

STANDEX REPORTS FISCAL THIRD QUARTER 2022 FINANCIAL RESULTS

- Order Strength, Share Gains, and Productivity Initiatives Contributed to Solid Financial Performance
- Increased GAAP Operating Margin By 960 Basis Points and Adjusted Operating Margin By 160 Basis Points Year-Over-Year. Continued strong execution in challenging inflationary and supply chain environment
- Implementing Additional \$2 Million of Annualized Cost Saving Actions at the Engraving Segment
- Announced New \$100 Million Share Repurchase Authorization Supported by Strong Balance Sheet and Liquidity Position
- Recent Sensor Solutions Acquisition Already Realizing Sales Synergies

SALEM, N.H., May 5, 2022 /PRNewswire/ -- Standex International Corporation (NYSE: SXI) today reported financial results for the third quarter of fiscal year 2022 ending March 31, 2022.

Summary Financial Results - Total Standex					
(\$M except EPS and Dividends)	3Q22	3Q21	2Q22	Y/Y	Q/Q
Net Sales	\$189.3	\$172.2	\$185.7	9.9%	1.9%
Operating Income - GAAP	\$24.5	\$5.7	\$21.8	333.1%	12.4%
Operating Income - Adjusted	\$26.1	\$21.0	\$25.2	24.2%	3.4%
Operating Margin - GAAP	12.9%	3.3%	11.7%	+960 bps	+120 bps
Operating Margin - Adjusted	13.8%	12.2%	13.6%	+160 bps	+20 bps
Net Income from Continuing Ops - GAAP	\$17.4	\$1.8	\$15.0	890.2%	15.8%
Net Income from Continuing Ops - Adjusted	\$18.7	\$14.6	\$17.6	28.0%	5.7%
EBITDA	\$31.3	\$13.7	\$29.0	129.2%	8.1%
EBITDA margin	16.5%	7.9%	15.6%	+860 bps	+90 bps
Adjusted EBITDA	\$33.0	\$29.0	\$32.5	13.5%	1.5%
Adjusted EBITDA margin	17.4%	16.9%	17.5%	+50 bps	-10 bps
Diluted EPS - GAAP	\$1.44	\$0.14	\$1.24	928.6%	16.1%
Diluted EPS - Adjusted	\$1.54	\$1.19	\$1.45	29.4%	6.2%
Dividends per share	\$0.26	\$0.24	\$0.26	8.3%	0.0%
Free Cash Flow	\$8.5	\$12.4	\$18.9	-31.1%	-55.0%
Net Debt to EBITDA	0.5x	0.8x	0.4x	-37.8%	21.4%

Third Quarter Fiscal 2022 Results

Commenting on the quarter's results, President and Chief Executive Officer David Dunbar said, "Our momentum continues with very solid financial performance including record Electronics segment sales and consolidated adjusted operating margin. In addition to solid execution on our growth strategy, ongoing price realization and productivity initiatives contributed to our earnings strength in the quarter. The consistent improvement in our financial results reflects the benefits of Standex's repositioned portfolio, increasingly aligned with sustainable global trends as we expand our range and penetration of innovative solutions.

"We continue to aggressively pursue new market opportunities, gaining further traction for applications in sectors with healthy growth prospects. Total company backlog realizable in under one year of approximately \$267 million represented an approximately 51% increase year-over-year with strength at the Electronics, Specialty Solutions and Engraving segments and a slight overall increase

sequentially. Our solar power project with Enel, a global energy company, continues to progress with the recent plant site selection in Brindisi, Italy for the pilot phase. Standex's strong balance sheet and steady cash flow generation provide substantial financial flexibility to further execute on our very active growth pipeline.

"Despite the challenging operating environment, consolidated adjusted operating margin of 13.8% in fiscal third quarter 2022 represented a 160 basis point increase year-over-year and a 20 basis point improvement sequentially, primarily resulting from pricing and efficiency actions across the Company. We also acquired Sensor Solutions, providing us a very complementary sensor technology targeting high-value, growth markets and we are already seeing substantial sales synergies. We recently announced a new \$100 million share repurchase authorization reinforcing the significant opportunity for further shareholder value creation. In addition, we declared our 231st consecutive quarterly dividend. Standex's financial position remains strong with approximately \$300 million in available liquidity and a net debt to adjusted EBITDA ratio of approximately 0.5x at the end of the fiscal third quarter 2022," concluded Dunbar.

