



Focused on Growth

September 2022

William Blair
Industrials Conference





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Standex International (SXI) - At a Glance

Leading market positions, innovative solutions & strong customer value propositions

HISTORY

Founded 1955; IPO in 1964

HEADQUARTERS

Salem, NH

EMPLOYEES

~3,800

LOCATIONS

28 Countries

FY22
REVENUE¹

\$735M

FY22 ADJ.
OPERATING INCOME²

\$100M

FY22 ADJ. OPERATING
INCOME MARGIN²

13.7%

MARKET CAP¹

\$1.3B

DIVIDEND
YIELD

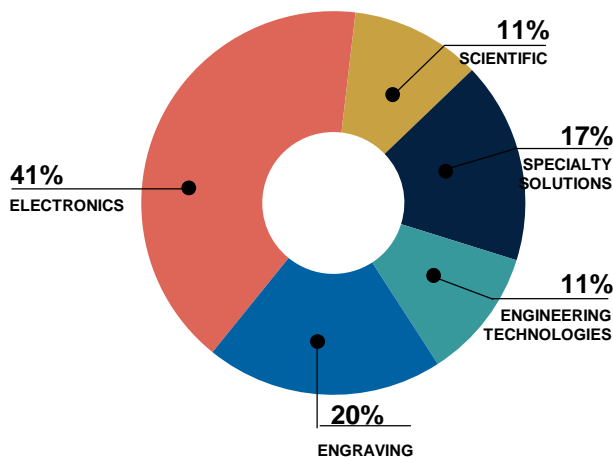
1.2%

NET DEBT TO ADJ.
EBITDA³

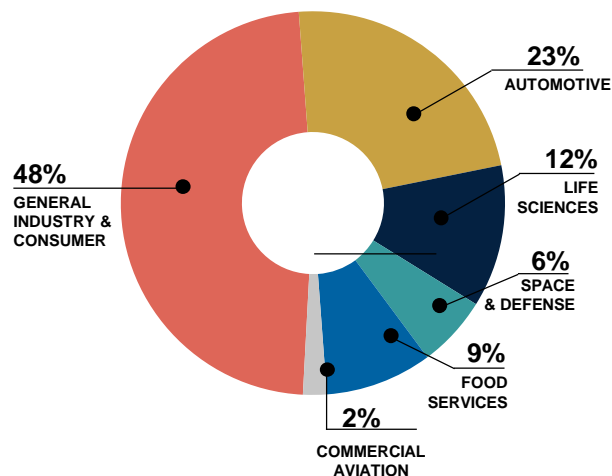
0.5x

FY22 REVENUE PROFILE

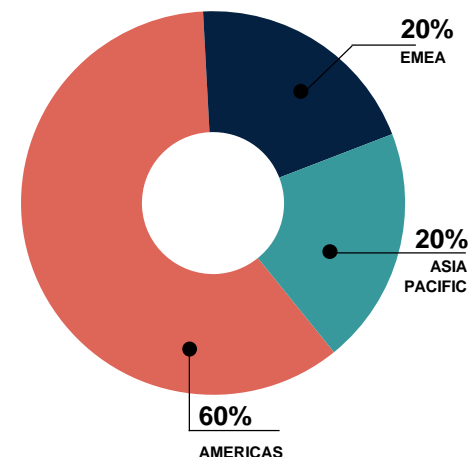
SEGMENT



END MARKETS



GEOGRAPHY



¹Based upon price on 9/19/22 and 12.0 million shares outstanding.

²Adjusted operating income/margin and adjusted EBITDA/margin excludes items such as litigation, purchase accounting and restructuring expenses.

