



## Third Quarter 2011 Earnings Release

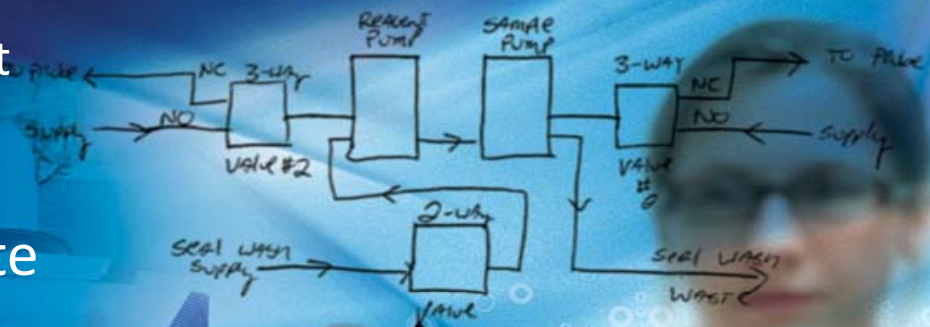
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October 20, 2011

# Agenda

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- IDEX Market Assessment / Outlook
- Q3 2011 Summary
- Q3 2011 Segment Performance
  - Fluid & Metering
  - Health & Science
  - Dispensing Equipment
  - Fire & Safety
- 2011 Guidance Update
- Q&A



## Replay Information

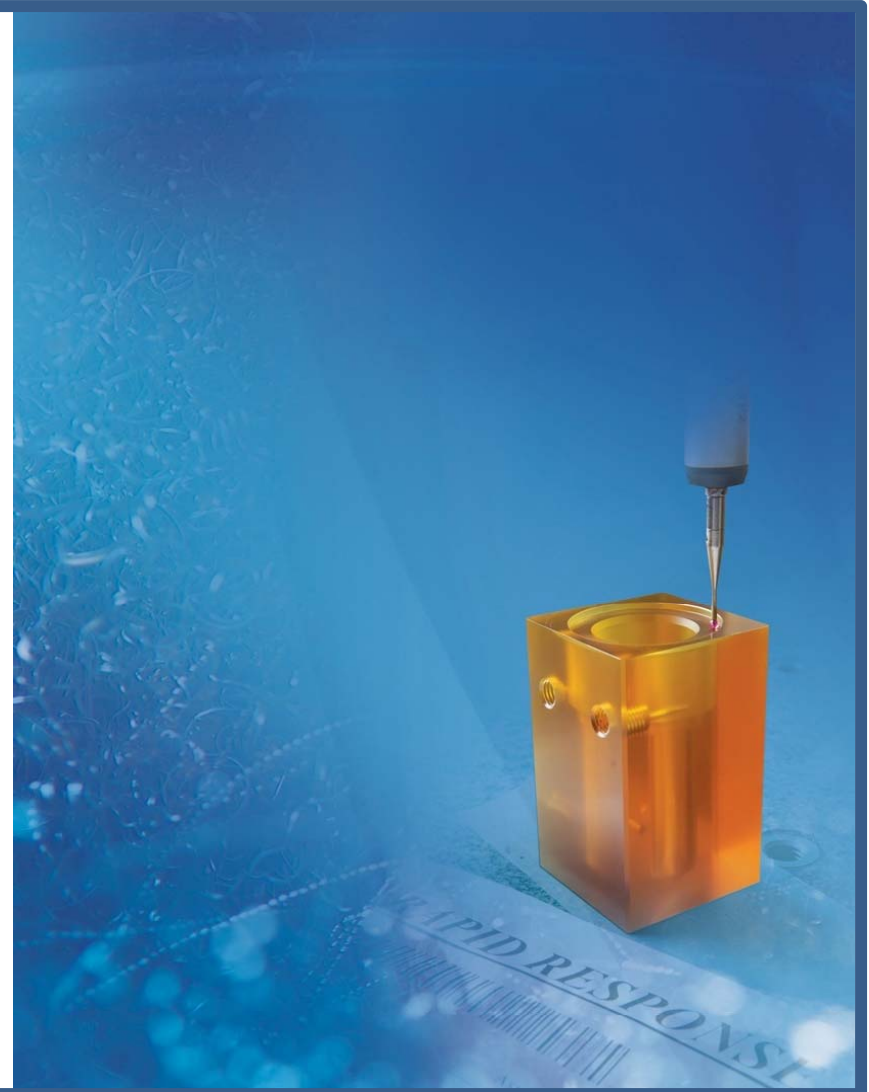
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**Cautionary Statement  
Under the Private Securities  
Litigation Reform Act**

