



**Food Service
Equipment**



Standex

INTERNATIONAL CORPORATION



Engraving



**Engineering
Technologies**



Electronics



Hydraulics

**Third Quarter Fiscal 2012
Conference Call
May 1, 2012**

**SXI
LISTED
NYSE.**

Overview

- Roger Fix – President & Chief Executive Officer

Financial Review

- Tom DeByle – Chief Financial Officer

Segment Results and Outlook

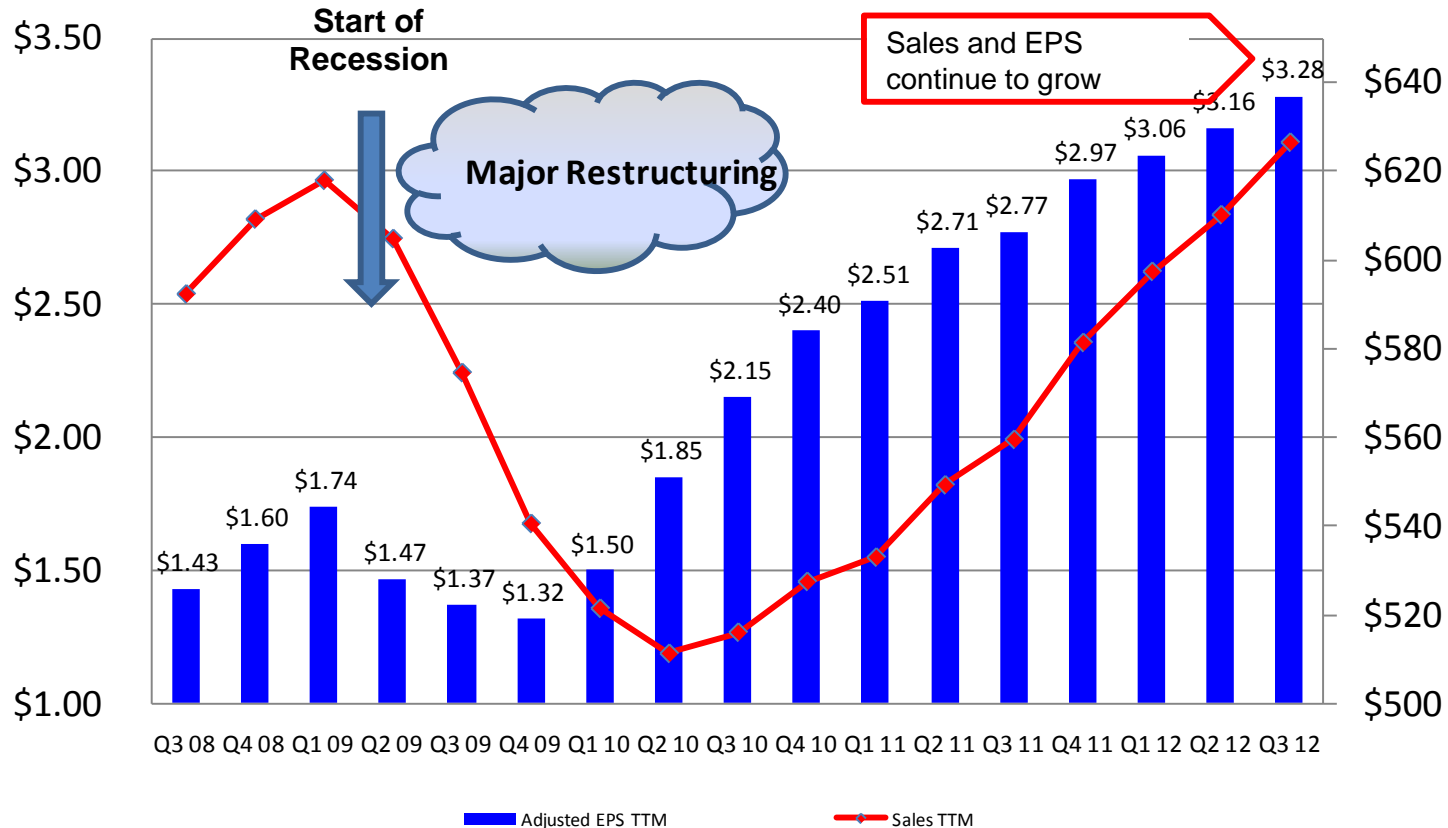
- Roger Fix – President & Chief Executive Officer

