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**FOR IMMEDIATE RELEASE**

## **STANDEX REPORTS FIRST-QUARTER FISCAL 2015 FINANCIAL RESULTS**

Net Sales Increase 13.4% to \$202 Million

Earnings from Continuing Operations Grow 19.6% to \$1.16 per Diluted Share

Non-GAAP Earnings from Continuing Operations Rise 4.2% to \$1.25 per Diluted Share

**SALEM, NH – October 31, 2014** . . . Standex International Corporation (**NYSE:SXI**) today reported financial results for the first quarter of fiscal year 2015.

### **First Quarter Fiscal 2015 Results from Continuing Operations**

- Net sales increased 13.4% to \$202.0 million from \$178.1 million in the first quarter of fiscal 2014. Organic sales increased 9.8%, acquisition growth accounted for 3.5% of the increase and foreign exchange was flat year over year.
- Income from operations was \$21.2 million, compared with \$17.1 million in the first quarter of fiscal 2014. Operating income for the first quarter of fiscal 2015 included, pre-tax, \$0.9 million of restructuring charges and \$0.8 million of non-cash purchase accounting expenses. The first quarter of fiscal 2014 included, pre-tax \$3.8 million of restructuring charges and \$0.1 million of non-recurring management transition expenses. Excluding these items from both periods, the Company reported non-GAAP first-quarter fiscal 2015 operating income of \$22.9 million, compared with \$21.0 million in the year-earlier quarter.
- Net income from continuing operations was \$14.9 million, or \$1.16 per diluted share, including, after tax, \$0.6 million of restructuring charges and \$0.6 million of non-cash purchase accounting expenses. This compares with first quarter fiscal 2014 net income from continuing operations of \$12.3 million, or \$0.97 per diluted share, including, after tax, \$2.7 million of restructuring charges, \$0.1 million of non-recurring management transition expense, and \$0.2 million of non-recurring tax expenses. Excluding the aforementioned items from both periods, non-GAAP net income from continuing operations was \$16.1 million, or \$1.25 per diluted share, compared with \$15.4 million, or \$1.20 per diluted share, in the first quarter of fiscal 2014.
- EBITDA (earnings before interest, income taxes, depreciation and amortization) was \$25.5 million, compared with \$21.2 million in the first quarter of fiscal 2014. Excluding the previously mentioned items from both periods. Adjusted EBITDA for the first quarter of fiscal 2015 was \$27.2 million, compared with \$25.1 million in the year-earlier quarter.
- Net working capital (defined as accounts receivable plus inventories less accounts payable) was \$155.0 million at the end of the first quarter of fiscal 2015, compared with \$129.4 million a year earlier. Working capital turns were 5.3 for the first quarter of fiscal 2015. Adjusting for the impact of the Enginetics acquisition, working capital turns were 5.5, which is equal to the year-earlier quarter.
- The Company closed the quarter with net debt of \$53.1 million, versus net cash of \$4.0 million at the end of the first quarter 2014 and \$29.2 million at June 30, 2014. The increase in net debt was primarily due to the acquisition of Enginetics during the quarter.

A reconciliation of net income, earnings per share and net income from continuing operations from reported GAAP amounts to non-GAAP amounts is included later in this release.

## Management Comments

“Standex is off to a strong start in fiscal 2015,” said David Dunbar, Standex President and CEO. “Three of our five segments reported double-digit growth in the first quarter and non-GAAP operating income was up 8.9% from the first quarter last year.”

## Segment Review

Food Service Equipment Group sales increased 13.9% year-over-year, and operating income was down 2.5%. Excluding the impact of non-cash purchase accounting expenses related to the Ultrafryer acquisition, operating income increased 1.3% year over year.

“The food service equipment group had good growth for the quarter with organic sales growth of 10.1%, acquisition accounted for 3.7% and foreign exchange was 0.1%.” Dunbar said. “In refrigeration, this was a strong quarter for sales in both the dollar store and chain store segments. We also saw good growth in our specialty cabinet business with the beverage industry. Sales in specialty solutions were up, year-over-year, in large part due to our roll-out of a new line of open air merchandiser products. Sales in the cooking solutions group were down slightly due to the slow ramp-up of Nogales production related to the Cheyenne consolidation. The lower operating leverage at the segment level was the result of inefficiencies in Nogales. Shipments out of the plant are steadily improving as we begin the second quarter, and we are making good progress in improving the plant’s operations. We continue to expect the Cheyenne, Wyoming to Nogales facilities consolidation to generate its targeted cost savings in fiscal 2015.”<sup>1</sup>

Engraving Group sales increased 12.2% year-over-year, while operating income grew 45.4%.

