

## **IDEX Reports Record Third Quarter Orders, Sales and EPS; Raises Full Year EPS Guidance**

October 16, 2017 4:41 PM ET

LAKE FOREST, Ill.--(BUSINESS WIRE)--Oct. 16, 2017-- **IDEX Corporation (NYSE: IEX) today announced its financial results for the three month period ended September 30, 2017.**

### **Third Quarter 2017 Highlights**

- Orders were up 8 percent overall and 7 percent organically
- Sales were up 8 percent overall and 7 percent organically
- Operating margin was 22.0 percent
- EPS was \$1.08, up 17 cents, or 19 percent

### **Third Quarter 2017**

Orders of \$573.8 million were up 8 percent (+7 percent organic and +1 percent foreign currency translation) compared with the prior year period.

Sales of \$574.5 million were up 8 percent (+7 percent organic and +1 percent foreign currency translation) compared with the prior year period.

Gross margin of 44.9 percent was up 140 basis points from the prior year period. Excluding \$4.6 million of pre-tax fair value inventory step-up charges from the prior year period, gross margin would have been up 50 basis points primarily due to volume leverage.

Operating income of \$126.5 million resulted in an operating margin of 22.0 percent, up 130 basis points from the prior year operating margin and 90 basis points from the prior year adjusted operating margin. Excluding the \$4.6 million fair value step-up charges from the prior year results, operating margin would have been up 10 basis points. Operating income drove EBITDA of \$146.1 million which was 25 percent of sales and covered interest expense by more than 13 times.

Net income was \$83.8 million which resulted in EPS of \$1.08, up 17 cents, or 19 percent, from the prior year period. Excluding the net loss on divestitures from the prior year period, EPS was up 16 cents, or 17 percent from adjusted prior year EPS.

Cash from operations for the third quarter of \$124.0 million led to free cash flow of \$115.5 million, which converted at 138 percent of net income.

The Company repurchased 116 thousand shares of common stock for \$13.8 million in the third quarter of 2017.

“Solid execution, coupled with increasing demand, delivered another strong quarter for IDEX. Third quarter organic orders and sales both grew 7 percent, which drove operating margin of 22.0 percent. HST and FMT continued to lead the way with 10 percent and 7 percent organic revenue growth, respectively. This growth resulted in EPS of \$1.08 which was up 16 cents, or 17 percent, from the adjusted prior year period. Free cash flow was very strong with a conversion rate at 138 percent of net income.

I am pleased with the solid organic growth rates we have achieved this year. Consistent with our capital deployment strategy, our number one priority is to fully fund long-term organic growth opportunities. Our commitment to segmenting our businesses and funding our best organic initiatives is helping to deliver on our goal of outperforming our underlying markets. Looking ahead, we will continue to fund these opportunities as an integral part of our capital deployment objectives which include pursuing strategic M&A, funding our dividend and being opportunistic in repurchasing our shares.

Based on our third quarter results and strength in orders across all three segments, we are raising full year 2017 adjusted EPS guidance to \$4.25 to \$4.27, with fourth quarter EPS of \$1.06 to \$1.08. We also reaffirm full year 2017 organic revenue growth of 5 percent, with 6 percent organic growth expected in the fourth quarter.”

Andrew K. Silvernail  
Chairman and Chief Executive Officer

### **Third Quarter 2017 Segment Highlights**

#### **Fluid & Metering Technologies**

- Sales of \$221.0 million reflected a 6 percent increase compared to the third quarter of 2016 (+7 percent organic, -2 percent divestitures and +1 percent foreign currency translation).
- Operating income of \$62.0 million resulted in an operating margin of 28.1 percent, a 130 basis point increase compared to the prior year period operating margin primarily due to higher volume, cost savings from prior year restructuring initiatives and lower amortization.

- EBITDA of \$68.0 million resulted in an EBITDA margin of 30.8 percent, a 60 basis point increase compared to the prior year period EBITDA margin.

### Health & Science Technologies

- Sales of \$207.1 million reflected a 13 percent increase compared to the third quarter of 2016 (+10 percent organic and +3 percent acquisition/divestitures).
- Operating income of \$46.1 million resulted in an operating margin of 22.2 percent, a 190 basis point increase compared to the prior year period operating margin primarily due to higher volume and the inclusion of a fair value inventory step-up charge in the prior year period.
- EBITDA of \$58.2 million resulted in an EBITDA margin of 28.1 percent, a 150 basis point increase compared to the prior year period EBITDA margin.

