

Standex International



**Food Service
Equipment**



Engraving



**Engineering
Technologies**



**Air Distribution
Products**



Electronics



Hydraulics

**Third-Quarter Fiscal Year 2010
Conference Call
April 29, 2010**

**SXI
LISTED
NYSE**

Overview

- Roger Fix – President & Chief Executive Officer

Financial Review

- Tom DeByle – Chief Financial Officer

Third Quarter 2010 Segment Results and Outlook

- Roger Fix – President & Chief Executive Officer

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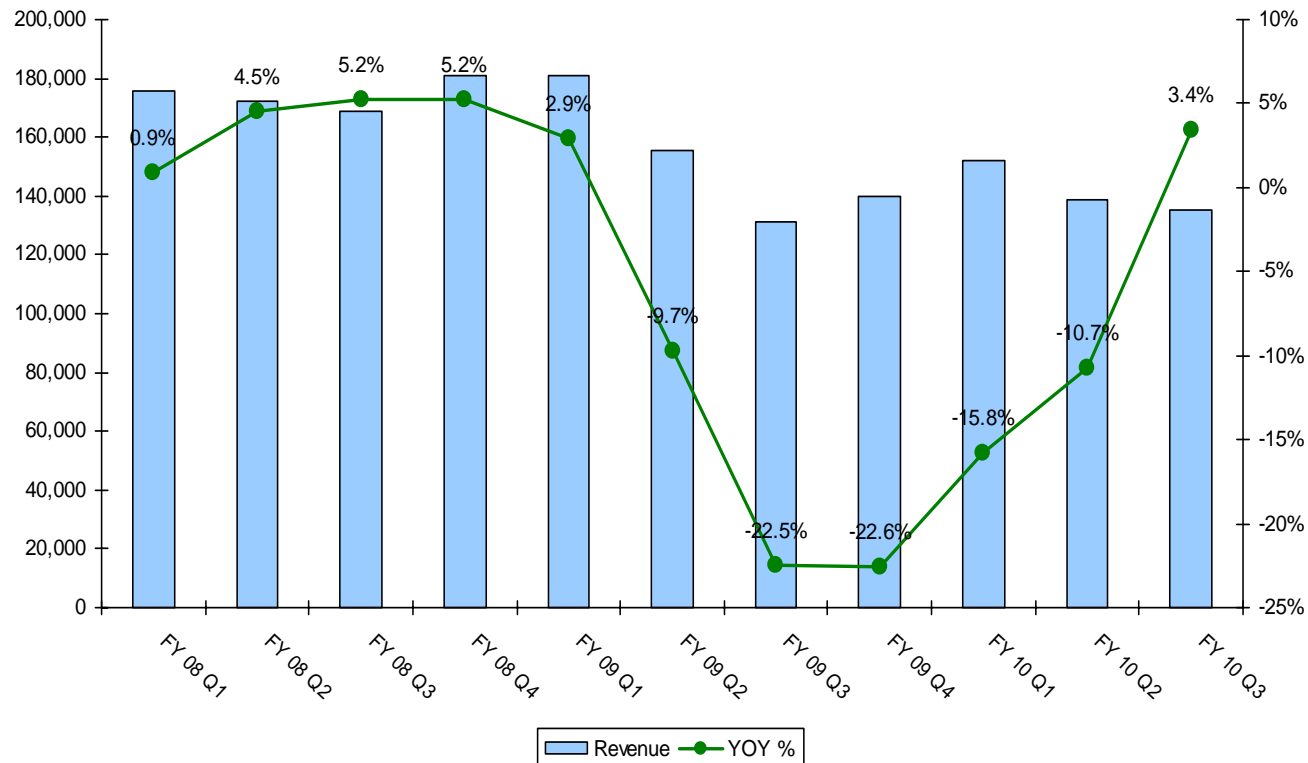
Organic Growth and Cost Focus Drive Bottom-Line Strength

- Four consecutive quarters of bottom-line improvement during recession
- Achieved TTM non-GAAP EPS of \$2.09/share vs. \$1.58/share in prior 12 months
- Delivered 32% increase in TTM non-GAAP EPS despite 13% sales decline