Outlook

In fiscal fourth quarter 2022, the Company expects a slight sequential decrease in revenue and operating margin, but an increase year-over-year. End market trends particularly in sectors such as electric vehicles, renewable energy, commercialization of space and defense remain strong, while food service equipment and commercial aviation continue to recover. However, the Company currently estimates the impact of the COVID-19 lockdown in China will defer sales of \$7 million to \$9 million from fiscal fourth quarter 2022.

As Standex enters fiscal 2023, the Company is well-positioned to grow as market trends remain strong, accelerated by an expanding new business opportunity funnel in fast growing end markets. The Company expects further margin improvement supported by continued effective management of inflationary trends, process improvements from additional operational excellence actions and ongoing G&A productivity initiatives.

Third Quarter Segment Operating Performance

Electronics (42% of sales; 55% of segment operating income)

	<u>3Q22</u>	<u>3Q21</u>	<u>% Change</u>
Electronics (\$M)			
Revenue	\$79.9	\$65.1	22.7%
GAAP Operating Income	19.2	12.4	55.2%
GAAP Operating Margin	24.0%	19.0%	
Adjusted Operating Income*	19.2	12.4	55.5%
Adjusted Operating Margin*	24.1%	19.0%	

*Excludes less than \$0.1M of purchase accounting expenses associated with Sensor Solutions.

Revenue increased approximately \$14.8 million or 22.7% year-over-year reflecting a 27.1% organic growth rate and a 0.6% contribution from the recent acquisition of Sensor Solutions partially offset by an approximately 5% impact from foreign exchange. Electronics segment backlog realizable in under one year increased 57% year-over-year and 5% sequentially to approximately \$151 million.

Organic revenue growth was due to continued broad-based end market strength including increased demand for relays in renewable energy and electric vehicle applications and the impact of pricing actions. Adjusted operating income increased approximately \$6.9 million or 55.5% year-over-year which reflected operating leverage associated with revenue growth, pricing, and productivity actions. Adjusted operating income excludes less than \$0.1 million of purchase accounting expenses associated with the acquisition of Sensor Solutions.

In fiscal fourth quarter 2022, on a sequential basis, the Company expects a moderate decrease in revenue and operating margin primarily due to the impact of the COVID-19 lockdown in China partially offset by continued strong demand across key end markets.

Engraving (20% of sales; 16% of segment operating income)

	3Q22	3Q21	% Change
Engraving (\$M)			
Revenue	\$37.2	\$36.0	3.3%
Operating Income	5.7	4.5	27.0%
Operating Margin	15.4%	12.5%	

Revenue increased approximately \$1.2 million or 3.3% year-over-year reflecting positive trends in North America and soft trim demand. Operating income increased \$1.2 million or 27.0% year-over-year due to volume growth and the impact of efficiency and productivity actions.

In fiscal fourth quarter 2022, the Company expects a slight sequential decrease in revenue and operating margin due to the timing of projects and geographic mix. In addition, the Company is implementing new cost savings and margin improvement actions targeting \$2 million of annualized savings upon completion.

Scientific (10% of sales; 12% of segment operating income)

	3Q22	3Q21	% Change
Scientific (\$M)			
Revenue	\$18.9	\$24.2	-21.9%
Operating Income	4.2	5.8	-28.4%
Operating Margin	22.0%	24.0%	

As expected, revenue decreased approximately \$5.3 million or 21.9% year-over-year reflecting ongoing sales in pharmaceutical, clinical laboratories, and academic institution end markets offset by lower demand associated with COVID-19 vaccine storage. Operating income decreased approximately \$1.6 million or 28.4% year-over-year due to the decrease in volume and higher freight costs partially offset by pricing actions.

In fiscal fourth quarter 2022, on a sequential basis, the Company expects revenue to be similar and operating margin to decrease slightly due to product mix.

Engineering Technologies (11% of sales; 7% of segment operating income)

	3Q22	3Q21	% Change
Engineering Technologies (\$M)			
Revenue	\$20.9	\$20.0	4.7%
Operating Income	2.3	1.2	86.9%
Operating Margin	11.1%	6.2%	

Revenue increased approximately \$0.9 million or 4.7% year-over-year due to continued growth in commercial aviation, defense, and medical end markets offset by the absence of the previously divested Enginetics business. Enginetics contributed approximately \$3.9 million in revenue to fiscal third quarter 2021. Operating income grew approximately \$1.1 million or 86.9% year-over-year reflecting volume growth and project mix.

