

Fiscal Fourth Quarter and Fiscal Year 2024

Earnings Call Presentation



August 2, 2024



SAFE HARBOR STATEMENT



Statements contained in this Quarterly Report that are not based on historical facts are “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements may be identified by the use of forward-looking terminology such as “should,” “could,” “may,” “will,” “expect,” “believe,” “estimate,” “anticipate,” “intend,” “continue,” or similar terms or variations of those terms or the negative of those terms. There are many factors that affect the Company’s business and the results of its operations and that may cause the actual results of operations in future periods to differ materially from those currently expected or anticipated. These factors include, but are not limited to: the impact of pandemics and other global crises or catastrophic events on employees, our supply chain, and the demand for our products and services around the world; materially adverse or unanticipated legal judgments, fines, penalties or settlements; conditions in the financial and banking markets, including fluctuations in exchange rates and the inability to repatriate foreign cash; domestic and international economic conditions, including the impact, length and degree of economic downturns on the customers and markets we serve and more specifically conditions in the automotive, construction, aerospace, defense, transportation, food service equipment, consumer appliance, energy, oil and gas and general industrial markets; lower-cost competition; the relative mix of products which impact margins and operating efficiencies in certain of our businesses; the impact of higher raw material and component costs, particularly steel, certain materials used in electronics parts, petroleum based products, and refrigeration components; the impact of higher transportation and logistics costs, especially with respect to transportation of goods from Asia; the impact of inflation on the costs of providing our products and services; an inability to realize the expected cost savings from restructuring activities including effective completion of plant consolidations, cost reduction efforts including procurement savings and productivity enhancements, capital management improvements, strategic capital expenditures, and the implementation of lean enterprise manufacturing techniques; the potential for losses associated with the exit from or divestiture of businesses that are no longer strategic or no longer meet our growth and return expectations; the inability to achieve the savings expected from global sourcing of raw materials and diversification efforts in emerging markets; the impact on cost structure and on economic conditions as a result of actual and threatened increases in trade tariffs; the inability to attain expected benefits from acquisitions and the inability to effectively consummate and integrate such acquisitions and achieve synergies envisioned by the Company; market acceptance of our products; our ability to design, introduce and sell new products and related product components; the ability to redesign certain of our products to continue meeting evolving regulatory requirements; the impact of delays initiated by our customers; our ability to increase manufacturing production to meet demand including as a result of labor shortages; the impact on our operations of any successful cybersecurity attacks; and potential changes to future pension funding requirements. 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.

KEY Q4 FY24 AND FY24 MESSAGES



SALES PROFILE

- In Q4 FY24, sales declined 4.3% with contributions from acquisitions and fast growth markets partially offsetting organic decline
- Fast growth market sales increased ~13% YOY to \$27 million in Q4 FY24; In FY24, fast growth market sales increased ~13% YOY to \$94 million

