

CORRECTING AND REPLACING STANDEX REPORTS THIRD QUARTER 2019 FINANCIAL RESULTS

Continued Strength in Engineering, Hydraulics and Scientific

Strong cash flow from working capital improvements

Acquisition of GS Engineering provides cutting-edge technology in fast growing segment

Successful divestiture of Cooking Solutions Group continues progress on portfolio strategy

SALEM, N.H.--([BUSINESS WIRE](#))--In the Consolidated Statement of Operations table, the Diluted Earnings Per Share - Total should read \$2.09, instead of \$1.09.

The corrected release reads:

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[Standex International Corporation](#) (**NYSE:SXI**) today reported financial results for the its third quarter of fiscal year 2019 ending March 31, 2019.

Summary Financial Results - Total Standex				
(\$M except EPS and Dividends)	3Q19	3Q18	Change	
Net Sales	\$193.8	\$192.1	0.8%	
Operating Income	\$15.0	\$18.8	-20.0%	
Net Income from Continuing Ops	\$7.3	\$11.8	-38.2%	
EBITDA	\$22.3	\$24.6	-9.1%	
EBITDA margin	11.5%	12.8%	-130 bps	
Adjusted EBITDA	\$23.7	\$26.9	-11.9%	
Adjusted EBITDA margin	12.2%	14.0%	-180 bps	
Diluted EPS	\$0.58	\$0.92	-37.0%	
Adjusted EPS	0.65	1.01	-35.6%	
Dividends per share	0.20	0.18	11%	

“While we continue to have challenges in some of our end markets, the contributions from our growth laneways and new product offerings with attractive margin profiles are increasing. Additionally, we are implementing several initiatives throughout the organization to strengthen our operations and performance. We expect our fiscal fourth quarter will be sequentially stronger than the third, but below last year’s fourth quarter. Looking ahead to fiscal year 2020, we expect that performance will improve as we benefit from scheduled platform rollouts in the automotive OEM market, continued strength in the Engineering and Hydraulics segments and segment-level productivity programs we are currently implementing,” concluded Mr. Dunbar.

Third Quarter Segment Operating Performance

Engraving (19% of sales; 20% of segment operating income)

[illegible]

The 10.0% increase in sales was primarily due to new product offerings which grew by 39%, as well as the addition of sales from the acquisition of Tenibac. These were offset to a large extent by a decline in traditional sales, primarily to the automotive sector. Operating income decreased by \$2.7 million year-on-year due to geographic mix, particularly from lower North American auto roll-outs and integration expenses associated with the Tenibac acquisition.

The Company currently expects that the fourth fiscal quarter will grow sequentially and ramp up more sharply in its fiscal 2020. The Engraving business has initiated restructuring efforts including the reorganization of its largest North American facilities into centers of excellence focused on specific technologies. Creation of these centers of excellence should result in \$1 million in annual savings and strengthen readiness for the expected ramp in customer automotive product launches in fiscal year 2020. Additionally, on a global basis, Standex will be converting several smaller Engraving production sites into sales offices as certain locations are no longer strategic to supporting OEM tool makers. The Company expects to realize \$2.0 million in savings from these efforts.

The Company expects demand in both the automotive and non-automotive markets to rebound beginning in the first fiscal quarter of 2020 as there are a number of scheduled new product launches by customers which should lead to increased sales in all regions.

Electronics (26% of sales; 42% of segment operating income)

Electronics (\$000's)	3Q19	3Q18	% Change
Net sales	\$50,197	\$51,213	(2.0%)
Operating Income	9,418	11,221	(16.1%)
<i>Operating Margin</i>	18.8%	21.9%	

The 2.0% decline in sales was primarily due to lower demand in the global automotive market partially offset by strong growth in industrial markets, new product sales and the Agile acquisition. Operating income for the period decreased by 16.1% from the third quarter of fiscal 2018 as a result of product mix and increased expenses, primarily materials cost and wage inflation, partially offset by operating efficiency initiatives. During the quarter, the Electronics business began limited production in its new India facility which should begin to ramp in the fourth fiscal quarter of 2019.

