



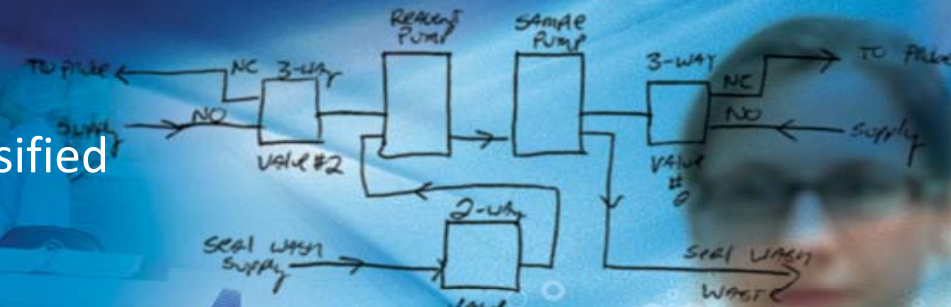
Third Quarter 2012 Earnings Release

October 23, 2012

Agenda

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- Strategic Plan Summary (2013 – 2015)
- Capital Allocation
- Q3 2012 Summary
- 2012 Segment Performance
 - Fluid & Metering
 - Health & Science
 - Fire & Safety / Diversified
- 2012 Guidance Update
- Q&A



Replay Information

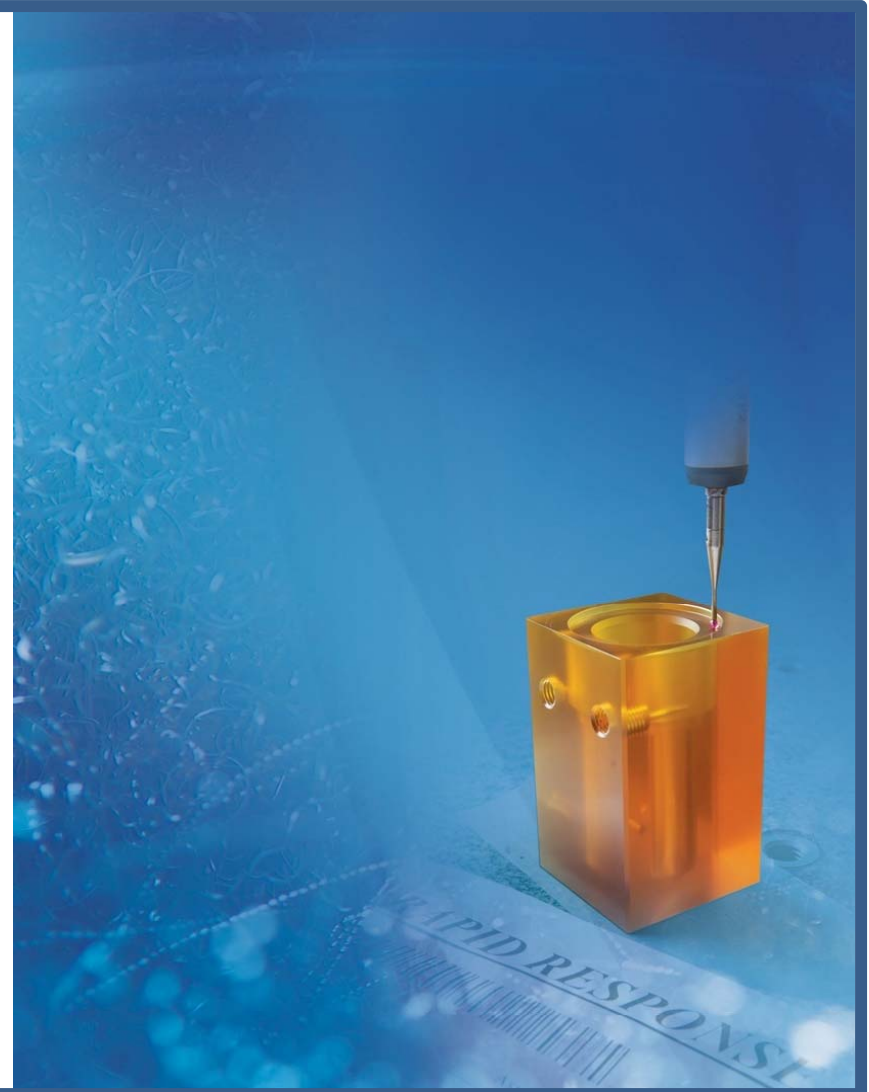
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Cautionary Statement Under the Private Securities Litigation Reform Act

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.

