



# First Quarter Earnings

APRIL 21, 2015

**DISCIPLINED  
CHOICES**



- IDEX's Outlook
- Q1 2015 Financial Performance
- Q1 2015 Segment Performance
  - Fluid & Metering
  - Health & Science
  - Fire & Safety / Diversified Products
- Guidance Update
- Q&A

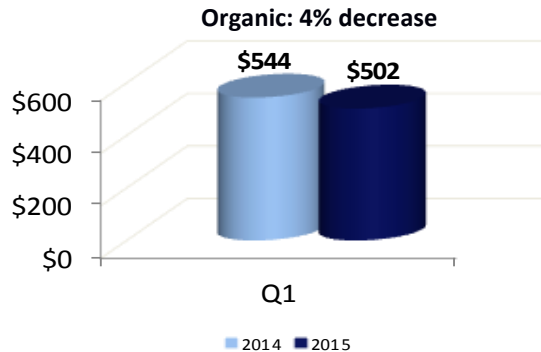
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## Cautionary Statement Under the Private Securities Litigation Reform Act

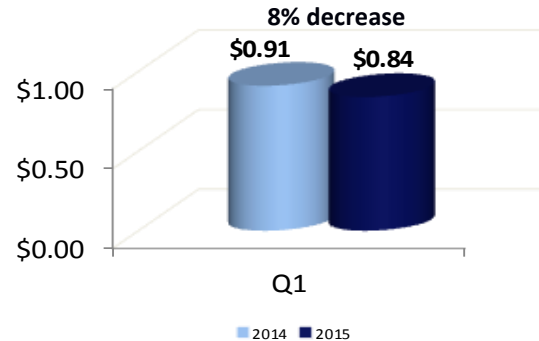
This presentation and discussion will include forward-looking statements.

Our actual performance may differ materially from that indicated or suggested by any such statements. There are a number of factors that could cause those differences, including those presented in our most recent annual report and other company filings with the SEC.

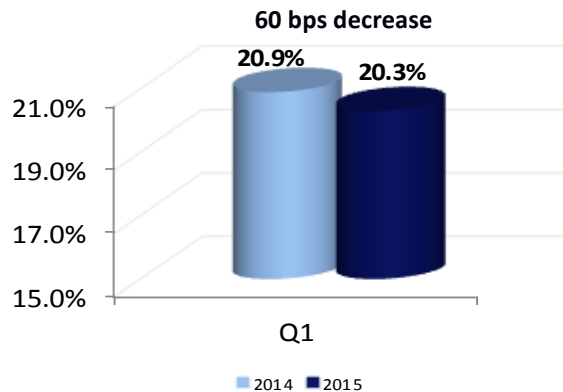
## Sales



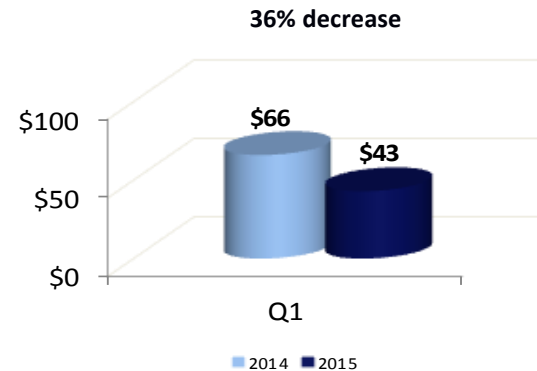
## EPS



## Operating Margin



## Free Cash Flow

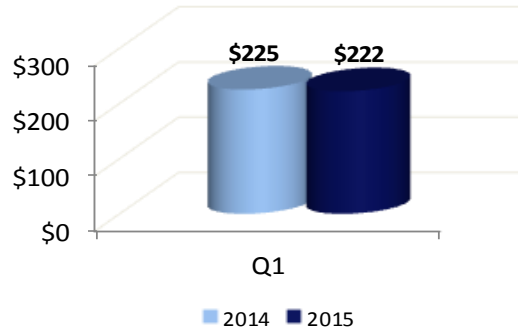


(\$M, excl. EPS)