In fiscal fourth quarter 2022, the Company expects revenue to be sequentially similar to slightly higher with a slight to moderate increase in operating margin. This outlook reflects end market strength in commercial space and read out of productivity initiatives.

Specialty Solutions (17% of sales; 10% of segment operating income)

	3Q22	3Q21	% Change
Specialty Solutions (\$M)			
Revenue	\$32.4	\$26.9	20.2%
Operating Income	3.6	4.3	-14.6%
Operating Margin	11.2%	15.8%	

Specialty Solutions revenue increased approximately \$5.4 million or 20.2% year-over-year due to growth in food service equipment and refuse end markets. Operating income decreased approximately \$0.6 million or 14.6% year-over-year reflecting the impact of material inflation and increased freight costs primarily in the Hydraulics business partially offset by volume growth and pricing actions.

In fiscal fourth quarter 2022, the Company expects a slight sequential increase in revenue reflecting increased production levels at our Hydraulics business unit and solid demand in our display merchandising business. The Company expects a moderate improvement in operating margin compared to fiscal third quarter 2022 due to increased demand and productivity initiatives.

Capital Allocation

- **Share Repurchase:** During the fiscal third quarter, the Company repurchased approximately 112,000 shares for \$11.9 million. On May 5, 2022, Standex announced that its Board of Directors had authorized a new share repurchase program of up to \$100 million following the completion of the \$0.6 million remaining under the current share repurchase authorization at the end of the fiscal third quarter.
- **Capital Expenditures:** In fiscal third quarter 2022, Standex's capital expenditures were \$3.4 million compared to \$5.4 million in the fiscal third quarter of 2021. Investments were focused on maintenance, safety, and the Company's highest priority growth initiatives. The Company expects fiscal year 2022 capital expenditures approximately \$25 million.
- **Dividend:** On April 27, 2022, the Company declared a quarterly cash dividend of \$0.26 per share, an approximately 8.3% year-over-year increase. The dividend is payable on May 25, 2022, to shareholders of record on May 11, 2022.

Balance Sheet and Cash Flow Highlights

- **Net Debt:** Standex had net debt of \$65.8 million on March 31, 2022, compared to \$63.1 million at the end of fiscal 2021 and \$82.1 million at the end of fiscal third quarter 2021. Net debt for the third quarter of 2022 consisted primarily of long-term debt of approximately \$200 million and cash and equivalents of \$133.9 million of which approximately \$100.6 million held by foreign subsidiaries.

Standex repatriated approximately \$4.5 million in fiscal third quarter 2022 and \$20.4 million in fiscal 2022. The company expects to repatriate between \$30 million and \$35 million in fiscal 2022.

- **Cash Flow:** Net cash provided by continuing operating activities for the three months ended March 31, 2022, was \$11.9 million compared to net cash provided by continuing operating activities of \$17.8 million in the prior year's quarter. The Company generated free cash flow after capital expenditures of \$8.5 million compared to free cash flow after capital expenditures of \$12.4 million in the fiscal third quarter of 2021.

Conference Call Details

Standex will host a conference call for investors tomorrow, May 6, 2022, at 8:30 a.m. ET. On the call, David Dunbar, President, and CEO, and Ademir Sarcevic, 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 online through May 6, 2023. To listen to the teleconference playback, please dial (877)-344-7529 in the U.S. or (412)-317-0088 internationally; the passcode is 6143696. The audio playback via phone will be available through May 13, 2022. The webcast replay 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 adjusted income from operations, non-GAAP adjusted net income from continuing operations, free operating cash flow, EBITDA (earnings before interest, taxes, depreciation and amortization) adjusted EBITDA, adjusted EBITDA to net debt, 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, insurance recoveries, discrete tax events, loss on sale of a business unit, 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: Electronics, Engraving, Scientific, Engineering Technologies, and Specialty Solutions with operations in the United States, Europe, Canada, Japan, Singapore, Mexico, Brazil, Turkey, South Africa, India, and China. For additional information, visit the Company's website at <http://standex.com/>.