The Company currently expects sales for the calendar year will remain at levels similar to those in the fiscal third quarter. As a result, Standex has initiated efforts focused on G&A expense reduction as well as actions targeting increased productivity and reduced material spend.

Engineering Technologies (14% of sales; 12% of segment operating income)

Engineering (\$000's)	3Q19	3Q18	% Change
Net sales	\$27,467	\$23,426	17.3%
Operating Income	2,800	1,155	142.4%
<i>Operating Margin</i>	10.2%	4.9%	

Engineering Technologies revenue grew 17.3% over 3Q18 due largely to strength in the Energy, Defense and Aviation markets. The company's long-term investments to support new aviation platforms is paying off as these platforms ramp to full production volume. Operating income more than doubled as a result of higher sales volume, associated operating leverage and continued improvements in manufacturing processes.

In the fourth quarter, Standex expects to continue to benefit from increased demand in the Aviation, Space, and Defense markets. Operating income is expected to increase as a result of this volume increase as well as continued productivity improvement efforts.

Hydraulics (8% of sales; 10% of segment operating income)

Hydraulics (\$000's)	3Q19	3Q18	% Change
Net sales	\$15,106	\$12,878	17.3%

Operating Income		2,242		1,749		28.2%
<i>Operating Margin</i>		14.8%		13.6%		

Sales for the Hydraulics segment increased 17.3% year-over-year primarily reflecting strong OEM demand in the North American refuse market for the Company's highly differentiated and new product offerings. Income from operations gained 28.2% year-over-year due to higher sales partially offset by material cost increases due to tariffs on components purchased from China.

The Company expects end market demand to remain positive due to ongoing strong demand from construction and infrastructure projects.

Food Service Equipment (33% of sales; 16% of segment operating income)

Food Service (\$000's)	3Q19	3Q18	% Change
Net sales	\$63,866	\$70,881	(9.9%)
Operating Income	3,559	5,546	(35.8%)
<i>Operating Margin</i>	5.6%	7.8%	

The 9.9% decline in sales and 35.8% decrease in operating income reflected continued softness in Refrigeration, particularly in the retail channel, partially offset by double-digit growth in Scientific due to new product launches.

Standex expects a sequential, seasonal revenue increase in the next quarter but with continued weakness in Refrigeration. In addition, the Company continues to pursue productivity improvements to address the current market conditions. The Company is also actively pursuing new Refrigeration business opportunities as well as continuing to promote its new Scientific, pump and display merchandizer product offerings.

Capital Allocation

- **GS Engineering Acquisition:** Today, Standex announced the acquisition of privately-held Genius Solutions Engineering Company (d/b/a GS Engineering) and affiliated GS Innovation, Inc. for \$30 million in cash and a five-year earnout. GS is a market leader in the manufacture of highly specialized "soft touch" skin texturized tooling, primarily serving the automotive end market. The acquisition is expected to be immediately accretive to earnings, excluding purchase accounting adjustments.
- **Capital Expenditures:** Standex's capital expenditures are projected to be between \$35 million to \$36 million in fiscal 2019. The Company has spent approximately \$18 million year-to-date.
- **Dividends:** On April 24, the Company declared a quarterly cash dividend of \$0.20 per share, which is payable May 24, 2019 to shareholders of record May 10, 2019.

Balance Sheet and Cash Flow Highlights

- **Net Debt:** Standex ended 3Q19 with net debt of \$195.7 million, compared with \$197.8 million last

quarter. This consisted primarily of long-term debt of \$291.7 million and cash and equivalents of \$96 million of which \$78.5 million was held by foreign subsidiaries. Year to date Standex has repatriated \$43.2 million and expects to repatriate \$50 million in total by the end of FY19 from foreign subsidiaries. On April 1st, the Company received proceeds from the sale of the Cooking Solutions Group and used the proceeds to repay \$100 million in long term debt. After this collection and repayment, the Company's net debt was \$90.6 million, and its pro forma net debt to EBITA leverage ratio was 1.1.