### Fire & Safety/Diversified Products

- Sales of \$146.6 million reflected a 6 percent increase compared to the third quarter of 2016 (+4 percent organic and +2 percent foreign currency translation).
- Operating income of \$36.2 million resulted in an operating margin of 24.7 percent, a 130 basis point increase compared to the prior year period operating margin primarily due to higher volume and the inclusion of a fair value inventory step-up charge in the prior year period.
- EBITDA of \$38.9 million resulted in an EBITDA margin of 26.5 percent, a 40 basis point increase compared to the prior year period EBITDA margin.

For the third quarter of 2017, Fluid & Metering Technologies contributed 38 percent of sales, 43 percent of operating income and 41 percent of EBITDA; Health & Science Technologies accounted for 36 percent of sales, 32 percent of operating income and 35 percent of EBITDA; and Fire & Safety/Diversified Products represented 26 percent of sales, 25 percent of operating income and 24 percent of EBITDA.

### Non-U.S. GAAP Measures of Financial Performance

The Company supplements certain U.S. GAAP financial performance metrics with non-U.S. GAAP financial performance metrics in order to provide investors with better insight and increased transparency while also allowing for a more comprehensive understanding of the financial information used by management in its decision making. Reconciliations of non-U.S. GAAP financial performance metrics to their most comparable U.S. GAAP financial performance metrics are defined and presented below and should not be considered a substitute for, nor superior to, the financial data prepared in accordance with U.S. GAAP. There were no adjustments to U.S. GAAP financial performance metrics other than the items noted below.

- Organic orders and sales are calculated according to U.S. GAAP excluding amounts from acquired or divested businesses during the first twelve months of ownership or divestiture and the impact of foreign currency translation.
- Adjusted operating income is calculated as operating income plus restructuring expenses plus or minus the net loss or gain on sale of businesses.
- Adjusted operating margin is calculated as adjusted operating income divided by net sales.
- Adjusted net income is calculated as net income plus restructuring expenses plus or minus the net loss or gain on sale of businesses, net of the statutory tax expense or benefit.
- EBITDA is calculated as net income plus interest expense plus provision for income taxes plus depreciation and amortization. We reconciled EBITDA to net income on a consolidated basis as we do not allocate consolidated interest expense or consolidated provision for income taxes to our segments.
- Adjusted EBITDA is calculated as EBITDA plus restructuring expenses plus or minus the net loss or gain on sale of businesses.
- Free cash flow is calculated as cash flow from operating activities less capital expenditures.

**Table 1: Reconciliations of the Change in Net Sales to Net Organic Sales**

	Quarter Ended				Nine Months Ended			
	September 30, 2017				September 30, 2017			
	FMT	HST	FSDP	IDEX	FMT	HST	FSDP	IDEX
<b>Change in net sales</b>	6%	13%	6%	8%	3%	10%	12%	8%
<b>- Net impact from acquisitions/divestitures</b>	(2%)	3%	0%	0%	(2%)	4%	12%	4%
<b>- Impact from FX</b>	1%	0%	2%	1%	0%	(1%)	(1%)	(1%)
<b>Change in net organic sales</b>	7%	10%	4%	7%	5%	7%	1%	5%

**Table 2: Reconciliations of Reported-to-Adjusted Operating Income and Margin (dollars in thousands)**

Quarter Ended September 30, 2017				2016 <sup>(e)</sup>			
FMT	HST	FSDP	Corporate IDEX	FMT	HST	FSDP	Corporate IDEX

