

Fourth Quarter Fiscal 2014 Conference Call



August 27, 2014



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Fourth Quarter 2014 Overview

- **YOY sales were up 12.2%** with four segments showing double digit sales growth;
 - Organic sales +11.2%
 - Acquisitions +0.2%
 - FX impact of +0.8%
- **Q4 non-GAAP operating income +23.8%** and non-GAAP **EPS of \$1.24/share up 25.3%** from prior year
- **Net cash position of \$29M** at end of Q4 including acquisitions of \$23M
- **Strong balance sheet gives us flexibility** to create shareholder value

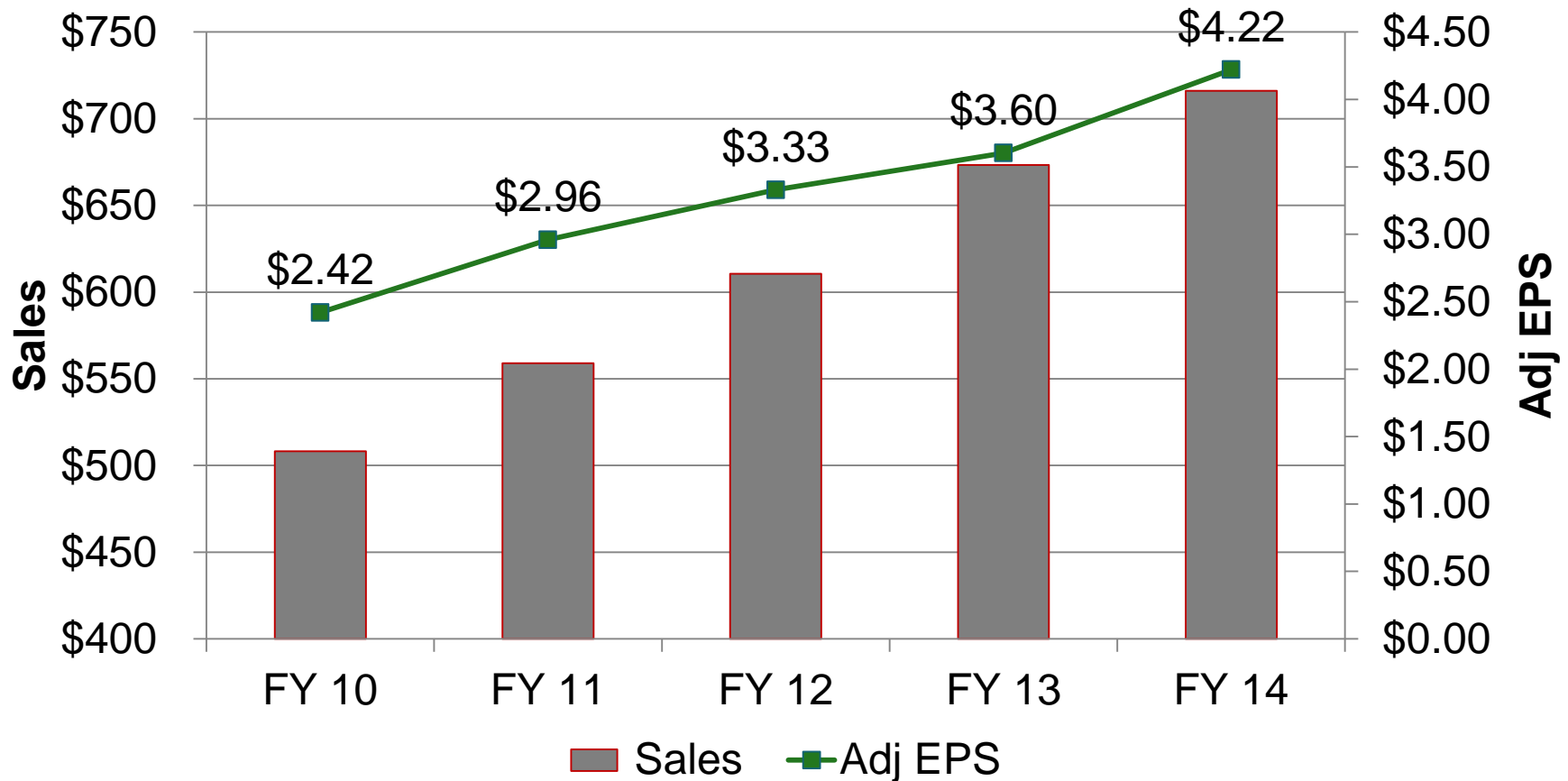
Strong sales and non-GAAP EPS year over year

