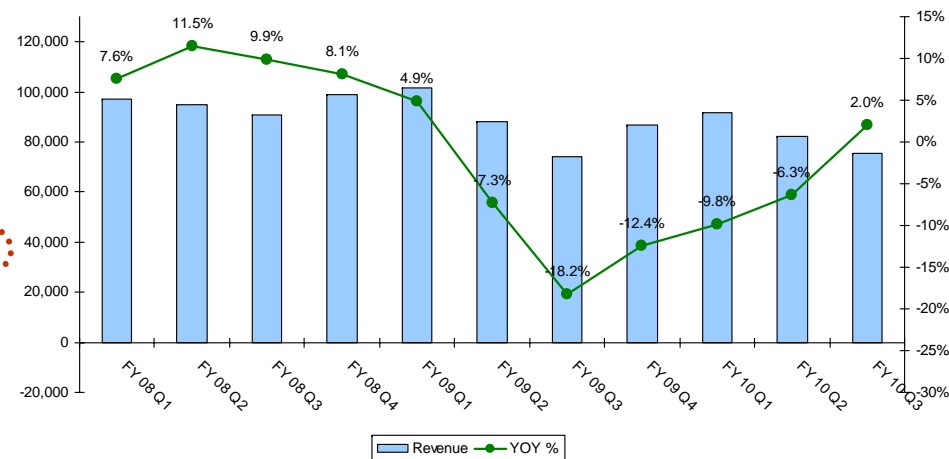
Continued Ability to Generate Free Cash Flow

(\$, in thousands)

| <i>Free operating cash flow:</i> | YTD 03/31/10 |
|---|-----------------------------|
| Net cash provided by operating activities, as reported | \$ 29,179 |
| Less: Capital Expenditures | <u>(2,980)</u> |
| Free operating cash flow | \$ 26,199 |
| Net Income | <u>20,337</u> |
| Conversion of free operating cash flow | <u><u>128.8%</u></u> |

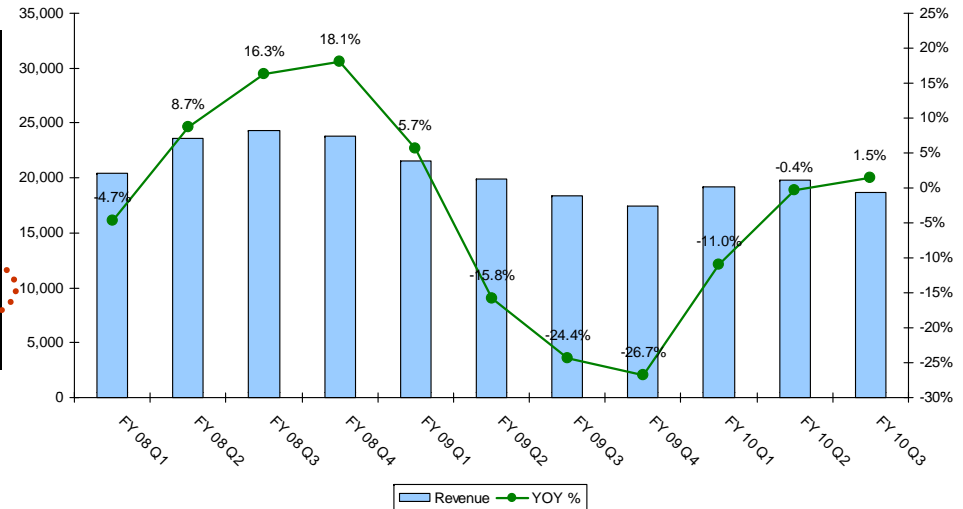
Third-Quarter FY10 Operational Segment Review

| Q3'10 ('000s) | \$ | Δ% (yoy) |
|------------------|----------|----------|
| Revenues | \$75,602 | +2.0% |
| Operating Income | \$5,674 | NM |