<b>Reported operating income (loss)</b>	<b>\$ 61,988</b>	<b>\$ 46,073</b>	<b>\$ 36,199</b>	<b>\$ (17,756 )</b>	<b>\$ 126,504</b>	<b>\$ 55,907</b>	<b>\$ 37,195</b>	<b>\$ 32,492</b>	<b>\$ (15,886 )</b>	<b>\$ 109,708</b>
<b>+Loss (gain) on sale of businesses - net</b>	-	-	-	-	-	-	-	-	2,067	2,067
<b>Adjusted operating income (loss)</b>	<b>\$ 61,988</b>	<b>\$ 46,073</b>	<b>\$ 36,199</b>	<b>\$ (17,756 )</b>	<b>\$ 126,504</b>	<b>\$ 55,907</b>	<b>\$ 37,195</b>	<b>\$ 32,492</b>	<b>\$ (13,819 )</b>	<b>\$ 111,775</b>
<b>Net sales (eliminations)</b>	<b>\$ 220,953</b>	<b>\$ 207,127</b>	<b>\$ 146,599</b>	<b>\$ (189 )</b>	<b>\$ 574,490</b>	<b>\$ 208,335</b>	<b>\$ 183,564</b>	<b>\$ 138,767</b>	<b>\$ (310 )</b>	<b>\$ 530,356</b>
<b>Operating margin</b>	<b>28.1 %</b>	<b>22.2 %</b>	<b>24.7 %</b>	<b>n/m</b>	<b>22.0 %</b>	<b>26.8 %</b>	<b>20.3 %</b>	<b>23.4 %</b>	<b>n/m</b>	<b>20.7 %</b>
<b>Adjusted operating margin</b>	<b>28.1 %</b>	<b>22.2 %</b>	<b>24.7 %</b>	<b>n/m</b>	<b>22.0 %</b>	<b>26.8 %</b>	<b>20.3 %</b>	<b>23.4 %</b>	<b>n/m</b>	<b>21.1 %</b>

**Nine Months Ended September 30,**

	<b>2017</b>					<b>2016 <sup>(e)</sup></b>				
	<b>FMT</b>	<b>HST</b>	<b>FSDP</b>	<b>Corporate IDEX</b>		<b>FMT</b>	<b>HST</b>	<b>FSDP</b>	<b>Corporate IDEX</b>	
<b>Reported operating income (loss)</b>	<b>\$ 179,830</b>	<b>\$ 134,605</b>	<b>\$ 106,022</b>	<b>\$ (53,149 ) \$ 367,308</b>		<b>\$ 161,782</b>	<b>\$ 118,985</b>	<b>\$ 92,566</b>	<b>\$ (46,457 ) \$ 326,876</b>	
<b>+Restructuring expenses</b>	<b>1,566</b>	<b>3,028</b>	<b>73</b>	<b>130</b>	<b>4,797</b>	-	-	-	-	-
<b>+Loss (gain) on sale of businesses - net</b>	-	-	-	-	-	-	-	-	2,067	2,067
<b>Adjusted operating income (loss)</b>	<b>\$ 181,396</b>	<b>\$ 137,633</b>	<b>\$ 106,095</b>	<b>\$ (53,019 ) \$ 372,105</b>		<b>\$ 161,782</b>	<b>\$ 118,985</b>	<b>\$ 92,566</b>	<b>\$ (44,390 ) \$ 328,943</b>	
<b>Net sales (eliminations)</b>	<b>\$ 658,905</b>	<b>\$ 611,215</b>	<b>\$ 432,029</b>	<b>\$ (741 ) \$ 1,701,408</b>		<b>\$ 641,988</b>	<b>\$ 556,475</b>	<b>\$ 384,996</b>	<b>\$ (835 ) \$ 1,582,624</b>	
<b>Operating margin</b>	<b>27.3 %</b>	<b>22.0 %</b>	<b>24.5 %</b>	<b>n/m</b>	<b>21.6 %</b>	<b>25.2 %</b>	<b>21.4 %</b>	<b>24.0 %</b>	<b>n/m</b>	<b>20.7 %</b>
<b>Adjusted operating margin</b>	<b>27.5 %</b>	<b>22.5 %</b>	<b>24.6 %</b>	<b>n/m</b>	<b>21.9 %</b>	<b>25.2 %</b>	<b>21.4 %</b>	<b>24.0 %</b>	<b>n/m</b>	<b>20.8 %</b>