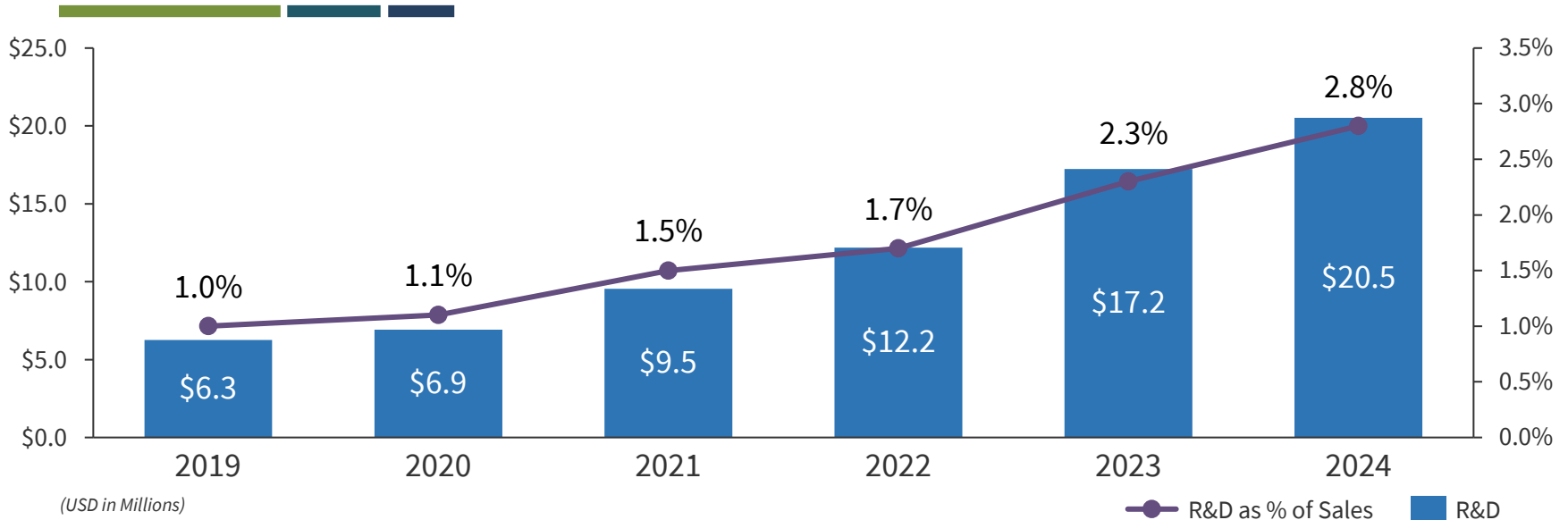
OPERATING PERFORMANCE

- Q4 FY24 Adjusted Operating Margin of 16.0%, Up 60 bps Sequentially and YOY
- Improved profitability in Q4 24 concludes record profit and cash generation in FY24
 - Record adjusted gross margin of 39.4% in FY24, Up 90 bps YOY
 - Record adjusted operating margin of 15.8% in FY24, Up 60 bps YOY
 - Record R&D investments, Up \$3.3 million to 2.8% of sales in FY24
 - Record FCF generation of \$73 Million in FY24
- Ongoing focus on return on invested capital with annualized Q4 FY24 ROIC of 12.3%

OUTLOOK

- In Q1 FY25, on a sequential basis, expect similar to slightly higher revenue and gross margin and slightly lower to similar adjusted operating margin due to higher investments in selling, marketing, and R&D
- In FY25, plan to release over a dozen new products, at least one in every business, contributing over 100 bps of incremental growth; Fast growth market sales expected to grow >20% and exceed \$110 million
- Expect general market conditions to stabilize in the first half of fiscal year 2025 and strengthen as we move further into the second half
- Reaffirm long term financial outlook (by FY28) of high-single-digit organic growth, adj. operating margin of >19%, ROIC >15%, and FCF conversion at ~100% of GAAP net income

STAGE SET FOR RECORD NUMBER OF RELEASES IN FY25



R&D Spending Began to Ramp 5 Years Ago and Reached Record Level in Fiscal 2024

OF NEW PRODUCT RELEASES

FY23 - 2 products
 ↓
 FY24 - 3 products
 ↓
 FY25 - 12+ products

CATEGORIES OF PRODUCTS

- Switches and relays
- Planar & power management advancements
- Premium lab equipment
- Rocket engine nozzles
- Value added tooling

In FY25, New Products to be Released in Every Business

Q4 FY24 SUMMARY



Standex International Corporation (\$ in millions)	Fourth Quarter Ended June 30			Comments
	Q4 FY24	Q4 FY23	Y/Y Δ%	
Net sales	180.2	188.3	-4.3%	Organic growth: (9.4%) Acquisitions/Divestitures: 6.2% F/X: (1.1%)
Adjusted operating income	28.7	29.1	-1.0%	
Interest expense	1.3	1.2	5.1%	
Non-Op Expense / (Income)	0.3	0.0	NM	
Non-GAAP provision for income taxes	6.3	6.6	-5.4%	
Adjusted net income from continuing operations	20.9	21.2	-1.3%	
Adjusted EPS	1.76	1.76	0.0%	
Diluted average shares	11.9	12.0	-0.9%	
Percent of Revenues:	Q4 FY24	Q4 FY23	Y/Y Δ%	
Adjusted operating income	16.0%	15.4%	60 bps	
Adjusted net income from continuing operations	11.6%	11.3%	30 bps	
Free Cash Flow Data:				
Cash provided by continuing operations	28.7	40.4	-28.9%	
Capital expenditures	6.5	7.6	-14.3%	
Free cash flow	22.2	32.8	-32.3%	