Strategic Plan Summary (2013 – 2015)

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Objective

Consistently deliver double digit earnings growth, exceptional cash conversion and superior return on invested capital.

Strategy

To build global platforms and defensible niches in attractive, highly engineered markets where we can create a leadership position and successfully apply the IDEX Operating Model.

1. Focus on accelerating organic growth close to the core

- Platform Strategy
- Better alignment to end markets and regions with GDP+ growth
- Invest in Business Development and Product Management teams & NPD

2. Improve execution around core customers & products

- Drive OTD, lead-time, cost and quality improvements
- Reduce complexity through business segmentation and simplification

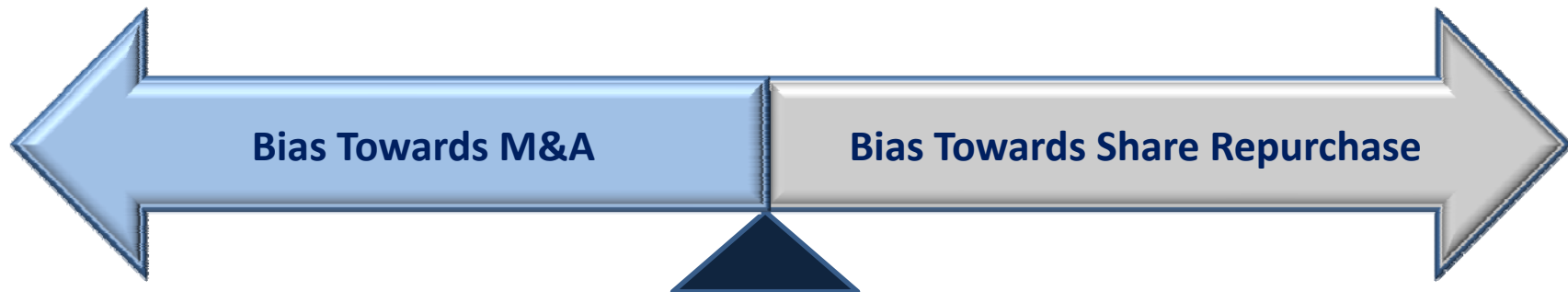
3. Improve capital deployment

- Strategic M&A (to bolster our Platform growth strategies)
- Share repurchases when advantageous

Capital Allocation

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- IDEX balance sheet and strong cash generation enables strong & consistent total shareholder returns
- Over \$1.5B to allocate over the next 3 years
 - Organic investments = always top priority
 - Dividend = consistent payout ~30% of earnings
 - Acquisitions = will continue to use majority of excess capacity.....continued disciplined approach
 - Share repurchases = will repurchase minimum of 1-2% of outstanding shares annually.....with the ability to flex higher as management deems valuation is attractive relative to DCF intrinsic value

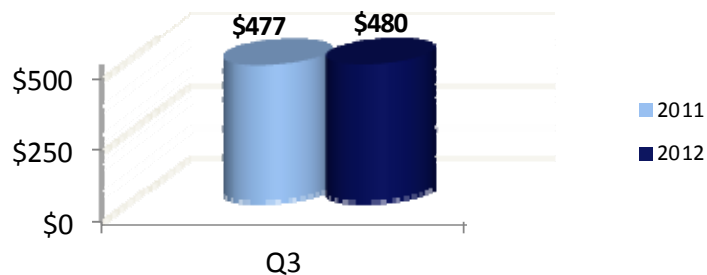


- M&A market presents attractive growth and ROIC for assets that fulfill IDEX's strategic priorities
- M&A market pricing results in lower than acceptable ROIC returns
- IDEX is trading at significant discount to intrinsic value