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- **Positive results demonstrate success of growth strategy**
- **Strong YOY sales growth in Q3**
 - **Q3 total sales up 12.2%**
 - **Organic sales +10.4%**
 - **Acquisition growth +2.3%**
 - **FX impact of -0.5%**
- **All five groups reported YOY sales growth**
- **Non-GAAP operating income +19.8% and non-GAAP EPS from continuing ops +26% for Q3**
 - **Four of five groups reported double-digit operating income growth**

A Story of Transformation

TTM EPS 89% higher than pre-recession peak



- 11 Consecutive quarters of increasing TTM non-GAAP EPS
- Sales just now exceeding pre-recession peak and TTM EPS continues to climb

Giorik Overview

- Giorik is an Italian “hot side” food service equipment company with a full line of products being sold into the European market with annual sales of \$17M
- SXI to be exclusive distributor of Giorik’s “Steambox” combi oven in North America and the UK
 - Fills critical product gap in Cooking Solutions Group product portfolio
- SXI to acquire 20% equity stake in Giorik
 - Contractual right of first refusal to buy remaining 80%
- Planned Market Launch at FMI and NRA trade shows in early May



Combi Ovens

GIORIK
COOKING EQUIPMENT SINCE 1963



Modular Ranges



Fryers

- **Steambox combination steam and convection oven line includes patent pending features:**
 - **“Smart Steam”** - Small boiler system that offers steam quality of boiler type combi ovens with recovery speed of boilerless technology
 - **“Steam Tuner”** - Advanced humidity control
- **Full line of electric and gas powered combi ovens**
- **Touch screen and programmable controllers**
- **Offers energy and water savings and faster cook times**
- **Carries UL and NSF certifications**



- **Completed the sale of the Air Distribution Products (ADP) business**
 - **Sale price: \$16.1M (\$13.1M of cash and a secured note for \$3M)**
 - **Recorded additional loss of \$.19/share against discontinued operations**

- **Completed the sale of Engraving facility in Sao Paulo, Brazil**
 - **Larger facility required to house the combined mold texturizing and roll engraving and machinery businesses**
 - **Building was sold for \$5.1M of cash and recorded a \$0.26/share gain**
 - **Will relocate engraving operations to a new leased facility during Q4 FY12 and Q1FY 13 resulting in \$.03 - .04 / share restructuring expense**

	Q3 FY 2012	Q3 FY 2011	Delta
(\$ in millions, except per share data)			
Sales	\$ 150.666	\$ 134.321	12.2%
Operating Income	\$ 15.565	\$ 8.152	90.9%
Operating Income Margin	10.33%	6.07%	426 bps
Operating Income excl Special Items	\$ 11.018	\$ 9.197	19.8%
Operating Income Margin % excl Special Items	7.31%	6.85%	47 bps
EBITDA	\$ 18.987	\$ 11.215	69.3%
EBITDA %	12.60%	8.35%	425 bps
EBITDA w/o Special Items	\$ 14.440	\$ 12.260	17.8%
EBITDA % w/o Special Items	9.58%	9.13%	46 bps
EPS Continue Ops	\$ 0.90	\$ 0.46	95.7%
EPS Continue Ops w/o Special Items	\$ 0.63	\$ 0.50	26.0%

Proforma net income and EPS at +26% improvement YOY

(\$ in thousands, except per share data)