	Q4 FY 09	Q1 FY 10	Q2 FY 10	Q3 FY 10	Last Twelve Months
EPS Continuing Operations	\$ 0.46	\$ 0.67	\$ 0.51	\$ 0.37	\$ 2.01
<u>Add:</u>					
Restructuring	\$ 0.06	\$ 0.08	\$ 0.08	\$ 0.03	\$ 0.25
<u>Less:</u>					
Building Sale			\$ (0.07)		\$ (0.07)
Discrete Tax Items	\$ (0.07)			\$ (0.03)	\$ (0.10)
Adjusted EPS Continuing Operations	\$ 0.45	\$ 0.75	\$ 0.52	\$ 0.37	\$ 2.09

First Quarter of Organic Growth in Five Quarters

- 3.4% total YOY sales growth; 1.7% organic growth in Q3
- 3 out of 5 reporting groups demonstrated organic growth
- Focus shifted from cost reductions to organic growth
- Initiatives centered on capturing market share



Sales Growth and Strong Bottom-line Performance

	<u>Q3 FY 10</u>	<u>Q3 FY 09</u>	<u>Delta</u>
Sales	\$ 135.411	\$ 130.970	3.4%
Operating Income	\$ 6.745	\$ (19.945)	\$ 26.690
Operating Income Margin	4.98%	-15.23%	NM
Operating Income w/o Special Items	\$ 7.405	\$ 2.695	174.8%
Operating Income Margin % w/o Special Items	5.47%	2.06%	341 bps
EBITDA	\$ 10.582	\$ (16.374)	\$ 26.956
EBITDA %	7.81%	-12.50%	NM
EBITDA w/o Special Items	\$ 11.242	\$ 6.266	79.4%
EBITDA % w/o Special Items	8.30%	4.78%	352 bps
EPS Continue Ops	\$ 0.37	\$ (1.48)	\$ 1.85
EPS Continue Ops w/o Special Items	\$ 0.37	\$ 0.08	362.5%

*Special Items – FY2010: Restructuring (\$0.7M), Discrete Tax Items \$0.4M FY2009: Restructuring (\$1.4M), Impairment (\$21.3M), LOCM Adjustment (\$3.5M), Incentive Compensation Reversal \$3.6M, Discrete Tax Items \$1.7M

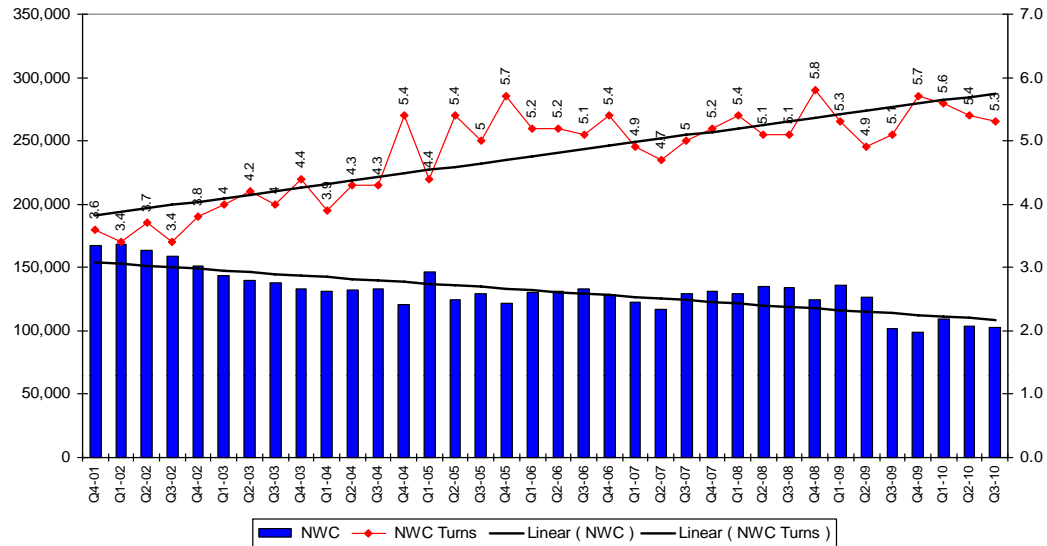
Strong Non-GAAP Net Income From Cont Ops Growth

