



25 YEARS OF INNOVATION, DIVERSITY & EXCELLENCE

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Second Quarter 2013 Earnings Release  
July 23, 2013

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# Agenda

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- IDEX Outlook
- Q2 Financial Performance
- Q2 Segment Performance
  - Fluid & Metering
  - Health & Science
  - Fire & Safety / Diversified
- Guidance Update
- Q&A



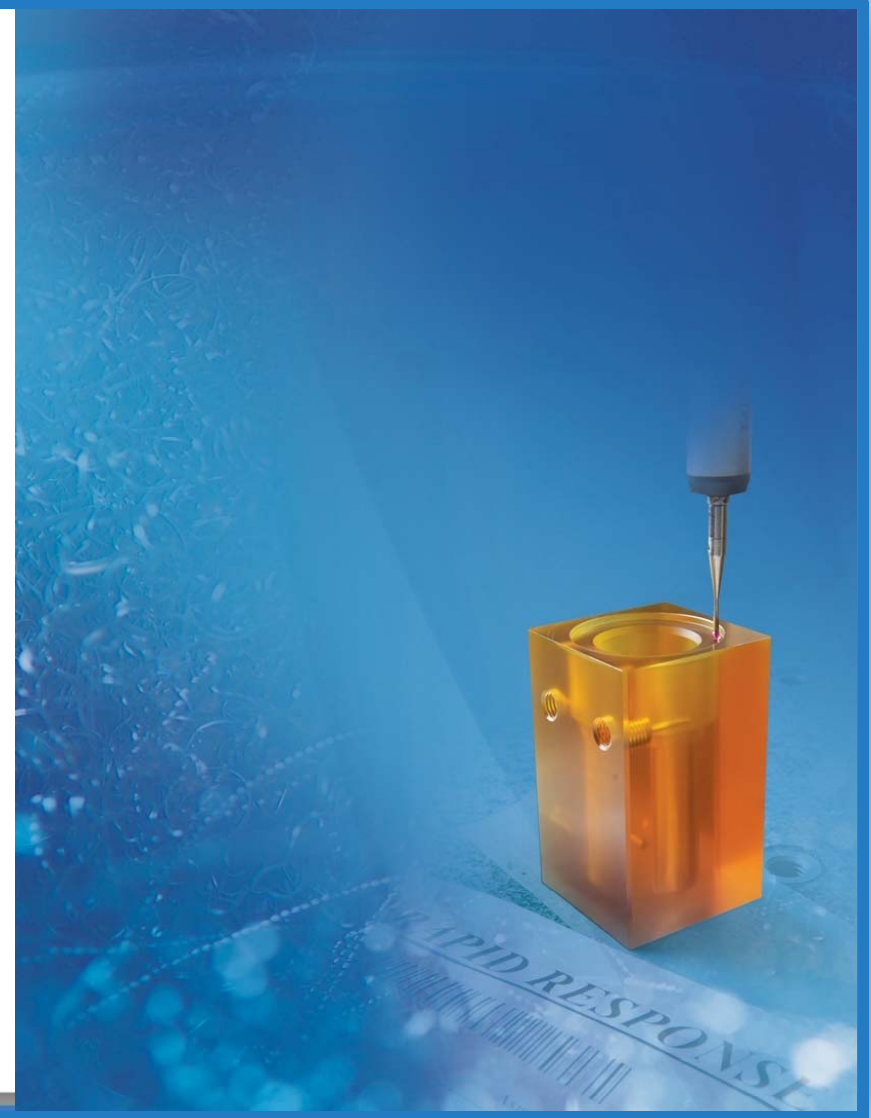
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# Replay Information

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- Dial toll-free: 855.859.2056
- International: 404.537.3406
- Conference ID: #26074056
- Log on to: [www.idexcorp.com](http://www.idexcorp.com)



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## Cautionary Statement Under the Private Securities Litigation Reform Act

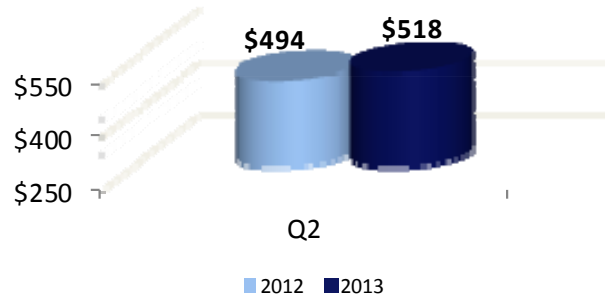
This presentation and discussion will include forward- looking statements.