IDEX Q3 2012 Financial Performance

Total Revenue

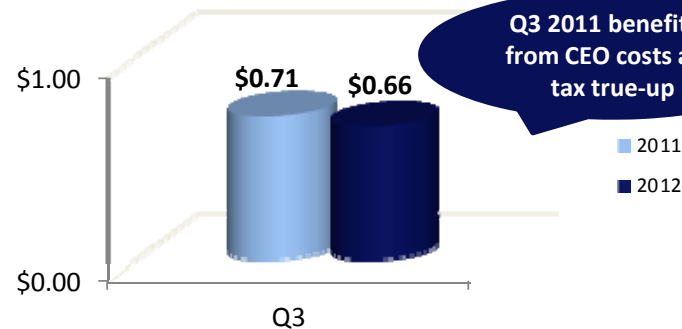
Organic: 1% growth



EPS*

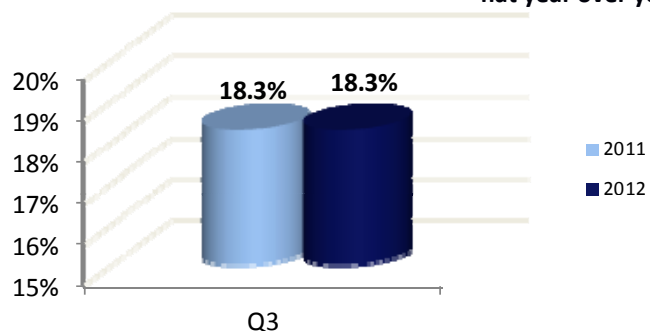
7% decline

Q3 2011 benefited from CEO costs and tax true-up



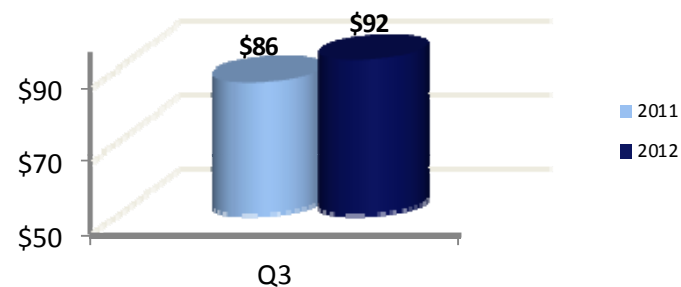
Operating Margin*

flat year over year



Free Cash Flow

7% growth



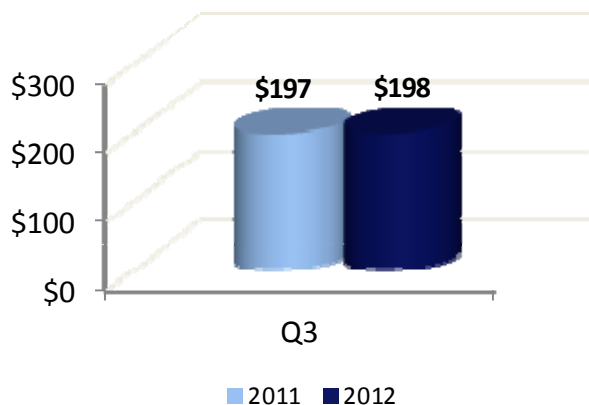
* EPS / Op Margin data adjusted for \$7.1M restructuring expense (2012) and \$2.9M restructuring expense and \$12.8M CVI inventory step-up expense (2011)



