



Second Quarter 2011 Earnings Release

July 21, 2011

IDEX Mid-Year Assessment

Q2 / YTD 2011 Performance

CVI Melles Griot Update

2011 Guidance



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**Cautionary Statement
Under the Private Securities
Litigation Reform Act**

This presentation and discussion includes 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.

☐ Strong first half results

- Great global growth
- Positive price has offset material inflation
- Organic flow thru of 40%

☐ \$455M of capital deployed

- Optics and Photonics platform in HST
- CVI Melles Griot integration process underway
- Balance sheet in great shape to support continued business development

☐ Investing for growth

- Strong team in place
- Organic reinvestment high (capital and SG&A)

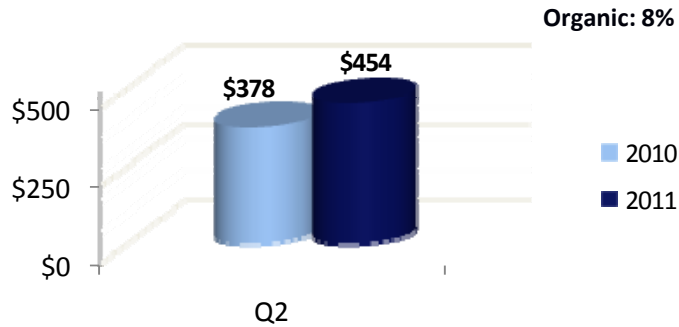
☐ Optimistic about 2H'11

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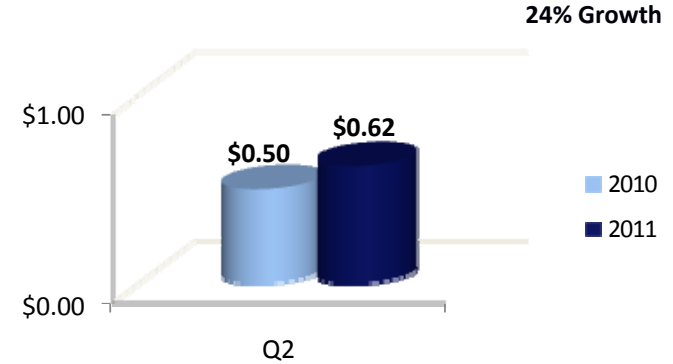


IDEX Q2 2011 Financial Performance

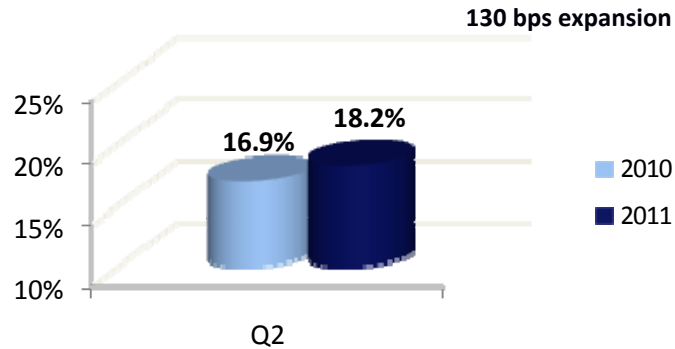
Total Revenue



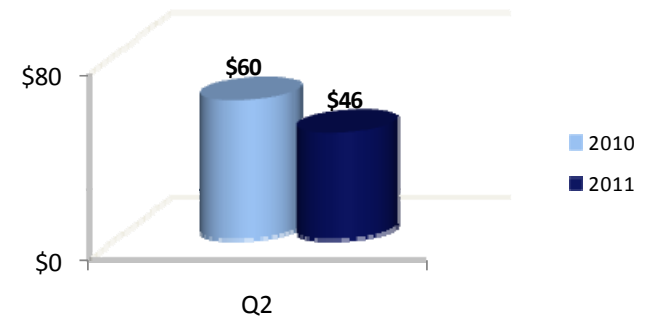
EPS*



Operating Margin*



Free Cash Flow



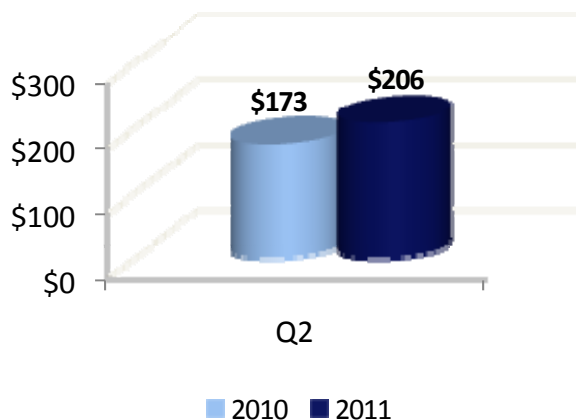
* EPS / Op Margin data adjusted for \$1M restructuring expense (2010) and \$3M CVI inventory step-up charge (2011).