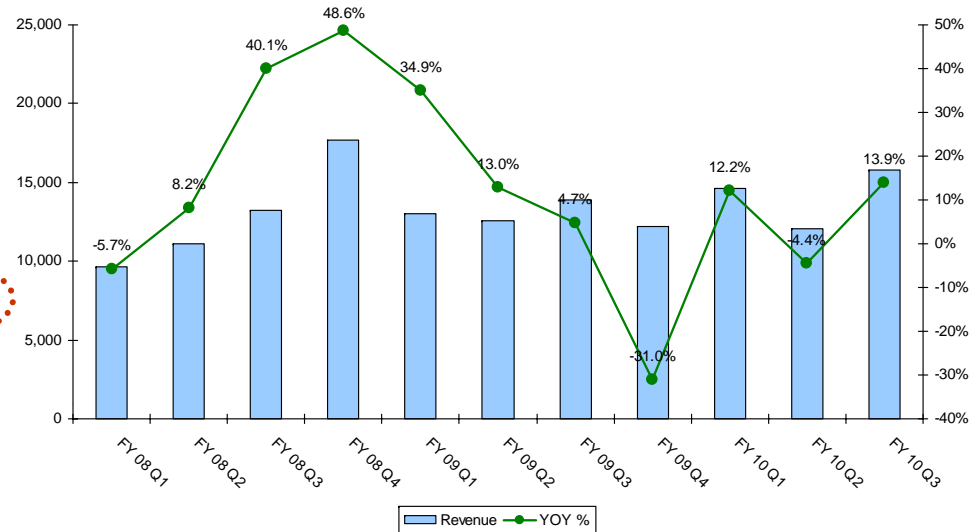
- Delivered 2% (1.2% organic) top-line growth, driven by Cooking Solutions and Procon
- Q3 YOY OI comparison impacted by \$21.3M goodwill write-off and \$2M accrual reversal in prior-year quarter; excluding items, OI Up 55% and OI Margin Up 255 bps
- Refrigeration profit affected by pricing pressure
- Refrigeration side approved at all Yum! Brand restaurants; achieved preferred status at Pizza Hut and Taco Bell
- Taking market share across organization by pursuing growth opportunities in strategic sales channels and national accounts

| Q3'10 ('000s) | \$ | Δ% (yoy) |
|------------------|----------|-------------|
| Revenues | \$18,635 | 1.5% |
| Operating Income | \$1,830 | 2.2% |



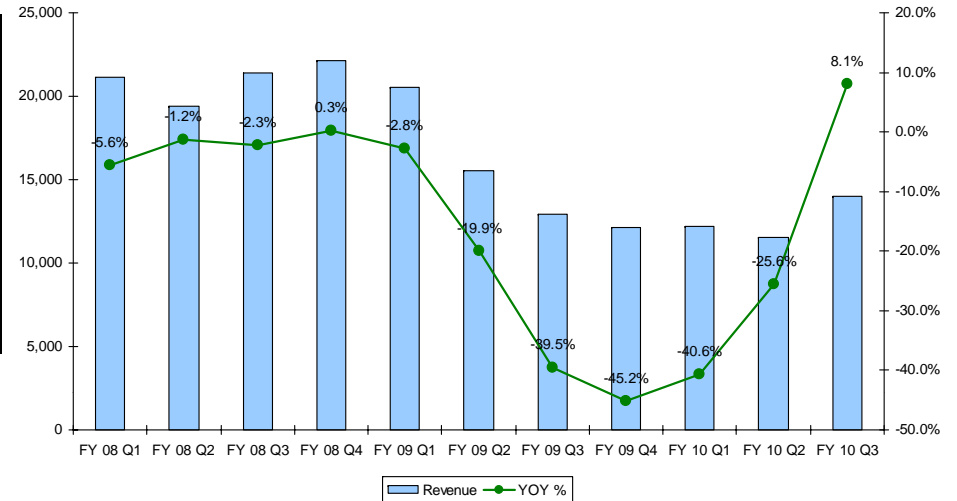
- Strong automotive platform mold texturizing work in North America and Europe
- Roll and plate engraving continues to be soft due to recession
- Excluding \$0.4M accrual reversal in prior-year quarter, OI up 32% and OI margin up 227 bps
- New slush molding and laser engraving processes continue to be well received by global customer base

| Q3'10 ('000s) | \$ | Δ% (yoy) |
|------------------|----------|----------|
| Revenues | \$15,797 | 13.9% |
| Operating Income | \$4,775 | +77.3% |