³FY22 adjusted EBITDA of \$129M; adjusted EBITDA margin of 17.6%



Our Growth Framework

- 1** Financial predictability and stability is the foundation which gives us the option to choose from available growth investment paths

- 2** Faster growing markets accelerate sales growth

- 3** Our Customer Intimacy business model fuels long term steady growth

- 4** Our GDP+ standard process makes growth a game of skill rather than a game of chance

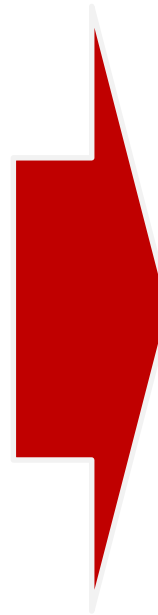
- 5** New Product Development is increasing and driven both by addressing customer's identified needs and identifying transformative technologies

- 6** Strategic bolt on acquisitions remain an important part of our growth mix; solid track record of successful integration



Successful Transformation to Operating Company

	2019 Pre-pandemic	2022 Post-Pandemic
Sales (\$M)	791.6	735.3
Adj. Operating Margin %	10.6%	13.7%
Adj. EPS (\$)	4.03	5.87
R&D (\$M)	6.6	12.2
Free Cash Flow (\$M)	38.8	54.2



DIVESTED non-strategic businesses

- Refrigeration Solutions Group
- Enginetics

ACQUIRED attractive bolt-ons

- Agile
- Tenibac
- GS Engineering
- Renco
- Sensor Solutions

KEY INITIATIVES

- Innovation and Technology Office
- Focused Growth and R&D Investments
- Rhodium Reduction Project
- Enhanced Pricing Disciplines
- Financial Systems Optimization
- G&A Cost-Out
- Shared Services Implementation

- Increased operating margin > 300 bps
- Increased EPS <> 50%
- Nearly doubled R&D investments
- Increased Cash Flow



Well-Positioned for Current Economic Environment

Supply Chain

>80% of sales from business in which materials and production are in same region as customers

Material Inflation

Leveraging Electronics segment rhodium inflation experience; pro-active price list management in all businesses

Interest Rate Exposure

Fixed rate debt via interest rates swaps; rates locked during FY20

FX

~60% of the business is domestic US\$ denominated; FX exposure is primarily translational

Downturn Readiness

Proven adaptability from COVID-19 pandemic
All businesses have updated readiness plans



Leveraging Competitive Advantages in Fast Growth End Markets

Competitive Advantages

Fast Growth Markets

Electronics

- Deep expertise and unmatched reed switch product range, quality and capacity

**Electric Vehicles
Smart Grid
Defense
Renewable Energy**

Engraving

- Industry leading soft trim tool production and unmatched global footprint

Industry transition to soft trim interiors

Scientific

- Deep knowledge of life science refrigeration regulatory compliance
- Speed to market with new features
- Strong R&D program; expanding IP portfolio

**Life Sciences
Ongoing Pandemic readiness**

Engineering Technologies

- Advanced spin-forming capability reduces input material and processing time

**Commercialization of Space
Global Defense**

Specialty Solutions

- Long term leading presence in dump truck and trailer markets

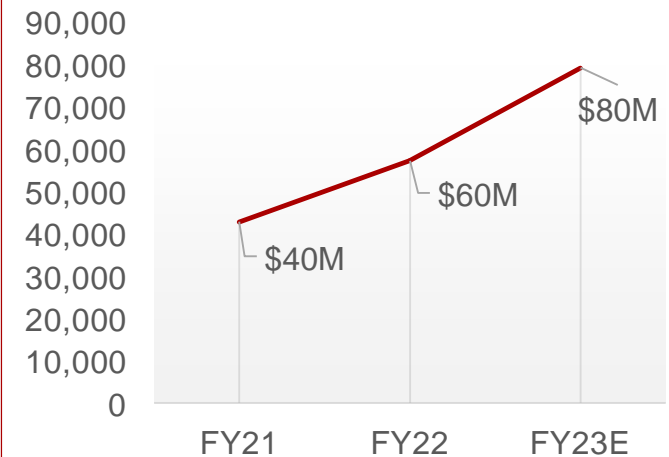
US Infrastructure Bill



Expanding Presence in High Growth Markets, Significant Contributor To Top Line Growth

Renewable Energy	Solar market to remain strong with long term growth supported by government investments
Electric Vehicles	3X - 5X higher content in EV than ICE. Particularly strong presence in safety isolation circuits
Soft Trim	Auto OEM increasing focus on improving quality of textures in interiors
Commercialization of Space	Long term trend of increased number of annual launches
Defense	Well positioned for new programs in development and healthy long term defense spending plans