*Orders up 2 percent organically, with a \$22 million increase in backlog*

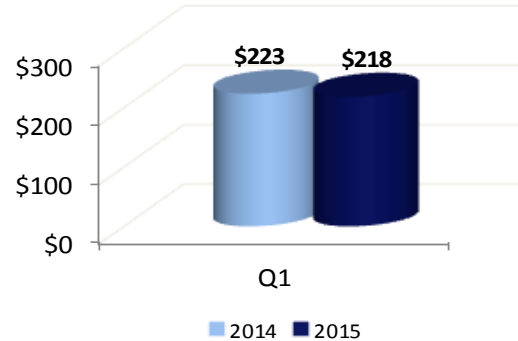
## Orders

Organic: 1% increase



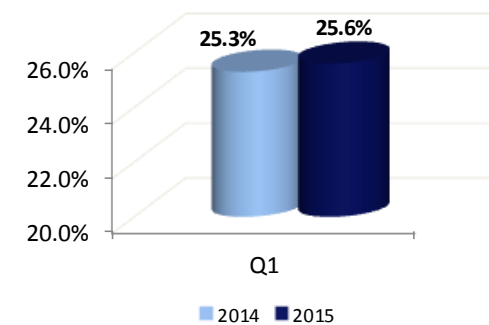
## Sales

Organic: 1% increase



## Operating Margin

30 bps increase



Q1 Sales Mix:		
Organic		1%
Acquisition		1%
Fx		<u>-4%</u>
Reported Sales		-2%

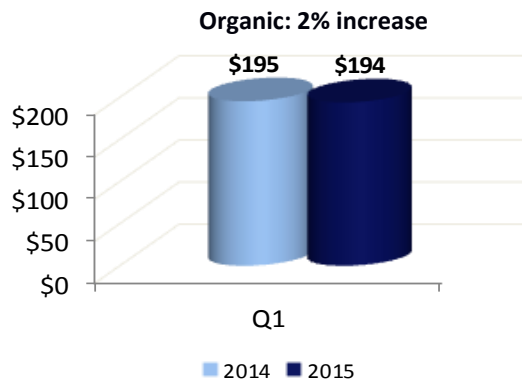
### Q1 Summary:

- ❑ Chemical remains strong in North America from growth in distribution and key petrochemical and chemical markets
- ❑ Water Services growth driven by success of new products and municipal spending uptick in the US and UK
- ❑ Energy's large project business continues to push-out due to depressed oil prices
- ❑ Agriculture OEM market remains soft, with aftermarket/distribution deteriorating more than originally anticipated

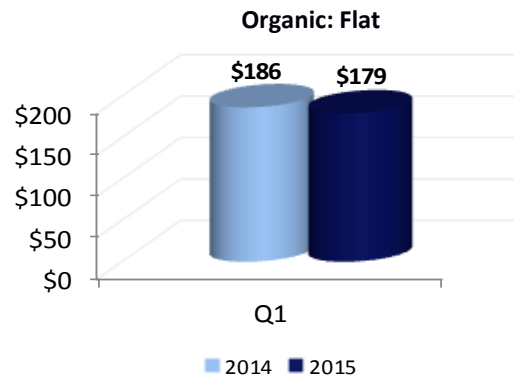
(\$M)