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.

# IDEX Q2 Financial Performance

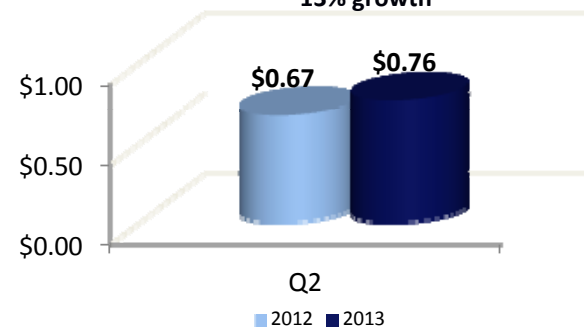
## Revenue

Organic: 2% growth



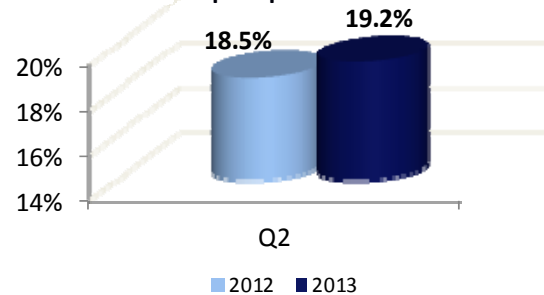
## EPS\*

13% growth



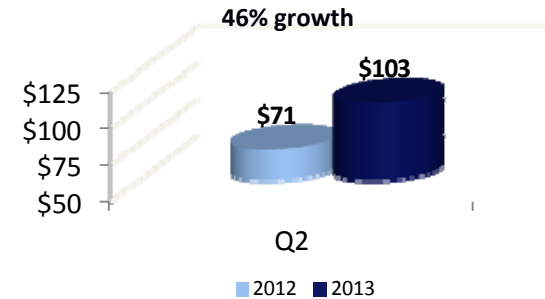
## Operating Margin\*

70 bps expansion



## Free Cash Flow

46% growth



\* Q2 2012 EPS / Operating Margin data adjusted for restructuring expenses (\$2.6M)

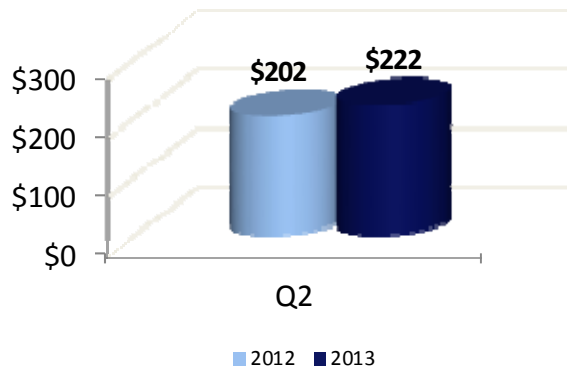
*Outstanding EPS, Margin & FCF performance*