“The Engraving Group posted its third consecutive quarter of record sales and profitability in the first quarter, driven by strong worldwide demand in our Mold-Tech business,” said Dunbar. “We opened Mold-Tech’s fifth manufacturing facility in China during the first quarter, while also making good progress toward opening two new sites in Eastern European and Asian emerging markets. We are continuing to leverage the worldwide presence provided by our 29 Mold-Tech sites around the world, which enables us to stay close to our customers as their markets and businesses evolve geographically. The design hub we recently opened in Manchester, England is proving to be a differentiating concept in our business. Manchester did projects for several additional major OEMs during the first quarter, providing their design teams with rapid prototyping of their future automotive interior textures. We are working to replicate our success in Manchester by opening a new design hub later this year in Detroit to service North American OEMs.”<sup>1</sup>

Engineering Technologies Group sales grew 16.5% year-over-year, and operating income increased 6.6%.

Sales grew organically 1.5%, acquisition growth accounted for 13.3% and foreign exchange accounted for 1.7%. “We are working to capitalize on new opportunities in aviation, in part driven by Enginetics,” said Dunbar. “Our acquisition integration plan is on track, and we are involved in some exciting sales pursuits. Our lower sales leverage during the quarter primarily reflected unfavorable mix due to higher levels of low-margin product development work in space and aviation, and slower sales into oil and gas.”

Electronics Products Group sales were up 4.7% year-over-year, while operating income increased 7.9%.

“Electronics Products Group sales experienced strong growth in North America, modest growth in Europe and largely flat sales in Asia during the first quarter,” said Dunbar. “Our growth in this segment continues to be driven primarily by increased demand for reed based sensors in the automotive and appliance sectors. The recent acquisition of Planar Quality Corporation is reinforcing this positioning with capabilities in the specialized and growing area of compact, high-current, high-density transformers. The Electronics group continues to execute its long-term strategy of moving up the value chain from being a component supplier to offering more advanced and comprehensive solutions, and Planar Quality is just the latest example. We also made operational progress in Electronics during the quarter by completing the move to our new facility in Mexico.”

The Hydraulics Products Group reported a 35.0% year-over-year sales increase, while operating income rose 46.7%.

“This was another strong quarter for the Hydraulics Group,” Dunbar said. “In addition to the continued growth in solid waste and refuse market demand for the products we have recently introduced for those applications, the recovery in our traditional North American dump truck and dump trailer markets is continuing to result in growing product demand for those applications as well. As more and more of our total Hydraulics shipment volume comes from our new Tianjin China facility, we are not only strengthening our competitive position, but also continuing to improve our margins. The ability to deliver rod cylinders out of both Tianjin and our plant in Ohio significantly reduces time-to-market for our customers, and

the lower operating costs in Tianjin are expected to continue to improve our overall sales leverage as that plant ramps up.<sup>1</sup>

## **Business Outlook**

“Although it’s still early in the year, fiscal 2015 is expected to be a strong year for Standex.<sup>1</sup> We delivered double-digit, top-line growth in the first quarter, while continuing to improve the Company’s overall operating performance. Incoming orders are strong, and backlogs are up from a year ago in all businesses. Conditions in the majority of our end markets remain favorable, and we are making good progress on strategic growth initiatives in each of our businesses. Our recent acquisitions are performing well, and our balance sheet provides us with the flexibility to pursue opportunities for driving organic and acquisition-driven growth and delivering greater shareholder value,” concluded Dunbar.

## **Conference Call Details**

Standex will host a conference call for investors today, October 31, 2014 at 10:00 a.m. ET. On the call, David Dunbar, President and CEO, and Thomas DeByle, CFO, will review the Company’s financial results and business and operating highlights. Investors interested in listening to the webcast should log on to the “Investor Relations” section of Standex’s website, located at [www.standex.com](http://www.standex.com). The Company’s slide show accompanying the webcast audio also can be accessed via its website. To listen to the playback, please dial (800) 585-8367 in the U.S. or (404) 537-3406 internationally; the passcode is 13922571. The replay also can be accessed in the “Investor Relations” section of the Company’s website, located at [www.standex.com](http://www.standex.com).

## **Use of Non-GAAP Financial Measures**

EBITDA, which is "Earnings Before Interest, Taxes, Depreciation and Amortization," non-GAAP income from operations, non-GAAP net income from continuing operations and free cash flow are non-GAAP financial measures and are intended to serve as a complement to results provided in accordance with accounting principles generally accepted in the United States. Standex believes that such information provides an additional measurement and consistent historical comparison of the Company’s performance. A reconciliation of the non-GAAP financial measures to the most directly comparable GAAP measures is available in this news release.