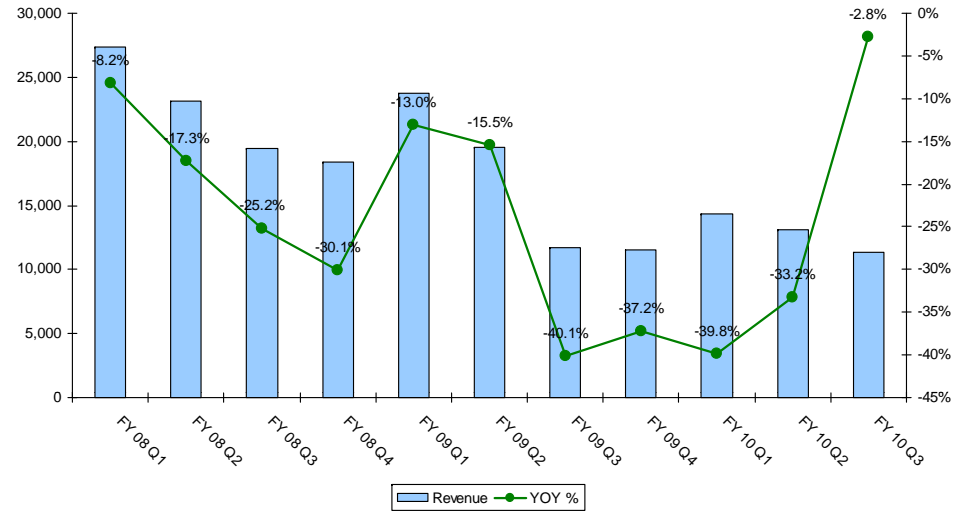
- Exceptionally strong sales and profit during quarter as Teledyne Brown project ships
- OI growth reflects sales leverage, cost-reduction and process improvement initiatives, and efficiency gains
- Strength across all market segments, particularly aerospace

| Q3'10 ('000s) | \$ | Δ% (yoy) |
|------------------|----------|-------------|
| Revenues | \$14,044 | +8.4% |
| Operating Income | \$1,490 | +1,347% |



- Electronics business records double-digit YOY Q3 sales growth as it begins to experience broad recovery in a number of served markets
- Challenging conditions remain in hydraulics end markets
- Cost-reduction actions implemented during past 24 months benefit group OI performance
- Hydraulics contributes to profit growth despite lower YOY sales

| Q3'10 ('000s) | \$ | Δ% (yoy) |
|------------------|-----------|----------|
| Revenues | \$11,332 | -2.8% |
| Operating Income | (\$1,626) | NM |



- Bottom-line performance affected by lower sales volume and unfavorable product mix
- OI comparison impacted YOY by lower cost of market write-down of \$3.5 million in Q309
- Relocated Mississippi plant to Dallas to accelerate penetration in strategic Texas/Oklahoma market

- **Q3 delivered first organic growth in five consecutive quarters**
- **3.4% total YOY sales growth; 1.7% organic growth in Q3**
- **Four consecutive quarters of bottom-line improvement during recession**
- **Achieved TTM non-GAAP EPS of \$2.09/share vs. \$1.58/share in prior 12 months**
- **Delivered 32% increase in TTM non-GAAP EPS despite 13% decline in top-line sales**
- **Shifted focus from cost-reduction to aggressive organic growth initiatives**
- **Cautiously optimistic that we have “turned the corner” on recession**
- **Well positioned to leverage new cost structure as end user markets recover**

Q & A Session