Full Year Fiscal 2014 Overview

- **Full year sales grew 6.4%**
 - Organic sales +5.8%
 - Acquisitive growth +0.0%
 - FX impact +0.6%
- **Second consecutive record year** for non-GAAP EPS
- **Non-GAAP EPS of \$4.22/share up 17.2% YOY**
- **Strong cash generation:** free cash flow per share from continuing operations at \$4.16
- **Year of important milestones**
 - Smooth CEO transition
 - Repositioned food equipment business
 - Cheyenne closure
 - Ultrafryer acquisition
 - AFS divestiture
 - Transformative aviation wins in engineering technologies
 - Electronics, Engraving and Hydraulics hitting full stride

Sales growth, improved EPS, and strong cash flow generation

Non-GAAP Earnings Per Share Trend



Sales and EPS up YOY 6.4% and 17.2% respectively on a non-GAAP basis
Sales CAGR 9% and Adjusted EPS CAGR 14.9%

Quarter Financials

	<u>Q4 FY 2014</u>	<u>Q4 FY 2013</u>	<u>Delta</u>
Sales	\$197,340	\$175,823	12.2%
Operating Income	\$19,218	\$17,691	8.6%
Operating Income Margin Percentage	9.74%	10.06%	-32 bps
Operating Income w/o Special Items	\$22,352	\$18,062	23.8%
Operating Income Margin Percentage w/o Special Items	11.33%	10.27%	106 bps
EBITDA	\$22,984	\$21,485	7.0%
EBITDA Percentage	11.65%	12.22%	-57 bps
EBITDA w/o Special Items	\$26,118	\$21,856	19.5%
EBITDA Percentage w/o Special Items	13.24%	12.43%	81 bps
EPS Continuing Ops	\$1.07	\$0.97	10.3%
EPS Continuing Ops w/o Special Items	\$1.24	\$0.99	25.3%

Quarter Bridge

	<u>Net Income</u>			<u>EPS</u>		
	<u>Q4 FY 14</u>	<u>Q4 FY 13</u>	<u>Delta</u>	<u>Q4 FY 14</u>	<u>Q4 FY 13</u>	<u>Delta</u>
Net Income Continuing Operations	\$13,642	\$12,358	10.4%	\$1.07	\$0.97	10.3%
Add:						
Restructuring Charges	\$3,029	\$262		\$0.24	\$0.02	
Management Transition	\$234	--		\$0.02	--	
Acquisition-Related Costs	\$43	--		--	--	
Less:						
Non-Monetary Conversion	\$(1,070)	--		\$(0.08)	--	
Discrete Tax Items	\$(139)	--		\$(0.01)	--	
Pro Forma Net Income from Continuing Ops	\$15,739	\$12,620	24.7%	\$1.24	\$0.99	25.3%

GAAP Net Income Continuing Operations increases by 10.4% and EPS by 10.3%
 Proforma Net Income from continuing Operations increases by 24.7% and EPS by 25.3%

Full Year Fiscal 2014 Financials

	<u>6/30/14</u>	<u>6/30/13</u>	<u>Delta</u>
Sales	\$716,180	\$673,390	6.4%
Operating Income	\$65,868	\$61,895	6.4%
Operating Income Margin Percentage	9.20%	9.19%	1 bps
Operating Income w/o Special Items	\$76,461	\$66,641	14.7%
Operating Income Margin Percentage w/o Special Items	10.68%	9.90%	78 bps
EBITDA	\$84,643	\$77,002	9.9%
EBITDA Percentage	11.82%	11.44%	38 bps
EBITDA w/o Special Items	\$91,883	\$81,748	12.4%
EBITDA Percentage w/o Special Items	12.83%	12.14%	69 bps
EPS Continuing Ops	\$3.89	\$3.45	12.8%
EPS Continuing Ops w/o Special Items	\$4.22	\$3.60	17.2%

