Third Quarter Fiscal 2022 Conference Call Presentation

May 6, 2022

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Key Q3 FY22 Messages

Q3 FY22 RESULTS &TRENDS

- Total revenue growth ~ 10% YOY; record Electronic sales with four business segments increasing YOY & QOQ
- Adjusted operating margin of 13.8%, +160 bps YOY; fourth consecutive quarter of highest margin in SXI history
- Electronics revenue increased ~ 23% YOY; broad-based end market strength with continued solid demand for renewable energy and electric vehicle applications
- Specialty Solutions revenue increased ~ 20% YOY; growth in food service equipment and refuse end markets

POSITIONING FOR HIGHER GROWTH & MARGIN

- Total company backlog realizable under one year ~ $267M, ~ +51% YOY; strength at Electronics, Specialty Solutions and Engraving segments
- Acquired in March, Sensor Solutions already seeing substantial sales synergies; targeting high-value, growth markets such as electric vehicles, industrial automation and medical end markets
- First year sales from new business opportunities in Electronics forecasted to be ~ $17M in FY22
- Recent plant site selection in Brindisi, Italy for pilot plant phase of solar power project with Enel

PRODUCTIVITY & EFFICIENCY INITIATIVES

- Continue to introduce new processes and tools to manage inflationary trends and drive lean and strategic sourcing
- Engraving segment targeting $2M in annualized savings from cost and margin improvement actions
- On plan to substantially complete reed switch material substitution project by end of FY22, reducing exposure to future rhodium inflation

STRONG FINANCIAL POSITION

- Announced new $100M share repurchase authorization; effective May 10, 2022
- Free cash flow of ~ $9M in Q3 FY22, ~ $300M in available liquidity and net debt to adjusted EBITDA ratio of 0.5x
- Repatriated ~ $5M from foreign subsidiaries in Q3 FY22; expect to repatriate between $30M to $35M in FY22
- Declared 231st consecutive dividend; ~ 8% increase YOY

OUTLOOK

- Expect a slight sequential decrease in revenue and operating margin in Q4 FY22, but an increase YOY
- Estimate $7M-$9M sales deferral from Q4 FY22 due to the impact of the COVID-19 lockdown in China
- Well-positioned for revenue growth and margin expansion in FY23 YOY

Electronics

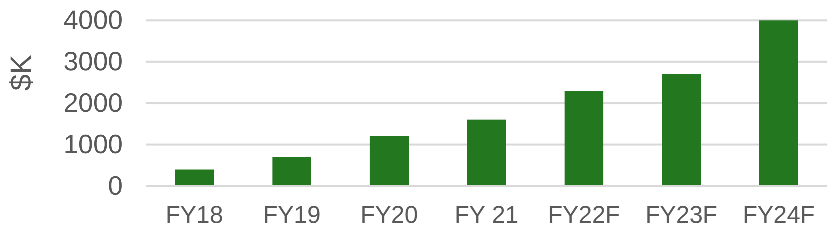
YOY Comparison

$ in 000's	Q3 FY22	Q3 FY21	% Change
Revenue	$79,889	$65,085	22.7%
Adj. Operating Income*	$19,225	$12,364	55.5%
Adj. OI Margin*	24.1%	19.0%	

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

Partner Solve Deliver® Approach

A successful first application creates close customer partnership and earns exposure to new applications



Q3 FY22 Summary

- **Revenue increased $14.8M or 22.7% YOY** with continued broad-based end market strength; increased demand for relays in renewable energy and electric vehicle applications
- **Operating income increase** reflected operating leverage associated with revenue growth, pricing, and productivity actions
- **New business opportunity funnel has grown to $65M**; key contributors include expansion in EV and renewables market and share gain in Mil-Aero market
- **Backlog** realizable under a year of **~ $151M increased ~ 57% YOY and ~ 5% sequentially** in Q3 FY22

