

September 8, 2020



Dear Fellow Shareholders,

On behalf of Standex and its employees, we hope that you and your families are safe and healthy. Despite the challenges we faced due to the COVID-19 pandemic, we continued to successfully support our customers in fiscal 2020 as we were deemed an “essential” business in all of our plants.

In response to the pandemic, we took immediate and effective company-wide business continuity actions. I am very proud of the dedication and resilience of our employees and the high degree of collaboration and coordination among our global teams. As a result, we delivered on our customer commitments while maintaining a safe operating environment for everyone.

Through the first three quarters of fiscal 2020, Standex’s operating segments met or exceeded our expectations, with progressive improvement in earnings per share on a year-over-year basis. However, as we entered March and continuing into April, our end markets became much more challenging due to the economic impact of the pandemic. While fiscal fourth quarter results reflected these trends on a year-over-year basis, we did see a gradual sequential increase in the level of customer activity as we moved through the fourth quarter and into the beginning of fiscal 2021.

Driving Portfolio Towards Higher Growth and Margin Platforms

From a portfolio perspective, we made substantial progress toward becoming a more focused, high performing industrial company with more profitable platforms, favorable growth prospects and compelling customer value propositions. The divestiture of our Refrigerated Solutions Group was accomplished in a very challenging M&A environment and added approximately 200 basis points to our consolidated margin profile. At the end of fiscal 2020, we also announced the realignment of our reporting segments. Besides Engraving, Electronics and Engineering Technologies, our reporting segments will now include Scientific and Specialty Solutions.

Since we acquired the bulk of our Scientific business in 2016, annual revenue has increased from \$34 million to \$57 million with an operating margin over 20%, one of the highest among our reporting segments. The Scientific refrigeration end market is dynamic, shaped by frequent regulatory changes as well as evolving distribution strategies for medications and vaccines. We are very well aligned to support these trends given our solid client base, strong customer service and ongoing introduction of new products. The Specialty Solutions segment, which includes the Hydraulics, Pumps, and Merchandising businesses, will now be reported in line with the way they are being managed under one Group President.

We also continued to drive cost efficiencies in fiscal 2020 and expect increased benefit in fiscal 2021. In response to the economic impact of the pandemic, our efforts resulted in excess of \$4 million in cost savings in the fiscal fourth quarter and are expected to generate \$7 million in efficiencies in fiscal 2021. Besides these actions, Standex enters fiscal 2021 with a very healthy and active funnel of operational excellence initiatives which will strengthen the Company's market leadership and cost positions.

Strong Financial Position Supporting Disciplined and Opportunistic Capital Allocation

In fiscal 2020, we added to our financial strength through consistent free cash flow generation and continued cash repatriation which totaled \$39 million. In addition, we reduced interest expense by swapping all of our variable rate debt to fixed rate. We also declared our 224th consecutive quarterly dividend and continued to execute on our share repurchase program. Finally, we ended the fiscal year with a strong balance sheet, a net debt to EBITDA ratio of 0.8 and available borrowing capacity of approximately \$200 million.

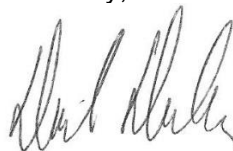
Standex's capital allocation approach remains disciplined and balanced with our financial flexibility allowing us to remain opportunistic to pursue attractive organic and inorganic growth opportunities. For example, in July, we added to the Electronics segment with the acquisition of Renco Electronics, a leading U.S.-based custom magnetics manufacturer which we funded from our existing cash balance. Renco is a great fit, deepening our significant engineering and technical expertise, providing us with a highly complementary customer base and end markets, and accretive to earnings and free cash flow.

In addition, Standex's pipeline of new business opportunities continues to be active as we partner with our customers on new solutions to their needs. For example, in fiscal 2020, we introduced a diverse group of new offerings including products for smart grid monitoring and electric vehicles, innovative tooling for soft skin automotive surfaces, and a revised line of Scientific refrigerators with state-of-the-art controls.

Looking Ahead

As we enter fiscal 2021, our 66th year in business, we are mindful of the ongoing challenges associated with the COVID-19 pandemic, yet we are confident that we are entering the year as a stronger company due to the strategic, financial and business continuity actions we have taken. I want to thank our customers and shareholders for their continued contributions and support. Finally, I want to add heartfelt thanks to our dedicated employees who continue to persevere through the pandemic to meet the needs of our customers.

Sincerely,



David Dunbar
Chairman, President & CEO