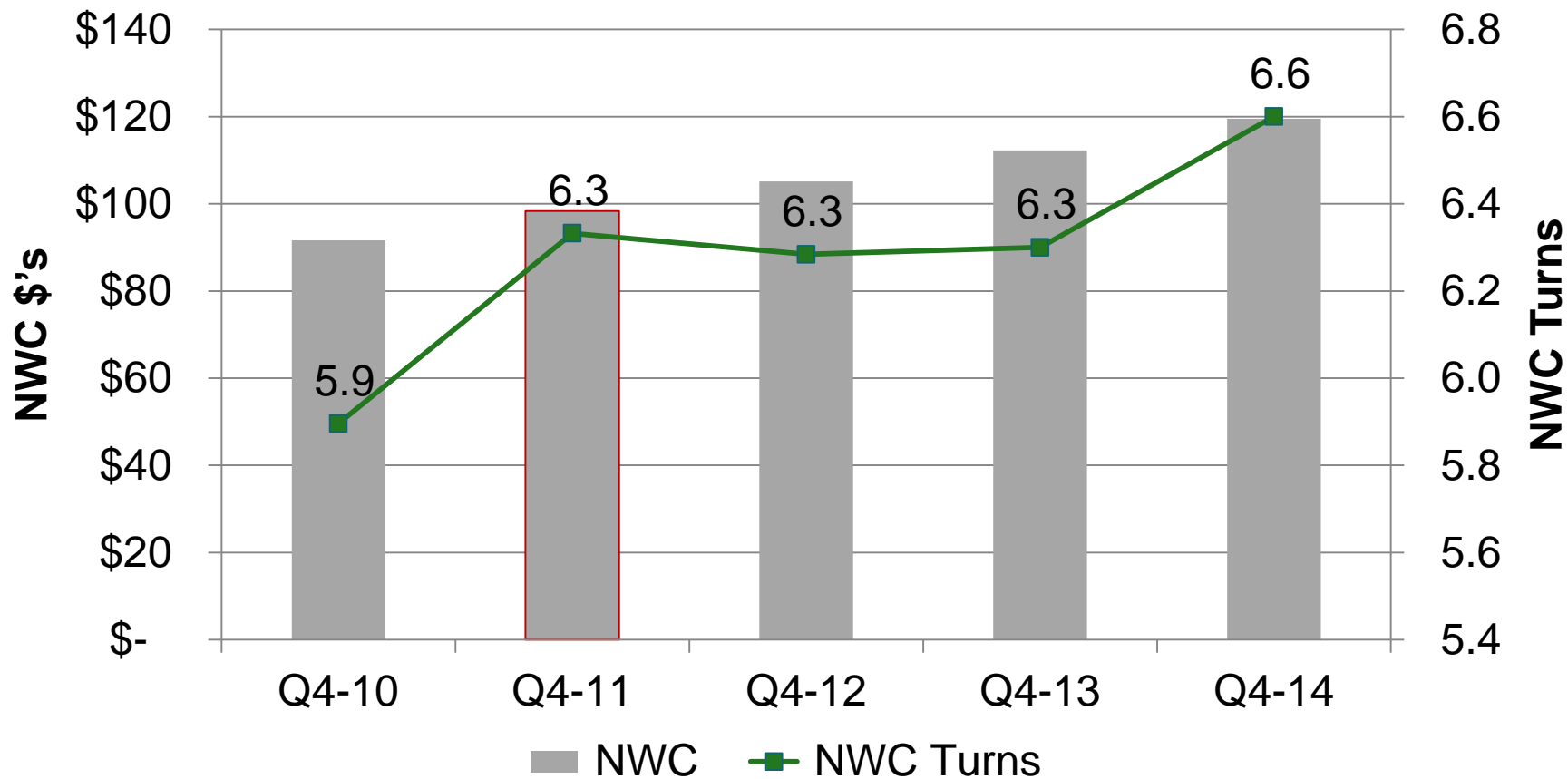
Full Year FY 14 Bridge

	<u>Net Income</u>			<u>EPS</u>		
	<u>6/30/14</u>	<u>6/30/13</u>	<u>Delta</u>	<u>6/30/14</u>	<u>6/30/13</u>	<u>Delta</u>
Net Income Continuing Operations	\$49,749	\$44,054	12.9%	\$3.89	\$3.45	12.8%
Add:						
Restructuring Charges	\$7,006	\$1,885		\$0.56	\$0.15	
Management Transition	\$2,972	--		\$0.22	--	
Legal Settlement	--	\$1,987		--	\$0.16	
Acquisition-Related Costs & Other	\$59	\$1,095		\$0.00	\$0.08	