	Net Income			Earnings Per Share		
	Q3 FY 10	Q3 FY 09	Change	Q3 FY 10	Q3 FY 09	Change
Net Income from Continuing Operations	\$ 4,641	\$ (18,219)		\$ 0.37	\$ (1.48)	
<u>Non-Recurring Tax Impacted</u>						
Reversal of bonus/LTIP accruals		\$ (2,358)			\$ (0.19)	
Restructuring charges	\$ 432	\$ 894		\$ 0.03	\$ 0.07	
Impairment of goodwill and intangible assets		\$ 20,043			\$ 1.63	
Inventory reserve adjustment		\$ 2,316			\$ 0.19	
Discrete Tax Items	\$ (400)	\$ (1,700)		\$ (0.03)	\$ (0.14)	
Total Non-Recurring Tax Impacted	\$ 32	\$ 19,195		\$ 0.00	\$ 1.56	
Proforma Net Income Continuing Operations	\$ 4,673	\$ 976	379%	\$ 0.37	\$ 0.08	363%

Improving Working Capital Turns Demonstrates Increasing WC Efficiency

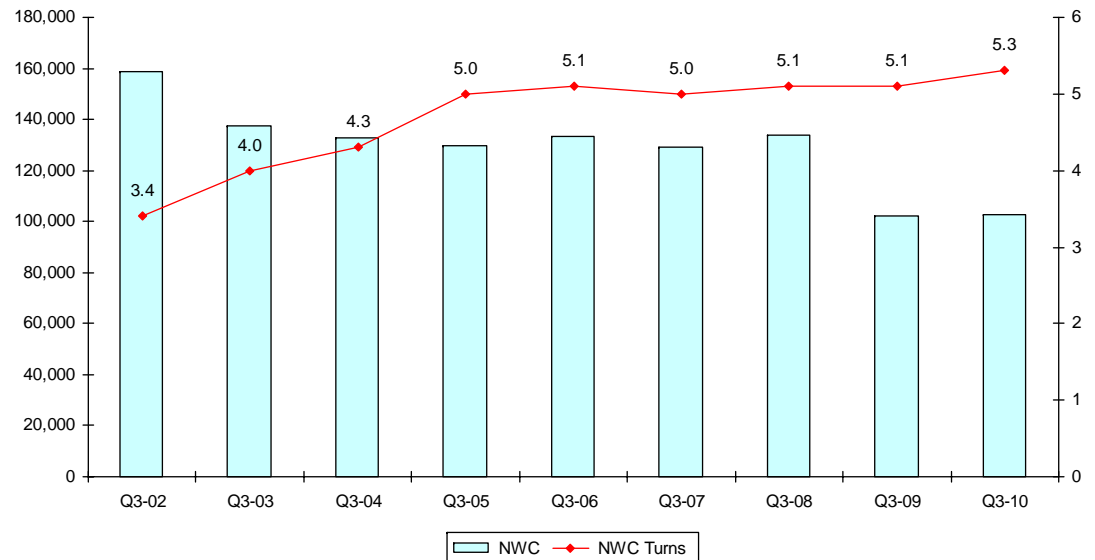
(\$, in thousands)

	3rd Quarter		Versus Prior Quarter		Versus Prior Year	
	3/31/2010	12/31/2009	Increase (Decrease)	3/31/2009	Increase (Decrease)	
Accounts Receivable	\$ 83,278	\$ 78,878	\$ 4,400	\$ 73,973	\$ 9,305	
DSO	55	52	3	52	3	
Inventory	\$ 74,495	\$ 76,149	\$ (1,654)	\$ 87,584	\$ (13,089)	
Turns	5.0	4.9	0.1	4.3	0.7	
Accounts Payable	\$ (55,182)	\$ (51,503)	\$ (3,679)	\$ (59,357)	\$ 4,175	
DPO	44	40	4	46	(2)	
Net Working Capital	\$ 102,591	\$ 103,524	\$ (933)	\$ 102,200	\$ 391	
% of Revenue	18.9%	18.6%	0.3%	19.5%	-0.6%	
Turns	5.3	5.4	(0.1)	5.1	0.2	

