

## **IDEX Reports Third Quarter Results; Orders up 9 Percent and Sales up 5 Percent**

October 17, 2016 5:13 PM ET

LAKE FOREST, Ill.--(BUSINESS WIRE)--Oct. 17, 2016-- **IDEX Corporation (NYSE: IEX) today announced its financial results for the three month period ended September 30, 2016.**

### **Third Quarter 2016 Highlights**

- Orders were up 9 percent overall and up 2 percent organically
- Sales were up 5 percent overall and down 2 percent organically
- Reported EPS was 91 cents and adjusted EPS was 92 cents, up 3 percent
- Cash from operations of \$125 million drove free cash flow of \$114 million
- Acquired AWG Fittings and SFC Koenig for \$288 million
- Divested two non-strategic product lines in the third quarter and one in early October

### **Third Quarter 2016**

Orders of \$530 million were up 9 percent (+2 percent organic, +8 percent acquisitions/divestitures and -1 percent foreign currency translation) compared with the prior year period.

Sales of \$530 million were up 5 percent (-2 percent organic, +8 percent acquisitions/divestitures and -1 percent foreign currency translation) compared with the prior year period.

Gross margin of 43.5 percent was down 80 basis points from the prior year period, primarily due to \$4.6 million of pre-tax fair value inventory step-up charges related to the AWG and SFC acquisitions.

Operating income of \$109 million resulted in an operating margin of 20.5 percent. Adjusted for a \$2.1 million pre-tax net loss on divestitures, adjusted operating income was \$111 million with an adjusted operating margin of 20.9 percent, down 60 basis points from the prior year adjusted operating margin primarily due to the fair value inventory step-up charges. Operating income drove EBITDA of \$133 million which was 25 percent of sales and covered interest expense by more than 11 times.

Net income was \$70 million which drove EPS of 91 cents. Adjusted for the net loss on divestitures, adjusted EPS of 92 cents increased 3 cents, or 3 percent, from prior year adjusted EPS.

During the third quarter, we utilized \$125 million of our global cash balances to partially fund the recent acquisitions. The usage of this cash resulted in a \$5.2 million foreign withholding tax charge. Partially offsetting this incremental income tax expense was a favorable return-to-provision adjustment and other tax benefits, resulting in an effective tax rate of 29.6 percent compared to our prior tax rate guidance of 27.0 percent for the third quarter.

Cash from operations of \$125 million was up 11 percent and drove free cash flow of \$114 million which was 163 percent of net income.

“Orders grew 2 percent organically from strength in scientific and commercial markets, while industrial markets continued to face headwinds. Our team continued to execute extremely well in a challenging macro environment and our businesses are positioned to continue to perform. This performance is reflected in our strong third quarter cash conversion of 163 percent of net income and adjusted EPS of 92 cents, which includes 4 cents of fair value inventory step-up charges and a higher than expected effective tax rate, partially offset by favorable foreign exchange.

During the quarter, we deployed significant capital and resources to expand and optimize our portfolio. We completed the acquisitions of AWG and SFC, perfect complements to our Fire & Rescue and Sealing platforms. Year-to-date, we have deployed over \$500 million on three strategic acquisitions and more recently, we have divested three non-strategic product lines. We will continue to use our healthy balance sheet and cash flow to invest aggressively in organic growth, fund disciplined M&A, pay consistent shareholder dividends and opportunistically repurchase stock.

In the face of continued market softness we expect to close out 2016 with solid execution and anticipate fourth quarter EPS of 92 to 94 cents. For the full year, we project total sales to be up 5 percent with organic revenue down 1 percent. Despite fourth quarter pressure from our recent product line divestitures and the SFC acquisition, including a 5 cent impact from the remaining fair value inventory step-up charge, we are maintaining the midpoint of our adjusted full year EPS guidance of \$3.72 to \$3.74, up 5 percent from the prior year.”