Q4 FY22 Outlook

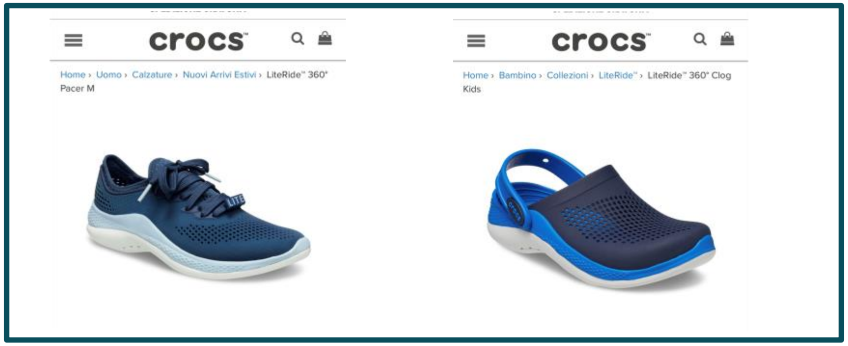
- Sequentially, **expect a moderate decrease in revenue and operating margin**
- Q4 outlook reflects impact of **COVID-19 lockdown in China partially offset by continued strong demand across key end markets**

Engraving

YOY Comparison

$ in 000's	Q3 FY22	Q3 FY21	% Change
Revenue	$37,223	$36,026	3.3%
Operating Income	$5,728	$4,510	27.0%
OI Margin	15.4%	12.5%	

Leverage Global Network to Expand End Markets



- "One Partner" strategy secures large texturizing opportunity
- Our ability to partner with the customer's design team in Europe, then deliver the texture with their chosen toolmakers in Asia was a differentiator

Q3 FY22 Summary

- **Revenue increase** reflected positive trends in North America and soft trim demand
- **Operating income increase** due to volume growth and impact of efficiency and productivity actions
- **Laneway sales of ~ $15M grew ~ 14% YoY** including positive trends in soft trim tools, laser engraving, and tool finishing

Q4 FY22 Outlook

- **Expect slight sequential decrease in revenue** and **operating margin** due to the timing of projects and geographic mix
- **Continued increase in soft trim** demand across the globe
- **Targeting $2M in annualized savings** from new cost and margin improvement actions upon completion

Scientific

YOY Comparison

$ in 000's	Q3 FY22	Q3 FY21	% Change
Revenue	$18,914	$24,221	-21.9%
Operating Income	$4,155	$5,803	-28.4%
OI Margin	22.0%	24.0%	

Recently Launched Stability Chambers with Natural Refrigerants

- Strong growth in the Academic Research and Pharmaceutical end markets
- Product features natural refrigerants, variable speed compressors and expanded temperature and humidity operating ranges
- Patents in process

Q3 FY22 Summary

- **As expected, revenue decrease** reflected ongoing sales in pharmaceutical, clinical laboratories, and academic institution end markets offset by lower demand associated with COVID-19 vaccine storage
- **Operating income decrease** due to lower volume and higher freight costs partially offset by pricing and productivity actions

Q4 FY22 Outlook

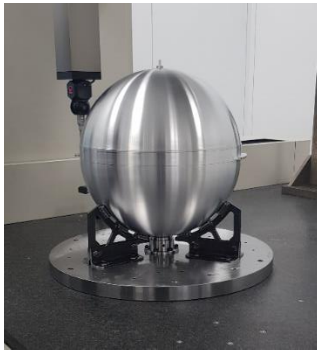
- Sequentially, **expect revenue to be similar and operating margin to decrease slightly** primarily due to product mix
- **Strong demand from smaller, regional pharmacies** and doctors' offices offsetting lower demand from large national pharmacy chains
- **Active pipeline** of new product development projects