<u>Quarter Comparison Prior Year</u>	<u>Net Income Q3</u>			<u>EPS Q3</u>		
	<u>FY 12</u>	<u>FY 11</u>	<u>% Change</u>	<u>FY 12</u>	<u>FY 11</u>	<u>% Change</u>
Net Income Continuing Operations	\$ 11,525	\$ 5,896	95.5%	\$ 0.90	\$ 0.46	95.7%
<u>Add:</u>						
Restructuring (Tax Effectuated)	\$ 150	\$ 109		\$ 0.01	\$ 0.01	
Gain on Sale of Real Estate	\$ (3,301)	\$ -		\$ (0.26)	\$ -	
Acquisition-related expenses	\$ -	\$ 575		\$ -	\$ 0.05	
<u>Less:</u>						
Non Recurring Tax Items	\$ (315)	\$ (245)		\$ (0.02)	\$ (0.02)	
Proforma Net Income from Continuing Operations	<u>\$ 8,059</u>	<u>\$ 6,335</u>	<u>27.2%</u>	<u>\$ 0.63</u>	<u>\$ 0.50</u>	<u>26.0%</u>

Year to Date Results

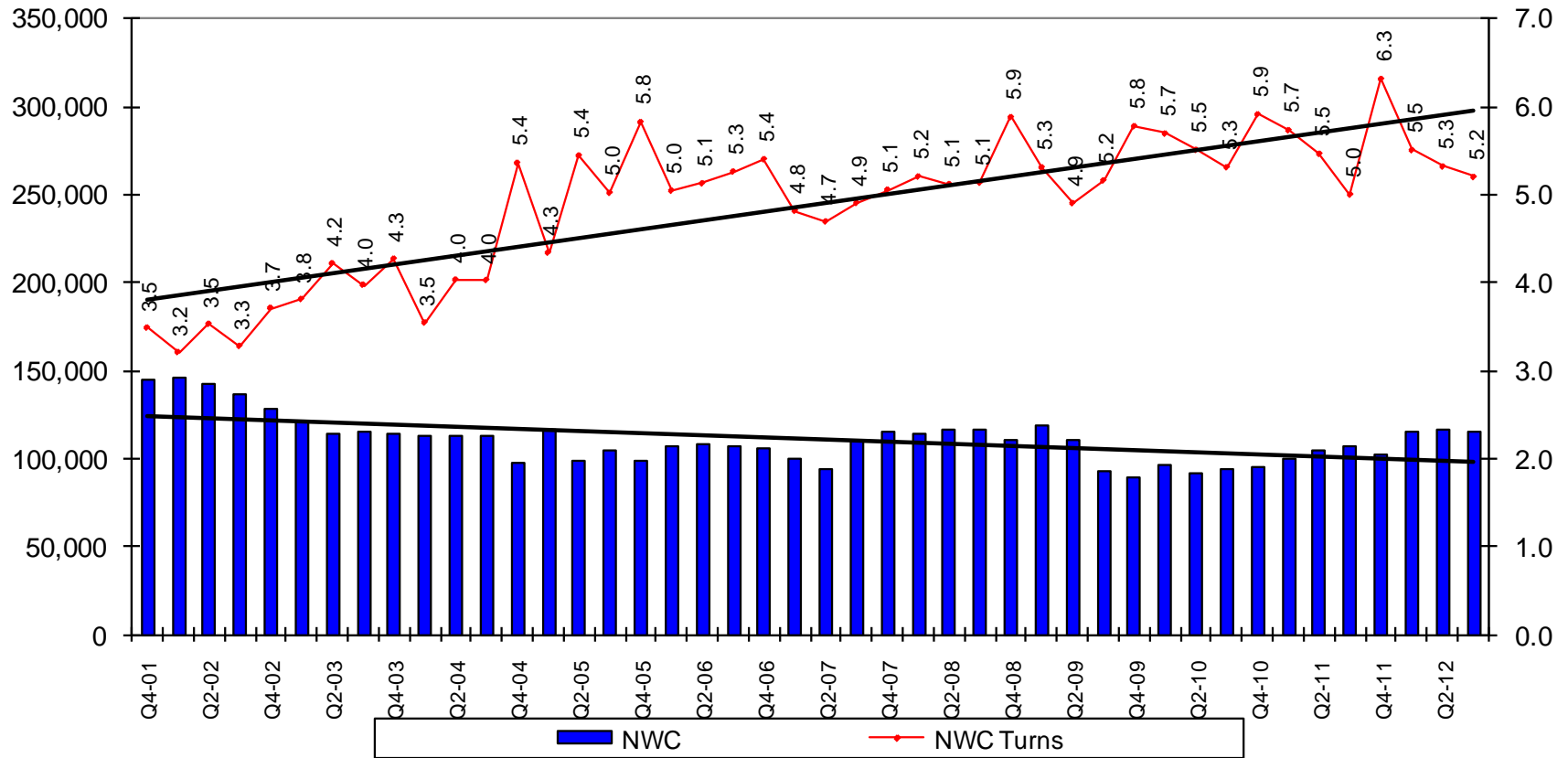
(\$ in millions, except per share data)	YTD		Delta
	FY 2012	FY 2011	
Sales	\$ 464.840	\$ 419.675	10.8%
Operating Income	\$ 46.055	\$ 39.708	16.0%
Operating Income Margin	9.91%	9.46%	45 bps
Operating Income excl Special Items	\$ 42.731	\$ 39.087	9.3%
Operating Income Margin % excl Special Items	9.19%	9.31%	-12 bps
EBITDA	\$ 56.493	\$ 49.184	14.9%
EBITDA %	12.15%	11.72%	43 bps
EBITDA w/o Special Items	\$ 53.169	\$ 48.563	9.5%
EBITDA % w/o Special Items	11.44%	11.57%	-13 bps
EPS Continue Ops	\$ 2.62	\$ 2.13	23.0%
EPS Continue Ops w/o Special Items	\$ 2.36	\$ 2.08	13.5%