**Table 3: Reconciliations of Reported-to-Adjusted Net Income and EPS (in thousands, except EPS)**

	<b>Quarter Ended September 30,</b>		<b>Nine Months Ended September 30,</b>	
	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
<b>Reported net income</b>	<b>\$ 83,768</b>	<b>\$ 69,873</b>	<b>\$ 243,511</b>	<b>\$ 213,762</b>
<b>+Restructuring expenses</b>	-	-	<b>4,797</b>	-
<b>+Tax impact on restructuring expenses</b>	-	-	<b>(1,529 )</b>	-
<b>+Loss (gain) on sale of businesses - net</b>	-	2,067	-	2,067
<b>+Tax impact on loss (gain) on sale of businesses - net</b>	-	(1,467 )	-	(1,467 )
<b>Adjusted net income</b>	<b>\$ 83,768</b>	<b>\$ 70,473</b>	<b>\$ 246,779</b>	<b>\$ 214,362</b>
<b>Reported EPS</b>	<b>\$ 1.08</b>	<b>\$ 0.91</b>	<b>\$ 3.15</b>	<b>\$ 2.78</b>
<b>+Restructuring expenses</b>	-	-	<b>0.06</b>	-

+Tax impact on restructuring expenses	-	-	(0.02 )	-
+Loss (gain) on sale of businesses - net	-	0.03	-	0.03
+Tax impact on loss (gain) on sale of businesses - net	-	(0.02 )	-	(0.02 )
<b>Adjusted EPS</b>	<b>\$ 1.08</b>	<b>\$ 0.92</b>	<b>\$ 3.19</b>	<b>\$ 2.79</b>
<b>Diluted weighted average shares</b>	<b>77,523</b>	<b>76,880</b>	<b>77,246</b>	<b>76,742</b>

Table 4: Reconciliations of EBITDA to Net Income (dollars in thousands)

	Quarter Ended September 30,					2016 <sup>(e)</sup>				
	2017		2016 <sup>(e)</sup>			2017		2016 <sup>(e)</sup>		
	FMT	HST	FSDP	Corporate	IDEX	FMT	HST	FSDP	Corporate	IDEX
<b>Operating income (loss)</b>	<b>\$ 61,988</b>	<b>\$ 46,073</b>	<b>\$ 36,199</b>	<b>\$ (17,756 )</b>	<b>\$ 126,504</b>	<b>\$ 55,907</b>	<b>\$ 37,195</b>	<b>\$ 32,492</b>	<b>\$ (15,886 )</b>	<b>\$ 109,708</b>
- Other (income) expense - net	230	(970 )	1,044	1,349	1,653	171	(384 )	(195 )	(1,105 )	(1,513 )
+ Depreciation and amortization	6,192	11,189	3,709	190	21,280	7,168	11,163	3,584	277	22,192
<b>EBITDA</b>	<b>67,950</b>	<b>58,232</b>	<b>38,864</b>	<b>(18,915 )</b>	<b>146,131</b>	<b>62,904</b>	<b>48,742</b>	<b>36,271</b>	<b>(14,504 )</b>	<b>133,413</b>
- Interest expense					11,064					11,913
- Provision for income taxes					30,019					29,435
- Depreciation and amortization					21,280					22,192
<b>Net income</b>					<b>\$ 83,768</b>					<b>\$ 69,873</b>
<b>Net sales (eliminations)</b>	<b>\$ 220,953</b>	<b>\$ 207,127</b>	<b>\$ 146,599</b>	<b>\$ (189 )</b>	<b>\$ 574,490</b>	<b>\$ 208,335</b>	<b>\$ 183,564</b>	<b>\$ 138,767</b>	<b>\$ (310 )</b>	<b>\$ 530,356</b>
<b>Operating margin</b>	<b>28.1 %</b>	<b>22.2 %</b>	<b>24.7 %</b>	<b>n/m</b>	<b>22.0 %</b>	<b>26.8 %</b>	<b>20.3 %</b>	<b>23.4 %</b>	<b>n/m</b>	<b>20.7 %</b>
<b>EBITDA margin</b>	<b>30.8 %</b>	<b>28.1 %</b>	<b>26.5 %</b>	<b>n/m</b>	<b>25.4 %</b>	<b>30.2 %</b>	<b>26.6 %</b>	<b>26.1 %</b>	<b>n/m</b>	<b>25.2 %</b>