Andrew K. Silvernail  
Chairman and Chief Executive Officer

### **Third Quarter 2016 Segment Highlights**

## Fluid & Metering Technologies

- Sales of \$208 million reflected a 2 percent decrease compared to the third quarter of 2015 (flat organic, -1 percent divestitures and -1 percent foreign currency translation).
- Operating income of \$56 million was \$6 million higher than the prior year adjusted operating income. Operating margin of 26.7 percent represented a 340 basis point increase compared with the prior year adjusted operating margin primarily due to a \$2.5 million pre-tax fair value inventory step-up charge included in the prior year.
- EBITDA of \$63 million resulted in an EBITDA margin of 30.2 percent, a 340 basis point increase compared with prior year adjusted EBITDA.

## Health & Science Technologies

- Sales of \$184 million reflected a 1 percent decrease compared to the third quarter of 2015 (-1 percent organic, +2 percent acquisitions and -2 percent foreign currency translation).
- Operating income of \$37 million was \$3 million lower than the prior year adjusted operating income. Operating margin of 20.3 percent represented a 140 basis point decrease compared with the prior year adjusted operating margin primarily due to the \$2.9 million pre-tax fair value inventory step-up charge related to the SFC acquisition.
- EBITDA of \$49 million resulted in an EBITDA margin of 26.6 percent, a 160 basis point decrease compared with prior year adjusted EBITDA.

## Fire & Safety/Diversified Products

- Sales of \$139 million reflected a 30 percent increase compared to the third quarter of 2015 (-6 percent organic, +38 percent acquisition and -2 percent foreign currency translation).
- Operating income of \$32 million was \$1 million lower than the prior year adjusted operating income. Operating margin of 23.2 percent represented a 750 basis point decrease compared with the prior year adjusted operating margin primarily due to the dilutive impact of the 2016 acquisitions and the \$1.7 million pre-tax fair value inventory step-up charge related to the AWG acquisition.
- EBITDA of \$36 million resulted in an EBITDA margin of 26.1 percent, a 620 basis point decrease compared with prior year adjusted EBITDA.

For the third quarter of 2016, Fluid & Metering Technologies contributed 39 percent of sales, 44 percent of operating income and 43 percent of EBITDA; Health & Science Technologies accounted for 35 percent of sales, 30 percent of operating income and 33 percent of EBITDA; and Fire & Safety/Diversified Products represented 26 percent of sales, 26 percent of operating income and 24 percent of EBITDA.

## Fourth Quarter Pension Settlement

IDEX has implemented a program offering certain former U.S. employees with a vested pension benefit an option to take a one-time lump sum distribution rather than future monthly pension payments. Payments will be made from the retirement plans during the fourth quarter of 2016. This action is expected to reduce IDEX's pension benefit obligations by approximately \$8 million by December 31, 2016.

This is part of IDEX's overall plan to de-risk its pension plans and will not materially impact the plans' funded status, materially impact future pension expense, or require additional contributions to the plans. Based on the estimated number of participants, IDEX expects to recognize a pretax pension settlement charge in the range of \$3 million to \$6 million in the fourth quarter of 2016. This settlement charge is excluded from our fourth quarter and full year guidance.

## 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 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 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 Net Sales to Net Organic Sales**

	For the Three Months Ended				For the Nine Months Ended			
	September 30, 2016				September 30, 2016			
	FMT	HST	FSDP	IDEX	FMT	HST	FSDP	IDEX
Change in net sales	(2%)	(1%)	30%	5%	(1%)	1%	18%	4%
- Net impact from acquisitions/divestitures	(1%)	2%	38%	8%	1%	2%	24%	7%
- Impact from FX	(1%)	(2%)	(2%)	(1%)	(1%)	(1%)	(1%)	(1%)
Organic net sales	0%	(1%)	(6%)	(2%)	(1%)	0%	(5%)	(2%)