Less:						
Life Insurance Benefit/Retiree	\$(3,353)	\$(1,611)		\$(0.26)	\$(0.13)	
Non-Monetary Conversion	\$(2,468)	--		\$(0.19)	--	
Discrete Tax Items	--	\$(1,366)		--	\$(0.11)	
Pro Forma Net Income from Continuing Ops	\$53,965	\$46,044	17.2%	\$4.22	\$3.60	17.2%

GAAP Net Income Continuing Operations increases by 12.9% and EPS by 12.8%

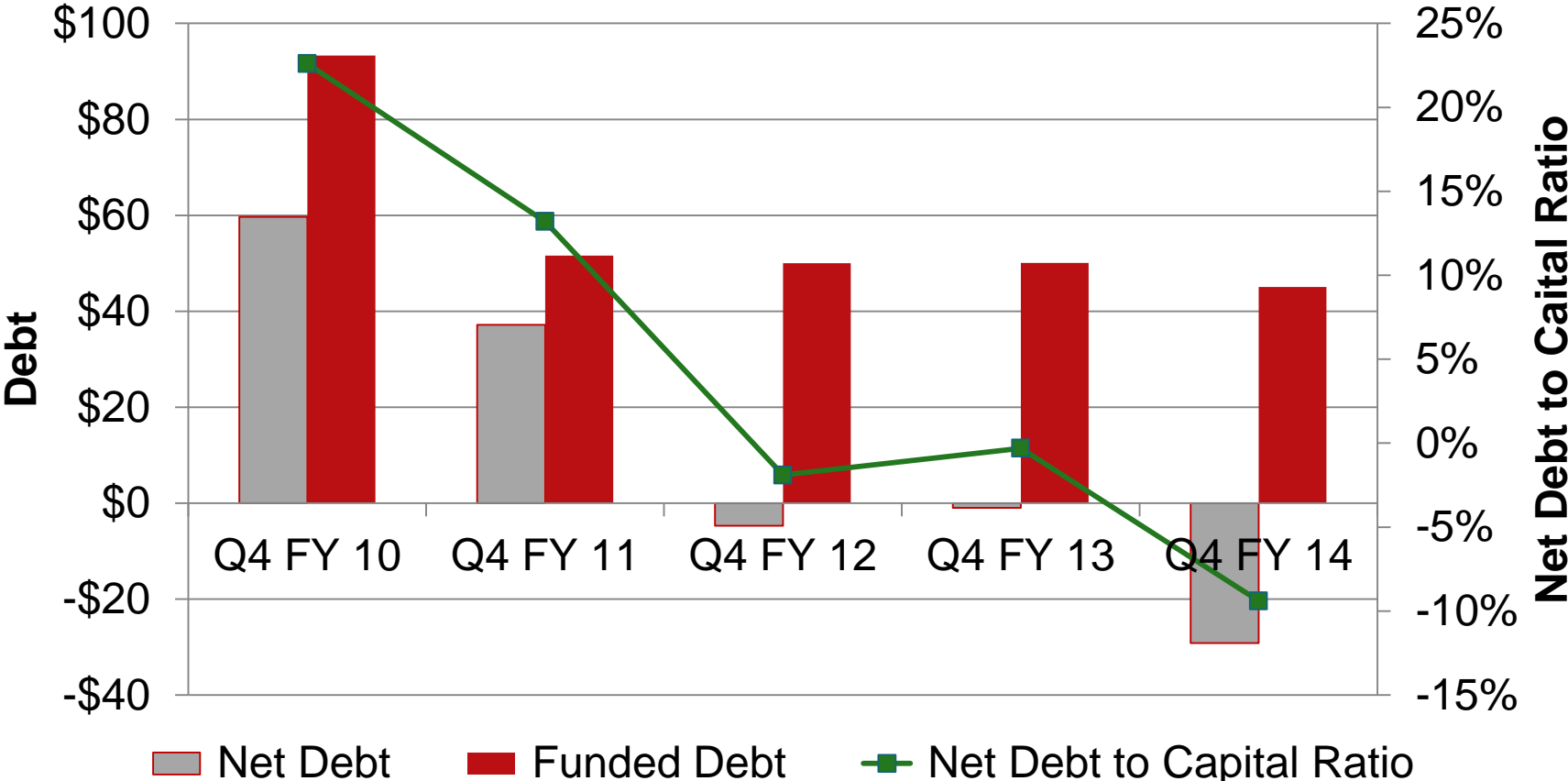
Proforma EPS and Net Income from continuing Operations increases by 17.2%