	Nine Months Ended September 30,					2016 <sup>(e)</sup>				
	2017		2016 <sup>(e)</sup>			2017		2016 <sup>(e)</sup>		
	FMT	HST	FSDP	Corporate	IDEX	FMT	HST	FSDP	Corporate	IDEX
<b>Operating income (loss)</b>	<b>\$ 179,830</b>	<b>\$ 134,605</b>	<b>\$ 106,022</b>	<b>\$ (53,149 )</b>	<b>\$ 367,308</b>	<b>\$ 161,782</b>	<b>\$ 118,985</b>	<b>\$ 92,566</b>	<b>\$ (46,457 )</b>	<b>\$ 326,876</b>
- Other (income) expense - net	707	97	1,663	(750 )	1,717	566	(1,548 )	(485 )	(1,029 )	(2,496 )
+ Depreciation and amortization	17,823	34,447	10,938	598	63,806	22,011	33,044	8,316	953	64,324
<b>EBITDA</b>	<b>196,946</b>	<b>168,955</b>	<b>115,297</b>	<b>(51,801 )</b>	<b>429,397</b>	<b>183,227</b>	<b>153,577</b>	<b>101,367</b>	<b>(44,475 )</b>	<b>393,696</b>
- Interest expense					33,920					33,607
- Provision for income taxes					88,160					82,003

- Depreciation and amortization															
Net income															
Net sales (eliminations)	\$ 658,905	\$ 611,215	\$ 432,029	\$ (741 )	\$ 1,701,408	\$ 641,988	\$ 556,475	\$ 384,996	\$ (835 )	\$ 1,582,624					
Operating margin	27.3 %	22.0 %	24.5 %	n/m	21.6 %	25.2 %	21.4 %	24.0 %	n/m	20.7 %					
EBITDA margin	29.9 %	27.6 %	26.7 %	n/m	25.2 %	28.5 %	27.6 %	26.3 %	n/m	24.9 %					

Table 5: Reconciliations of EBITDA to Adjusted EBITDA (dollars in thousands)

	Quarter Ended September 30, 2017					2016									
	FMT	HST	FSDP	Corporate	IDEX	FMT	HST	FSDP	Corporate	IDEX					
EBITDA	\$ 67,950	\$ 58,232	\$ 38,864	\$ (18,915 )	\$ 146,131	\$ 62,904	\$ 48,742	\$ 36,271	\$ (14,504 )	\$ 133,413					
+Loss (gain) on sale of businesses - net	-	-	-	-	-	-	-	-	2,067	2,067					
Adjusted EBITDA	\$ 67,950	\$ 58,232	\$ 38,864	\$ (18,915 )	\$ 146,131	\$ 62,904	\$ 48,742	\$ 36,271	\$ (12,437 )	\$ 135,480					
Adjusted EBITDA margin	30.8 %	28.1 %	26.5 %	n/m	25.4 %	30.2 %	26.6 %	26.1 %	n/m	25.5 %					
	Nine Months Ended September 30, 2017					2016									
	FMT	HST	FSDP	Corporate	IDEX	FMT	HST	FSDP	Corporate	IDEX					
EBITDA	\$ 196,946	\$ 168,955	\$ 115,297	\$ (51,801 )	\$ 429,397	\$ 183,227	\$ 153,577	\$ 101,367	\$ (44,475 )	\$ 393,696					
+Restructuring expenses	1,566	3,028	73	130	4,797	-	-	-	-	-					
+Loss (gain) on sale of businesses - net	-	-	-	-	-	-	-	-	2,067	2,067					
Adjusted EBITDA	\$ 198,512	\$ 171,983	\$ 115,370	\$ (51,671 )	\$ 434,194	\$ 183,227	\$ 153,577	\$ 101,367	\$ (42,408 )	\$ 395,763					
Adjusted EBITDA margin	30.1 %	28.1 %	26.7 %	n/m	25.5 %	28.5 %	27.6 %	26.3 %	n/m	25.0 %					

Table 6: Reconciliations of Free Cash Flow (in thousands)

	Quarter Ended			Nine Months Ended	
	September 30, 2017	2016	2017	September 30, 2017	2016
Cash flow from operating activities	\$ 124,000	\$ 125,480	\$ 87,601	\$ 296,580	\$ 284,324
- Capital expenditures	8,515	11,590	9,377	28,054	28,642