Forward-Looking Statements

Statements contained in this Press Release that are not based on historical facts are "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements may be identified by the use of forward-looking terminology such as "should," "could," "may," "will," "expect," "believe," "estimate," "anticipate," "intend," "continue," or similar terms or variations of those terms or the negative of those terms. There are many factors that affect the Company's business and the results of its operations and that may cause the actual results of operations in future periods to differ materially from those currently expected or anticipated. These factors include, but are not limited to: the impact of pandemics such as the current coronavirus on employees, our supply chain, and the demand for our products and services around the world; materially adverse or unanticipated legal judgments, fines, penalties or settlements; conditions in the financial and banking markets, including fluctuations in exchange rates and the inability to repatriate foreign cash; domestic and international economic conditions, including the impact, length and degree of economic downturns on the customers and markets we serve and more specifically conditions in the automotive, construction, aerospace, defense, transportation, food service equipment, consumer appliance, energy, oil and gas and general industrial markets; lower-cost competition; the relative mix of products which impact margins and operating efficiencies in certain of our businesses; the impact of higher raw material and component costs, particularly steel, certain materials used in electronics parts, petroleum based products, and refrigeration components; the impact of higher transportation and logistics costs, especially with respect to transportation of goods from Asia; the impact of inflation on the costs of providing our products and services; an inability to realize the expected cost savings from restructuring activities including effective completion of plant consolidations, cost reduction efforts including procurement savings and productivity enhancements, capital management improvements, strategic capital expenditures, and the implementation of lean enterprise manufacturing techniques; the potential for losses associated with the exit from or divestiture of businesses that are no longer strategic or no longer meet our growth and return expectations; the inability to achieve the savings expected from global sourcing of raw materials and diversification efforts in emerging markets; the impact on cost structure and on economic conditions as a result of actual and threatened increases in trade tariffs; the inability to attain expected benefits from acquisitions and the inability to effectively consummate and integrate such acquisitions and achieve synergies envisioned by the Company; market acceptance of our products; our ability to design, introduce and sell new products and related product components; the ability to redesign certain of our products to continue meeting evolving regulatory requirements; the impact of delays initiated by our customers; our ability to increase manufacturing production to meet demand including as a result of labor shortages; and potential changes to future pension funding requirements. 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.

Standex International Corporation

Consolidated Statement of Operations

(unaudited)

(In thousands, except per share data)	Three Months Ended		Nine Months Ended	
	March 31,		March 31,	
	2022	2021	2022	2021
Net sales	\$ 189,281	\$ 172,216	\$ 550,600	\$ 479,797
Cost of sales	120,900	109,516	347,210	304,344
Gross profit	68,381	62,700	203,390	175,453
Selling, general and administrative expenses	42,306	41,689	128,589	120,758
Loss on sale of business	-	14,624	-	14,624
Restructuring costs	1,186	482	2,469	2,478
Acquisition related costs	419	255	1,561	850
Other operating (income) expense, net	-	-	1,700	-
Income from operations	24,470	5,650	69,071	36,743
Interest expense	1,238	1,317	4,484	4,403
Other non-operating (income) expense, net	340	306	651	73
Total	1,578	1,623	5,135	4,476
Income from continuing operations before income taxes	22,892	4,027	63,936	32,267
Provision for income taxes	5,484	2,269	15,677	8,155
Net income from continuing operations	17,408	1,758	48,259	24,112
Income (loss) from discontinued operations, net of tax	(86)	(331)	(135)	(1,588)
Net income	\$ 17,322	\$ 1,427	\$ 48,124	\$ 22,524
<i>Basic earnings per share:</i>				
Income (loss) from continuing operations	\$ 1.45	\$ 0.14	\$ 4.02	\$ 1.98
Income (loss) from discontinued operations	(0.01)	(0.03)	(0.01)	(0.13)
Total	\$ 1.44	\$ 0.11	\$ 4.01	\$ 1.85
<i>Diluted earnings per share:</i>				
Income (loss) from continuing operations	\$ 1.44	\$ 0.14	\$ 3.98	\$ 1.97
Income (loss) from discontinued operations	(0.01)	(0.03)	(0.01)	(0.13)

Total	\$	1.43	\$	0.11	\$	3.97	\$	1.84
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Average Shares Outstanding

Basic	11,982	12,136	12,009	12,185
Diluted	12,089	12,253	12,121	12,267

Standex International Corporation
Condensed Consolidated Balance Sheets
(unaudited)

