



**Food Service
Equipment**



Engraving



**Engineering
Technologies**



Electronics



Hydraulics

**Third Quarter Fiscal 2013
Conference Call
April 30, 2013**

Safe Harbor Statement

Statements in this presentation include, or may be based upon, management's current expectations, estimates and/or projections about Standex's markets and industries. These statements are forward-looking statements within the meaning of The Private Securities Litigation Reform Act of 1995. Actual results may materially differ from those indicated by such forward-looking statements as a result of certain risks, uncertainties and assumptions that are difficult to predict. Among the factors that could cause actual results to differ materially from those currently expected or desired. These factors include, but are not limited to:

- material adverse or unforeseen legal judgments, fines, penalties or settlements;*
- conditions in the financial and banking markets, including fluctuations in the exchange rates and the inability to repatriate foreign cash;*
- general and international recessionary economic conditions, including the impact, length and degree of the current recessionary conditions on the customers and markets we serve and more specifically conditions in the food service equipment, automotive, construction, aerospace, energy, transportation and general industrial markets;*
- lower-cost competition;*
- the relative mix of products which impact margins and operating efficiencies, both domestic and foreign, in certain of our businesses;*
- the impact of higher raw material and component costs, particularly steel, petroleum based products and refrigeration components;*
- an inability to realize the expected cost savings from restructuring activities, effective completion of plant consolidations, cost reduction efforts, restructuring including procurement savings and productivity enhancements, capital management improvements, strategic capital expenditures, and the implementation of lean enterprise manufacturing techniques;*
- the inability to achieve the savings expected from the sourcing of raw materials from and diversification efforts in emerging markets;*
- the inability to attain expected benefits from strategic alliances or acquisitions, the inability to achieve synergies contemplated by the Company;*
- other factors discussed in the Annual Report of Standex on Form 10-K for the fiscal year ending June 30, 2012, which is on file with the Securities and Exchange Commission, and any subsequent periodic reports filed by the company with the Securities and Exchange Commission.*

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.