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

	For the Three Months Ended September 30, 2016					2015				
	FMT	HST	FSDP	Corporate	IDEX	FMT	HST	FSDP	Corporate	IDEX
Reported operating income (loss)	\$55,600	\$37,204	\$32,189	\$(16,136)	\$108,857	\$46,910	\$38,371	\$32,536	\$3,996	\$121,813
+Restructuring expenses	-	-	-	-	-	2,505	1,774	279	165	4,723
+Net loss (gain) on sale of businesses	-	-	-	2,067	2,067	-	-	-	(18,070)	(18,070)
Adjusted operating income (loss)	\$55,600	\$37,204	\$32,189	\$(14,069)	\$110,924	\$49,415	\$40,145	\$32,815	\$(13,909)	\$108,466
Net sales (eliminations)	\$208,335	\$183,564	\$138,767	\$(310)	\$530,356	\$212,101	\$184,893	\$107,009	\$(212)	\$503,791
Operating margin	26.7 %	20.3 %	23.2 %	n/m	20.5 %	22.1 %	20.8 %	30.4 %	n/m	24.2 %
Adjusted operating margin	26.7 %	20.3 %	23.2 %	n/m	20.9 %	23.3 %	21.7 %	30.7 %	n/m	21.5 %

	For the Nine Months Ended September 30, 2016					2015				
	FMT	HST	FSDP	Corporate	IDEX	FMT	HST	FSDP	Corporate	IDEX
Reported operating income (loss)	\$160,866	\$119,028	\$91,709	\$(47,213)	\$324,390	\$154,665	\$117,888	\$91,180	\$(30,254)	\$333,479
+Restructuring expenses	-	-	-	-	-	2,505	1,774	279	165	4,723
+Net loss (gain) on sale of businesses	-	-	-	2,067	2,067	-	-	-	(18,070)	(18,070)
Adjusted operating income (loss)	\$160,866	\$119,028	\$91,709	\$(45,146)	\$326,457	\$157,170	\$119,662	\$91,459	\$(48,159)	\$320,132
Net sales (eliminations)	\$641,988	\$556,475	\$384,996	\$(835)	\$1,582,624	\$645,642	\$552,418	\$325,572	\$(2,762)	\$1,520,87

<b>Operating margin</b>	25.1	%	21.4	%	23.8	%	n/m	20.5	%	24.0	%	21.3	%	28.0	%	n/m	21.9
<b>Adjusted operating margin</b>	25.1	%	21.4	%	23.8	%	n/m	20.6	%	24.3	%	21.7	%	28.1	%	n/m	21.0

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

	For the Three Months Ended September 30, 2016		For the Three Months Ended September 30, 2015		For the Nine Months Ended September 30, 2016		For the Nine Months Ended September 30, 2015	
<b>Reported net income</b>	<b>\$ 69,873</b>		\$ 79,505		<b>\$ 213,762</b>		\$ 215,044	
+Restructuring expenses	-		4,723		-		4,723	
+Tax impact on restructuring expenses	-		(1,638 )		-		(1,638 )	
+Net loss (gain) on sale of businesses	<b>2,067</b>		(18,070 )		<b>2,067</b>		(18,070 )	
+Tax impact on net loss (gain) on sale of businesses	(1,467 )		4,839		(1,467 )		4,839	
<b>Adjusted net income</b>	<b>\$ 70,473</b>		\$ 69,359		<b>\$ 214,362</b>		\$ 204,898	
<b>Reported EPS</b>	<b>\$ 0.91</b>		\$ 1.02		<b>\$ 2.78</b>		\$ 2.75	
+Restructuring expenses	-		0.06		-		0.06	
+Tax impact on restructuring expenses	-		(0.02 )		-		(0.02 )	
+Net loss (gain) on sale of businesses	<b>0.03</b>		(0.23 )		<b>0.03</b>		(0.23 )	
+Tax impact on net loss (gain) on sale of businesses	(0.02 )		0.06		(0.02 )		0.06	
<b>Adjusted EPS</b>	<b>\$ 0.92</b>		\$ 0.89		<b>\$ 2.79</b>		\$ 2.62	
<b>Diluted weighted average shares</b>	<b>76,880</b>		77,646		<b>76,742</b>		78,266	