- **Cash Flow:** Net cash provided by continuing operating activities for the three months ended March 31, 2019 was \$13.3 million compared to net cash provided by continuing operating activities of \$2.0 million in the prior year. The increase in cash provided by operating activities was partially a result of decreases in accounts receivable due to focused collection efforts and our "plan for every part" initiative which resulted in improved inventory turns.

Capital expenditures were approximately \$3.8 million compared to \$5.5 million in 3Q18. As a result, the Company generated free cash flow of \$9.5 million compared to negative free cash flow of \$3.5 million in 3Q18.

Conference Call Details

Standex will host a conference call for investors tomorrow, April 30, 2019 at 8:30 a.m. ET. On the call, David Dunbar, President and CEO, and Thomas DeByle, CFO, will review the Company's financial results and business and operating highlights. Investors interested in listening to the webcast and viewing the slide presentation should log on to the "Investors" section of Standex's website under the subheading, "Events and Presentations", located at www.standex.com.

A replay of the webcast will also be available on the Company's website shortly after the conclusion of the presentation through May 14, 2019. To listen to the playback, please dial (800) 585-8367 in the U.S. or (404) 537-3406 internationally; the passcode is 7555618. The webcast replay also can be accessed in the "Investor Relations" section of the Company's website, located at www.standex.com.

Use of Non-GAAP Financial Measures

In addition to the financial measures prepared in accordance with generally accepted accounting principles ("GAAP"), the Company uses certain non-GAAP financial measures, including non-GAAP income from operations, non-GAAP net income from continuing operations, free operating cash flow, EBITDA (earnings before interest, taxes, depreciation and amortization) and adjusted earnings per share. The attached financial tables reconcile non-GAAP measures used in this press release to the most directly comparable GAAP measures. The Company believes that the use of non-GAAP measures including the impact of restructuring charges, purchase accounting, discrete tax events, and acquisition costs help investors to obtain a better understanding of our operating results and prospects, consistent with how management measures and forecasts the Company's performance, especially when comparing such results to previous periods. An understanding of the impact in a particular quarter of specific restructuring costs, acquisition expenses, or other gains and losses, on net income (absolute as well as on a per-share basis), operating income or EBITDA can give management and investors additional insight into core financial performance, especially when compared to quarters in which such items had a greater or lesser effect, or no effect. Non-

GAAP measures should be considered in addition to, and not as a replacement for, the corresponding GAAP measures, and may not be comparable to similarly titled measures reported by other companies.

About Standex

Standex International Corporation is a multi-industry manufacturer in five broad business segments: Engraving, Electronics, Engineering Technologies, Hydraulics, and Food Service Equipment with operations in the United States, Europe, Canada, Japan, Australia, Singapore, Mexico, Brazil, Argentina, Turkey, South Africa, India and China. For additional information, visit the Company's website at <http://standex.com/>.

Standex International Corporation									
Consolidated Statement of Operations									
(Unaudited)									
		Three Months Ended				Nine Months Ended			
		March 31,				March 31,			
(In thousands, except share data)		2019		2018		2019		2018	
Net sales	\$	193,771	\$	192,147	\$	582,380	\$	566,982	
Cost of sales		131,981		126,035		384,402		371,882	
Gross profit		61,790		66,112		197,978		195,100	
Selling, general and administrative expenses		45,390		44,979		136,555		131,830	
Restructuring costs		549		1,060		1,173		5,792	
Acquisition related costs		805		1,254		2,352		2,962	
Income from operations		15,046		18,819		57,898		54,516	
Interest expense		3,230		2,286		8,598		5,800	
Other (income) expense, net		679		1,014		1,694		1,350	
Total		3,909		3,300		10,292		7,150	
Income from continuing operations before income taxes		11,137		15,519		47,606		47,366	
Provision for income taxes		3,833		3,696		13,535		27,312	