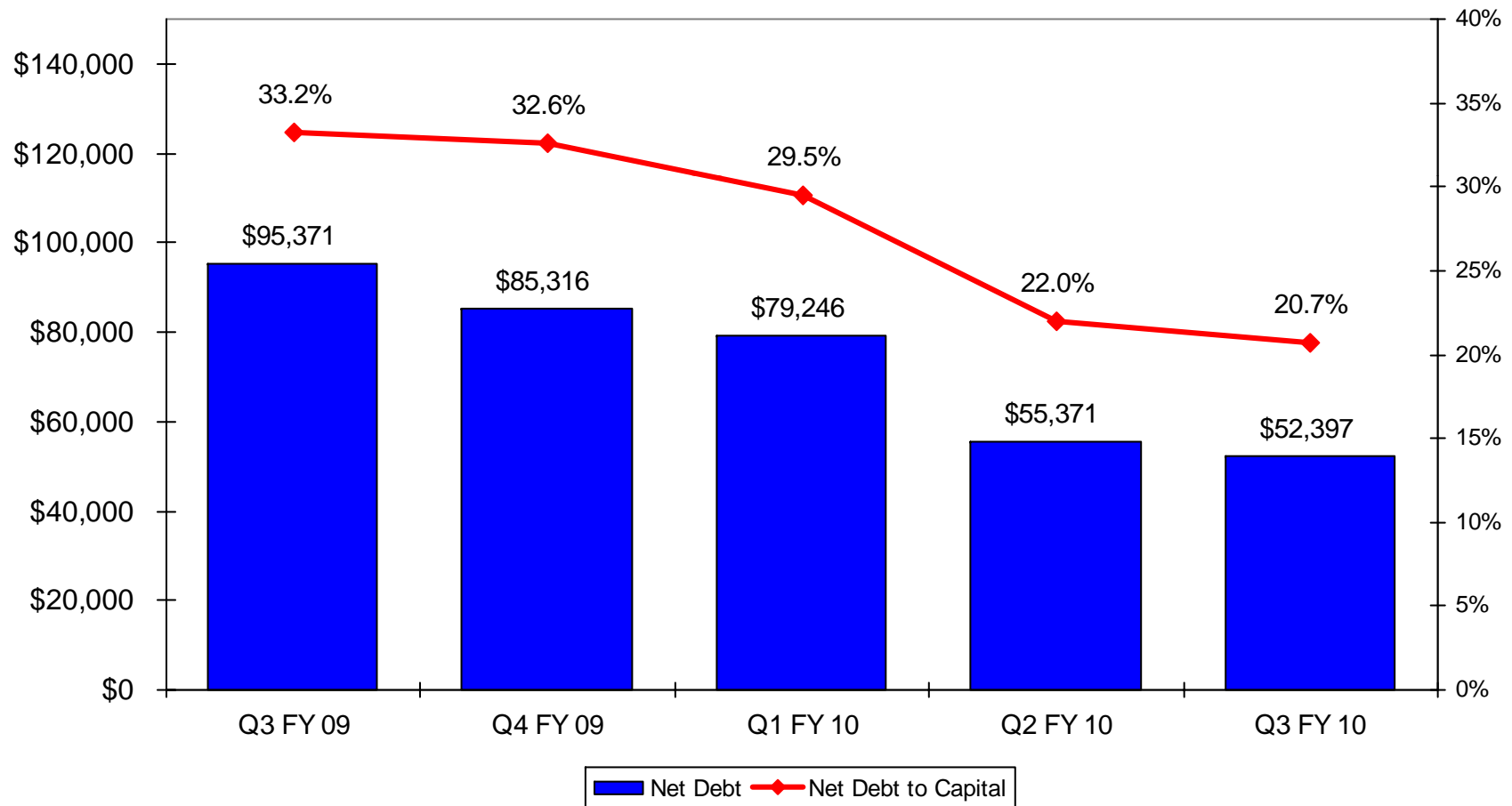


• Continued focus on managing working capital

• YOY 3rd quarter WC turns trend continues to improve



***Net Debt Reduced by \$43M since March 2009;
Net Debt to Capital at 20.7% as of March 2010***



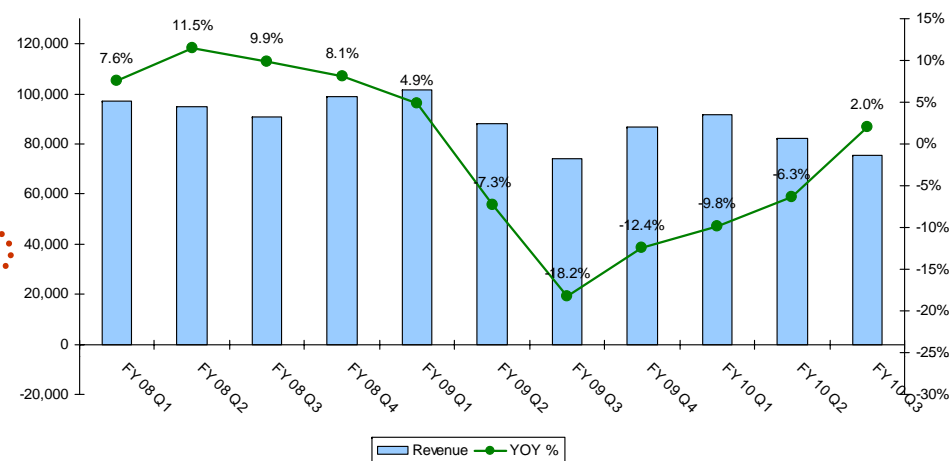
Continued Ability to Generate Free Cash Flow

(\$, in thousands)