## **About Standex**

Standex International Corporation is a multi-industry manufacturer in five broad business segments: Food Service Equipment Group, Engineering Technologies Group, Engraving Group, Electronics Products Group, and Hydraulics Products Group with operations in the United States, Europe, Canada, Australia, Singapore, Mexico, Brazil, Argentina, Turkey, South Africa, India and China. For additional information, visit the Company’s website at <http://standex.com/>.

### **<sup>1</sup> Safe Harbor Language**

Statements in this news release 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 are the impact of implementation of government regulations and programs affecting our businesses, unforeseen legal judgments, fines or settlements, uncertainty in conditions in the financial and banking markets, general domestic and international economy including more specifically increases in raw material costs, the ability to substitute less expensive alternative raw materials, the heavy construction vehicle market, the ability to continue to successfully implement productivity improvements, increase market share, access new markets, introduce new products, enhance our presence in strategic channels, the successful expansion and automation of manufacturing capabilities and diversification efforts in emerging markets, the ability to continue to achieve cost savings through lean manufacturing, cost reduction activities, and low cost sourcing, effective completion of plant consolidations, successful completion and integration of acquisitions and the other factors discussed in the Annual Report of Standex on Form 10-K for the fiscal year ending June 30, 2014, 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.

**Standex International Corporation**  
**Consolidated Statement of Operations**

**Three Months Ended**  
**September 30,**

| (In thousands)   | <u>2014</u>      | <u>2013</u>     |
|--|------------------|-----------------|
| Net sales  | \$ 202,027       | \$ 178,140      |
| Cost of sales  | <u>135,915</u>   | <u>117,735</u>  |
| Gross profit   | 66,112           | 60,405          |
| Selling, general and administrative expenses           | 43,954           | 39,535          |
| Restructuring costs                                    | 862              | 3,806           |
| Other operating (income) expense, net                  | <u>59</u>        | <u>-</u>        |
| Income from operations                                 | <u>21,237</u>    | <u>17,064</u>   |
| Interest expense                                       | 643              | 560             |
| Other (income) expense, net                            | <u>(265)</u>     | <u>(454)</u>    |
| Total  | <u>378</u>       | <u>106</u>      |
| Income from continuing operations before income taxes  | 20,859           | 16,958          |
| Provision for income taxes                             | <u>5,932</u>     | <u>4,610</u>    |
| Net income from continuing operations                  | 14,927           | 12,348          |
| Income (loss) from discontinued operations, net of tax | <u>(375)</u>     | <u>(3,266)</u>  |
| Net income   | <u>\$ 14,552</u> | <u>\$ 9,082</u> |
| <i>Basic earnings per share:</i>                       |                  |                 |
| Income from continuing operations                      | \$ 1.18          | \$ 0.98         |
| Income (loss) from discontinued operations             | <u>(0.03)</u>    | <u>(0.26)</u>   |
| Total  | <u>\$ 1.15</u>   | <u>\$ 0.72</u>  |
| <i>Diluted earnings per share:</i>                     |                  |                 |
| Income from continuing operations                      | \$ 1.16          | \$ 0.97         |
| Income (loss) from discontinued operations             | <u>(0.03)</u>    | <u>(0.26)</u>   |
| Total  | <u>\$ 1.13</u>   | <u>\$ 0.71</u>  |