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

	For the Three Months Ended September 30, 2016					2015											
	FMT	HST	FSDP	Corporate	IDEX	FMT	HST	FSDP	Corporate	IDEX							
<b>Operating income (loss)</b>	<b>\$ 55,600</b>	<b>\$ 37,204</b>	<b>\$ 32,189</b>	<b>\$ (16,136 )</b>	<b>\$ 108,857</b>	\$ 46,910	\$ 38,371	\$ 32,536	\$ 3,996	\$ 121,813							
- Other (income) expense - net	(136 )	(375 )	(498 )	(1,355 )	(2,364 )	(82 )	(877 )	(247 )	513	(693							
+ Depreciation and amortization	7,168	11,163	3,584	277	22,192	7,311	11,179	1,513	374	20,377							
<b>EBITDA</b>	<b>62,904</b>	<b>48,742</b>	<b>36,271</b>	<b>(14,504 )</b>	<b>133,413</b>	54,303	50,427	34,296	3,857	142,883							
- Interest expense					11,913					10,229							
- Provision for income taxes					29,435					32,772							
- Depreciation and amortization					22,192					20,377							
<b>Net income</b>					<b>\$ 69,873</b>					\$ 79,505							
<b>Net sales (eliminations)</b>	<b>\$ 208,335</b>	<b>\$ 183,564</b>	<b>\$ 138,767</b>	<b>\$ (310 )</b>	<b>\$ 530,356</b>	\$ 212,101	\$ 184,893	\$ 107,009	\$ (212 )	\$ 503,791							
<b>Operating margin</b>	<b>26.7</b>	<b>%</b>	<b>20.3</b>	<b>%</b>	<b>23.2</b>	<b>%</b>	<b>n/m</b>	<b>20.5</b>	<b>%</b>	<b>22.1</b>	<b>%</b>	<b>20.8</b>	<b>%</b>	<b>30.4</b>	<b>%</b>	<b>n/m</b>	<b>24.2</b>

<b>EBITDA margin</b>	<b>30.2</b>	<b>%</b>	<b>26.6</b>	<b>%</b>	<b>26.1</b>	<b>%</b>	<b>n/m</b>	<b>25.2</b>	<b>%</b>	<b>25.6</b>	<b>%</b>	<b>27.3</b>	<b>%</b>	<b>32.0</b>	<b>%</b>	<b>n/m</b>	<b>28.4</b>
----------------------	-------------	----------	-------------	----------	-------------	----------	------------	-------------	----------	-------------	----------	-------------	----------	-------------	----------	------------	-------------

	For the Nine Months Ended September 30,																			
	2016				2015															
	FMT	HST	FSDP	Corporate IDEX	FMT	HST	FSDP	Corporate IDEX	FMT	HST	FSDP	Corporate IDEX	FMT	HST	FSDP	Corporate IDEX	FMT	HST	FSDP	Corporate IDEX
<b>Operating income (loss)</b>	<b>\$ 160,866</b>	<b>\$ 119,028</b>	<b>\$ 91,709</b>	<b>\$ (47,213 )</b>	<b>\$ 324,390</b>	<b>\$ 154,665</b>	<b>\$ 117,888</b>	<b>\$ 91,180</b>	<b>\$ (30,254 )</b>	<b>\$ 333,479</b>										
<b>- Other (income) expense - net</b>	<b>(350 )</b>	<b>(1,505 )</b>	<b>(1,342 )</b>	<b>(1,785 )</b>	<b>(4,982 )</b>	<b>(894 )</b>	<b>(347 )</b>	<b>(1,091 )</b>	<b>743</b>	<b>(1,589)</b>										
<b>+ Depreciation and amortization</b>	<b>22,011</b>	<b>33,044</b>	<b>8,316</b>	<b>953</b>	<b>64,324</b>	<b>20,321</b>	<b>31,874</b>	<b>4,574</b>	<b>1,205</b>	<b>57,974</b>										
<b>EBITDA</b>	<b>183,227</b>	<b>153,577</b>	<b>101,367</b>	<b>(44,475 )</b>	<b>393,696</b>	<b>175,880</b>	<b>150,109</b>	<b>96,845</b>	<b>(29,792 )</b>	<b>393,042</b>										
<b>- Interest expense</b>					<b>33,607</b>															<b>31,410</b>
<b>- Provision for income taxes</b>					<b>82,003</b>															<b>88,614</b>
<b>- Depreciation and amortization</b>					<b>64,324</b>															<b>57,974</b>
<b>Net income</b>					<b>\$ 213,762</b>															<b>\$ 215,044</b>
<b>Net sales (eliminations)</b>	<b>\$ 641,988</b>	<b>\$ 556,475</b>	<b>\$ 384,996</b>	<b>\$ (835 )</b>	<b>\$ 1,582,624</b>	<b>\$ 645,642</b>	<b>\$ 552,418</b>	<b>\$ 325,572</b>	<b>\$ (2,762 )</b>	<b>\$ 1,520,870</b>										
<b>Operating margin</b>	<b>25.1</b>	<b>%</b>	<b>21.4</b>	<b>%</b>	<b>23.8</b>	<b>%</b>	<b>n/m</b>	<b>20.5</b>	<b>%</b>	<b>24.0</b>	<b>%</b>	<b>21.3</b>	<b>%</b>	<b>28.0</b>	<b>%</b>	<b>n/m</b>	<b>21.9</b>			
<b>EBITDA margin</b>	<b>28.5</b>	<b>%</b>	<b>27.6</b>	<b>%</b>	<b>26.3</b>	<b>%</b>	<b>n/m</b>	<b>24.9</b>	<b>%</b>	<b>27.2</b>	<b>%</b>	<b>27.2</b>	<b>%</b>	<b>29.7</b>	<b>%</b>	<b>n/m</b>	<b>25.8</b>			