Net Working Capital



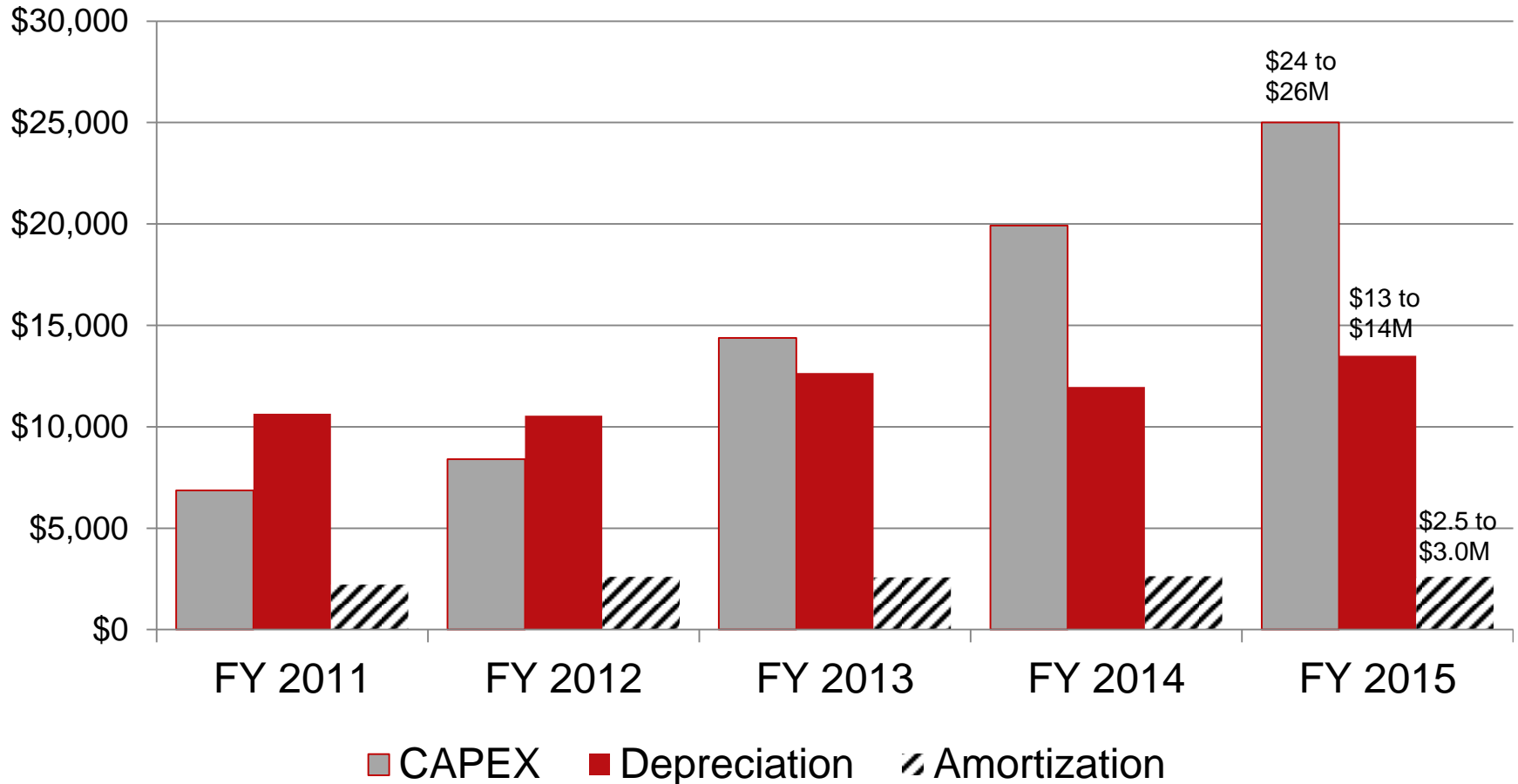
Continued improvement in working capital management