Note: In millions, except percentages and EPS; Some totals will not foot due to rounding

YOY Comparison

\$ in millions	Q4 FY24	Q4 FY23	% Change
Revenue	80.4	79.9	0.6%
GAAP Operating Income	16.1	16.8	-4.0%
GAAP OI Margin %	20.1%	21.0%	
Adjusted Operating Income	16.5	16.8	-2.2%
Adjusted OI Margin %	20.5%	21.0%	

*Excludes purchase accounting expenses of \$0.3M associated with Minntronix in Q4 FY24



Q4 FY24 Summary

- Revenue increased approximately \$0.5 million or 0.6% YOY reflecting a 14.6% benefit from recent acquisitions, mostly offset by a foreign currency impact of 1.6% and an organic decline of 12.3%
- Organic decline of 12.3% YOY due to continued softness in appliances and general industrial end markets in China and Europe and prior overstocking in certain large customer accounts, partially offset by increased sales into fast growth end markets
- Adjusted operating income decreased 2.2% due to lower volume, mostly offset by recent acquisitions and realization of pricing and productivity initiatives

Q1 FY25 Outlook

- New business opportunity funnel increased 30% YOY and is currently at \$85M
- Sequentially, expect similar to slightly higher revenue and similar adjusted operating margin
- Order trends improving and anticipate general market conditions to further strengthen in 2H FY25

ENGRAVING



YOY Comparison

\$ in millions	Q4 FY24	Q4 FY23	% Change
Revenue	32.7	42.4	-22.8%
Operating Income	3.9	7.9	-50.0%
OI Margin %	12.0%	18.6%	



Q4 FY24 Summary

- Organic decline of 21.0% YOY due to delays in new platform rollouts in North America
- Operating income decreased 50.0% due to slower demand in North America

Q1 FY25 Outlook

- Sequentially, expect moderately higher revenue and operating margin due to more favorable project timing in Europe and Asia

SCIENTIFIC

YOY Comparison

\$ in millions	Q4 FY24	Q4 FY23	% Change
Revenue	17.5	18.3	-4.1%
Operating Income	4.9	4.7	5.7%
OI Margin %	28.1%	25.5%	



Q4 FY24 Summary

- Revenue decrease of 4.1% reflects lower demand from retail pharmacies
- Operating income increased 5.7% as impact from lower freight cost and realization of productivity initiatives was partially offset by lower volume
- Increased R&D investment fueling a healthy new product development pipeline

Q1 FY25 Outlook

- Sequentially, expect similar revenue and slightly lower operating margin due to R&D investments and higher freight cost

ENGINEERING TECHNOLOGIES



YOY Comparison

\$ in millions	Q4 FY24	Q4 FY23	% Change
Revenue	25.3	21.8	15.7%
Operating Income	5.3	3.1	70.4%
OI Margin %	20.9%	14.2%	



SPECIALTY SOLUTIONS

YOY Comparison

\$ in millions	Q4 FY24	Q4 FY23	% Change
Revenue	24.2	25.9	-6.3%
Operating Income	5.4	6.4	-16.2%
OI Margin %	22.2%	24.8%	



Q4 FY24 Summary

- YOY organic growth of 15.9% driven by improvement in aviation end markets, more favorable project timing, and growth in new applications
- Operating income increased 70.4% reflecting leverage on higher sales and impact of pricing and productivity initiatives, partially offset by investments in R&D

Q1 FY25 Outlook

- Sequentially, expect moderately to significantly lower revenue and slightly lower operating margin due to unfavorable project timing

Q4 FY24 Summary

- Revenue decreased 6.3% reflecting lower demand in Display Merchandising, partially offset by organic growth in Hydraulics
- Operating income decreased 16.2% due to sales mix

Q1 FY25 Outlook

- Sequentially, expect similar revenue and operating margin

Q4 FY24 CAPITALIZATION



Standex International Corporation (\$ in millions)	6/30/2024	3/31/2024
Debt including issuance costs	148.9	148.8
Cash	154.2	138.8
Net (Cash) Debt	(5.3)	10.0
Net Debt to Capital Ratio	-0.9%	1.6%
Funded Debt to Capital	19.3%	19.5%
Leverage Ratio per Bank Credit Agreement	0.65	0.63
TTM Adjusted EBITDA	140.5	141.3
Net Debt to Adjusted EBITDA	0.0x	0.1x