<i>Free operating cash flow:</i>	YTD 03/31/10
Net cash provided by operating activities, as reported	\$ 29,179
Less: Capital Expenditures	<u>(2,980)</u>
Free operating cash flow	\$ 26,199
Net Income	<u>20,337</u>
Conversion of free operating cash flow	<u><u>128.8%</u></u>

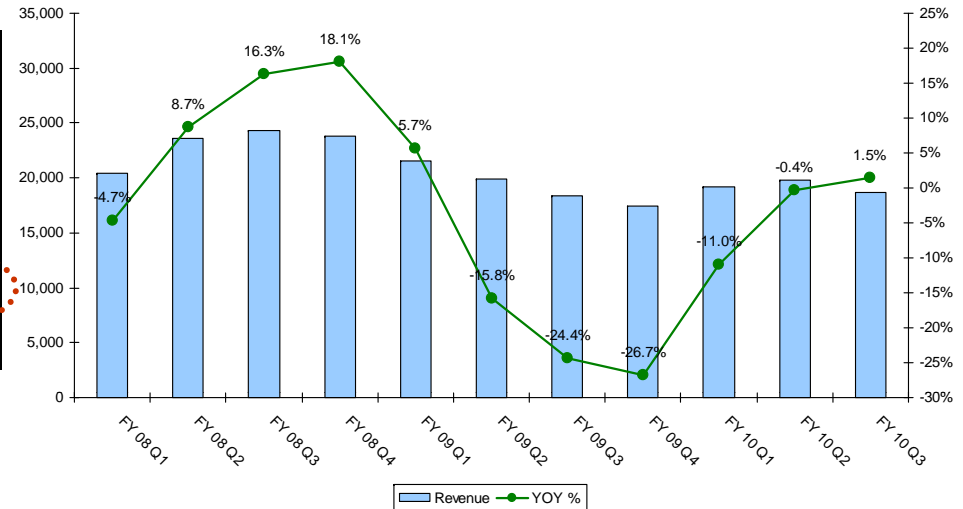
Third-Quarter FY10 Operational Segment Review