**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.**

# Long Term – Planning for Growth

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- ❑ **Remain bullish on our business in 2012 & beyond**
- ❑ **Expect organic growth in 2012**
  - **Positive order trends remain in our base businesses**
- ❑ **Improve our growth profile**
  - **Increased exposure to high-growth regions**
  - **Increased focus on high-value end markets**
- ❑ **Improve our margin profile**
  - **Deliver savings through operational excellence and integrated supply chain**
  - **Aftermarket penetration on our large install base**



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Strategy remains: Focus on growing global platforms and execute with a disciplined operating model

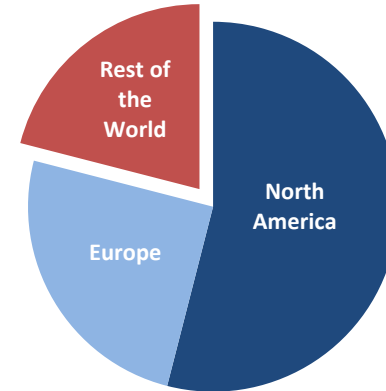


# IDEX Served Markets Assessment

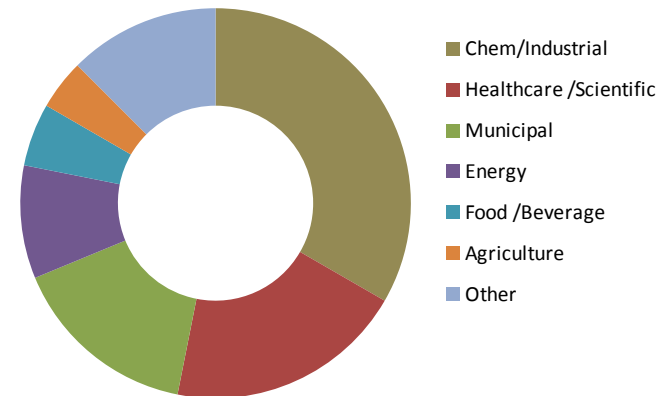
## Long-Term / Near-Term Observation

- Chemical / Industrial**
  - + / + *Chem / Industrial investments in China and emerging markets*
  - + / + *U.S. expansion modest / MRO continues*
  - + / - *European slowing*
- Energy**
  - + / + *Global growth; oil, gas and mining are very strong*
  - + / + *Mid and downstream particularly strong*
- Food / Beverage**
  - + / + *Global growth; increased regulatory environment*
- Agriculture**
  - + / + *OEM global growth*
  - + / + *Aftermarket very strong*
- Healthcare / Scientific**
  - + / - *Governmental funding*
  - + / + *Both big Pharma and generic to grow in 2012*
- Municipal**
  - + / + *International water growth*
  - + / - *US Muni – water continues to struggle*
  - + / + *Rescue international growth*
  - + / - *US Muni – pumper truck builds still weak*