# Fluid & Metering

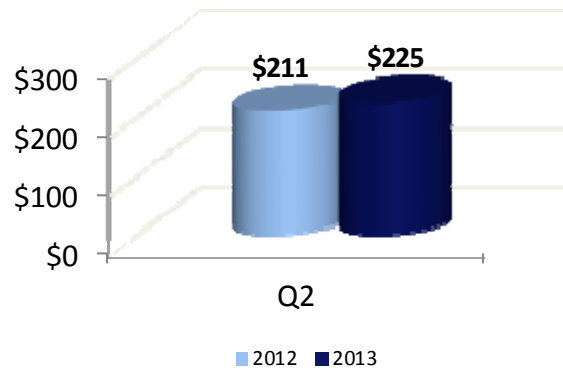
## Orders

Organic: 10% growth



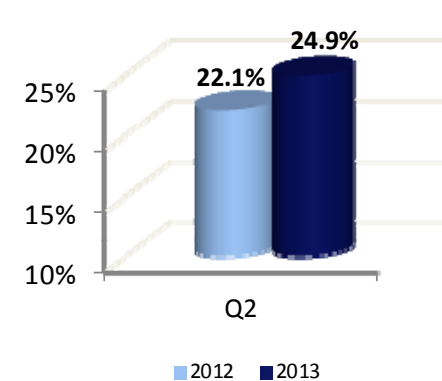
## Revenue

Organic: 7% growth



## Operating Margin\*

280 bps expansion



Q2 Sales Mix: Organic	7%
Acquisition	0%
Fx	<u>0%</u>
Total	7%

### Q2 Summary:

- ❑ Excellent improvement in organic orders and revenue, driven by strength in Energy and Ag
- ❑ Operating margin improved 280 bps on volume strength, the continued benefit of cost-out actions and disciplined management
- ❑ Energy continues to see benefit of rebounding LPG market in North America
- ❑ Ag orders pushed out of Q1 were realized in Q2
- ❑ Municipal water services showing signs of stabilization in North America

\* Q2 2012 Operating Margin data adjusted for restructuring expense

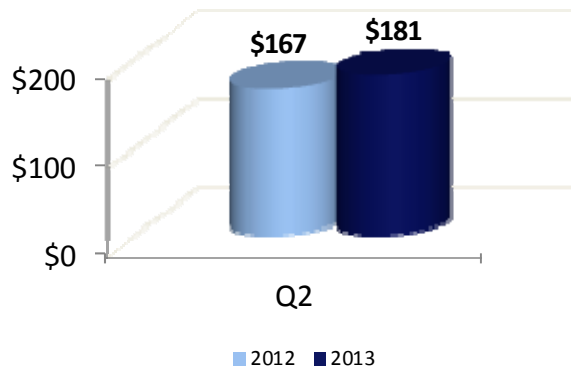
*Q2 Operating margin of 24.9% up 280 bps*



# Health & Science

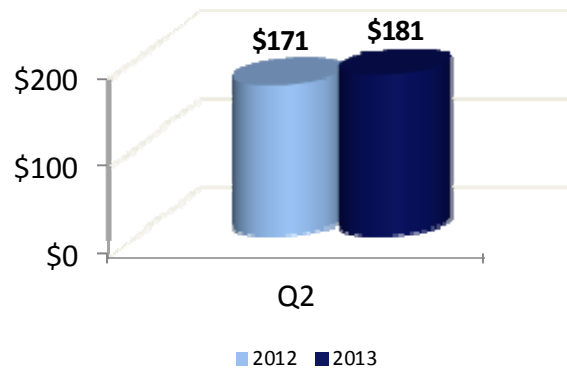
## Orders

Organic: 1% growth



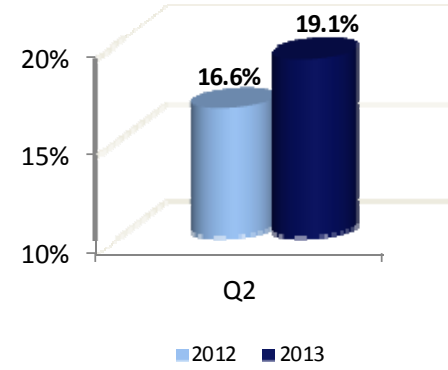
## Revenue

Organic: 2% decline



## Operating Margin\*

250 bps expansion



Q2 Sales Mix:	
Organic	-2%
Acquisition	9%
Fx	-1%
Total	6%

### Q2 Summary:

- ❑ Organic sales declined year-over-year, but grew 2 percent sequentially
- ❑ Operating margins expanded 250 basis points on the strength of focused cost-out initiatives
- ❑ Scientific Fluidics has strengthened in North America and Europe
- ❑ Optics & Photonics operating margins have improved while order activity remains challenged

