



*Trusted Solutions,
Improving Lives™*



Fourth Quarter & Full Year 2016 Earnings

January 31, 2017

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- **Q4 & FY 2016 Financial Performance**
- **Segment Performance**
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 - Health & Science
 - Fire & Safety / Diversified Products
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Replay Information

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- **International: 201.612.7415**
- **Conference ID: #13652250**
- **Log on to: www.idexcorp.com**

Cautionary Statement Under the Private Securities Litigation Reform Act; Non-GAAP Measures

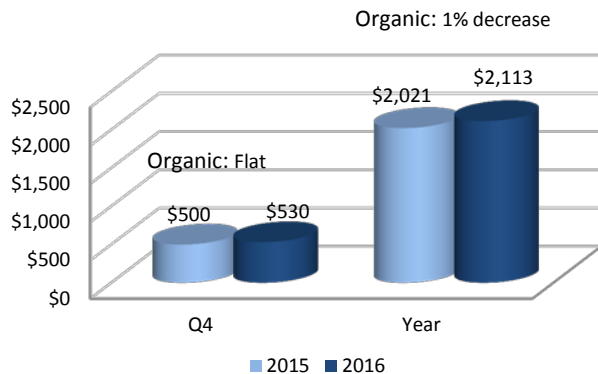
This presentation and discussion will include forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, as amended. These statements may relate to, among other things, capital expenditures, acquisitions, cost reductions, cash flow, revenues, earnings, market 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 in this presentation and discussion are only made as of today’s date, 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 in this presentation and discussion.

This presentation contains non-GAAP financial information. Reconciliations of non-GAAP measures are included either in this presentation or our earnings release for the three- and twelve-month periods ending December 31, 2016, which is available on our website.

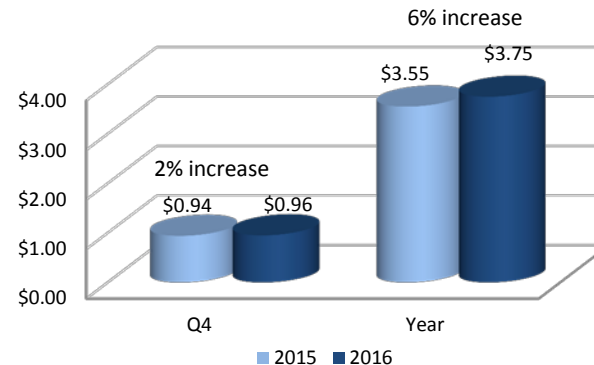
IDEX 2016 Financial Performance

(Dollars in millions, excl. EPS)