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

	For the Three Months Ended September 30,																			
	2016				2015															
	FMT	HST	FSDP	Corporate IDEX	FMT	HST	FSDP	Corporate IDEX	FMT	HST	FSDP	Corporate IDEX	FMT	HST	FSDP	Corporate IDEX	FMT	HST	FSDP	Corporate IDEX
<b>EBITDA</b>	<b>\$ 62,904</b>	<b>\$ 48,742</b>	<b>\$ 36,271</b>	<b>\$ (14,504 )</b>	<b>\$ 133,413</b>	<b>\$ 54,303</b>	<b>\$ 50,427</b>	<b>\$ 34,296</b>	<b>\$ 3,857</b>	<b>\$ 142,883</b>										
<b>+Restructuring expenses</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,505</b>	<b>1,774</b>	<b>279</b>	<b>165</b>	<b>4,723</b>										
<b>+Net loss (gain) on sale of businesses</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,067</b>	<b>2,067</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(18,070)</b>	<b>(18,070)</b>										
<b>Adjusted EBITDA</b>	<b>\$ 62,904</b>	<b>\$ 48,742</b>	<b>\$ 36,271</b>	<b>\$ (12,437 )</b>	<b>\$ 135,480</b>	<b>\$ 56,808</b>	<b>\$ 52,201</b>	<b>\$ 34,575</b>	<b>\$ (14,048 )</b>	<b>\$ 129,536</b>										
<b>Adjusted EBITDA margin</b>	<b>30.2</b>	<b>%</b>	<b>26.6</b>	<b>%</b>	<b>26.1</b>	<b>%</b>	<b>n/m</b>	<b>25.5</b>	<b>%</b>	<b>26.8</b>	<b>%</b>	<b>28.2</b>	<b>%</b>	<b>32.3</b>	<b>%</b>	<b>n/m</b>	<b>25.7</b>	<b>%</b>		

	For the Nine Months Ended September 30,																			
	2016				2015															
	FMT	HST	FSDP	Corporate IDEX	FMT	HST	FSDP	Corporate IDEX	FMT	HST	FSDP	Corporate IDEX	FMT	HST	FSDP	Corporate IDEX	FMT	HST	FSDP	Corporate IDEX
<b>EBITDA</b>	<b>\$ 183,227</b>	<b>\$ 153,577</b>	<b>\$ 101,367</b>	<b>\$ (44,475 )</b>	<b>\$ 393,696</b>	<b>\$ 175,880</b>	<b>\$ 150,109</b>	<b>\$ 96,845</b>	<b>\$ (29,792 )</b>	<b>\$ 393,042</b>										