**Standex International Corporation**  
**Condensed Consolidated Balance Sheets**

| (In thousands)                                    | September 30,<br>2014 | June 30,<br>2014  |
|---|-----------------------|-------------------|
| <b>ASSETS</b>                                     |                       |                   |
| Current assets:                                   |                       |                   |
| Cash and cash equivalents                         | \$ 71,983             | \$ 74,260         |
| Accounts receivable, net                          | 114,458               | 107,674           |
| Inventories                                       | 111,491               | 97,065            |
| Prepaid expenses and other current assets         | 7,592                 | 7,034             |
| Income taxes receivable                           | -                     | 922               |
| Deferred tax asset                                | 13,072                | 12,981            |
| Total current assets                              | <u>318,596</u>        | <u>299,936</u>    |
| Property, plant, equipment, net                   | 108,991               | 96,697            |
| Intangible assets, net                            | 40,789                | 31,490            |
| Goodwill  | 156,278               | 125,965           |
| Deferred tax asset                                | 910                   | 878               |
| Other non-current assets                          | 24,983                | 23,194            |
| Total non-current assets                          | <u>331,951</u>        | <u>278,224</u>    |
| Total assets                                      | <u>\$ 650,547</u>     | <u>\$ 578,160</u> |
| <b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>       |                       |                   |
| Current liabilities:                              |                       |                   |
| Accounts payable                                  | \$ 70,998             | \$ 85,206         |
| Accrued liabilities                               | 47,508                | 51,038            |
| Income taxes payable                              | 7,766                 | 4,926             |
| Total current liabilities                         | <u>126,272</u>        | <u>141,170</u>    |
| Long-term debt                                    | 125,049               | 45,056            |
| Accrued pension and other non-current liabilities | 56,255                | 51,208            |
| Total non-current liabilities                     | <u>181,304</u>        | <u>96,264</u>     |
| Stockholders' equity:                             |                       |                   |
| Common stock                                      | 41,976                | 41,976            |
| Additional paid-in capital                        | 44,620                | 43,388            |
| Retained earnings                                 | 597,285               | 584,014           |
| Accumulated other comprehensive loss              | (63,320)              | (55,819)          |
| Treasury shares                                   | (277,590)             | (272,833)         |
| Total stockholders' equity                        | <u>342,971</u>        | <u>340,726</u>    |
| Total liabilities and stockholders' equity        | <u>\$ 650,547</u>     | <u>\$ 578,160</u> |

**Standex International Corporation and Subsidiaries**  
**Statements of Consolidated Cash Flows**

**Three Months Ended**  
**September 30,**

| (In thousands)  | 2014      | 2013      |
|---|-----------|-----------|
| <b>Cash Flows from Operating Activities</b>                                       |           |           |
| Net income  | \$ 14,552 | \$ 9,082  |
| Income (loss) from discontinued operations  | (375)     | (3,266)   |
| Income from continuing operations   | 14,927    | 12,348    |
| Adjustments to reconcile net income to net cash provided by operating activities: |           |           |
| Depreciation and amortization   | 4,011     | 3,689     |
| Stock-based compensation  | 1,045     | 849       |
| Non-cash portion of restructuring charge  | (249)     | 3,294     |
| Contributions to defined benefit plans  | (323)     | (358)     |
| Net changes in operating assets and liabilities                                   | (30,370)  | (18,528)  |
| Net cash provided by operating activities - continuing operations                 | (10,959)  | 1,294     |
| Net cash provided by (used in) operating activities - discontinued operations     | 117       | (351)     |
| Net cash provided by (used in) operating activities                               | (10,842)  | 943       |
| <b>Cash Flows from Investing Activities</b>                                       |           |           |
| Expenditures for property, plant and equipment                                    | (7,199)   | (3,730)   |
| Expenditures for acquisitions, net of cash acquired                               | (57,149)  | -         |
| Other investing activities  | 1,546     | 10        |
| Net cash (used in) investing activities from continuing operations                | (62,802)  | (3,720)   |
| Net cash (used in) investing activities from discontinued operations              | -         | (520)     |
| Net cash (used in) investing activities   | (62,802)  | (4,240)   |
| <b>Cash Flows from Financing Activities</b>                                       |           |           |
| Proceeds from borrowings  | 88,600    | 17,700    |
| Payments of debt  | (8,600)   | (17,700)  |
| Activity under share-based payment plans  | 551       | 72        |
| Excess tax benefit from share-based payment activity                              | 1,308     | 1,470     |
| Cash dividends paid   | (1,264)   | (1,004)   |
| Purchase of treasury stock  | (6,427)   | (3,045)   |
| Net cash provided by (used in) financing activities                               | 74,168    | (2,507)   |
| Effect of exchange rate changes on cash   | (2,801)   | 795       |
| Net changes in cash and cash equivalents  | (2,277)   | (5,009)   |
| Cash and cash equivalents at beginning of year                                    | 74,260    | 51,064    |
| Cash and cash equivalents at end of period  | \$ 71,983 | \$ 46,055 |