**Current Revenue Mix**



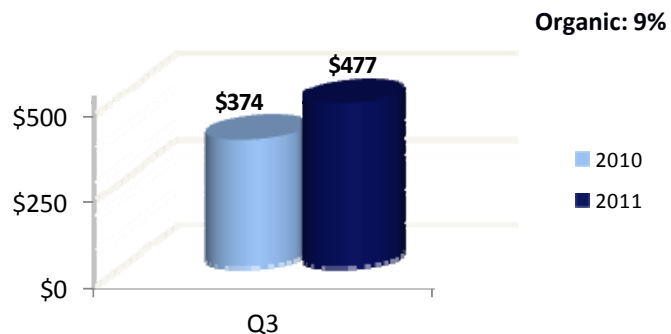
**IDEX Markets Served**



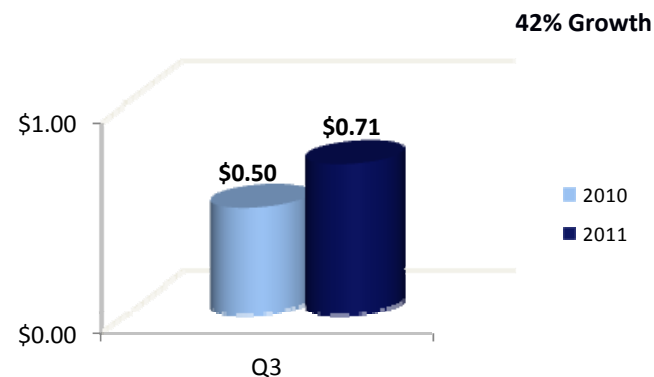
# IDEX Q3 2011 Financial Performance

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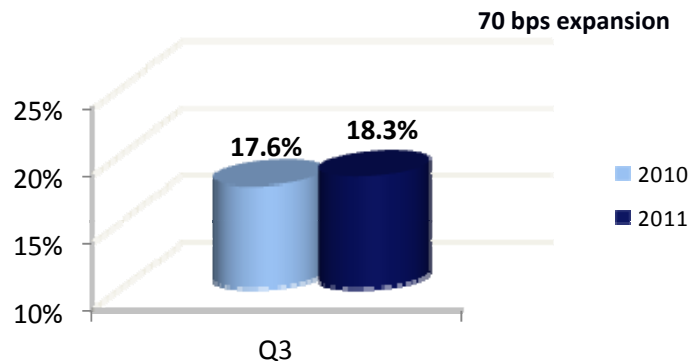
## Total Revenue



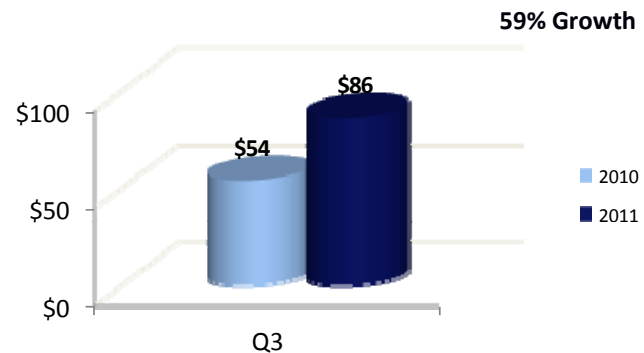
## EPS\*



## Operating Margin\*



## Free Cash Flow



\* EPS / Op Margin data adjusted for \$3.5M restructuring expense (2010) and \$12.8M CVI inventory step-up expense and \$2.9M restructuring expense (2011).

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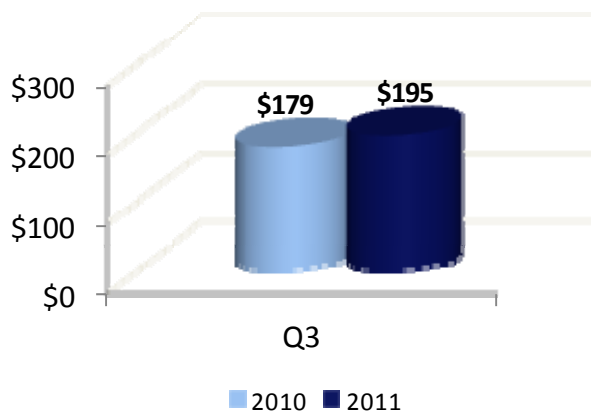
Outstanding free cash flow, continued top-line growth and margin expansion