*Orders & Sales increase 1 percent organically, Operating Margins expand 30 bps*

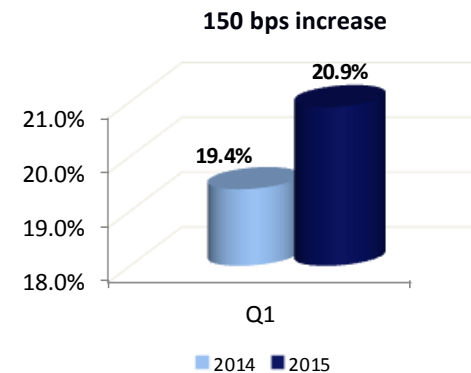
## Orders



## Sales



## Operating Margin



Q1 Sales Mix:	
Organic	0%
Acquisition	0%
Fx	-4%
Reported Sales	-4%

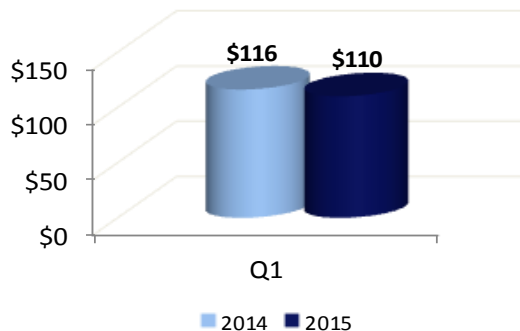
- Q1 Summary:**
- ❑ Scientific Fluidics saw strong growth in the core Analytical Instrumentation market, and solid results from the In-Vitro Diagnostic and Bio markets
  - ❑ Industrial business sales and order growth driven by continued strength of North American distribution markets
  - ❑ IOP continues to deliver profitability improvements
  - ❑ MPT project capex orders declined which signals second half 2015 softness, while aftermarket and daily business remained solid

(\$M)

*Orders up 2 percent organically, with a 150 bps increase in Operating Margin*

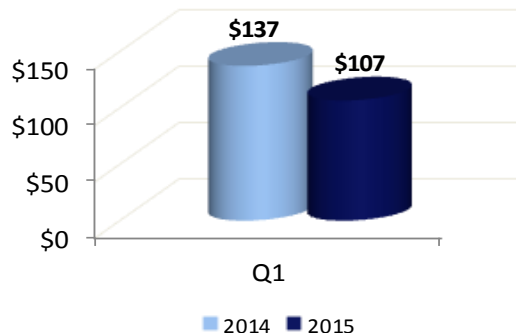
## Orders

Organic: 2% increase



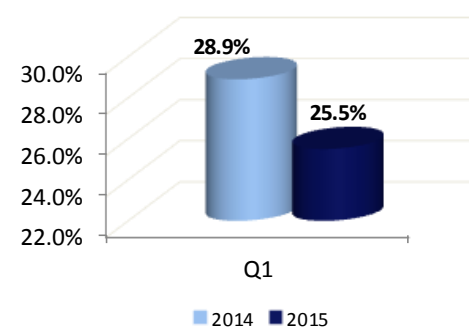
## Sales

Organic: 16% decrease



## Operating Margin

340 bps decrease



Q1 Sales Mix:	Change
Organic	-16%
Acquisition	0%
Fx	<u>-6%</u>
Reported Sales	-22%

### Q1 Summary:

- ❑ Dispensing core markets remain strong with positive momentum in Europe and continued success of X-Smart
- ❑ Rescue Asian markets beginning to open up, while US markets continue to adopt new products
- ❑ Fire Suppression markets in North America & UK forecasted to remain solid
- ❑ Band-It has risk from exposure to downhole oil & gas projects, partially offset by growth in North American transportation market

(\$M)

*First quarter comparisons significantly impacted by large 2014 Dispensing project*



	<u>EPS</u>
<b>Prior FY 2015 Guidance</b>	<b>\$3.65 -- \$3.75</b>
FX	(0.06)
Agriculture Market	(0.04)
Large Capital Spending:	(0.05)
MPT Platform	
Oil & Gas Projects	
<b>Revised FY 2015 Guidance</b>	<b><u>\$3.50 -- \$3.60</u></b>

*2015 guidance lowered by 15 cents, a result of specific market conditions*

## Q2 2015

- EPS estimate range: \$0.88 – \$0.90
- Operating margin: ~ 21%
- Tax rate: ~ 29.5%
- Fx impact: ~6% topline headwind, or 6 cents of EPS based on current Fx rates

## FY 2015

- EPS estimate range: \$3.50 – \$3.60
- Organic revenue growth: ~ Flat – 1%
- Operating margin: ~ 21%
- Fx impact: ~5% topline headwind, or 21 cents of EPS based on current Fx rates
- Other modeling items
  - Tax rate: ~ 29.5%
  - Cap Ex: ~ \$45M
  - Free Cash Flow will be ~120% of net income
  - Continued share repurchases: ~ net 2% reduction
  - EPS estimate excludes all future acquisitions and associated costs and charges, including Novotema