Net income (loss) from continuing operations		7,304		11,823		34,071		20,054
Income (loss) from discontinued operations, net of tax		18,965		977		21,450		3,940
Net income (loss)	\$	26,269	\$	12,800	\$	55,521	\$	23,994
<i>Basic earnings per share:</i>								
Income (loss) from continuing operations	\$	0.58	\$	0.93	\$	2.70	\$	1.58
Income (loss) from discontinued operations		1.51		0.08		1.70		0.31
Total	\$	2.09	\$	1.01	\$	4.40	\$	1.89
<i>Diluted earnings per share:</i>								
Income (loss) from continuing operations	\$	0.58	\$	0.92	\$	2.69	\$	1.57
Income (loss) from discontinued operations		1.51		0.08		1.69		0.31
Total	\$	2.09	\$	1.00	\$	4.38		1.88
<i>Average Shares Outstanding</i>								
Basic		12,530		12,709		12,626		12,695
Diluted		12,574		12,797		12,687		12,784

Standex International Corporation					
Condensed Consolidated Balance Sheets					
		(Unaudited)			
		March 31,		June 30,	
(In thousands)		2019		2018	
ASSETS					
Current assets:					
Cash and cash equivalents	\$	96,041	\$	109,602	
Accounts receivable, net		115,782		119,783	
Inventories		103,383		104,300	

Prepaid expenses and other current assets		27,115		10,255
Income taxes receivable		3,320		2,348
Current assets- Discontinued Operations		106,863		37,671
Total current assets		452,504		383,959
Property, plant, equipment, net		139,432		136,934
Intangible assets, net		111,505		84,938
Goodwill		260,443		211,751
Deferred tax asset		9,645		7,447
Other non-current assets		29,812		29,749
Long-term Assets- Discontinued Operations		-		62,159
Total non-current assets		550,837		532,978
Total assets	\$	1,003,341	\$	916,937
LIABILITIES AND STOCKHOLDERS' EQUITY				
Current liabilities:				
Accounts payable	\$	61,358	\$	78,947
Accrued liabilities		61,147		57,679
Income taxes payable		4,762		6,050
Current liabilities- Discontinued Operations		2,561		18,665
Total current liabilities		129,828		161,341
Long-term debt		291,725		193,772
Accrued pension and other non-current liabilities		102,171		110,979
Non-current liabilities- Discontinued Operations		-		50
Total non-current liabilities		393,896		304,801
Stockholders' equity:				
Common stock		41,976		41,976
Additional paid-in capital		63,774		61,328
Retained earnings		808,417		761,430
Accumulated other comprehensive loss		(124,417)		(121,859)
Treasury shares		(310,133)		(292,080)
Total stockholders' equity		479,617		450,795

Total liabilities and stockholders' equity	\$	1,003,341		\$	916,937	

Standex International Corporation and Subsidiaries

Statements of Consolidated Cash Flows

(Unaudited)

	Nine Months Ended			
	March 31,			
(In thousands)	2019			2018
Cash Flows from Operating Activities				
Net income	\$ 55,521		\$	23,994
Income (loss) from discontinued operations	21,450			3,940
Income from continuing operations	34,071			20,054
Adjustments to reconcile net income to net cash provided by operating activities:				
Depreciation and amortization	22,794			19,632
Stock-based compensation	2,680			3,775
Non-cash portion of restructuring charge	(81)			(1,187)
Contributions to defined benefit plans	(751)			(808)
Net changes in operating assets and liabilities	(33,753)			(14,576)
Net cash provided by operating activities - continuing operations	24,960			26,890
Net cash (used in) operating activities - discontinued operations	617			1,829
Net cash provided by operating activities	25,577			28,719
Cash Flows from Investing Activities				
Expenditures for property, plant and equipment	(17,844)			(20,207)
Expenditures for acquisitions, net of cash acquired	(96,768)			(10,397)
Proceeds from life insurance policies	-			2,217
Other investing activities	2,521			1,552
Net cash (used in) investing activities from continuing operations	(112,091)			(26,835)
Net cash provided by (used in) investing activities from discontinued operations	2,925			(1,184)
Net cash (used in) investing activities	(109,166)			(28,019)
Cash Flows from Financing Activities				