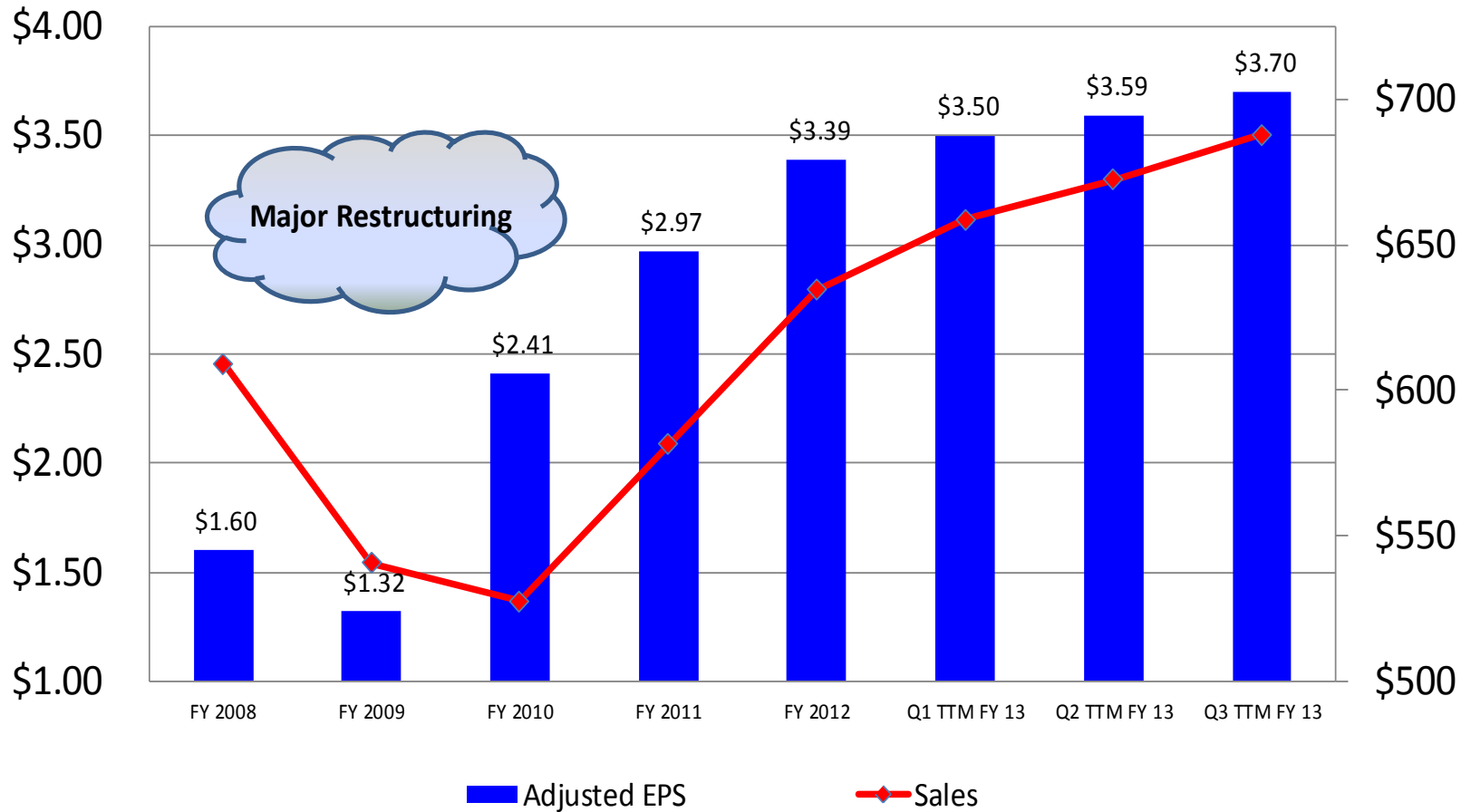
Third Quarter 2013 Overview

Modest organic sales growth coupled with improved profitability

- **Good YOY sales growth in Q3 despite softening demand in several end user segments**
 - **Q3 total sales +10.2%**
 - **Organic sales +1.0%**
 - **Acquisitions +9.3%**
 - **FX impact of -0.1%**
- **Q3 non-GAAP operating income +21.0% and non-GAAP EPS of \$0.74/share +17.5%**
- **At end of Q3 net debt is \$41 million and net debt-to-capital ratio is 13.0%**
- **Balance sheet is well positioned to support both organic and acquisitive investments**

Historical Financial Performance

Continued EPS Expansion



Quarterly Results

	Q3 FY 2013	Q3 FY 2012	Delta
Sales	\$ 165.970	\$ 150.666	10.2%
Operating Income	\$ 11.722	\$ 15.565	-24.7%
Operating Income Margin	7.06%	10.33%	-327 bps
Operating Income excl Special Items	\$ 13.328	\$ 11.018	21.0%
Operating Income Margin % excl Special Items	8.03%	7.31%	72 bps
EBITDA	\$ 15.374	\$ 18.987	-19.0%
EBITDA %	9.26%	12.60%	-334 bps
EBITDA w/o Special Items	\$ 16.980	\$ 14.440	17.6%
EBITDA % w/o Special Items	10.23%	9.58%	65 bps
EPS Continue Ops	\$ 0.76	\$ 0.90	-15.6%
EPS Continue Ops w/o Special Items	\$ 0.74	\$ 0.63	17.5%

Quarterly Bridge

<u>Quarter Comparison Prior Year</u>	<u>Net Income Q3</u>			<u>EPS Q3</u>		
	<u>FY 13</u>	<u>FY 12</u>	<u>% Change</u>	<u>FY 13</u>	<u>FY 12</u>	<u>% Change</u>
Net Income Continuing Operations	\$ 9,671	\$ 11,525	-16.1%	\$ 0.76	\$ 0.90	-15.6%
<u>Add:</u>						
Restructuring (Tax Effected)	\$ 760	\$ 150		\$ 0.06	\$ 0.01	
Legal Settlement	\$ 1,987			\$ 0.16		
<u>Less:</u>						
Retiree Life Insurance	\$ (1,611)			\$ (0.13)		
Gain on Sale of Real Estate		\$ (3,301)		\$ -	\$ (0.26)	
Non Recurring Tax Items	\$ (1,366)	\$ (315)		\$ (0.11)	\$ (0.02)	
Proforma Net Income from Continuing Operations	<u>\$ 9,441</u>	<u>\$ 8,059</u>	<u>17.1%</u>	<u>\$ 0.74</u>	<u>\$ 0.63</u>	<u>17.5%</u>