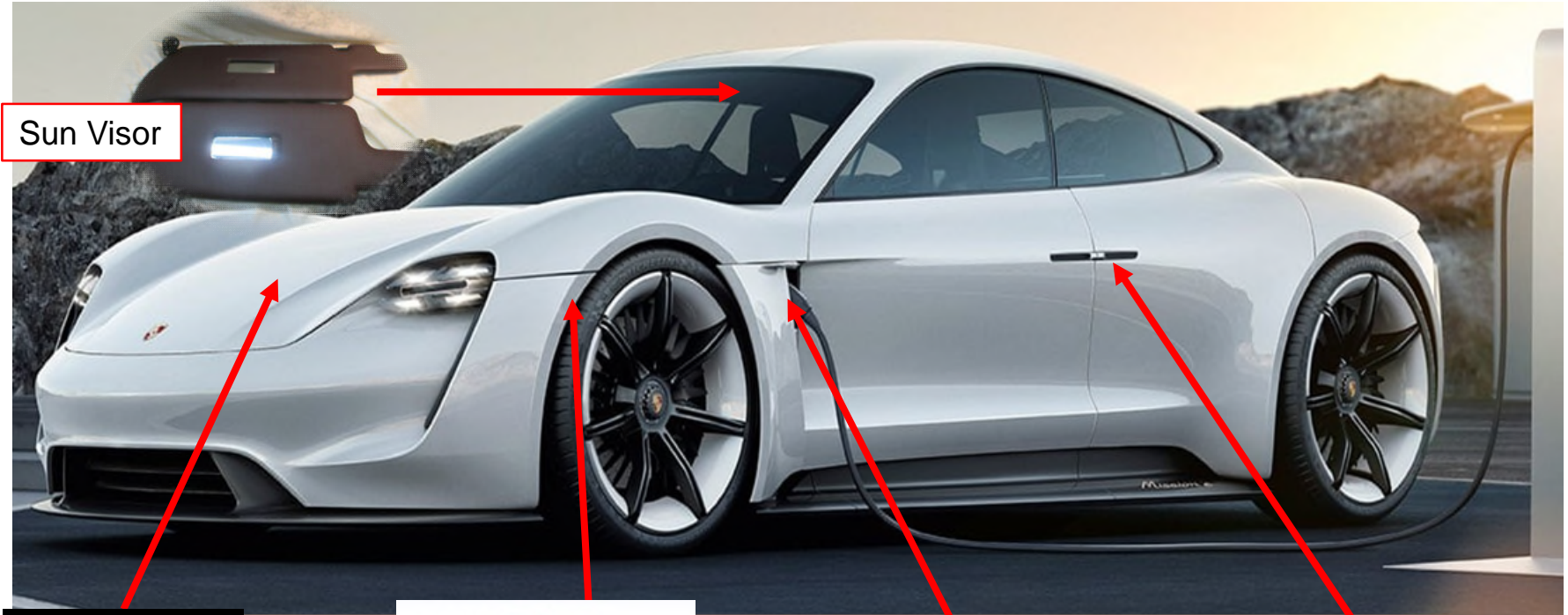
Sales into Fast Growth Markets



**FAST GROWTH MARKET
PRESENCE ADDING SEVERAL
POINTS TO TOP LINE GROWTH**



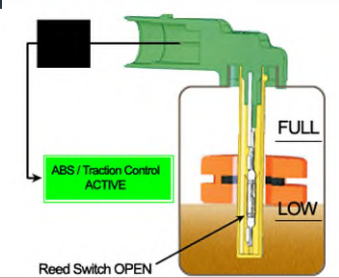
High Value Content Supporting Electric Vehicle Applications



Sun Visor



Isolation Measurement
Battery Mgt System



Brake Level Sensor
Water level sensors
Coolant sensor



Charger Plug Sensor



Smart Latch Sensor

Solar Application – Reed Relays for Inverters



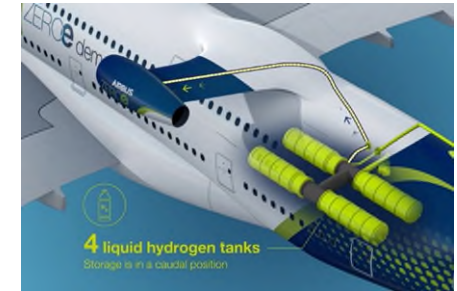
- Medium Power Solar Inverter
- KT Reed Relay
- Switch rated insulation voltage 1500V, and break down voltage 3000V.