Debt Management



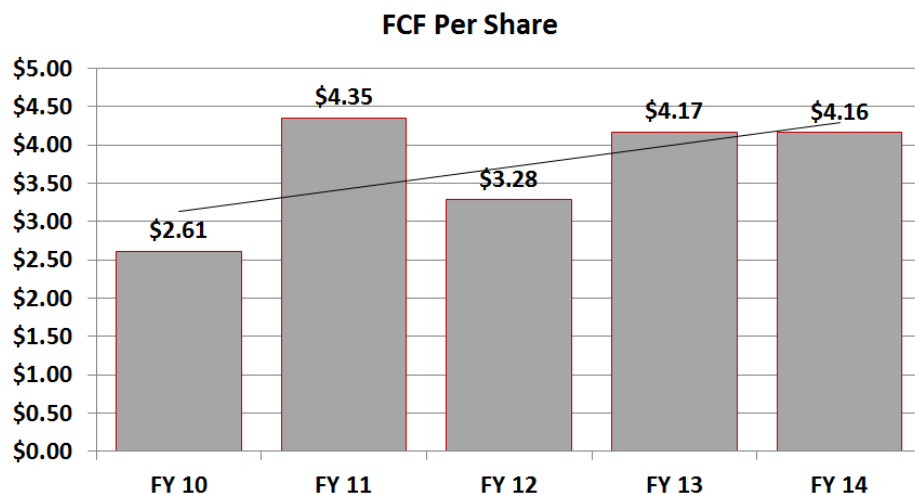
Net debt to capital at -9.4% as of June 30, 2014
 Net debt (cash) position of (\$29,204)

Capital Spending



FY 15 capital spending is estimated to be between \$24–\$26M
 Capital spending in FY 15 will be dedicated to automation and key growth programs

Non-GAAP FCF Per Share Trend



	Q4 FY 2014	Q4 FY 2013	FY 2014	FY 2013
<i>Free operating cash flow (continuing ops):</i>				
Net cash provided by operating activities, as reported	\$ 36,913	\$ 43,409	\$ 71,992	\$ 64,205
Less: Capital Expenditures	(3,135)	(1,745)	(18,832)	(14,104)
Add: Voluntary Pension Contribution	-	-	-	3,250
Free operating cash flow	<u>\$ 33,778</u>	<u>\$ 41,664</u>	<u>\$ 53,160</u>	<u>\$ 53,351</u>
Net Income from continuing ops	13,643	12,358	49,749	44,054
Conversion of free operating cash flow	<u>247.6%</u>	<u>337.1%</u>	<u>106.9%</u>	<u>121.1%</u>
Shares	<u>12,810</u>	<u>12,752</u>	<u>12,778</u>	<u>12,780</u>
FCF Per Share	<u>\$ 2.64</u>	<u>\$ 3.27</u>	<u>\$ 4.16</u>	<u>\$ 4.17</u>