Year to Date Results

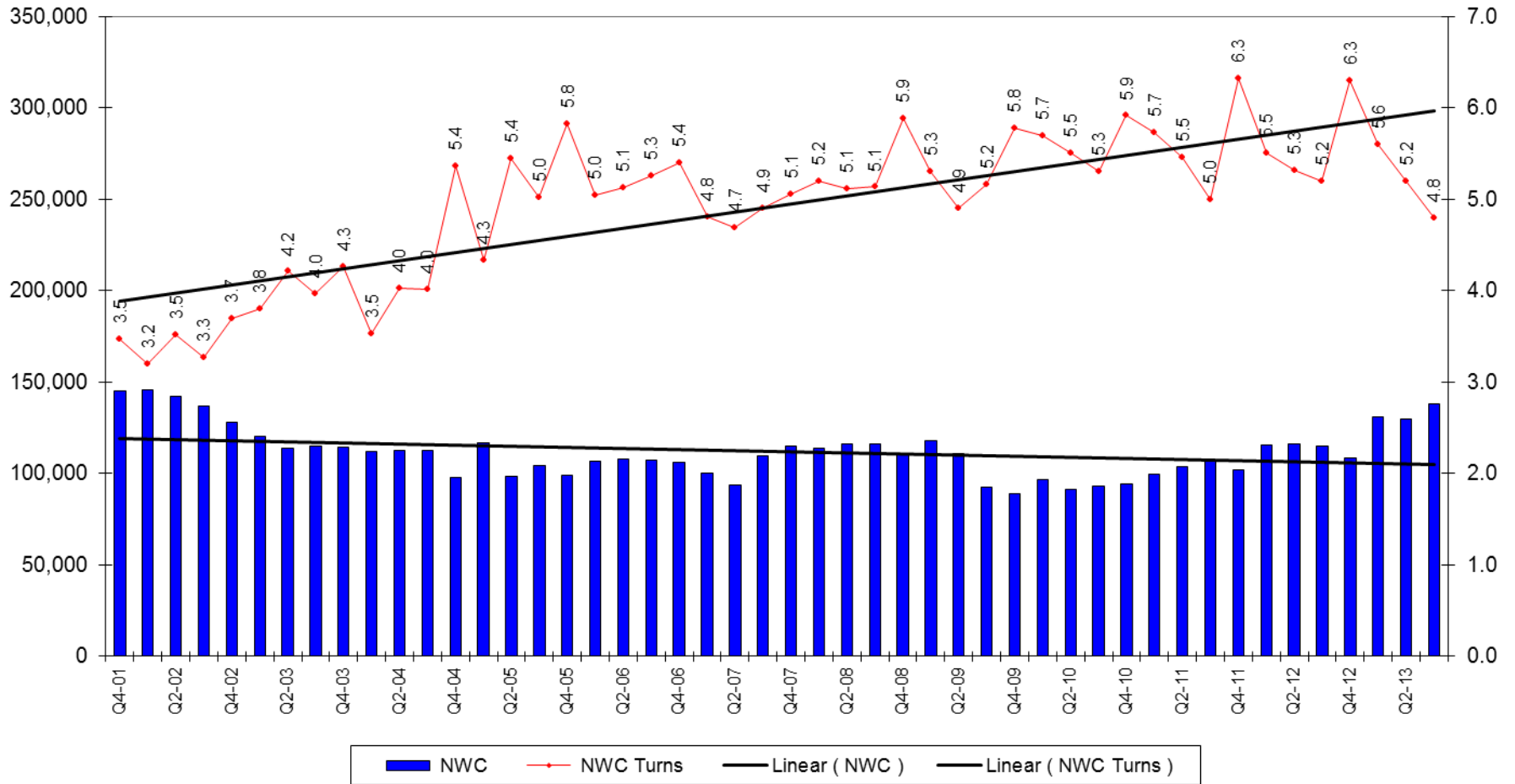
	YTD 3/31/2013	YTD 3/31/2012	Delta
Sales	\$ 517.985	\$ 464.840	11.4%
Operating Income	\$ 45.616	\$ 46.055	-1.0%
Operating Income Margin	8.81%	9.91%	-110 bps
Operating Income excl Special Items	\$ 49.991	\$ 42.731	17.0%
Operating Income Margin % excl Special Items	9.65%	9.19%	46 bps
EBITDA	\$ 57.163	\$ 56.493	1.2%
EBITDA %	11.04%	12.15%	-111 bps
EBITDA w/o Special Items	\$ 61.538	\$ 53.169	15.7%
EBITDA % w/o Special Items	11.88%	11.44%	44 bps
EPS Continue Ops	\$ 2.55	\$ 2.62	-2.7%
EPS Continue Ops w/o Special Items	\$ 2.68	\$ 2.36	13.6%