<b>+Restructuring expenses</b>	-	-	-	-	-	2,505	1,774	279	165	4,723
<b>+Net loss (gain) on sale of businesses</b>	-	-	-	2,067	2,067	-	-	-	(18,070)	(18,070)
<b>Adjusted EBITDA</b>	\$ 183,227	\$ 153,577	\$ 101,367	\$ (42,408)	\$ 395,763	\$ 178,385	\$ 151,883	\$ 97,124	\$ (47,697)	\$ 379,695
<b>Adjusted EBITDA margin</b>	28.5 %	27.6 %	26.3 %	n/m	25.0 %	27.6 %	27.5 %	29.8 %	n/m	25.0 %

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

	<b>For the Three Months Ended</b>		
	<b>September 30,</b>		<b>June 30,</b>
	<b>2016</b>	<b>2015</b>	<b>2016</b>
<b>Cash flow from operating activities</b>	<b>\$ 125,480</b>	\$ 113,353	\$ 88,478
<b>- Capital expenditures</b>	<b>11,590</b>	8,785	8,402
<b>+ Excess tax benefit from share-based compensation *</b>	-	267	-
<b>Free cash flow</b>	<b>\$ 113,890</b>	\$ 104,835	\$ 80,076

\* The Company early adopted ASU 2016-09 effective in the first quarter of 2016. This ASU issued in March of 2016 simplifies the accounting for share-based payments, including the presentation of the excess tax benefit on the statement of cash flows.

#### **Conference Call to be Broadcast over the Internet**

IDEX will broadcast its third quarter earnings conference call over the Internet on Tuesday, October 18, 2016 at 9:30 a.m. CT. Chairman and Chief Executive Officer Andy Silvernail and Vice President, Chief Financial Officer and Chief Accounting Officer Mike Yates 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 #13620008.

#### **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 "anticipate," "estimate," "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)

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2016	2015	2016	2015
Net sales	\$ 530,356	\$ 503,791	\$ 1,582,624	\$ 1,520,870
Cost of sales	299,467	280,531	884,342	839,954
Gross profit	230,889	223,260	698,282	680,916
Selling, general and administrative expenses	119,965	114,794	371,825	360,784
Restructuring expenses	-	4,723	-	4,723
Net loss (gain) on sale of businesses	2,067	(18,070)	2,067	(18,070)
Operating income	108,857	121,813	324,390	333,479
Other (income) expense - net	(2,364)	(693)	(4,982)	(1,589)
Interest expense	11,913	10,229	33,607	31,410
Income before income taxes	99,308	112,277	295,765	303,658
Provision for income taxes	29,435	32,772	82,003	88,614
Net income	\$ 69,873	\$ 79,505	\$ 213,762	\$ 215,044

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

Basic earnings per common share	\$ 0.92	\$ 1.03	\$ 2.81	\$ 2.77
Diluted earnings per common share	\$ 0.91	\$ 1.02	\$ 2.78	\$ 2.75

#### Share Data:

Basic weighted average common shares outstanding	75,819	76,831	75,753	77,431
Diluted weighted average common shares outstanding	76,880	77,646	76,742	78,266

### Condensed Consolidated Balance Sheets

(in thousands)

(unaudited)

	September 30,	December 31,
	2016	2015
Assets		
Current assets		

Cash and cash equivalents	\$ 239,397	\$ 328,018
Receivables - net	287,329	260,000
Inventories	276,013	239,124
Other current assets	54,614	35,542
Total current assets	857,353	862,684
Property, plant and equipment - net	261,092	240,945
Goodwill and intangible assets	2,125,322	1,684,366
Other noncurrent assets	18,697	17,448
Total assets	\$ 3,262,464	\$ 2,805,443

#### Liabilities and shareholders' equity

##### Current liabilities

Trade accounts payable	\$ 117,430	\$ 128,911
Accrued expenses	160,816	153,672
Short-term borrowings	1,171	1,087
Dividends payable	25,940	25,927
Total current liabilities	305,357	309,597
Long-term borrowings	1,099,601	839,707
Other noncurrent liabilities	302,763	212,848
Total liabilities	1,707,721	1,362,152
Shareholders' equity	1,554,743	1,443,291
Total liabilities and shareholders' equity	\$ 3,262,464	\$ 2,805,443