Q3'10 ('000s)	\$	Δ% (yoy)
Revenues	\$75,602	+2.0%
Operating Income	\$5,674	NM



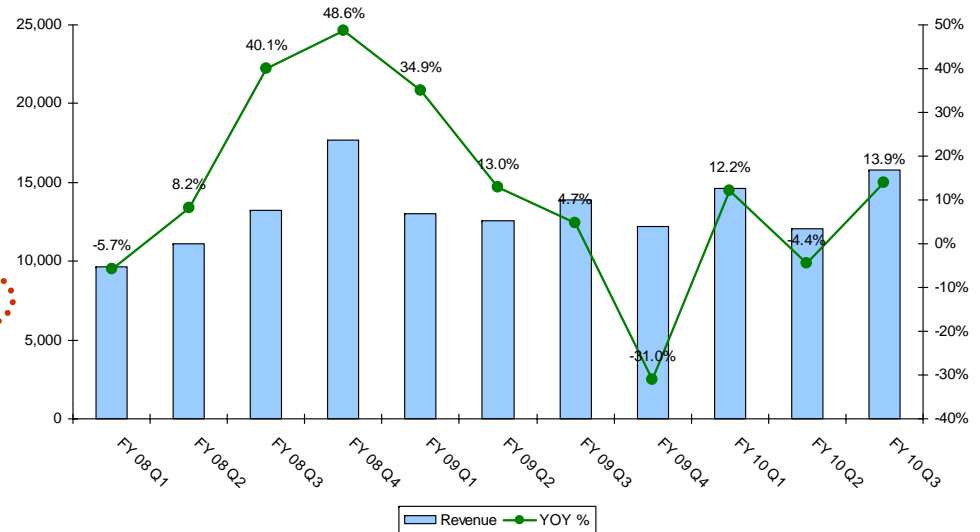
- Delivered 2% (1.2% organic) top-line growth, driven by Cooking Solutions and Procon
- Q3 YOY OI comparison impacted by \$21.3M goodwill write-off and \$2M accrual reversal in prior-year quarter; excluding items, OI Up 55% and OI Margin Up 255 bps
- Refrigeration profit affected by pricing pressure
- Refrigeration side approved at all Yum! Brand restaurants; achieved preferred status at Pizza Hut and Taco Bell
- Taking market share across organization by pursuing growth opportunities in strategic sales channels and national accounts

Q3'10 ('000s)	\$	Δ% (yoy)
Revenues	\$18,635	1.5%
Operating Income	\$1,830	2.2%



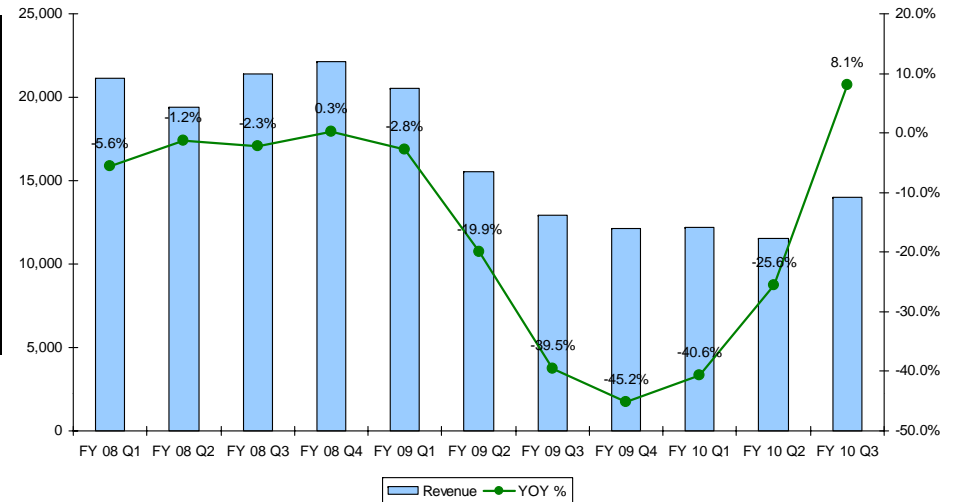
- Strong automotive platform mold texturizing work in North America and Europe
- Roll and plate engraving continues to be soft due to recession
- Excluding \$0.4M accrual reversal in prior-year quarter, OI up 32% and OI margin up 227 bps
- New slush molding and laser engraving processes continue to be well received by global customer base