Fluid & Metering

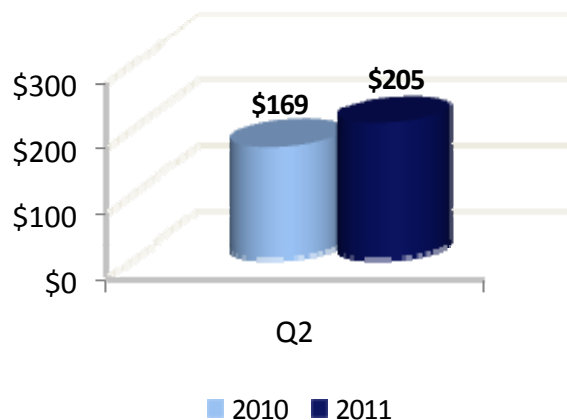
Total Orders

Organic: 14%



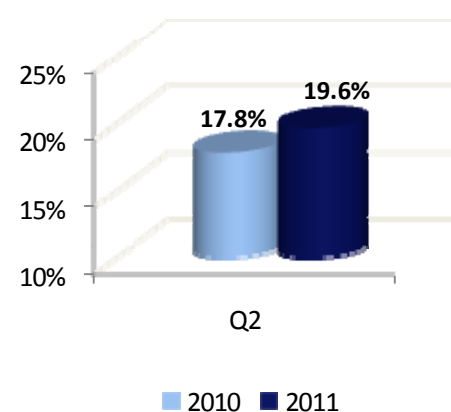
Total Revenue

Organic: 16%



Operating Margin*

180 bps expansion



Q2 Sales Mix:	Organic	+16%
	Acquisition	+2%
	Fx	+4%
	Total	+22%

Q2 Summary:

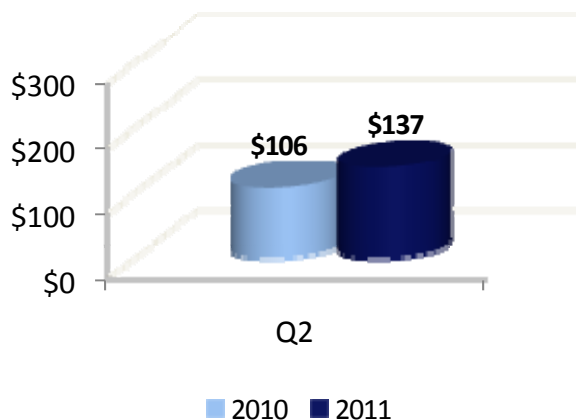
- ❑ Executing organic growth initiatives
- ❑ Energy, Chemical, Agriculture all very strong globally
- ❑ Water strong internationally, challenged in the US
- ❑ Margin expansion; productivity / price offsetting inflation

* Op Margin data adjusted for restructuring expense (2010)



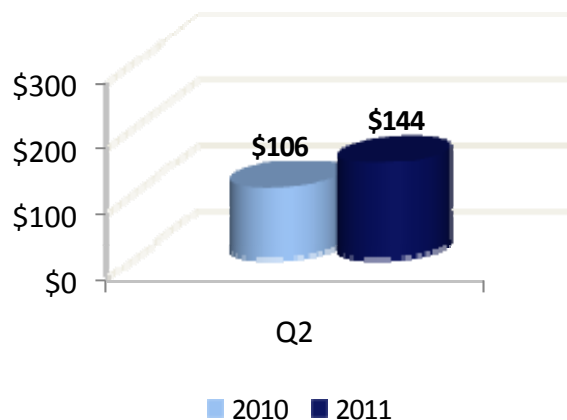
Total Orders

Organic: 4%



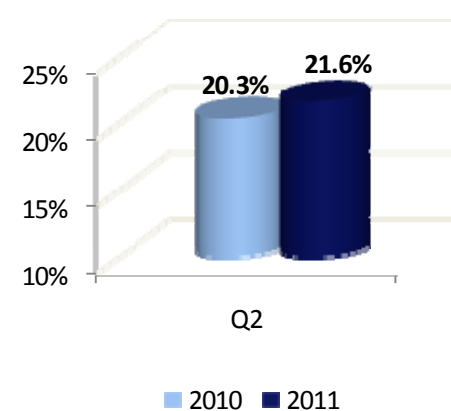
Total Revenue

Organic: 10%



Operating Margin*

130 bps expansion



Q2 Sales Mix:		
Organic		+10%
Acquisition		+23%
Fx		+3%
Total		+36%

Q2 Summary:

- New product and platform development in life science end markets
- Industrial and environmental quality control also strong
- Completed CVI Melles Griot acquisition

* Op Margin data adjusted for restructuring expense (2010) and \$3M CVI inventory step-up expense (2011)

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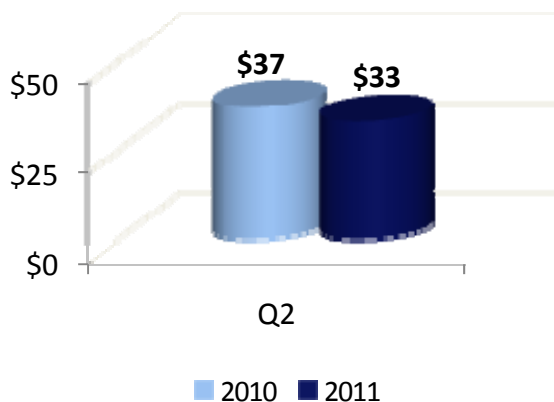
Strong sales growth...margin expanded 130 bps



Dispensing

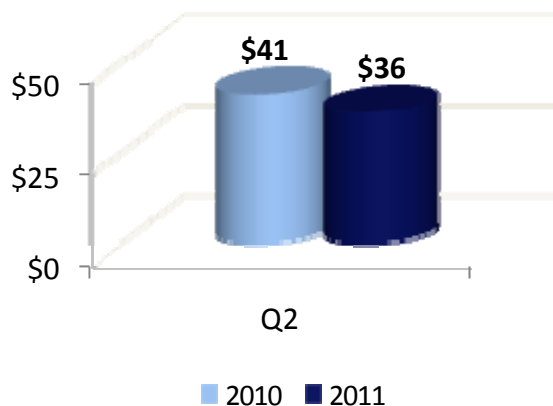
Total Orders

Organic: (21)%

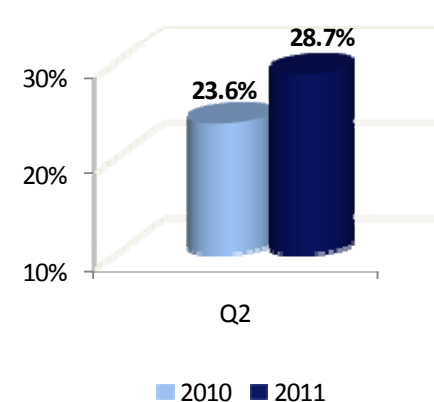


Total Revenue

Organic: (21)%



Operating Margin



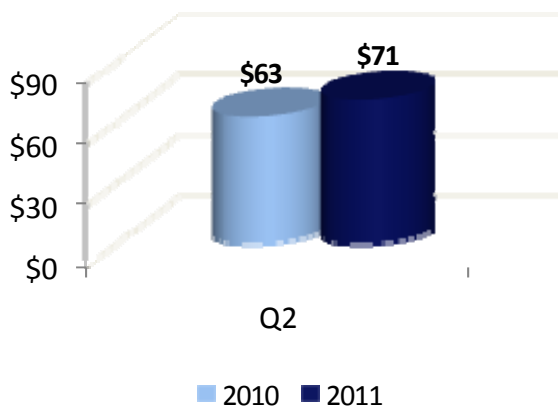
Q2 Sales Mix:		
Organic		-21%
Acquisition		-
Fx		+9%
Total		-12%

Q2 Summary:

- Wins in Eastern Europe and Asia
- Latin America markets performing well
- Retrofit and spare parts driving N.A. revenue
- Results include \$2.8 million gain from building sale