# Fluid & Metering

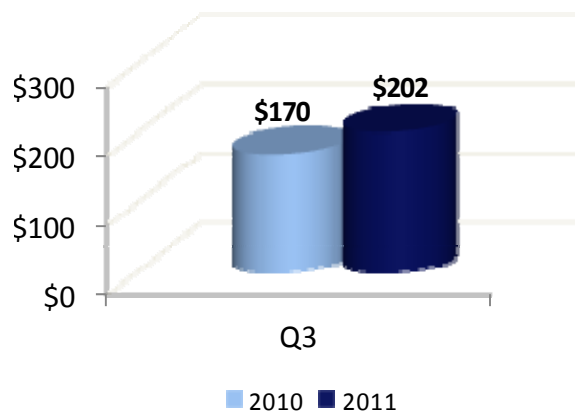
## Total Orders

Organic: 6%



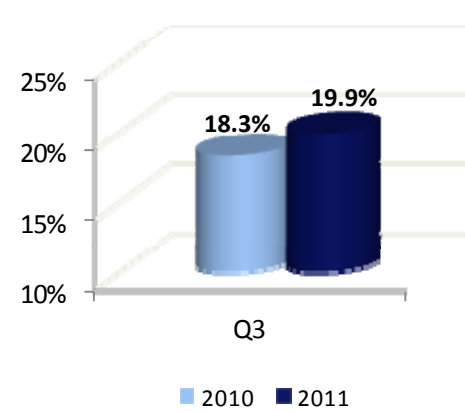
## Total Revenue

Organic: 16%



## Operating Margin\*

160 bps expansion



Q3 Sales Mix:	Component	Change
	Organic	+16%
	Acquisition	-
	Fx	+3%
	Total	+19%

## Q3 Summary:

- Adjusted organic order growth 16% (excluding water platform)
- Strong top line growth; executing organic growth initiatives
- Energy, Chemical, Agriculture very strong globally
- Water/Waste Water globally stable, US muni spend challenged
- Margin expansion; productivity / price offsetting inflation

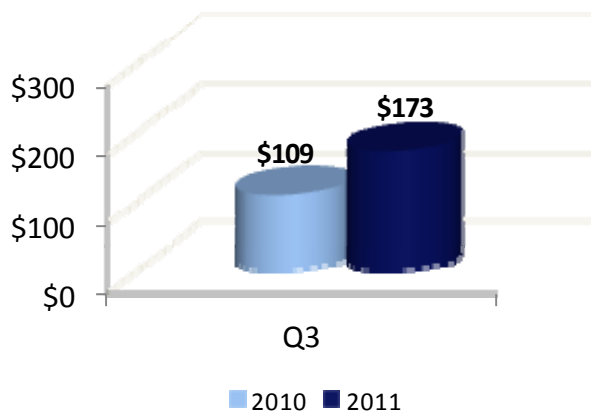
\* Op Margin data adjusted for restructuring expense