**Free cash flow** **\$115,485** \$ 113,890 \$ 78,224 **\$ 268,526** \$ 255,682

### Conference Call to be Broadcast over the Internet

IDEX will broadcast its third quarter earnings conference call over the Internet on Tuesday, October 17, 2017 at 9:30 a.m. CT. Chairman and Chief Executive Officer Andy Silvernail and Senior Vice President and Chief Financial Officer William Grogan will discuss the Company's recent financial performance and respond to questions from the financial analyst community. IDEX invites interested investors to listen to the call and view the accompanying slide presentation, which will be carried live on its website at [www.idexcorp.com](http://www.idexcorp.com). Those who wish to participate should log on several minutes before the discussion begins. After clicking on the presentation icon, investors should follow the instructions to ensure their systems are set up to hear the event and view the presentation slides, or download the correct applications at no charge. Investors will also be able to hear a replay of the call by dialing 877.660.6853 (or 201.612.7415 for international participants) using the ID #13652255.

### Forward-Looking Statements

This news release contains "forward-looking" statements within the meaning of the Private Securities Litigation Reform Act of 1995, as amended. These statements may relate to, among other things, capital expenditures, acquisitions, cost reductions, cash flow, revenues, earnings, market conditions, global economies and operating improvements, and are indicated by words or phrases such as "anticipates," "estimates," "plans," "expects," "projects," "forecasts," "should," "could," "will," "management believes," "the Company believes," "the Company intends," and similar words or phrases. These statements are subject to inherent uncertainties and risks that could cause actual results to differ materially from those anticipated at the date of this news release. The risks and uncertainties include, but are not limited to, the following: economic and political consequences resulting from terrorist attacks and wars; levels of industrial activity and economic conditions in the U.S. and other countries around the world; pricing pressures and other competitive factors, and levels of capital spending in certain industries – all of which could have a material impact on order rates and IDEX's results, particularly in light of the low levels of order backlogs it typically maintains; its ability to make acquisitions and to integrate and operate acquired businesses on a profitable basis; the relationship of the U.S. dollar to other currencies and its impact on pricing and cost competitiveness; political and economic conditions in foreign countries in which the company operates; interest rates; capacity utilization and the effect this has on costs; labor markets; market conditions and material costs; and developments with respect to contingencies, such as litigation and environmental matters. Additional factors that could cause actual results to differ materially from those reflected in the forward-looking statements include, but are not limited to, the risks discussed in the "Risk Factors" section included in the Company's most recent annual report on Form 10-K filed with the SEC and the other risks discussed in the Company's filings with the SEC. The forward-looking statements included here are only made as of the date of this news release, and management undertakes no obligation to publicly update them to reflect subsequent events or circumstances, except as may be required by law. Investors are cautioned not to rely unduly on forward-looking statements when evaluating the information presented here.

### About IDEX

IDEX Corporation is an applied solutions company specializing in fluid and metering technologies, health and science technologies, and fire, safety and other diversified products built to its customers' exacting specifications. Its products are sold in niche markets to a wide range of industries throughout the world. IDEX shares are traded on the New York Stock Exchange and Chicago Stock Exchange under the symbol "IEX".

For further information on IDEX Corporation and its business units, visit the company's website at [www.idexcorp.com](http://www.idexcorp.com).

(Financial reports follow)

### IDEX CORPORATION

#### Condensed Consolidated Statements of Operations

(in thousands except per share amounts)

(unaudited)

	Quarter Ended		Nine Months Ended	
	September 30,		September 30,	
	2017	2016 <sup>(e)</sup>	2017	2016 <sup>(e)</sup>
Net sales	\$ 574,490	\$ 530,356	\$ 1,701,408	\$ 1,582,624
Cost of sales	316,560	299,467	935,612	884,342
Gross profit	257,930	230,889	765,796	698,282
Selling, general and administrative expenses	131,426	119,114	393,691	369,339
Restructuring expenses	-	-	4,797	-
Loss (gain) on sale of businesses - net	-	2,067	-	2,067

Operating income	126,504	109,708	367,308	326,876
Other (income) expense - net	1,653	(1,513 )	1,717	(2,496 )
Interest expense	11,064	11,913	33,920	33,607
Income before income taxes	113,787	99,308	331,671	295,765
Provision for income taxes	30,019	29,435	88,160	82,003
Net income	\$83,768	\$69,873	\$ 243,511	\$ 213,762