Engineering Technologies

YOY Comparison

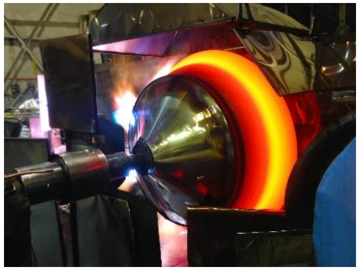
$ in 000's	Q3 FY22	Q3 FY21	% Change
Revenue	$20,890	$19,951	4.7%
Operating Income	$2,327	$1,245	86.9%
OI Margin	11.1%	6.2%	

Growing our European Presence



UK site providing engineered solutions to Ariane and additional international firms developing space launch vehicles and satellites

Leveraging US market experience to penetrate space, aviation, and defense & green economy opportunities



Q3 FY22 Summary

- **Revenue increase** reflected continued growth in commercial aviation, defense, and medical end markets offset by Enginetics divestiture which contributed $3.9M in sales in Q3 FY21
- **Operating income increase** due to volume growth and project mix
- **Commercial space** opportunities increasing with **new business wins** in all three business locations

Q4 FY22 Outlook

- Sequentially, expect **revenue to be similar to slightly higher with slight to moderate increase in operating margin**
- **Q4 outlook reflects end market strength** in commercial space and read out of productivity initiatives

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Specialty Solutions

YOY Comparison

$ in 000's	Q3 FY22	Q3 FY21	% Change
Revenue	$32,365	$26,933	20.2%
Operating Income	$3,632	$4,251	-14.6%
OI Margin	11.2%	15.8%	

Custom Hoists Pack Eject Cylinder

- Improved impact resistance from increased hardness depth
- Redesigned scraper to remove rod damage
- Longer life cylinder driving more efficient operation

Q3 FY22 Summary

- **Revenue increase of $5.4M or 20.2% YOY reflected continued end market recovery** particularly in food service equipment and refuse end markets
- **Operating income decrease** due to material inflation and increased freight costs primarily in the hydraulics business partially offset by volume growth and pricing actions
- **Backlog** realizable under a year of **approximately $48M increased ~ 169% YOY and ~ 7% sequentially** in Q3 FY22

Q4 FY22 Outlook

- Sequentially, **expect a slight increase in revenue** reflecting increased production levels at hydraulics business unit and solid demand in display merchandising
- **Moderate improvement in operating margin** compared to Q3 FY22 due to increased demand and productivity initiatives and pricing actions

Q3 FY22 Income Statement Summary

($ in M's)		Q3 FY22	Q3 FY21	YOY	Comments
Revenue		$189.3	$172.2	9.9%	Reflects growth at Electronics and Specialty Solutions Organic revenue: 14.5% YOY Acquisition-related: 0.2% Divestiture-related: -2.2% F/X impact: -2.6%
Adj. Operating Income		$26.1	$21.0	24.2%	Operating leverage associated with increased sales and productivity initiatives partially offset by increased material costs
	Margin %	13.8%	12.2%	+160 bps	
Adj. EBITDA		$33.0	$29.0	13.5%	
	Margin %	17.4%	16.9%	+50 bps	
Net, Interest Expense		$1.2	$1.3	-6.1%	
	Tax Rate %	24.0%	24.9%	-90 bps	
Adj. Net Income		$18.7	$14.6	28.0%	
	Margin %	9.9%	8.5%	+140 bps	
Adj. EPS		$1.54	$1.19	29.4%	
Shares Outstanding		12.1	12.3	-1.3%	Repurchased 112,000 shares in Q3 FY22

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Q3 FY22 Free Cash Flow

AS REPORTED ($M)	Q3 FY 22	Q3 FY 21
Net cash provided by operating activities, as reported	$11.9	$17.8
Less: Capital Expenditures	(3.4)	(5.4)
Free operating cash flow	$8.5	$12.4

Consistent Cash Flow Generation

Q3 FY22 Capitalization

Favorable Liquidity Profile

- Net debt to adj. EBITDA of 0.52x
- Net debt to total capital of 11.2%
- 15.9x interest coverage ratio
- ~ $300M of available liquidity
- Repatriated ~ $5M in Q3 FY22 and ~ $20M FY22 YTD
- Expect to repatriate between $30M to $35M in FY22