Standex Well Positioned to Support Next Generation Hydrogen Powered Aircraft

- **Deep expertise and strong track record:** 30+ years experience providing single-piece spun fuel tank domes to the aerospace sector; initial design concepts for hydrogen tanks require similar design features
- **Efficient manufacturing approach:** spin forming reduces input weight of final product; lowering waste and material costs
- **Customer collaboration:** to identify performance and cost improvements opportunities
- **Standex vertical integration:** reduces number of vendors needed and mitigates supply chain risk



AIRBUS



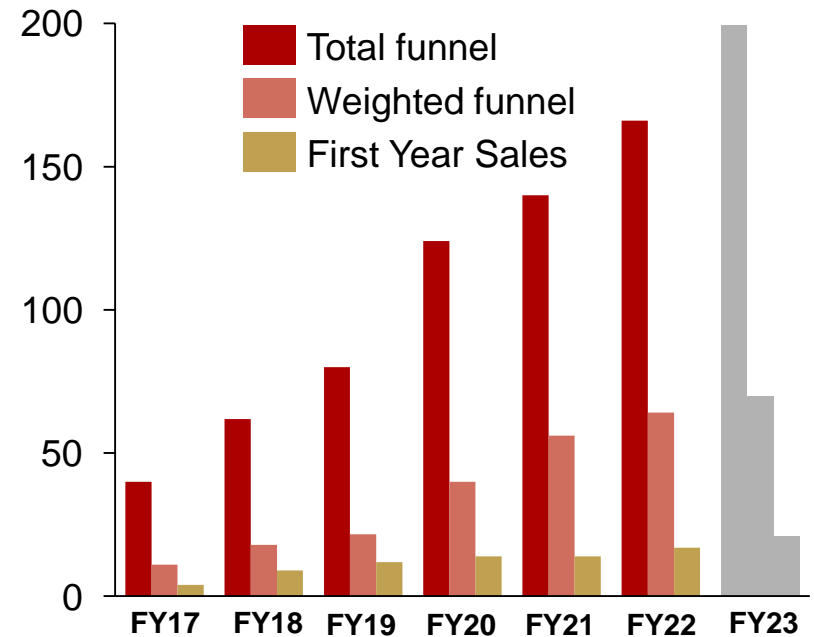


Customer Intimacy is a Powerful Growth Compounder

Electronics Example

PARTNER | SOLVE | DELIVER™

Customer intimacy is a strategy for building deep and lasting relationships with our customers, by tailoring our offerings to meet their specific needs.



NBO Sales adding <> 7% to
Electronics top line



Customer Intimacy Builds Long Term Customer Relationship

Electronics Example: Commercial Vehicles

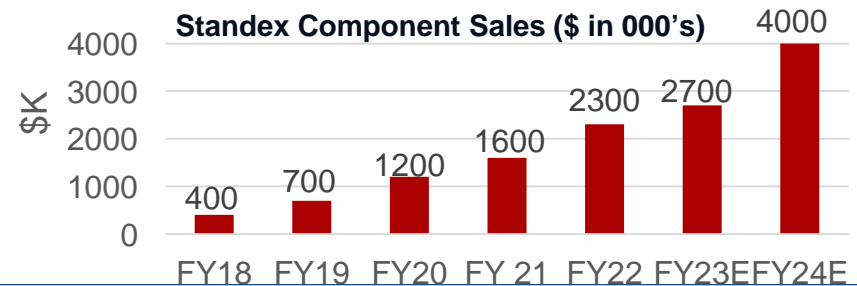
Background

- Standex pursued opportunities with this customer for years
- One particular sensor was giving excessive false positives in the field, resulting in unnecessary service
- Customer offered Standex opportunity redesign a more robust solution

Partner ■ Solve ■ Deliver

- **Custom design engineering:** Engineers from both sides collaborated to design a reliable solution
- **Investment in vertical integration:** Standex invested in assembly, molding and vacuum impregnation to provide entire sensor assembly
- **Operational footprint:** Mexico facility was ideal from competitiveness and supply chain risks perspectives