Strong cash flow generation

Fourth Quarter FY 2014

Operational Segment Review

Food Service Equipment Group

Q4 FY 2014 ('000s)	\$	Delta YOY
Revenues	\$106,336	11.1%
Operating Income	\$11,571	9.0%
OI Margin	10.9%	



June 2014
acquisition

Q4 Summary

- Refrigeration: Sales up for the quarter buoyed by endless cabinets sold into the Dollar Store segment and specialty cabinets for the beverage industry
- Cooking: Cheyenne closure completed on schedule. Nogales production ramping up
- Specialty Solutions: Completed divestiture of Custom Fabrication business

Current Focus

- Stabilize Nogales performance
 - Plant equipment coming online: laser, auto-forming machine and brake presses
 - Redeploy operations talent to support plant
- Integrate Ultrafryer acquisition
- Taking orders for speed ovens in Q1 FY 2015

Engraving

Q4 FY 2014 ('000s)	\$	Delta YOY
Revenues	\$28,582	26.8%
Operating Income	\$5,595	74.7%
OI Margin	19.6%	



Ward's 10 Best Interiors included the Chrysler 200C and Jeep Grand Cherokee both textured by Standex

Q4 Summary

- Record sales and profits for the quarter driven by mold texturizing for high number of automotive model launches
- Solid growth in all regions
- Roll, Plate and Machinery business flat for the quarter

Current Focus

- Open 3 new sites to expand local customer support
- Grow design hub in Manchester UK to work with global auto design departments
- Implement laser and nickel shell investments
- Pursue new business opportunities in non-automotive markets

Engineering Technologies

Q4 FY 2014 ('000s)	\$	Delta YOY
Revenues	\$22,707	5.6%
Operating Income	\$3,842	-14.5%
OI Margin	16.9%	



A320 GTF Nose Lip Supplied by Spincraft WI

Q4 Summary

- Sales up in Space and Aviation partially offset by lower sales in Energy and Marine/Defense
- Margins were impacted primarily by mix, lower margin developmental contracts and seasonal maintenance costs
- Backlog increased approximately 16% due to booking of long term agreement space programs
- Received orders for new hot side jet engine components

Current Focus

- Continue pursuit and development of additional aviation opportunities
- Integrate Enginetics Acquisition
- Complete new machining center installation and start up

Enginetics Acquisition

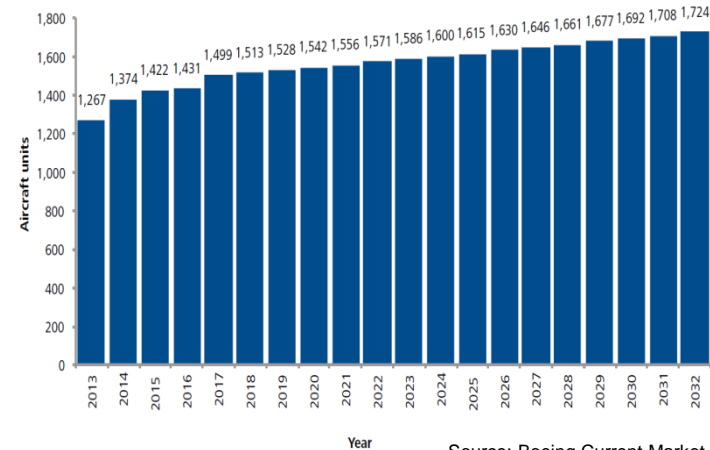
Description

- Manufacturer of unique metal forming capability for the aviation market
- Two plants in US
- Founded in 1976
- Blue chip customers

Benefits

- Expands forming capabilities for the group include stretch, cold and hydro forming
- Awarded Long Term Agreements on next generation engines
- Experienced management team
- Leverage existing customer relationships with the introduction of different solutions across each business

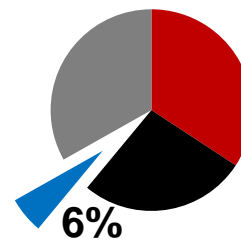
Aircraft delivery forecast (2013 to 2032)