Proforma net income and EPS at +13% improvement YOY

(\$ in thousands, except per share data)

<u>YTD Comparison</u>	YTD			EPS YTD		
	<u>FY 12</u>	<u>FY 11</u>	<u>% Change</u>	<u>FY 12</u>	<u>FY 11</u>	<u>% Change</u>
Net Income Continuing Operations	\$ 33,421	\$ 27,103	23.3%	\$ 2.62	\$ 2.13	23.0%
<u>Add:</u>						
Restructuring (Tax Affected)	\$ 951	\$ 962		\$ 0.07	\$ 0.08	
Acquisition-related expenses		\$ 837			\$ 0.07	
<u>Less:</u>						
Building Sales	\$ (3,301)	\$ (2,168)		\$ (0.26)	\$ (0.16)	
Non Recurring Tax Items	\$ (845)	\$ (503)		\$ (0.07)	\$ (0.04)	
Proforma Net Income from Continuing Operations	<u>\$ 30,226</u>	<u>\$ 26,231</u>	<u>15.2%</u>	<u>\$ 2.36</u>	<u>\$ 2.08</u>	<u>13.5%</u>

Continued focus on managing working capital



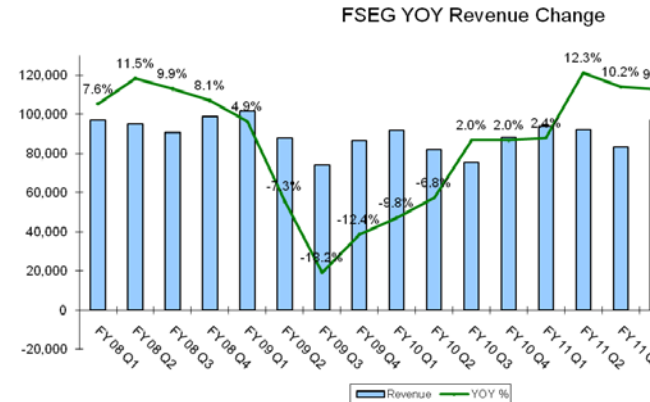
<u>Continuing Operations</u>		
	Q3 FY2012	Q3 FY2011
<u>Free operating cash flow:</u>		
Net cash provided by operating activities, as reported	\$ 14,117	\$ 8,160
Less: Capital Expenditures	(3,149)	(1,556)
Free operating cash flow	\$ 10,968	\$ 6,604
Net Income	11,525	5,896
Conversion of free operating cash flow	95.2%	112.0%