Q3'10 ('000s)	\$	Δ% (yoy)
Revenues	\$15,797	13.9%
Operating Income	\$4,775	+77.3%



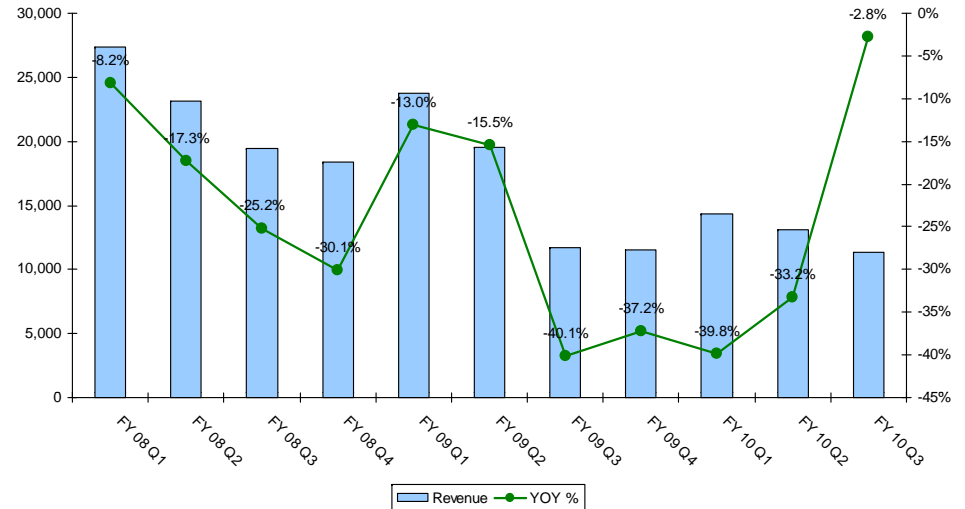
- Exceptionally strong sales and profit during quarter as Teledyne Brown project ships
- OI growth reflects sales leverage, cost-reduction and process improvement initiatives, and efficiency gains
- Strength across all market segments, particularly aerospace

Q3'10 ('000s)	\$	Δ% (yoy)
Revenues	\$14,044	+8.4%
Operating Income	\$1,490	+1,347%



- Electronics business records double-digit YOY Q3 sales growth as it begins to experience broad recovery in a number of served markets
- Challenging conditions remain in hydraulics end markets
- Cost-reduction actions implemented during past 24 months benefit group OI performance
- Hydraulics contributes to profit growth despite lower YOY sales

Q3'10 ('000s)	\$	Δ% (yoy)
Revenues	\$11,332	-2.8%
Operating Income	(\$1,626)	NM



- Bottom-line performance affected by lower sales volume and unfavorable product mix
- OI comparison impacted YOY by lower cost of market write-down of \$3.5 million in Q309
- Relocated Mississippi plant to Dallas to accelerate penetration in strategic Texas/Oklahoma market

- **Q3 delivered first organic growth in five consecutive quarters**
- **3.4% total YOY sales growth; 1.7% organic growth in Q3**
- **Four consecutive quarters of bottom-line improvement during recession**
- **Achieved TTM non-GAAP EPS of \$2.09/share vs. \$1.58/share in prior 12 months**
- **Delivered 32% increase in TTM non-GAAP EPS despite 13% decline in top-line sales**
- **Shifted focus from cost-reduction to aggressive organic growth initiatives**
- **Cautiously optimistic that we have “turned the corner” on recession**
- **Well positioned to leverage new cost structure as end user markets recover**

Q & A Session