**Standex International Corporation**  
**Selected Segment Data**

**Three Months Ended**  
**September 30,**

| (In thousands)                        | <b>2014</b> |                | <b>2013</b> |                |
|---------------------------------------|-------------|----------------|-------------|----------------|
| <b><u>Net Sales</u></b>               |             |                |             |                |
| Food Service Equipment                | \$          | 113,833        | \$          | 99,911         |
| Engraving                             |             | 28,088         |             | 25,027         |
| Engineering Technologies              |             | 20,119         |             | 17,265         |
| Electronics Products                  |             | 29,470         |             | 28,144         |
| Hydraulics Products                   |             | 10,517         |             | 7,793          |
| Total                                 | \$          | <u>202,027</u> | \$          | <u>178,140</u> |
| <b><u>Income from operations</u></b>  |             |                |             |                |
| Food Service Equipment                | \$          | 11,673         | \$          | 11,969         |
| Engraving                             |             | 6,943          |             | 4,773          |
| Engineering Technologies              |             | 2,220          |             | 2,082          |
| Electronics Products                  |             | 5,546          |             | 5,138          |
| Hydraulics Products                   |             | 1,722          |             | 1,174          |
| Restructuring                         |             | (862)          |             | (3,806)        |
| Other operating income (expense), net |             | (59)           |             | -              |
| Corporate                             |             | (5,946)        |             | (4,266)        |
| Total                                 | \$          | <u>21,237</u>  | \$          | <u>17,064</u>  |

**Standex International Corporation**  
**Reconciliation of GAAP to Non-GAAP Financial Measures**

**Three Months Ended**  
**September 30,**

| (In thousands, except percentages)   | <b>2014</b>        | <b>2013</b>       | <b>%<br/>Change</b> |
|--|--------------------|-------------------|---------------------|
| <i>Adjusted income from operations and adjusted net income from continuing operations:</i> |                    |                   |                     |
| <b>Income from operations, as reported</b>   | \$ 21,237          | \$ 17,064         | 24.5%               |
| Adjustments:   |                    |                   |                     |
| Restructuring charges  | 862                | 3,806             |                     |
| Management Transition  | -                  | 136               |                     |
| Acquisition-related costs  | 785                | -                 |                     |
| <b>Adjusted income from operations</b>   | <u>\$ 22,884</u>   | <u>\$ 21,006</u>  | <u>8.9%</u>         |
| Interest and other income (expense), net   | (378)              | (106)             |                     |
| Provision for income taxes   | (5,932)            | (4,610)           |                     |
| Discrete tax items   | -                  | 155               |                     |
| Tax impact of above adjustments  | (468)              | (1,070)           |                     |
| <b>Net income from continuing operations, as adjusted</b>                                  | <u>\$ 16,106</u>   | <u>\$ 15,375</u>  | <u>4.8%</u>         |
| <i>EBITDA and Adjusted EBITDA:</i>   |                    |                   |                     |
| <b>Income from continuing operations before income taxes, as reported</b>                  | \$ 20,859          | \$ 16,958         |                     |
| Add back:  |                    |                   |                     |
| Interest expense   | 643                | 560               |                     |
| Depreciation and amortization  | 4,011              | 3,689             |                     |
| <b>EBITDA</b>  | <u>\$ 25,513</u>   | <u>\$ 21,207</u>  | <u>20.3%</u>        |
| Adjustments:   |                    |                   |                     |
| Restructuring charges  | 862                | 3,806             |                     |
| Management Transition  | -                  | 136               |                     |
| Acquisition-related costs  | 785                | -                 |                     |
| <b>Adjusted EBITDA</b>   | <u>\$ 27,160</u>   | <u>\$ 25,149</u>  | <u>8.0%</u>         |
| <i>Free operating cash flow:</i>   |                    |                   |                     |
| <b>Net cash provided by operating activities - continuing operations, as reported</b>      | \$ (10,959)        | \$ 1,294          |                     |
| Less: Capital expenditures   | (7,199)            | (3,730)           |                     |
| <b>Free operating cash flow</b>  | <u>\$ (18,158)</u> | <u>\$ (2,436)</u> |                     |
| Net income from continuing operations  | 14,927             | 12,348            |                     |
| <b>Conversion of free operating cash flow</b>  | <u>NM</u>          | <u>NM</u>         |                     |

**Standex International Corporation**  
**Reconciliation of GAAP to Non-GAAP Financial Measures**

**Three Months Ended**  
**September 30,**

| <i>Adjusted earnings per share from continuing operations</i>             | <b>2014</b>           | <b>2013</b>           | <b>%<br/>Change</b> |
|---|-----------------------|-----------------------|---------------------|
| <b>Diluted earnings per share from continuing operations, as reported</b> | \$ <u>1.16</u>        | \$ <u>0.97</u>        | <u>19.6%</u>        |
| Adjustments:  |                       |                       |                     |
| Restructuring charges   | 0.05                  | 0.21                  |                     |
| Management Transition   | -                     | 0.01                  |                     |
| Acquisition-related costs   | 0.04                  | -                     |                     |
| Discrete tax items  | <u>-</u>              | <u>0.01</u>           |                     |
| <b>Diluted earnings per share from continuing operations, as adjusted</b> | \$ <u><u>1.25</u></u> | \$ <u><u>1.20</u></u> | <u><u>4.2%</u></u>  |