Successful first project grew to over a dozen applications

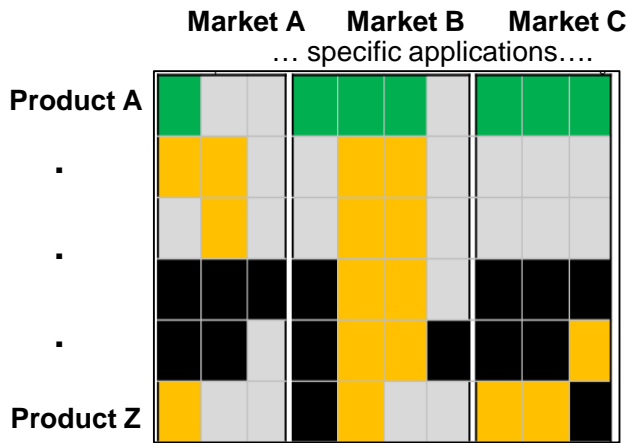




GDP+ Process

Growth Playbook in Value Creation System

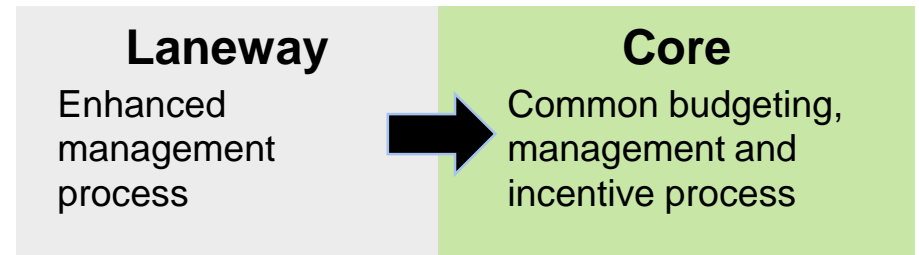
1 Identify best opportunities with Market Map



2 Explore opportunity quickly, inexpensively through Market Test Process



3 Manage as growth “laneway” with focused ownership, regular reviews with leadership, special incentives



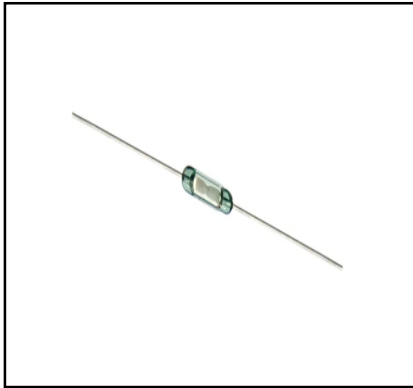
4 Once execution is mature, integrate into core business and repeat cycle



Increased R&D Investment Driving New Product Introductions

Recent Examples

Ruthenium Reed Switch



Ruthenium tipped reed switch family complement Rhodium switch product lines with new price and performance points

Blood Bank



First entry for Standex Scientific into the Blood Bank and Plasma market; leveraging life science expertise

Nautilus Pump



Superior performance, smaller size and lower weight for prosumer espresso machines and RO water remineralization

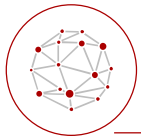
Heated Merchandiser



First entry into heated merchandisers to complement our position in refrigerated merchandisers

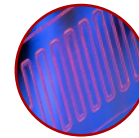
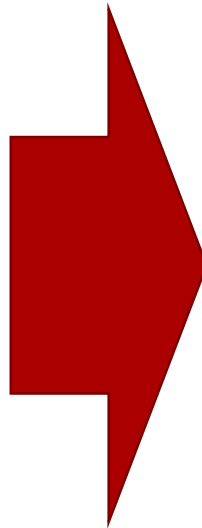


Fueling Long Term Growth with Innovation & Technology



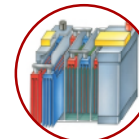
Innovation & Technology Organization

- Established in 2021
- In FY2022, created corporate wide process to identify promising technologies in each business
- Projects under development in all businesses
- Particular expertise in design and production of functional nano-textures



Microfluidics

- Investigating the applications of functional surfaces & Hi-Res forming in Microfluidics components
- Active collaboration with leading University and Medical Products manufacturer to efficiently channel fluids for medical samples