*Earnings per Common Share* <sup>(a)</sup>:

Basic earnings per common share	\$ 1.09	\$ 0.92	\$ 3.19	\$ 2.81
Diluted earnings per common share	\$ 1.08	\$ 0.91	\$ 3.15	\$ 2.78

*Share Data:*

Basic weighted average common shares outstanding	76,309	75,819	76,215	75,753
Diluted weighted average common shares outstanding	77,523	76,880	77,246	76,742

**Condensed Consolidated Balance Sheets**

(in thousands)

(unaudited)

September 30, December 31,  
2017 2016

**Assets**

**Current assets**

Cash and cash equivalents	\$ 303,291	\$ 235,964
Receivables - net	307,505	272,813
Inventories	266,705	252,859
Other current assets	77,977	61,085
Total current assets	955,478	822,721
Property, plant and equipment - net	250,889	247,816
Goodwill and intangible assets	2,094,621	2,068,096
Other noncurrent assets	16,773	16,311
Total assets	\$ 3,317,761	\$ 3,154,944

**Liabilities and shareholders' equity**

**Current liabilities**

Trade accounts payable	\$ 137,917	\$ 128,933
Accrued expenses	170,223	152,852
Short-term borrowings	347	1,046
Dividends payable	28,364	26,327
Total current liabilities	336,851	309,158
Long-term borrowings	874,853	1,014,235
Other noncurrent liabilities	295,745	287,657
Total liabilities	1,507,449	1,611,050
Shareholders' equity	1,810,312	1,543,894
Total liabilities and shareholders' equity	\$ 3,317,761	\$ 3,154,944

**IDEX CORPORATION**

**Condensed Consolidated Statements of Cash Flows**

(in thousands)

(unaudited)

**Nine Months Ended September 30,**  
**2017**                      **2016**

<b>Cash flows from operating activities</b>		
Net income	\$ 243,511	\$ 213,762
<b>Adjustments to reconcile net income to net cash provided by operating activities:</b>		
Loss (gain) on sale of businesses - net	-	2,067
Depreciation and amortization	28,425	28,360
Amortization of intangible assets	35,381	35,964
Amortization of debt issuance costs	989	1,150
Share-based compensation expense	18,143	15,325
Deferred income taxes	1,888	4,880
Non-cash interest expense associated with forward starting swaps	5,004	5,144
<b>Changes in (net of the effect from acquisitions and divestitures):</b>		
Receivables	(28,407 )	(2,178 )
Inventories	(4,869 )	22,250
Other current assets	(15,113 )	(18,276 )
Trade accounts payable	3,681	(16,696 )
Accrued expenses	9,912	(2,982 )
Other — net	(1,965 )	(4,446 )
Net cash flows provided by operating activities	296,580	284,324
<b>Cash flows from investing activities</b>		
Purchases of property, plant and equipment	(28,054 )	(28,642 )
Acquisition of businesses, net of cash acquired	-	(510,001 )
Proceeds from sale of businesses, net of cash sold	-	32,529
Proceeds from fixed asset disposals	5,159	-
Other — net	(337 )	(73 )
Net cash flows used in investing activities	(23,232 )	(506,187 )
<b>Cash flows from financing activities</b>		
Borrowings under revolving facilities	33,000	460,524
Proceeds from 3.20% Senior Notes	-	100,000
Proceeds from 3.37% Senior Notes	-	100,000
Payments under revolving facilities	(181,692 )	(402,172 )
Debt issuance costs	-	(246 )
Dividends paid	(82,869 )	(77,367 )
Proceeds from stock option exercises	18,980	23,154
Purchase of common stock	(22,650 )	(57,272 )
Unvested shares surrendered for tax withholding	(5,903 )	(4,899 )
Settlement of foreign exchange contracts	4,406	-
Net cash flows provided by (used in) financing activities	(236,728 )	141,722
Effect of exchange rate changes on cash and cash equivalents	30,707	(8,480 )
Net increase (decrease)	67,327	(88,621 )
Cash and cash equivalents at beginning of year	235,964	328,018
Cash and cash equivalents at end of period	\$ 303,291	\$ 239,397

**IDEX CORPORATION**

**Company and Segment Financial Information - Reported**

(dollars in thousands)

(unaudited)