Fluid & Metering

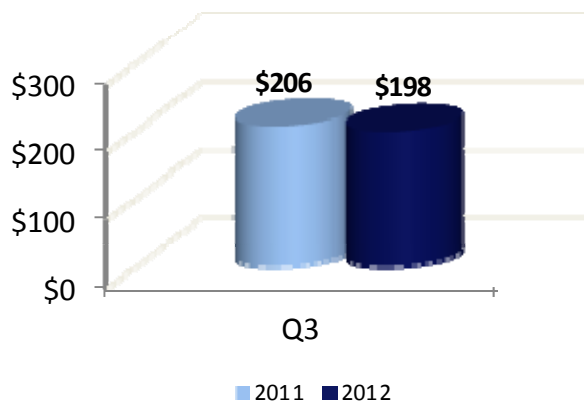
Total Orders

Organic: 3% growth



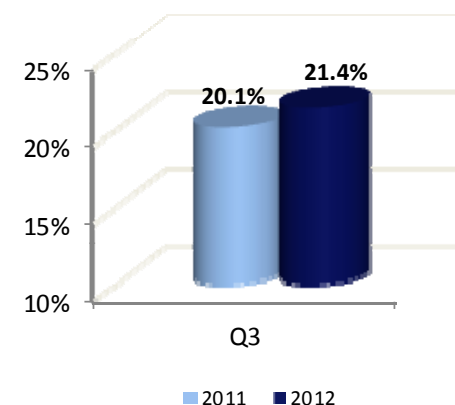
Total Revenue

Organic: 1% decline



Operating Margin*

130 bps expansion



Q3 Sales Mix: Organic	-1%
Acquisition	-%
Fx	-3%
Total	-4%

Q3 Summary:

- Energy and Ag markets strong in NA
- Chemical project activity has slowed
- Water municipal recovery could push beyond 2013
- Excellent operational execution and productivity
- Q4 market environment will remain challenged; expecting continued slower markets in Europe and Asia

* Op Margin data adjusted for restructuring expense

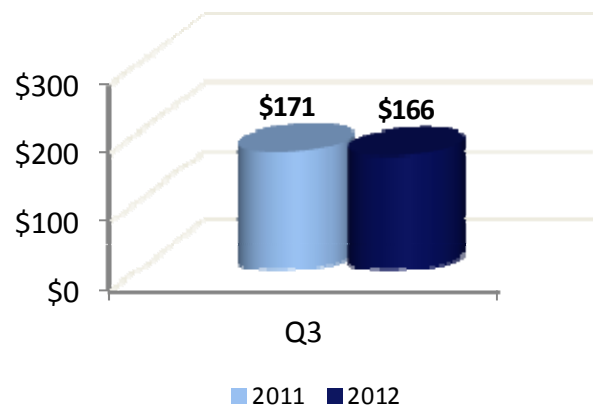
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Productivity and strong execution generated margin expansion of 130 bps



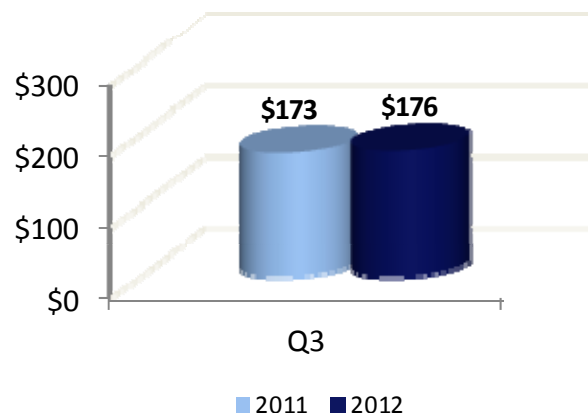
Total Orders

Organic: 9% decline



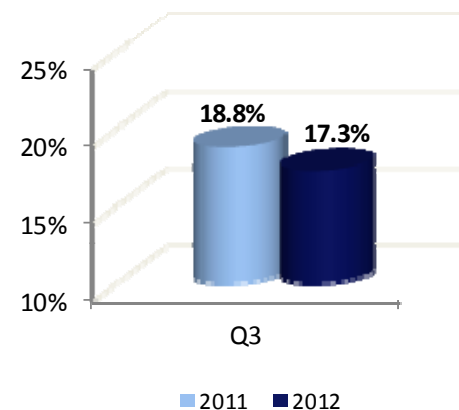
Total Revenue

Organic: 4% decline



Operating Margin*

150 bps contraction



Q3 Sales Mix:	
Organic	-4%
Acquisition	+7%
Fx	-1%
Total	+2%

Q3 Summary:

- Optics & Photonics backlog improving
- Backlog reduction of \$10M due to softness in MPT (Capital Equipment) and HST Industrial
- Completed Matcon acquisition (part of MPT platform)
- Scientific Fluidics leveled out, Q4 comps are favorable

* Op Margin data adjusted for restructuring expense (2012 and 2011) and CVI inventory step-up expense (2011)

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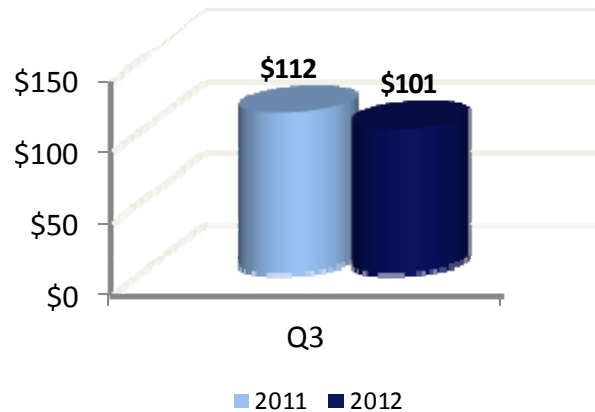
Operating Margins of 17.3% up 70 bps sequentially



Fire & Safety/Diversified

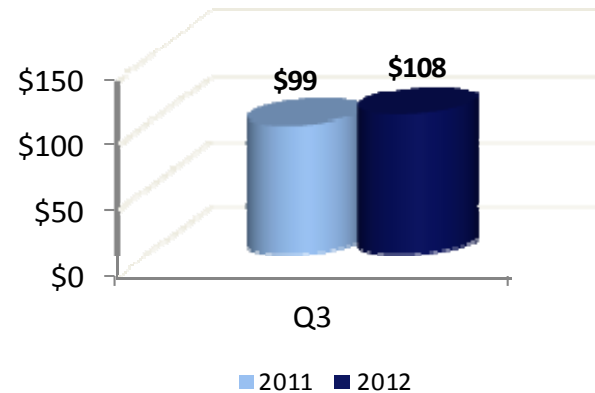
Total Orders

Organic: 7% decline



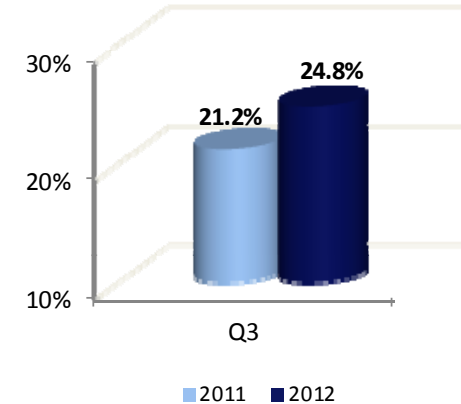
Total Revenue

Organic: 13% growth



Operating Margin*

360 bps expansion



Q3 Sales Mix: Organic	+13%
Acquisition	-%
Fx	<u>-3%</u>
Total	+10%

Q3 Summary:

- North American Fire markets stabilized, restructuring activities completed by year end and will generate benefit in FY13
- Rescue experiencing delays in China resulting from provincial elections
- Dispensing domestic markets improving, continued strength in emerging markets while European markets are uncertain
- Op margins are up 360 bps driven by structural cost actions, productivity and volume leverage

* Op Margin data adjusted for restructuring expense

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Tremendous performance across all of the diversified businesses



FY 2012

❑ **EPS estimate range: \$2.65 – \$2.70**

- Organic revenue growth ~ 3%
- Positive acquisition impact ~ 5%
- Operating margin ~ 18.5%
- Negative Fx impact ~ 2% to sales (at September 30th rates)

❑ **Other modeling items**

- Tax rate ~ 30%
- Cap Ex ~ \$38M
- Free Cash Flow will significantly exceed net income
- Continued opportunistic share repurchases
- EPS estimate excludes future restructuring, acquisitions and acquisition–related costs and charges

Q&A