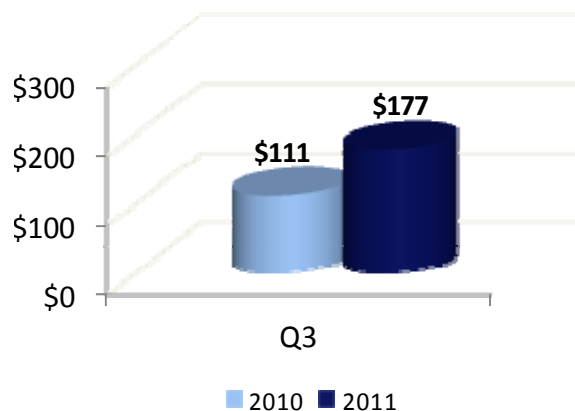
## Total Orders

Organic: 6%



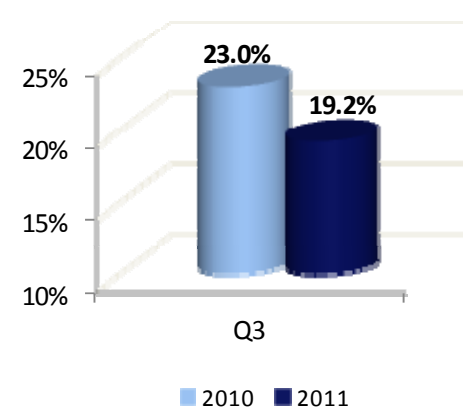
## Total Revenue

Organic: 4%



## Operating Margin\*

380 bps compression



Q3 Sales Mix:		
Organic		+4%
Acquisition		+54%
Fx		+1%
Total		+59%

## Q3 Summary:

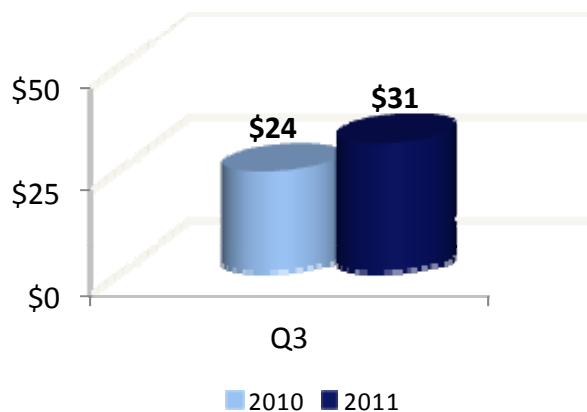
- Excluding CVI Melles Griot and other recent HST acquisitions margins improved 70 bps YoY
- New products and increased content within L.S. and A.I.
- Industrial, environmental, and pharma strong
- Completed CVI Melles Griot acquisition, integration well underway

\* Op Margin data adjusted for restructuring expense and \$12.8M CVI inventory step-up expense (Q311)

# Dispensing

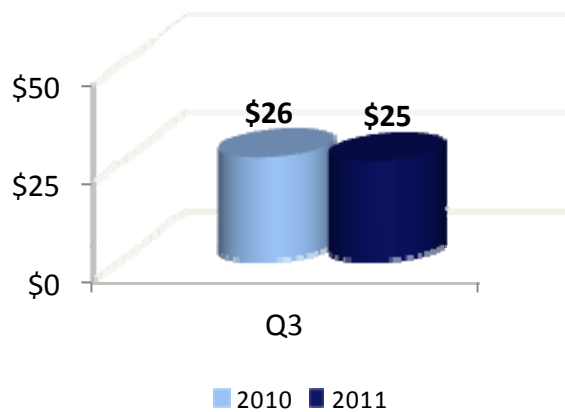
## Total Orders

Organic: 23%



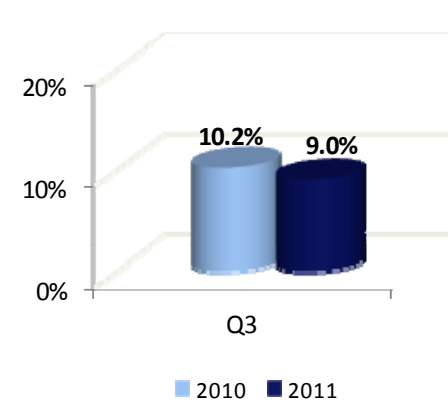
## Total Revenue

Organic: (11)%



## Operating Margin\*

120 bps compression



Q3 Sales Mix:		
Organic		-11%
Acquisition		-
Fx		+6%
Total		-5%

## Q3 Summary:

- Eastern Europe, Asia and Latin America markets performing well
- Holding share in N.A.; wins on retrofits and spare parts
- Structural actions taken will improve margins