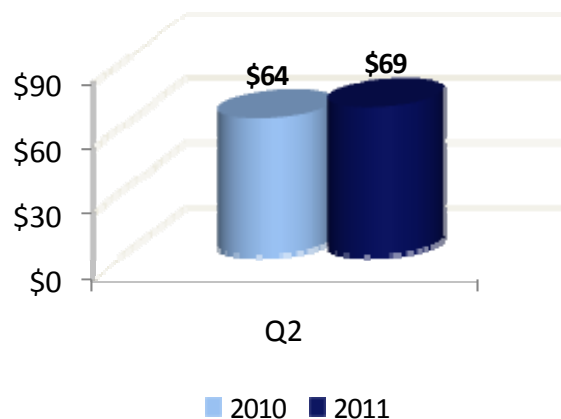
Total Orders

Organic: 8%



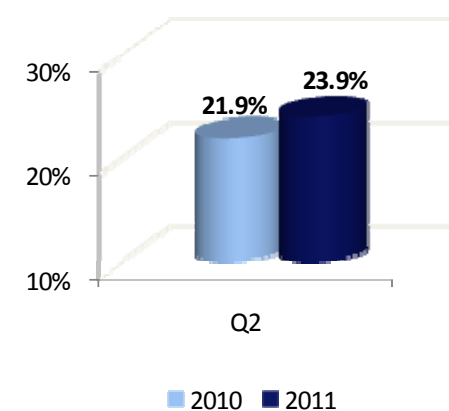
Total Revenue

Organic: 3%



Operating Margin*

200 bps expansion



Q2 Sales Mix:		
Organic		+3%
Acquisition		-
Fx		+5%
Total		+8%

Q2 Summary:

- BAND IT growing nicely; new applications...expanding the served market
- Rescue winning internationally
- North American Fire markets to remain slow, Int'l share growing rapidly

* Op Margin data adjusted for restructuring expense (2010)

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Great performance in challenging end markets...margins expanded 200 bps



CVI Melles Griot Acquisition Update

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- ❑ Integration well underway



- ❑ Building an Optics & Photonics Platform



- ❑ CVI Melles Griot will contribute 7 cents of EPS in 2H'11

(inclusive of purchase accounting amortization, but excluding the non-cash acquisition fair value inventory step-up charge)

- Purchase accounting amortization = \$12M per year (ongoing)
- Fair value inventory step-up = \$16M (\$3M in Q2'11; \$13M in Q3'11)

- ❑ CVI Melles Griot has “HST-like” growth and profit flow-thru characteristics

- ❑ CVI Melles Griot will contribute 15-20 cents of EPS in 2012

(inclusive of purchase accounting amortization)

Outlook: 1st Half to 2nd Half Bridge

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	<u>Revenue</u>	<u>Adjusted EPS</u>
1H 2011 Reported	\$ 881	\$ 1.17
Adjustments:		
CVI Inventory Charge (Q2)	-	<u>0.02</u>
1H 2011 Adjusted	\$ 881	\$ 1.19
Seasonality (Dispensing)	\$ (17)	\$ (0.05)
Organic Volume	\$26 - \$33	\$0.05 - \$0.11
CVI Incremental Revenue	\$ 84	\$ 0.07
Interest Expense (new debt)	-	<u>\$ (0.05)</u>
2H 2011 Forecast	<u>\$974 - \$981</u>	<u>\$1.21 - \$1.27</u>
FY 2011 Adjusted Forecast *	<u>\$1,855 - \$1,862</u>	<u>\$2.40 - 2.46</u>

* Adjusted forecast excludes \$16M (\$13M in Q3) of CVI Melles Griot inventory step-up charges

Outlook: 2011 Guidance Summary

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Q3 2011

- ❑ **Adjusted EPS estimate range: \$0.60 – \$0.62**
 - Organic revenue growth of ~ 8%
 - Positive Fx impact of ~3% to sales (at June 30 rates)
 - Positive impact of 16% from acquisitions

FY 2011

- ❑ **Adjusted EPS estimate range: \$2.40 – \$2.46**
 - Organic revenue growth in the high single digits
 - Operating margin of 18.0% – 18.5%
 - Positive Fx impact of ~2% to sales (at June 30 rates)
 - 11% growth from acquisitions
- ❑ **Other modeling items**
 - Tax rate = 32%
 - Cap Ex \$35–38M
 - Free Cash Flow will exceed net income
 - EPS estimate excludes future restructuring and future acquisitions
 - Full year EPS estimate excludes the non-cash charge from the CVI inventory step-up

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Q&A