Year to Date Bridge

<u>YTD Comparison</u>	YTD			EPS YTD		
	<u>3/31/2013</u>	<u>3/31/2012</u>	<u>% Change</u>	<u>3/31/2013</u>	<u>3/31/2012</u>	<u>% Change</u>
Net Income Continuing Operations	\$ 32,622	\$ 33,421	-2.4%	\$ 2.55	\$ 2.62	-2.7%
<u>Add:</u>						
Restructuring (Tax Effected)	\$ 1,503	\$ 951		\$ 0.13	\$ 0.07	
Legal Settlement	\$ 1,987	\$ -		\$ 0.16	\$ -	
Acquisition-related expenses	\$ 1,086	\$ -		\$ 0.08	\$ -	
<u>Less:</u>						
Building Sales	\$ -	\$ (3,301)		\$ -	\$ (0.26)	
Retiree Life Insurance	\$ (1,611)	\$ -		\$ (0.13)	\$ -	
Non Recurring Tax Items	\$ (1,366)	\$ (845)		\$ (0.11)	\$ (0.07)	
Proforma Net Income from Continuing Operations	<u>\$ 34,221</u>	<u>\$ 30,226</u>	<u>13.2%</u>	<u>\$ 2.68</u>	<u>\$ 2.36</u>	<u>13.6%</u>

Net Working Capital

Working Capital turns show improvement over time

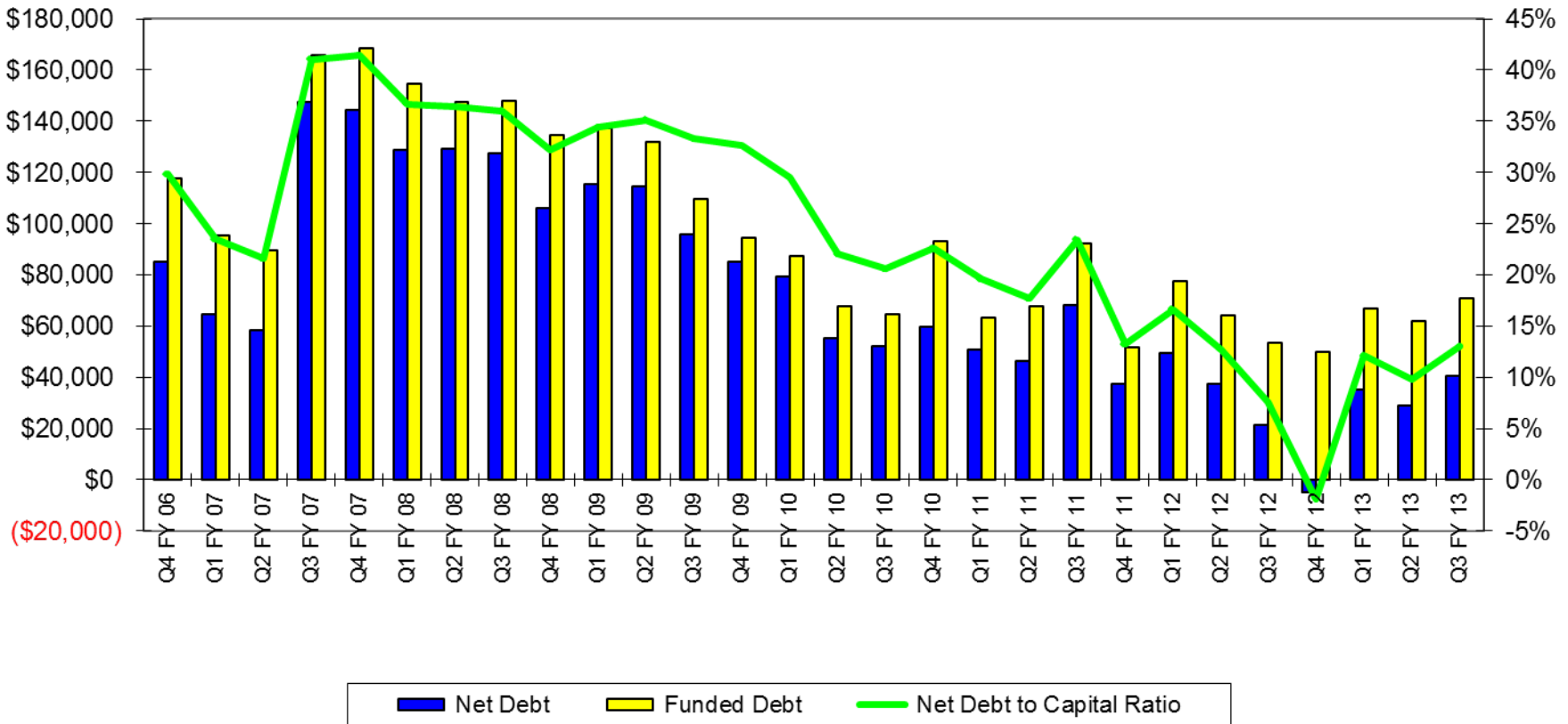


Cash Flow

	Q3 FY2013	Q3 FY2012	YTD FY2013	YTD FY2012
<i>Free operating cash flow (continuing ops):</i>				
Net cash provided by operating activities, as reported	\$ (5,216)	\$ 14,117	\$ 19,440	\$ 23,129
Add: Voluntary Pension Contribution	\$ -	\$ -	\$ 3,250	\$ -
Less: Capital Expenditures	(2,666)	(3,149)	(12,389)	(8,213)
Free operating cash flow	\$ (7,882)	\$ 10,968	\$ 10,301	\$ 14,916
Net Income	9,671	11,525	32,622	33,421
Conversion of free operating cash flow	NM	95.2%	31.6%	44.6%