**STRONG BALANCE SHEET AND
SIGNIFICANT FINANCIAL
FLEXIBILITY**

CAPITAL SPENDING AND D&A

- \$6.5M of CAPEX in Q4 FY24 compared to \$7.6M in Q4 FY23
- CAPEX expected to be between \$35M to \$40M in FY25
- Expect depreciation between \$24.0M and \$28.0M in FY25
- Expect amortization between \$8.0M and \$10.0M in FY25

FAVORABLE LIQUIDITY PROFILE

- Net debt to adj. EBITDA of 0.0x
- Net debt to total capital of -0.9%
- ~\$347M of available liquidity

KEY TAKEAWAYS



- **Record financial performance in FY24 driven by operational execution and higher sales into fast growth end markets**
 - Record adjusted gross margin of 39.4% increased 90 bps YOY
 - Record adjusted operating margin of 15.8% increased 60 bps YOY
 - Record adjusted EPS of \$7.01 increased 4.6% YOY
 - Record Free Cash Flow of \$73.0 million increased 9.8% YOY
- **Remain confident in long-term secular trends within fast growth end markets**
- **New Product Development activity accelerated, positioning us to release new products in every business in FY25**
- **Strong balance sheet allows us to prudently assess an active pipeline of organic and inorganic growth opportunities**
- **Expect general market conditions to stabilize in the first half of fiscal year 2025 and strengthen as we move further into the second half**
- **Reaffirm long term financial outlook (by FY28) of high-single-digits organic growth, adj. operating margin of >19%, ROIC >15%, and FCF conversion at ~100% of GAAP net income**



APPENDIX

STANDEX FINANCIAL FRAMEWORK



LONGER-TERM TARGETS (by FY28)

Sales > \$1B (High-single-digit organic growth)

Adj. Operating Margin * > 19%

FCF Conversion ~100% GAAP Net Income

ROIC ** > 15%

EXPECT SALES TO EXCEED \$1 BILLION WITHIN 5 YEARS

** Adjusted figures exclude the impact of restructuring charges, purchase accounting, insurance recoveries, discrete tax events, gain or loss on sale of a business unit, acquisition costs, and other special one-time items*

*** ROIC target does not include impact of future acquisitions*

Q4 FY24 SEGMENT SNAPSHOT



Segment Breakdown (\$ in millions)	Q4 FY24	Q4 FY23	Y/Y Δ%	Comments
Net Sales by Segment				
Electronics	80.4	79.9	0.6%	Organic decline of 12.3%; Acquisitions: 14.6%; F/X: -1.6%
Engraving	32.7	42.4	-22.8%	Organic decline of 21.0%; F/X: -1.9%
Scientific	17.5	18.3	-4.1%	Organic decline of 4.1%
Engineering Technologies	25.3	21.8	15.7%	Organic growth of 15.9%; F/X: -0.2%
Specialty Solutions	24.2	25.9	-6.3%	Organic decline of 6.3%
Total	180.2	188.3	-4.3%	
Adjusted Income from Operations by Segment				
Electronics	16.5	16.8	-2.2%	
Engraving	3.9	7.9	-50.0%	
Scientific	4.9	4.7	5.7%	
Engineering Technologies	5.3	3.1	70.4%	
Specialty Solutions	5.4	6.4	-16.2%	
Corporate	(7.3)	(9.8)	-26.5%	
Total Adjusted Income from Operations	28.7	29.1	-1.0%	
Adjusted Operating Income Margin by Segment				
Electronics	20.5%	21.0%	-50 bps	
Engraving	12.0%	18.6%	-660 bps	
Scientific	28.1%	25.5%	260 bps	
Engineering Technologies	20.9%	14.2%	670 bps	
Specialty Solutions	22.2%	24.8%	-260 bps	
Total Adjusted Operating Income Margin	16.0%	15.4%	60 bps	