#### IDEX CORPORATION

##### Condensed Consolidated Statements of Cash Flow

(in thousands)

(unaudited)

#### Nine Months Ended September 30, 2016                      2015

Cash flows from operating activities		
Net income	\$ 213,762	\$ 215,044
Adjustments to reconcile net income to net cash provided by operating activities:		
Net loss (gain) on sale of businesses	2,067	(18,070 )
Depreciation and amortization	28,360	26,634
Amortization of intangible assets	35,964	31,340
Amortization of debt issuance costs	1,150	1,233
Share-based compensation expense	15,325	14,735
Deferred income taxes	4,880	1,473
Excess tax benefit from share-based compensation	-	(4,350 )
Non-cash interest expense associated with forward starting swaps	5,144	5,287
Changes in (net of the effect from acquisitions and divestitures):		
Receivables	(2,178 )	(1,417 )
Inventories	22,250	(6,474 )
Other current assets	(18,276 )	(2,742 )
Trade accounts payable	(16,696 )	(4,002 )
Accrued expenses	(2,982 )	2,067
Other — net	(4,446 )	1,023
Net cash flows provided by operating activities	284,324	261,781
Cash flows from investing activities		
Additions of property, plant and equipment	(28,642 )	(32,611 )
Acquisition of businesses, net of cash acquired	(510,001 )	(193,163 )



Proceeds from sale of businesses, net of cash sold	32,529	27,677
Other — net	(73 )	647
Net cash flows used in investing activities	(506,187 )	(197,450 )
Cash flows from financing activities		
Borrowings under revolving facilities	460,524	383,621
Proceeds from 3.20% Senior Notes	100,000	-
Proceeds from 3.37% Senior Notes	100,000	-
Payments under revolving facilities	(402,172 )	(295,934 )
Payment of 2.58% Senior Euro Notes	-	(88,420 )
Debt issuance costs	(246 )	(1,698 )
Dividends paid	(77,367 )	(71,673 )
Proceeds from stock option exercises	23,154	15,167
Excess tax benefit from share-based compensation	-	4,350
Purchase of common stock	(57,272 )	(177,772 )
Unvested shares surrendered for tax withholding	(4,899 )	(3,217 )
Net cash flows provided by (used in) financing activities	141,722	(235,576 )
Effect of exchange rate changes on cash and cash equivalents	(8,480 )	(31,410 )
Net decrease in cash	(88,621 )	(202,655 )
Cash and cash equivalents at beginning of year	328,018	509,137
Cash and cash equivalents at end of period	\$ 239,397	\$ 306,482

## IDEX CORPORATION

### Company and Segment Financial Information - Reported

(dollars in thousands)

(unaudited)

	Three Months Ended		Nine months Ended			
	September 30, <sup>(b)</sup>		September 30, <sup>(b)</sup>			
	2016	2015	2016	2015		
<b>Fluid &amp; Metering Technologies</b>						
Net sales	\$ 208,335	\$ 212,101	\$ 641,988	\$ 645,642		
Operating income <sup>(c)</sup>	55,600	46,910	160,866	154,665		
Operating margin	26.7	% 22.1	% 25.1	% 24.0		%
EBITDA	\$ 62,904	\$ 54,303	\$ 183,227	\$ 175,880		
EBITDA margin	30.2	% 25.6	% 28.5	% 27.2		%
Depreciation and amortization	\$ 7,168	\$ 7,311	\$ 22,011	\$ 20,321		
Capital expenditures	5,091	4,325	12,704	17,849		
<b>Health &amp; Science Technologies</b>						
Net sales	\$ 183,564	\$ 184,893	\$ 556,475	\$ 552,418		
Operating income <sup>(c)</sup>	37,204	38,371	119,028	117,888		
Operating margin	20.3	% 20.8	% 21.4	% 21.3		%
EBITDA	\$ 48,742	\$ 50,427	\$ 153,577	\$ 150,109		
EBITDA margin	26.6	% 27.3	% 27.6	% 27.2		%
Depreciation and amortization	\$ 11,163	\$ 11,179	\$ 33,044	\$ 31,874		
Capital expenditures	4,450	3,193	11,455	8,755		
<b>Fire &amp; Safety/Diversified Products</b>						
Net sales	\$ 138,767	\$ 107,009	\$ 384,996	\$ 325,572		
Operating income <sup>(c)</sup>	32,189	32,536	91,709	91,180		