Quarter Ended		Nine Months Ended	
September 30, <sup>(b)</sup>		September 30, <sup>(b)</sup>	
2017	2016 <sup>(c)</sup>	2017	2016 <sup>(c)</sup>



<b>Fluid &amp; Metering Technologies</b>						
Net sales	\$ 220,953		\$ 208,335		\$ 658,905	\$ 641,988
Operating income <sup>(c)</sup>	61,988		55,907		179,830	161,782
Operating margin	28.1	%	26.8	%	27.3	25.2 %
EBITDA	\$ 67,950		\$ 62,904		\$ 196,946	\$ 183,227
EBITDA margin	30.8	%	30.2	%	29.9	28.5 %
Depreciation and amortization	\$ 6,192		\$ 7,168		\$ 17,823	\$ 22,011
Capital expenditures	3,944		5,091		12,159	12,704

<b>Health &amp; Science Technologies</b>						
Net sales	\$ 207,127		\$ 183,564		\$ 611,215	\$ 556,475
Operating income <sup>(c)</sup>	46,073		37,195		134,605	118,985
Operating margin	22.2	%	20.3	%	22.0	21.4 %
EBITDA	\$ 58,232		\$ 48,742		\$ 168,955	\$ 153,577
EBITDA margin	28.1	%	26.6	%	27.6	27.6 %
Depreciation and amortization	\$ 11,189		\$ 11,163		\$ 34,447	\$ 33,044
Capital expenditures	3,015		4,450		11,489	11,455

<b>Fire &amp; Safety/Diversified Products</b>						
Net sales	\$ 146,599		\$ 138,767		\$ 432,029	\$ 384,996
Operating income <sup>(c)</sup>	36,199		32,492		106,022	92,566
Operating margin	24.7	%	23.4	%	24.5	24.0 %
EBITDA	\$ 38,864		\$ 36,271		\$ 115,297	\$ 101,367
EBITDA margin	26.5	%	26.1	%	26.7	26.3 %
Depreciation and amortization	\$ 3,709		\$ 3,584		\$ 10,938	\$ 8,316
Capital expenditures	1,506		2,034		4,178	4,305

<b>Corporate Office and Eliminations</b>						
Intersegment sales eliminations	\$ (189 )		\$ (310 )		\$ (741 )	\$ (835 )
Operating loss <sup>(c)</sup>	(17,756 )		(15,886 )		(53,149 )	(46,457 )
EBITDA	(18,915 )		(14,504 )		(51,801 )	(44,475 )
Depreciation and amortization	190		277		598	953
Capital expenditures	50		15		228	178

<b>Company</b>						
Net sales	\$ 574,490		\$ 530,356		\$ 1,701,408	\$ 1,582,624
Operating income	126,504		109,708		367,308	326,876
Operating margin	22.0	%	20.7	%	21.6	20.7 %
EBITDA	\$ 146,131		\$ 133,413		\$ 429,397	\$ 393,696
EBITDA margin	25.4	%	25.2	%	25.2	24.9 %
Depreciation and amortization <sup>(d)</sup>	\$ 21,280		\$ 22,192		\$ 63,806	\$ 64,324
Capital expenditures	8,515		11,590		28,054	28,642

(a) Calculated by applying the two-class method of allocating earnings to common stock and participating securities as required by ASC 260, Earnings Per Share.

Three and nine month data includes the results of SFC Koenig (September 2016) in the Health & Science Technologies segment and Akron Brass (March 2016) and AWG Fittings (July 2016) in the Fire & Safety/Diversified Products segment from the date of acquisition. Three and nine month data also includes the results of Hydra-Stop (July 2016) and IETG (October 2016) in the Fluid & Metering Technologies segment and CVI Japan (September 2016) and CVI Korea (December 2016) in the Health & Science Technologies segment through the date of disposition.

(c) Segment operating income excludes unallocated corporate operating expenses which are included in Corporate Office and Eliminations.

**(d) Depreciation and amortization excludes amortization of debt issuance costs.**

**Certain amounts in the prior year presentation have been reclassified to conform to the current presentation due to the early  
(e) adoption of ASU 2017-07, Compensation-Retirement Benefits (Topic 715): Improving the Presentation of Net Periodic Pension Cost  
and Net Periodic Postretirement Benefit Cost.**

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