Capital Spending and D&A

- $3.4M of CAPEX in Q3 FY22 compared to $5.4M in Q3 FY21
- CAPEX expected to be ~ $25M in FY22
- Expect depreciation ~ $21M in FY22
- Amortization expected to be ~ $12M in FY22

($ in M)	3/31/2022	12/31/2021
Debt including issuance costs	$199.7	$199.7
Cash	133.9	147.2
Net Debt	$65.8	$52.5
Net Debt to Capital Ratio	11.2%	9.2%
Funded Debt to Capital	27.5%	27.6%
Leverage Ratio per Bank Credit Agreement	1.15	1.20
TTM Adjusted EBITDA	$128.6	$124.6
Net Debt to Adjusted EBITDA	0.52x	0.42x

Strong Balance Sheet and Liquidity Position

Key Takeaways

1. **Consistent improvement in financial results reflect a strong portfolio aligned with sustainable global trends and expanding range of innovative solutions**
2. **Robust new business opportunity funnel with application wins in end markets with robust, long-term growth prospects; deep technical and applications expertise a significant competitive advantage**
3. **Continued strong execution in challenging inflationary and supply chain environment; implementing pricing, productivity and strategic sourcing actions company-wide**
4. **Disciplined and balanced approach to capital allocation supported by strong balance sheet and consistent cash flow generation; new $100M share repurchase program reinforcing opportunity to further enhance shareholder value**
5. **Well-positioned for growth year-over-year in fiscal 2023 assuming continued macroeconomic recovery**

Q&A

APPENDIX

Q3 FY22 Revenue Drivers

Q3 FY22 YOY Change %	Electronics	Engraving	Scientific	Engineering Technologies	Specialty Solutions	Total
Organic	27.1%	5.5%	(21.9%)	24.7%	21.4%	14.5%
Divestiture	0.0%	0.0%	0.0%	(19.5%)	0.0%	(2.2%)
Acquisitions	0.6%	0.0%	0.0%	0.0%	0.0%	0.2%
Currency	(5.0%)	(2.2%)	0.0%	(0.5%)	(1.2%)	(2.6%)
Total	22.7%	3.3%	(21.9%)	4.7%	20.2%	9.9%

Q3 FY22 GAAP to Non-GAAP Income Bridge

	Q3 FY22				Q3 FY21				% Change		
	Pre-tax Income	Tax	Net Income	EPS	Pre-tax Income	Tax	Net Income	EPS	Pre-tax Income	Net Income	EPS
Reported - GAAP	**$ 22.9**	**$ (5.5)**	**$ 17.4**	**$ 1.44**	**$ 4.0**	**$ (2.3)**	**$ 1.8**	**$ 0.14**	**468.5%**	**890.2%**	**928.6%**
Add:											
Restructuring charges	1.2	(0.3)	0.9	0.07	0.5	(0.2)	0.3	0.02			
Purchase accounting	-	-	-	-	-	-	-	-			
Acquisition-related costs	0.4	(0.1)	0.3	0.03	0.3	(0.1)	0.1	0.01			
Loss on Enginetics Sale	-	-	-	-	14.6	(2.2)	12.4	1.02			
Lititgation charge	-	-	-	-	-	-	-	-			
Less:											
Discrete tax Items	$ -	$ -	$ -	-	-	-	-	-			
Adjusted	**$ 24.5**	**$ (5.9)**	**$ 18.7**	**$ 1.54**	**$ 19.4**	**$ (4.8)**	**$ 14.6**	**$ 1.19**	**26.5%**	**28.0%**	**29.4%**
Diluted Shares				12,089				12,253			

Note : Some totals will not foot due to rounding

Q3 FY22 Non-GAAP Net Income of $18.7M versus Prior Year at $14.6M
Non-GAAP EPS grew 29.4% YOY

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