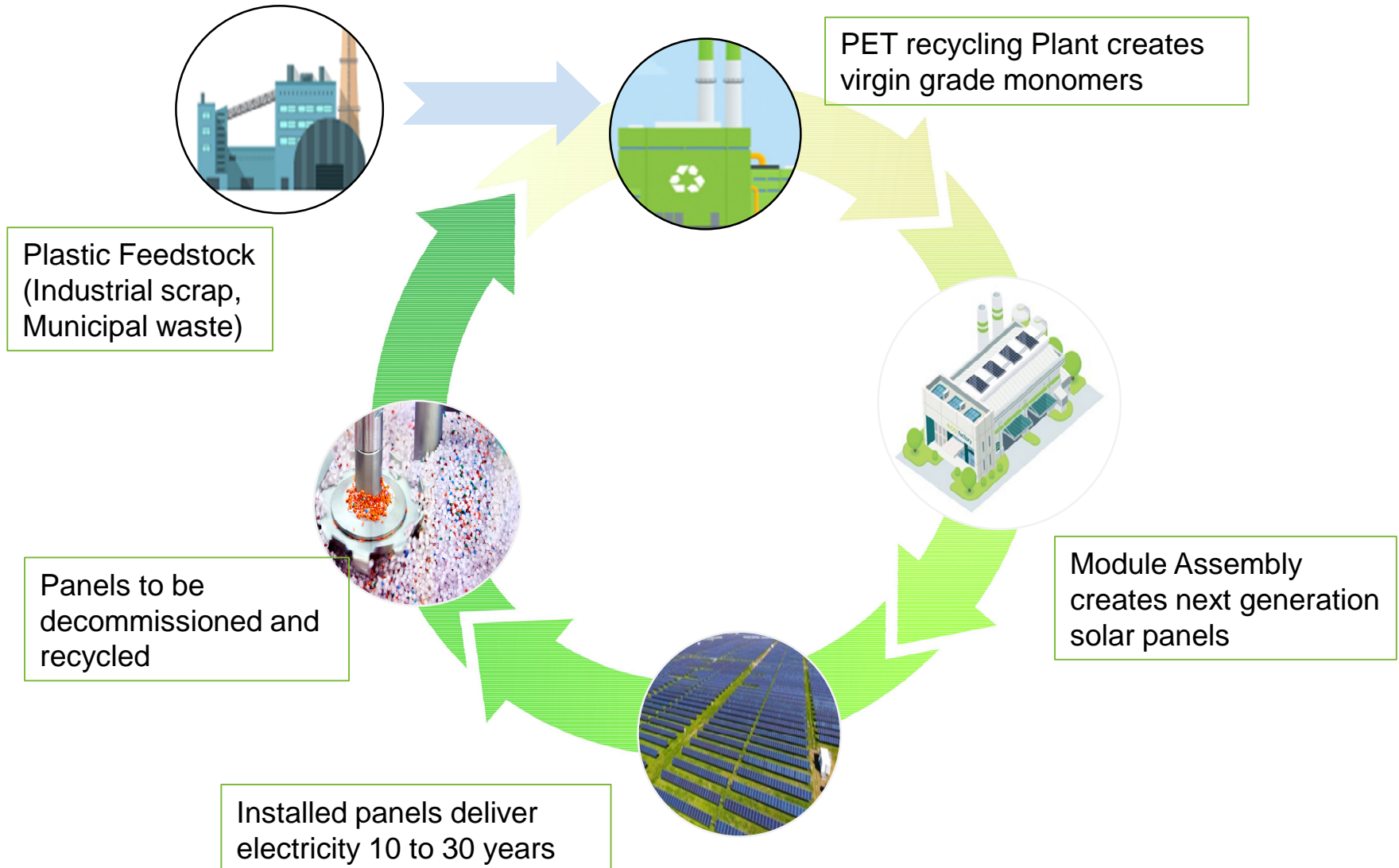


Battery Membranes

- Standex awarded €300K government grant to develop textures to improve battery performance



Standex Supporting Realization of Circular Solar Energy Business Model





Solar Energy Project Phases

- Began partnering with ENEL in 2017
- Standex brings know how in texturization, materials and manufacturing
- The solar energy project with ENEL draws on all growth elements to create long term growth opportunity in a fast-growing market.