- **Strong free cash flow for the quarter**
- **Projected FY 12 Capital Spending to be in the \$10-12 million range**
- **Balance Sheet positioned to invest in acquisitions and organic growth initiatives**

	03/31/12
Revolver	\$ 50,000
Industrial Revenue Bonds	\$ 3,300
Cash	<u>\$ (32,165)</u>
Net Debt	\$ 21,135
Shareholder's Equity	<u>\$ 257,566</u>
Total Capitalization	<u>\$ 278,701</u>
Net Debt/Capitalization	7.6%
Net Debt/Proforma EBITDA	0.29 x

Third Quarter FY12 Operational Segment Review

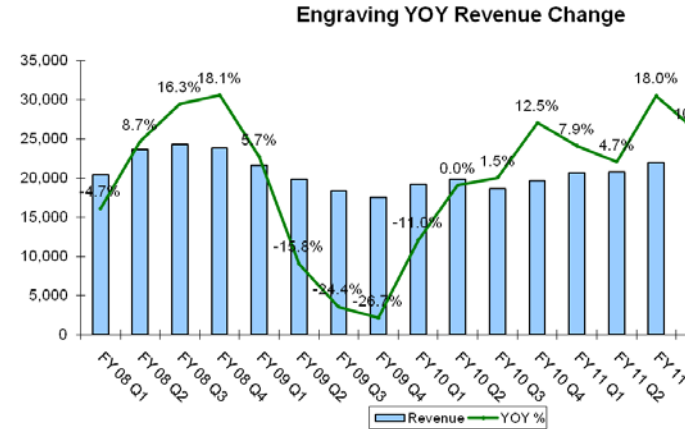
Q3'12 ('000s)	\$	Δ% (yoy)
Revenues	\$87,906	5.6%
Operating Income	\$6,418	(5.5)%



- **Refrigerated Solutions**
 - Strong demand from both quick serve and national restaurant chain segments
 - Dollar store segment continues to grow
 - Drug retail market still down YOY
 - Introducing new products

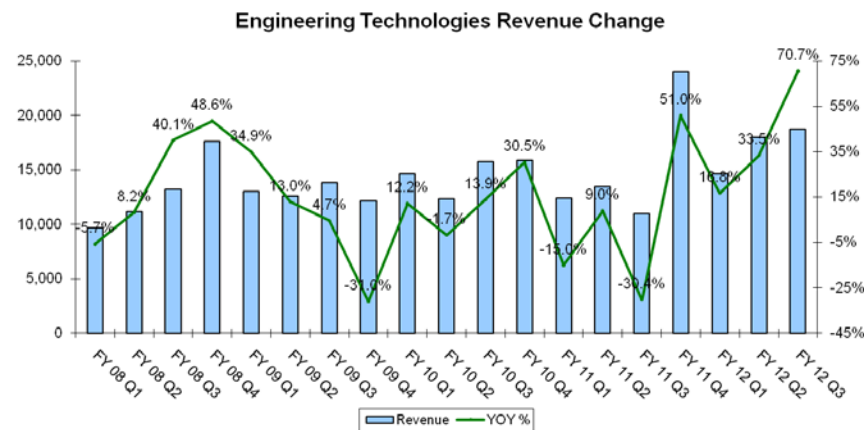
- **Cooking Solutions**
 - Soft demand continues from UK retail grocery segment
 - Weakness from quick serve store customers
 - Improvement in domestic sales through rep and distributor channels
 - Bookings picture better at the end of the quarter
 - Margins affected by volume deleveraging, higher warranty costs, and sales mix