(In thousands)	March 31, 2022	June 30, 2021
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 133,902	\$ 136,367
Accounts receivable, net	115,428	109,883
Inventories	103,930	91,862
Prepaid expenses and other current assets	41,800	23,504
Income taxes receivable	15,584	12,750
Total current assets	<u>410,644</u>	<u>374,366</u>
Property, plant, equipment, net	128,181	133,373
Intangible assets, net	91,545	98,929
Goodwill	275,127	278,054
Deferred tax asset	5,369	9,566
Operating lease right-of-use asset	35,558	37,276
Other non-current assets	27,144	30,659
Total non-current assets	<u>562,924</u>	<u>587,857</u>
Total assets	<u>\$ 973,568</u>	<u>\$ 962,223</u>

LIABILITIES AND STOCKHOLDERS' EQUITY

Current liabilities:

Accounts payable	\$ 75,275	\$ 74,756
Accrued liabilities	57,185	61,717

Income taxes payable	9,279	7,236
Total current liabilities	141,739	143,709
Long-term debt	199,745	199,490
Operating lease long-term liabilities	28,683	29,041
Accrued pension and other non-current liabilities	75,781	83,558
Total non-current liabilities	304,209	312,089
Stockholders' equity:		
Common stock	41,976	41,976
Additional paid-in capital	88,197	80,788
Retained earnings	891,303	852,489
Accumulated other comprehensive loss	(121,870)	(116,140)
Treasury shares	(371,986)	(352,688)
Total stockholders' equity	527,620	506,425
Total liabilities and stockholders' equity	\$ 973,568	\$ 962,223

Standex International Corporation and Subsidiaries

Statements of Consolidated Cash Flows

(unaudited)

Nine Months Ended

March 31,

(In thousands)

2022 **2021**

Cash Flows from Operating Activities

Net income	\$ 48,124	\$ 22,524
Income (loss) from discontinued operations	(135)	(1,588)
Income from continuing operations	48,259	24,112
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Depreciation and amortization	22,411	24,843
Stock-based compensation	8,213	5,658
Non-cash portion of restructuring charge	595	(538)
Loss on sale of business	-	14,624
Contributions to defined benefit plans	(157)	(7,962)

Net changes in operating assets and liabilities	(30,693)	(11,399)
Net cash provided by operating activities - continuing operations	48,628	49,338
Net cash provided by (used in) operating activities - discontinued operations	(375)	2,225
Net cash provided by (used in) operating activities	48,253	51,563
Cash Flows from Investing Activities		
Expenditures for property, plant and equipment	(13,138)	(15,612)
Expenditures for acquisitions, net of cash acquired	(9,902)	(27,406)
Proceeds from sale of business	-	11,678
Other investing activities	5,718	(1,449)
Net cash (used in) investing activities	(17,322)	(32,789)
Cash Flows from Financing Activities		
Contingent consideration payment	(1,167)	-
Activity under share-based payment plans	1,318	1,117
Purchase of treasury stock	(21,420)	(16,205)
Cash dividends paid	(9,148)	(8,547)
Net cash provided by (used in) financing activities	(30,417)	(23,635)
Effect of exchange rate changes on cash	(2,979)	4,092
Net changes in cash and cash equivalents	(2,465)	(769)
Cash and cash equivalents at beginning of year	136,367	118,809
Cash and cash equivalents at end of period	\$ 133,902	\$ 118,040

Standex International Corporation

Selected Segment Data

(unaudited)

(In thousands)	Three Months Ended		Nine Months Ended	
	March 31,		March 31,	
	2022	2021	2022	2021
Net Sales				
Electronics	\$ 79,889	\$ 65,085	\$ 232,351	\$ 180,524
Engraving	37,223	36,026	109,037	110,377
Scientific	18,914	24,221	65,079	58,777
Engineering Technologies	20,890	19,951	56,558	55,091

Specialty Solutions	32,365	26,933	87,575	75,028
Total	\$ 189,281	\$ 172,216	\$ 550,600	\$ 479,797
<u>Income from operations</u>				
Electronics	\$ 19,194	\$ 12,364	\$ 54,624	\$ 30,861
Engraving	5,728	4,510	15,806	16,884
Scientific	4,155	5,803	14,153	14,113
Engineering Technologies	2,327	1,245	5,540	3,076
Specialty Solutions	3,632	4,251	10,185	11,368
Restructuring	(1,186)	(482)	(2,469)	(2,478)
Loss on sale of business	-	(14,624)	-	(14,624)
Acquisition related costs	(419)	(255)	(1,561)	(850)
Corporate	(8,961)	(7,162)	(25,507)	(21,607)
Other operating income (expense), net	-	-	(1,700)	-
Total	\$ 24,470	\$ 5,650	\$ 69,071	\$ 36,743