Phase 0: Proof of Concept 2017-2020

- Confirmed performance improvement potential of target technologies

Phase I: Prototype Development 2020-2021

- Standex invested in GR3N, a recycling technology startup
- Delivered functioning full size prototypes

Phase II: Pilot Plant design and construction 2022-2023

- Recycling plant using GR3N technology
- Module assembly line
- Location: Brindisi, Italy

Phase III: Pilot Production 2024 +

Phase IV: Full Commercialization *tbd*



Focused Acquisition Approach

STRATEGIC CRITERIA

- Complementary products, services or markets, clearly defined synergies
- Defensible competitive advantage
- Serves growing end market
- Strong cultural fit

FINANCIAL CRITERIA

- Accretive to EBITDA Margin
- IRR 15% with conservative assumptions
- Accretive to EPS in first full year



Executing On Our Acquisition Strategy

Criteria	Horizon Scientific	OKI	Agile	Renco	Sensor Solutions
CY Acquired	2016	2017	2018	2021	2022
Strategic Fit	Fast growth, medical market; complimentary to Nor-Lake product	Value chain expansion in reed switches, sensors, and relays	Applications for semi-conductor industry and factory automation	residential (smart home), grid optimization and industrials markets	Sensors for electric vehicles and industrial applications
Growth / Profile	Active NPD Funnel with innovation & IP Strong sales channel	Market leader; superior quality and customer service	Strong engineering capabilities; high powered applications	Leveraging shift towards more efficient power conversion and distribution	Superior design capabilities
Synergies	Expanded product line; cross-selling opportunities	Market share gains	Complementary customers; cross-selling oppt's	Complimentary customer base and technology	High valued by existing SXI customers; ability to cross-sell

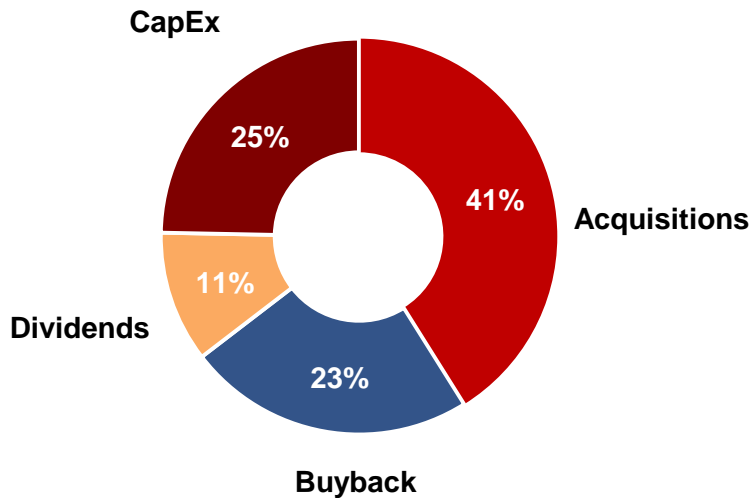
Acquisitions contributed to improved financial performance:

- Cumulative sales in year prior to acquisition \$147M FY22 sales of \$250M
- Accretive to Standex margins
- Exceeded targeted 15% IRR



Standex Capital Allocation Framework

FY19 – FY22 Capital Allocation



Maintenance Capital	~ 1% of sales
▼	
Growth / Expansion Capital	~ 2-3% of sales
▼	
Pay down debt if highly levered	Highest recent leverage ~2.5x in FY19
▼	
Acquisitions IRR \geq 15%	Acquisitions delivering ahead of projections
▼	
Return cash to shareholders in the form of increased dividend or share buyback	~\$90M remaining on share repurchase authorization

**DISCIPLINED FINANCIAL MANAGEMENT AND
CAPITAL ALLOCATION**



Capitalization & Liquidity

- Net debt to adj. EBITDA of 0.5x
- Net debt to total capital of 12.3%
- ~ 16x interest coverage ratio
- ~\$313M of available liquidity
- Repatriated ~\$160M between FY19-FY22; Expect to repatriate between \$30M to \$35M in FY23