\* Q2 2012 Operating Margin data adjusted for restructuring expense

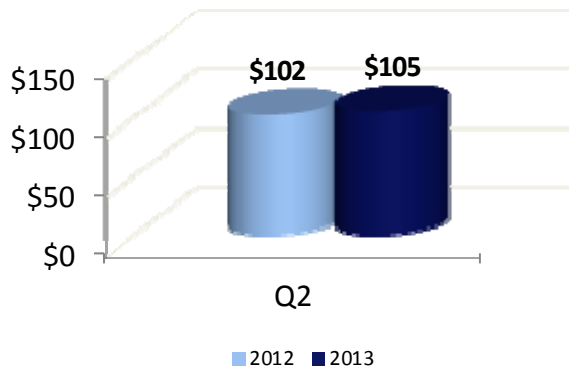
*Successfully managed costs to deliver margin expansion*



# Fire & Safety/Diversified

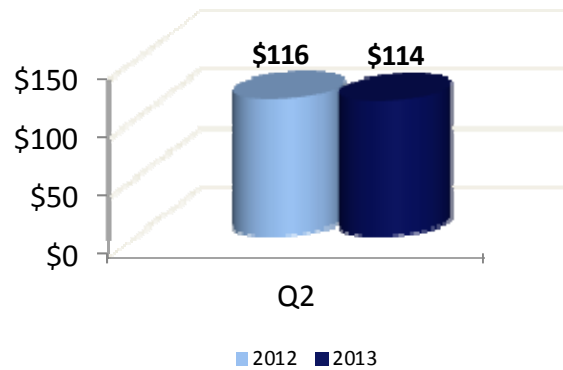
## Orders

Organic: 3% growth



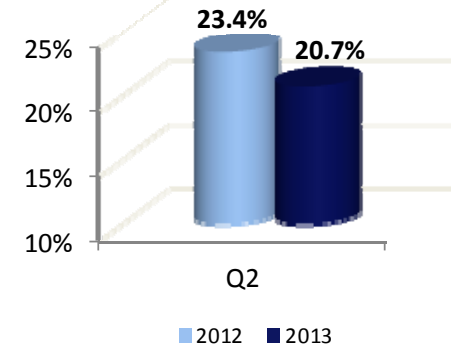
## Revenue

Organic: 1% decline



## Operating Margin\*

270 bps decline



Q2 Sales Mix: Organic	-1%
Acquisition	0%
Fx	<u>0%</u>
Total	-1%

### Q2 Summary:

- ❑ Strong organic order growth contributions from FSG and Dispensing
- ❑ Op margin decline due to a charge associated with a facility closure
- ❑ X-Smart product continues to gain traction in emerging markets
- ❑ FSG & Rescue seeing pickup in Eastern European and Chinese markets
- ❑ FSG continues to drive exceptional profitability improvements after facility consolidation

\* Q2 2012 Operating Margin data adjusted for restructuring expense



# Outlook: 2013 Guidance Summary

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## Q3 2013

- EPS estimate range: \$0.72 – \$0.74
- Organic revenue growth ~ 3 – 4%
- Positive revenue impact from acquisition of ~ 2%
- Operating margin ~ 19%

## FY 2013

- EPS estimate range: \$2.93 – \$2.98
  - Organic revenue growth ~ 3%
  - Positive revenue impact from acquisition of ~ 2%
  - Operating margin ~ 19%
  - Negative Fx impact ~ 1% to sales
- Other modeling items
  - Tax rate ~ 29%
  - Cap Ex ~ \$36 - \$38M
  - Free Cash Flow will significantly exceed net income
  - Continued share repurchases
  - EPS estimate excludes future acquisitions and associated costs and charges



# Q&A