Q3'12 ('000s)	\$	Δ% (yoy)
Revenues	\$24,028	9.3%
Operating Income	\$4,712	32.5%



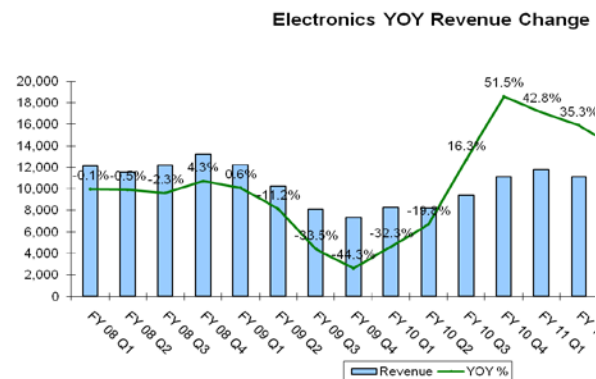
- Excellent performance driven by record Mold-Tech sales
 - Strength across North America, China and Europe
- Gaining share at key global automotive OEM's
- Continuing to move forward with emerging economy strategy with focus on Asia Pacific, China and South America
- Excited about long-term prospects for the group

Q3'12 ('000s)	\$	Δ% (yoy)
Revenues	\$18,765	70.7%
Operating Income	\$3,083	97.2%



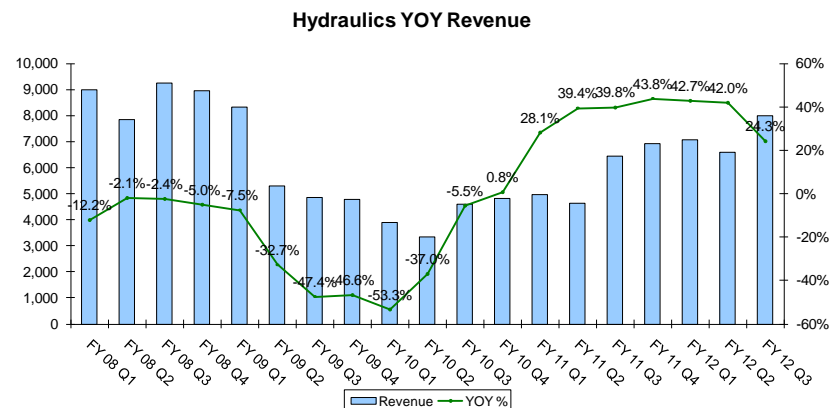
- **Metal Spinners acquisition drove top-line growth**
 - **Strong demand from oil & gas market**
- **Improved land-based gas turbine demand in legacy Spincraft business**
 - **Visibility remains limited**
- **Significant opportunities in manned and unmanned segments of space market**
 - **Long-term orders for unmanned segment**

Q3'12 ('000s)	\$	Δ% (yoy)
Revenues	\$11,973	3.0%
Operating Income	\$2,226	19.7%



- Significant operating leverage resulting from cost reduction initiatives
- Reed switch sales rebounding in Asia Pacific market
- Excellent new product and new customer pipeline
 - Initial launches in Q3 with additional programs being launched through the rest of the calendar year
 - Expect incremental sales of at least \$1M per quarter once all programs are launched

Q3'12 ('000s)	\$	Δ% (yoy)
Revenues	\$7,994	24.2%
Operating Income	\$1,544	124.1%



- Strong recovery in domestic dump trailer systems market
- Have successfully penetrated domestic refuse handling market
- Strong sales in emerging markets and in aftermarket
- Continuing to ramp China facility for export of telescopic and rod cylinders
- Leveraged low cost structure for triple-digit OI increase

Continuing to execute on Focused Diversity strategy

- **Solid performance in third quarter**
- **Organic initiatives contributing to sales growth**
- **Metal Spinners acquisition a success**
- **Significant progress in paying down debt**
- **Strong balance sheet to support strategic bolt-on acquisitions and organic initiatives**
- **Excellent operating leverage poised to generate strong earnings growth in 2013**

Q & A Session