Note: Some totals will not foot due to rounding

Q4 FY24 REVENUE DRIVERS



Q4 FY24 YOY Change %	Electronics	Engraving	Scientific	Engineering Technologies	Specialty Solutions	Total
Organic	(12.3%)	(21.0%)	(4.1%)	15.9%	(6.3%)	(9.4%)
Divestiture	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Acquisitions	14.6%	0.0%	0.0%	0.0%	0.0%	6.2%
Currency	(1.6%)	(1.9%)	0.0%	(0.2%)	0.0%	(1.1%)
Total	0.6%	(22.8%)	(4.1%)	15.7%	(6.3%)	(4.3%)

Note: Some totals will not foot due to rounding

FY24 SEGMENT SNAPSHOT



Segment Breakdown (\$ in millions)	FY24	FY23	Y/Y Δ%	Comments
Net Sales by Segment				
Electronics	322.0	305.9	5.3%	Organic decline of 7.4%; Acquisitions: 13.2%; F/X: -0.5%
Engraving	150.7	152.1	-0.9%	Organic decline of 0.7%; F/X: -0.2%
Scientific	68.9	74.9	-8.0%	Organic decline of 8.0%
Engineering Technologies	83.5	81.1	3.0%	Organic growth of 2.9%
Specialty Solutions	95.6	127.1	-24.8%	Organic decline of 8.1%; Divestiture: -16.7%
Total	720.6	741.0	-2.8%	
Adjusted Income from Operations by Segment				
Electronics	65.8	69.0	-4.6%	
Engraving	26.7	25.5	4.9%	
Scientific	19.0	17.1	11.1%	
Engineering Technologies	15.2	11.1	37.7%	
Specialty Solutions	19.6	25.4	-22.6%	
Corporate	(32.2)	(35.2)	-8.6%	
Total Adjusted Income from Operations	114.2	112.8	1.2%	
Adjusted Operating Income Margin by Segment				
Electronics	20.4%	22.6%	-220 bps	
Engraving	17.7%	16.7%	100 bps	
Scientific	27.6%	22.8%	480 bps	
Engineering Technologies	18.2%	13.6%	460 bps	
Specialty Solutions	20.5%	20.0%	50 bps	
Total Adjusted Operating Income Margin	15.8%	15.2%	60 bps	

Note: Some totals will not foot due to rounding

TOTAL YEAR FY24 REVENUE DRIVERS



FY24 YTD YOY Change %	Electronics	Engraving	Scientific	Engineering Technologies	Specialty Solutions	Total
Organic	(7.4%)	(0.7%)	(8.0%)	2.9%	(8.1%)	(5.1%)
Divestiture	0.0%	0.0%	0.0%	0.0%	(16.7%)	(2.9%)
Acquisitions	13.2%	0.0%	0.0%	0.0%	0.0%	5.5%
Currency	(0.5%)	(0.2%)	0.0%	0.0%	0.0%	(0.3%)
Total	5.3%	(0.9%)	(8.0%)	3.0%	(24.8%)	(2.8%)

Note: Some totals will not foot due to rounding

Q4 FY24 GAAP TO NON-GAAP INCOME BRIDGE



Standex International Corporation	Q4 FY24				Q4 FY23				% Change		
	Pre-tax Income	Tax	Net Income	EPS	Pre-tax Income	Tax	Net Income	EPS	Pre-tax Income	Net Income	EPS
Reported - GAAP	\$25.6	\$(5.9)	\$19.7	\$1.66	\$27.2	\$(7.0)	\$20.2	\$1.68	-6.0	-2.5	-1.2
Add:											
Restructuring charges	0.9	(0.2)	0.7	0.06	0.5	(0.1)	0.4	0.03			
Purchase accounting	0.3	(0.1)	0.2	0.02	-	-	-	-			
Acquisition-related costs	0.4	(0.1)	0.3	0.02	0.1	(0.0)	0.1	-			
Tax impact on divestiture	-	-	-	-	-	0.6	0.6	0.05			
Environmental remediation	-	-	-	-	-	-	-	-			
Foreign currency related (gain) loss on acquisition & divestiture activities	-	-	-	-	-	-	-	-			
Litigation charge	-	-	-	-	-	-	-	-			
Less:											
Discrete tax items	-	-	-	-	-	-	-	-			
Adjusted	\$27.2	\$(6.3)	\$20.9	\$1.76	\$27.8	\$(6.6)	\$21.2	\$1.76	-2.1	-1.3	0.0
Diluted Shares				11,892				12,009			

Note: In millions, except percentages and EPS; Some totals will not foot due to rounding