- ❑ 3rd Quarter cash flow from operating activities impacted by seasonal and inventory build
- ❑ Increased capital spending in FY2013 to fund top-line growth initiatives and productivity improvements
- ❑ Estimated capital spend of \$14-\$15 million

Debt Management



□ **Net Debt to Capital at 13.0% as of March 31, 2013**

■ **Includes July 1st acquisition of Meder Electronics**

□ **Capacity to fund organic initiatives, productivity improvements and bolt on acquisitions**

Third Quarter FY 2013 Operational Segment Review

Food Service Equipment Group



Q3'13 ('000s)	\$	Δ% YOY
Revenues	\$ 86,606	-1.5%
Operating Income	\$ 5,287	-17.6%
OI Margin	6.1%	

- ❑ Sales at refrigeration business affected by prolonged winter weather, and on cooking side by purchase delays caused by consumer uncertainty
- ❑ Lower OI result of lower volume, significantly higher marketing and warranty expenses and lower margin sales mix
- ❑ Successfully broadening penetration of dollar store segment
- ❑ Key wins for rack refrigeration and value line refrigeration offerings
- ❑ Expects value engineered glass door refrigerated merchandising cabinets to drive increased market share and margin improvement

Engraving Group



	Q3'13 ('000s)	\$	Δ% YOY
Revenues		\$ 23,820	-0.9%
Operating Income		\$ 3,365	-28.5%
OI Margin		14.1%	

- ❑ Strong mold texturing sales in Europe, China & Australia offset by softer demand in North America
- ❑ Expect solid mold texturing year in fiscal 2014
- ❑ Significant disruption with Brazil facility relocation affected sales and margins; some disruption will continue into Q4
- ❑ On track to open larger facility in Mexico;
Korean facility ramping up production;
Fourth facility in India expected to open as planned in Q4

Engineering Technologies Group



Q3'13 ('000s)	\$	Δ% YOY
Revenues	\$ 19,584	4.4%
Operating Income	\$ 3,412	10.7%
OI Margin	17.4%	

- Continuing to see good growth in space sector on manned and unmanned vehicles
- Expects good long-term opportunities from land-based turbine market; large OEM customer drove Q3 sales growth as Standex sees increasing demand from other gas-turbine customers
- Oil and gas market expected to be soft throughout calendar 2013
- Capitalizing on demand in aviation market for wing-based jet engine components and gaining traction for jet engine lipskins

Electronics Group



Q3'13 ('000s)	\$	Δ% YOY
Revenues	\$ 27,785	132.1%
Operating Income	\$ 4,780	114.7%
OI Margin	17.2%	

- ❑ Meder performing well and good progress being made on integration
- ❑ Working with customers on test & evaluation of combined Meder/Standex product portfolio
- ❑ Beginning to see initial sales from cross-selling efforts
- ❑ Expectation for total cost synergies raised to ~\$4M
- ❑ Continue to be enthusiastic about robust pipeline of products and customer programs from legacy business

Hydraulics Group



	Q3'13 ('000s)	\$	Δ% YOY
Revenues		\$ 8,175	2.3%
Operating Income		\$ 1,438	-6.9%
OI Margin		17.6%	

- ❑ Improvement in North America dump trailer systems market; housing market and oil & gas market in certain geographies having positive impact
- ❑ Good growth in roll-off waste container market; demand necessitating expansion of capacity at Tianjin facility; to occupy space vacated by Electronics
- ❑ Now focused on penetrating garbage truck refuse market; beginning to receive first production orders for new products for this market
- ❑ Continued weakness in Mexico, Australia and South America

Summary

- ❑ Continued to make progress on a number of important strategic areas
- ❑ Each segment executing on organic growth initiatives to capitalize on market opportunities
- ❑ Continuing to lean out the organization to improve margins
- ❑ Acquisition strategy proving to be successful with strong accretion from Meder and solid sales synergy prospects
- ❑ Right strategy in place to grow sales, increase profitability and generate long-term shareholder value

Q & A Session