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)	2022	2021		2022	2021	
<i>Adjusted income from operations and adjusted net income from continuing operations:</i>						
Net Sales	\$ 189,281	\$ 172,216	9.9%	\$ 550,600	\$ 479,797	14.8%
Income from operations, as reported	\$ 24,470	\$ 5,650	333.1%	\$ 69,071	\$ 36,743	88.0%
Income from operations margin	12.9%	3.3%		12.5%	7.7%	
Adjustments:						
Restructuring charges	1,186	482		2,469	2,478	
Acquisition-related costs	419	255		1,561	850	
Litigation charge	-	-		1,700	-	
Loss on sale of business	-	14,624		-	14,624	
Purchase accounting expenses	31	-		31	592	
Adjusted income from operations	\$ 26,106	\$ 21,011	24.2%	\$ 74,832	\$ 55,287	35.4%

Adjusted income from operations margin	13.8%	12.2%		13.6%	11.5%	
Interest and other income (expense), net	(1,578)	(1,623)		(5,135)	(4,476)	
Provision for income taxes	(5,484)	(2,269)		(15,677)	(8,155)	
Discrete and other tax items	-	-		-	(196)	
Tax impact of above adjustments	(392)	(2,559)		(1,413)	(3,215)	
Net income from continuing operations, as adjusted	\$ 18,652	\$ 14,560	28.1%	\$ 52,607	\$ 39,245	34.0%
<i>EBITDA and Adjusted EBITDA:</i>						
Net income (loss) from continuing operations, as reported	\$ 17,408	\$ 1,758	890.2%	\$ 48,259	\$ 24,112	
Net income from continuing operations margin	9.2%	1.0%		8.8%	5.0%	
Add back:						
Provision for income taxes	5,484	2,269		15,677	8,155	
Interest expense	1,238	1,317		4,484	4,403	
Depreciation and amortization	7,189	8,322		22,411	24,843	
EBITDA	\$ 31,319	\$ 13,666	129.2%	\$ 90,831	\$ 61,513	47.7%
EBITDA Margin	16.5%	7.9%		16.5%	12.8%	
Adjustments:						
Restructuring charges	1,186	482		2,469	2,478	
Acquisition-related costs	419	255		1,561	850	
Litigation charge	-	-		1,700	-	
Loss on sale of business	-	14,624		-	14,624	
Purchase accounting expenses	31	-		31	592	
Adjusted EBITDA	\$ 32,955	\$ 29,027	13.5%	\$ 96,592	\$ 80,057	20.7%
Adjusted EBITDA Margin	17.4%	16.9%		17.5%	16.7%	
<i>Free cash flow:</i>						
Net cash provided by operating activities - continuing operations, as reported	\$ 11,929	\$ 17,830		\$ 48,628	\$ 49,338	
Less: Capital expenditures	(3,417)	(5,466)		(13,138)	(15,612)	
Free operating cash flow	\$ 8,512	\$ 12,364		\$ 35,490	\$ 33,726	

Standex International Corporation
Reconciliation of GAAP to Non-GAAP Financial Measures
(unaudited)

	Three Months Ended			Nine Months Ended		
	March 31,		% Change	March 31,		% Change
<i>Adjusted earnings per share from continuing operations</i>	2022	2021		2022	2021	
Diluted earnings per share from continuing operations, as reported	<u>\$ 1.44</u>	<u>\$ 0.14</u>	928.6%	<u>\$ 3.98</u>	<u>\$ 1.97</u>	102.0%
Adjustments:						
Restructuring charges	0.07	0.02		0.16	0.15	
Acquisition-related costs	0.03	0.01		0.10	0.05	
Litigation charge	-	-		0.10	-	
Loss on sale of business	-	1.02			1.02	
Discrete tax items	-	-		-	(0.02)	
Purchase accounting expenses	-	-		-	0.04	
Diluted earnings per share from continuing operations, as adjusted	<u>\$ 1.54</u>	<u>\$ 1.19</u>	29.4%	<u>\$ 4.34</u>	<u>\$ 3.21</u>	35.2%

SOURCE Standex International Corporation

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<https://ir.standex.com/2022-05-05-STANDEX-REPORTS-FISCAL-THIRD-QUARTER-2022-FINANCIAL-RESULTS>