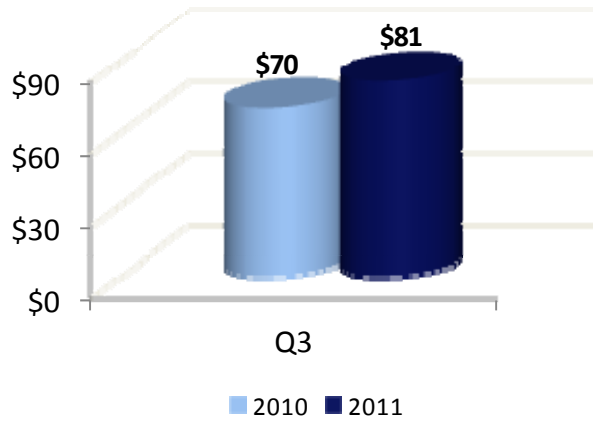
\* Op Margin data adjusted for restructuring expense (Q311)



# Fire & Safety/Diversified

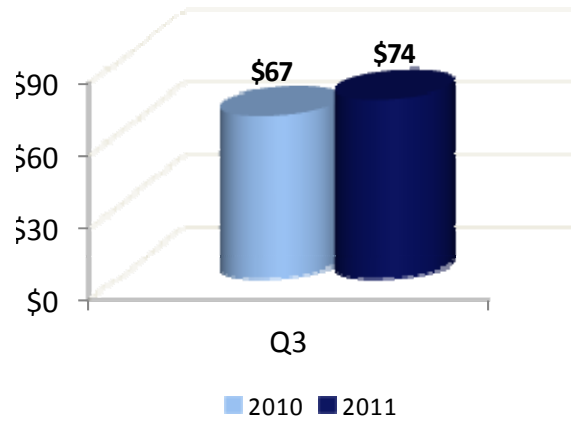
## Total Orders

Organic: 13%

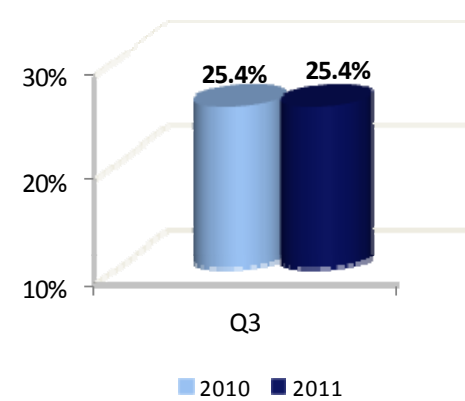


## Total Revenue

Organic: 6%



## Operating Margin\*



Q3 Sales Mix:		
Organic		+6%
Acquisition		-
Fx		+4%
<b>Total</b>		<b>+10%</b>

## Q3 Summary:

- ☐ Rescue winning internationally and domestically with eDrualic
- ☐ BAND IT growing nicely with continued development of new applications
- ☐ North American Fire markets stable, Int'l share growing

\* Op Margin data adjusted for restructuring expense (Q311)



# Outlook: 2011 Guidance Summary

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## Q4 2011

### ☐ Adjusted EPS estimate range: \$0.60 – \$0.63

- Organic revenue growth of 4% – 5%
- Positive Fx impact of ~2% to sales (at September 30 rates)
- Positive impact of 10% from acquisitions

## FY 2011

### ☐ Adjusted EPS estimate range: \$2.51 – \$2.54

- Organic revenue growth in the high single digits
- Operating margin of ~18%
- Positive Fx impact of ~2% to sales (at September 30 rates)
- Positive impact of 9% from acquisitions

### ☐ Other modeling items

- Tax rate = 30%
- Cap Ex \$36-38M
- Free Cash Flow will exceed net income
- EPS estimate excludes future restructuring, acquisitions and acquisition–related costs

# Q&A