Food Service Equipment		\$	3,559		\$	5,546		\$	15,417		\$	19,834
Restructuring			(549)			(1,060)			(1,173)			(5,792)
Acquisition related costs			(805)			(1,254)			(2,352)			(2,962)
Corporate			(6,104)			(5,733)			(17,847)			(19,090)
Total		\$	15,046		\$	18,819		\$	57,898		\$	54,516

Standex International Corporation

Reconciliation of GAAP to Non-GAAP Financial Measures

(Unaudited)

			Three Months Ended							Nine Months Ended											
			March 31,							March 31,											
(In thousands, except percentages)			2019			2018		% Change				2019			2018		% Change				
Adjusted income from operations and adjusted net income from continuing operations:																					
Net Sales			\$	193,771			\$	192,147		0.8%			\$	582,380			\$	566,982		2.7%	
Income from operations, as reported			\$	15,046			\$	18,819		-20.0%			\$	57,898			\$	54,516		6.2%	
Income from operations margin				7.8%				9.8%					9.9%				9.6%				
Adjustments:																					
Restructuring charges				549				1,060					1,173				5,792				
Acquisition-related costs				805				1,254					2,352				2,962				
Purchase accounting				-				-					511				204				
Adjusted income from operations			\$	16,400			\$	21,133		-22.4%			\$	61,934			\$	63,474		-2.4%	
Adjusted income from operations margin				8.5%				11.0%					10.6%				11.2%				

[illegible]

EBITDA		\$	23,698		\$	26,907	-11.9%		\$	83,034		\$	81,756	1.6%
Adjusted EBITDA Margin			12.2%			14.0%				14.3%			14.4%	
<i>Free operating cash flow:</i>														
Net cash provided by operating activities - continuing operations, as reported		\$	13,253		\$	1,983			\$	24,960		\$	26,890	
Less: Capital expenditures			(3,795)			(5,483)				(17,844)			(20,207)	
Free operating cash flow		\$	9,458		\$	(3,500)			\$	7,116		\$	6,683	
Net income from continuing operations			7,304			11,823				34,071			20,054	
Discrete tax item - tax on foreign cash			-			(456)				(779)			14,559	
Adjusted net income			7,304			11,367				33,292			34,613	
Conversion of free operating cash flow			129.5%			NM				21.4%			19.3%	

Standex International Corporation

Reconciliation of GAAP to Non-GAAP Financial Measures

(Unaudited)

			Three Months Ended							Nine Months Ended			
			March 31,							March 31,			
<i>Adjusted earnings per share from continuing</i>													
			2019			2018		% Change		2019		2018	% Change

<i>operations</i>																			
Diluted earnings per share from continuing operations, as reported			\$ 0.58			\$ 0.92			-37.0%			\$ 2.69			\$ 1.57			71.3%	
Adjustments:																			
Restructuring charges			0.03			0.06						0.06			0.33				
Acquisition-related costs			0.04			0.07						0.13			0.17				
Discrete Tax Items			-			(0.04)						(0.06)			1.14				
Purchase accounting expenses			-			-						0.03			0.01				
Diluted earnings per share from continuing operations, as adjusted			\$ 0.65			\$ 1.01			-35.6%			\$ 2.85			\$ 3.22			-11.5%	

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<https://ir.standex.com/2019-04-29-CORRECTING-and-REPLACING-Standex-Reports-Third-Quarter-2019-Financial-Results>