<b>Operating margin</b>	<b>23.2</b>	<b>%</b>	<b>30.4</b>	<b>%</b>	<b>23.8</b>	<b>%</b>	<b>28.0</b>	<b>%</b>
<b>EBITDA</b>	<b>\$ 36,271</b>		<b>\$ 34,296</b>		<b>\$ 101,367</b>		<b>\$ 96,845</b>	
<b>EBITDA margin</b>	<b>26.1</b>	<b>%</b>	<b>32.0</b>	<b>%</b>	<b>26.3</b>	<b>%</b>	<b>29.7</b>	<b>%</b>
<b>Depreciation and amortization</b>	<b>\$ 3,584</b>		<b>\$ 1,513</b>		<b>\$ 8,316</b>		<b>\$ 4,574</b>	
<b>Capital expenditures</b>	<b>2,034</b>		<b>1,016</b>		<b>4,305</b>		<b>4,128</b>	
<b>Corporate Office and Eliminations</b>								
<b>Intersegment sales eliminations</b>	<b>\$ (310 )</b>		<b>\$ (212 )</b>		<b>\$ (835 )</b>		<b>\$ (2,762 )</b>	
<b>Operating income (loss) <sup>(c)</sup></b>	<b>(16,136 )</b>		<b>3,996</b>		<b>(47,213 )</b>		<b>(30,254 )</b>	
<b>EBITDA</b>	<b>(14,504 )</b>		<b>3,857</b>		<b>(44,475 )</b>		<b>(29,792 )</b>	
<b>Depreciation and amortization</b>	<b>277</b>		<b>374</b>		<b>953</b>		<b>1,205</b>	
<b>Capital expenditures</b>	<b>15</b>		<b>251</b>		<b>178</b>		<b>1,879</b>	
<b>Company</b>								
<b>Net sales</b>	<b>\$ 530,356</b>		<b>\$ 503,791</b>		<b>\$ 1,582,624</b>		<b>\$ 1,520,870</b>	
<b>Operating income</b>	<b>108,857</b>		<b>121,813</b>		<b>324,390</b>		<b>333,479</b>	
<b>Operating margin</b>	<b>20.5</b>	<b>%</b>	<b>24.2</b>	<b>%</b>	<b>20.5</b>	<b>%</b>	<b>21.9</b>	<b>%</b>
<b>EBITDA</b>	<b>\$ 133,413</b>		<b>\$ 142,883</b>		<b>\$ 393,696</b>		<b>\$ 393,042</b>	
<b>EBITDA margin</b>	<b>25.2</b>	<b>%</b>	<b>28.4</b>	<b>%</b>	<b>24.9</b>	<b>%</b>	<b>25.8</b>	<b>%</b>
<b>Depreciation and amortization <sup>(d)</sup></b>	<b>\$ 22,192</b>		<b>\$ 20,377</b>		<b>\$ 64,324</b>		<b>\$ 57,974</b>	
<b>Capital expenditures</b>	<b>11,590</b>		<b>8,785</b>		<b>28,642</b>		<b>32,611</b>	

(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.

(b) Three and nine month data includes acquisition of Alfa Valvole (June 2015) in the Fluid & Metering Technologies segment, Novotema (June 2015), CiDRA Precision Services (July 2015) and 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 segment from the date of acquisition. Three and nine month data also includes the results of Hydra-Stop (July 2016) in the Fluid & Metering Technologies segment and Melles Griot KK (September 2016) and Ismatec (July 2015) 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.

View source version on businesswire.com: <http://www.businesswire.com/news/home/20161017006522/en/>

Source: IDEX Corporation

#### **IDEX Corporation**

##### **Investor Contact:**

Mike Yates

Vice President, Chief Financial Officer & Chief Accounting Officer

(847) 498-7070