(\$ in M)	6/30/2022	6/30/2021
Debt including issuance costs	\$174.8	\$199.5
Cash	104.8	136.4
Net Debt	\$70.0	\$63.1
Net Debt to Capital Ratio	12.3%	11.1%
Funded Debt to Capital	26.0%	28.3%
Leverage Ratio per Bank Credit Agreement	0.98	1.31
TTM Adjusted EBITDA	\$129.1	\$111.6
Net Debt to Adjusted EBITDA	0.54x	0.57x

**STRONG BALANCE SHEET
AND SIGNIFICANT LIQUIDITY**



Key Takeaways

- **Well-positioned to deliver sustainable, profitable growth as we have progressed from a portfolio company to an operating company**
 - Significant portfolio moves have created a stronger mix of high-quality businesses with attractive growth rates and higher margin profiles reading through in our results
 - Standex's operating model "The Value Creation System" continues to gain traction and enhance our execution
 - Solid balance sheet position and consistent cash flow generation provide a strong foundation to execute on our expanding pipeline of new business opportunities

- **Increasing investment in growth initiatives with attractive returns**
 - Targeted investments to support fast growth end markets
 - Deepening Customer Intimacy and growing NBO funnel
 - New Product Introductions are increasing as R&D spending continues to pay off
 - Innovation and Technology group leverages technical and application expertise to develop new businesses and innovative product offerings
 - Attractive acquisition pipeline complemented by disciplined approach



Appendix



Reconciliation of GAAP to Non-GAAP Financial Measures

	Year Ended	
	June 30,	
(In thousands, except percentages)	2022	2019
<i>Adjusted income from operations and adjusted net income from continuing operations:</i>		
Net Sales	\$ 735,339	\$ 791,579
Income from operations, as reported	\$ 88,294	\$ 78,117
Income from operations margin	12.0%	9.9%
Adjustments:		
Restructuring charges	4,399	1,635
Acquisition-related costs	1,618	3,075
Litigation charge	5,745	-
Property insurance deductible	-	500
Purchase accounting expenses	435	691
Adjusted income from operations	\$ 100,491	\$ 84,018
Adjusted income from operations margin	13.7%	10.6%
Interest and other income (expense), net	(7,005)	(12,504)
Provision for income taxes	(19,807)	(18,424)
Discrete and other tax items	397	(779)
Tax impact of above adjustments	(2,919)	(1,452)
Net income from continuing operations, as adjusted	\$ 71,157	\$ 50,859

	Year Ended	
	June 30,	
(In thousands, except percentages)	2022	2019
<i>EBITDA and Adjusted EBITDA:</i>		
Net income (loss) from continuing operations, as reported	\$ 61,482	\$ 47,189
Net income from continuing operations margin	8.4%	6.0%
Add back:		
Provision for income taxes	19,807	18,424
Interest expense	5,874	10,760
Depreciation and amortization	29,697	30,881
EBITDA	\$ 116,860	\$ 107,254
EBITDA Margin	15.9%	13.5%
Adjustments:		
Restructuring charges	4,399	1,635
Acquisition-related costs	1,618	3,075
Litigation charge	5,745	-
Life insurance benefit	-	500
Purchase accounting expenses	435	691
Adjusted EBITDA	\$ 129,057	\$ 113,155
Adjusted EBITDA Margin	17.6%	14.3%
<i>Free operating cash flow:</i>		
Net cash provided by operating activities - continuing operations, as reported	\$ 78,137	\$ 73,168
Less: Capital expenditures	(23,891)	(34,367)
Free cash flow from continuing operations	\$ 54,246	\$ 38,801



Reconciliation of GAAP to Non-GAAP Financial Measures

<i>Adjusted earnings per share from continuing operations</i>	Year Ended June 30,	
	2022	2019
Diluted earnings per share from continuing operations, as reported	\$ <u>5.07</u>	\$ <u>3.74</u>
Adjustments:		
Restructuring charges	0.28	0.10
Acquisition-related costs	0.10	0.18
Litigation charge	0.36	-
Property insurance deductible	-	0.03
Discrete tax items	0.03	(0.06)
Purchase accounting expenses	<u>0.03</u>	<u>0.04</u>
Diluted earnings per share from continuing operations, as adjusted	\$ <u>5.87</u>	\$ <u>4.03</u>