Source: Boeing Current Market Outlook 2014

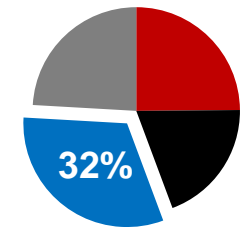
FY 2014 Sales

Current Business



\$79,642

Pro forma with Enginetics



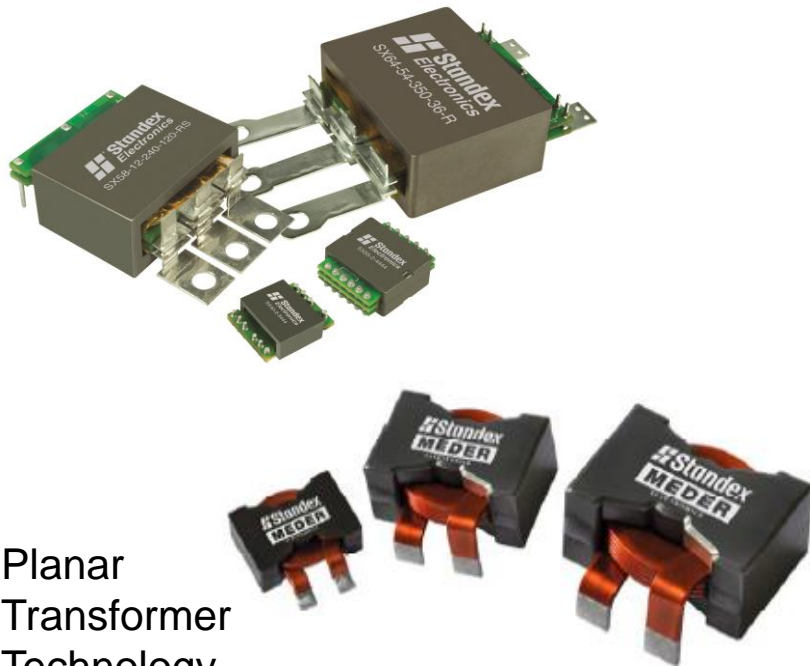
\$109,642

- Energy
- Space
- Aviation
- Other

Increases exposure to the steady growing aviation market for high-efficiency engines

Electronics

Q4 FY 2014 ('000s)	\$	Delta YOY
Revenues	\$29,604	7.4%
Operating Income	\$4,919	17.7%
OI Margin	16.6%	



Planar
Transformer
Technology

Q4 Summary

- Strong sales in Sensors, Reed Switches and Reed Relays partially offset by lower sales in Mil Aero
- Margin improvements were due to volume, mix and continued savings from consolidation activities from the Meder acquisition
- In Q4, completed a small tuck in planar product line acquisition

Current Focus

- Integrate Planar product lines
- Continue pursuit of sensor opportunities in all markets
- Finalize the move of our Mexico plant into the new facility in Q1 FY 2015

Hydraulics

Q4 FY 2014 ('000s)	\$	Delta YOY
Revenues	\$10,111	18.4%
Operating Income	\$2,071	29.6%
OI Margin	20.5%	



Mod-35 Modular In-ground Lift

Q4 Summary

- Strong sales in dump trucks, dump trailers, refuse and export market
- Margins improved from increased volume and improved factory efficiencies
- End markets of dump trucks, dump trailers and refuse remain healthy
- Backlog is up due to blanket orders in the refuse market

Current Focus

- Expand China plant capacity to support growth
- Pursue new applications outside traditional markets

Summary

- Q4 was a **record quarterly finish to a record year** in FY 2014
- Success in Q4 and FY 2014 is the **result of organic growth**
- Increased **net cash position to \$29M**
- Will continue to drive **organic growth initiatives and cost reduction efforts** across the portfolio
- Balance sheet is **well positioned to support additional acquisitions**
- Planar, Ultrafryer and Enginetics **acquisitions** will strengthen our businesses positions in high value and growing segments