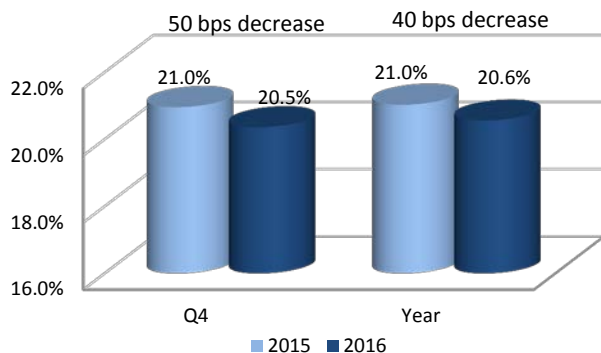
Sales



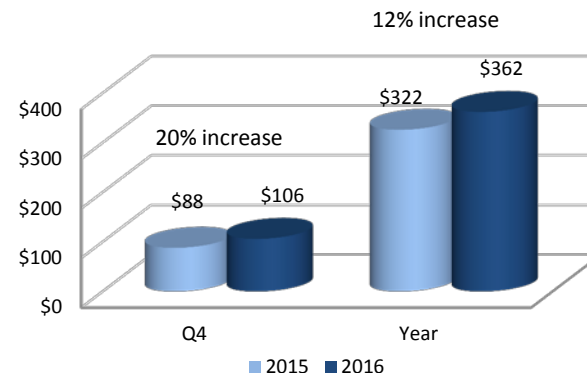
Adjusted EPS*



Adjusted Operating Margin*



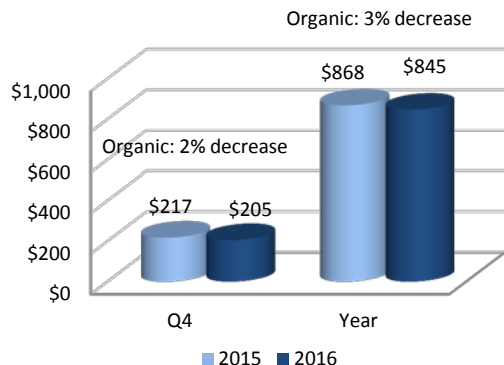
Free Cash Flow



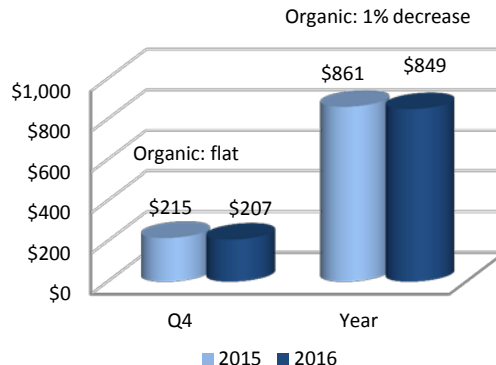
* Operating data adjusted for restructuring costs (\$3.7M in Q4 and FY 2016; \$6.5M in Q4 2015 and \$11.2M in FY 2015); Loss/Gain on Divestitures (\$20.2M loss in Q4 2016 and \$22.3M loss in FY 2016; \$18.1M gain in FY 2015); and a pension settlement charge (\$3.6M in Q4 and FY 2016).

Free Cash Flow of \$362 million was up 12 percent and 125 percent of adjusted net income

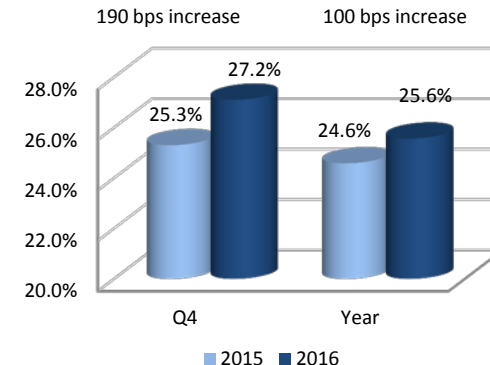
Orders



Sales



Adjusted Operating Margin*



Q4 Sales Mix:		
Organic	-	
Divestiture	-3%	
FX	<u>-1%</u>	
Reported Sales	-4%	

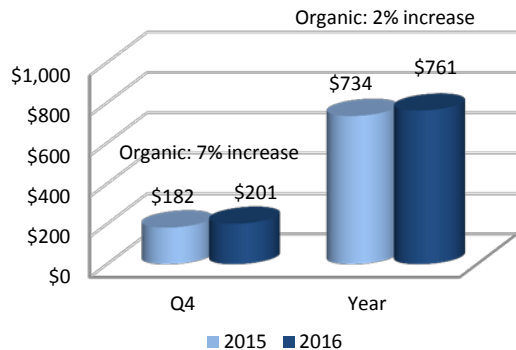
Q4 & Full Year Highlights:

- ❑ Water market is solid with growth expected to continue
- ❑ Pumps & Valves (Industrial) stabilized during the year with improving demand late in Q4 and early January 2017
- ❑ Energy market remains challenged
- ❑ Agriculture market has stabilized with improving demand in Q4

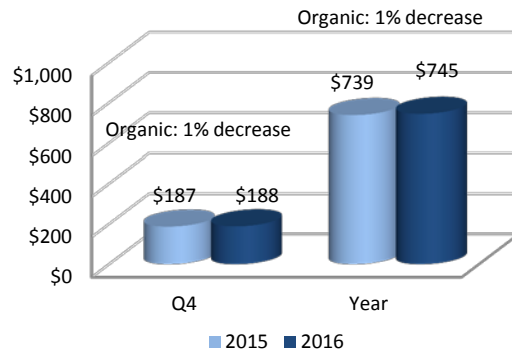
* Operating margin data adjusted for restructuring costs (\$0.9M in Q4 and FY 2016; \$4.6M in Q4 2015 and \$7.1M in FY 2015) and a pension settlement charge (\$2.0M in Q4 and FY 2016.)

Excellent Execution and Productivity - Q4 Adjusted Operating Margin up 190 bps

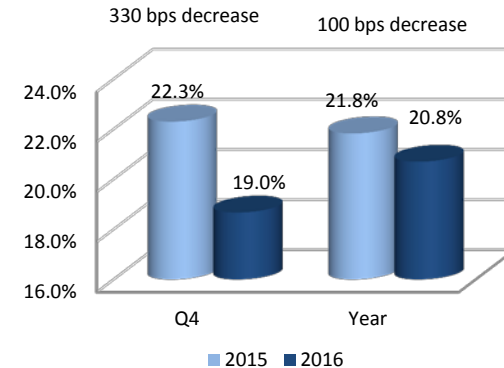
Orders



Sales



Adjusted Operating Margin*



Q4 Sales Mix:	Organic	-1%
	Acquisition/Divestitures	5%
	FX	<u>-3%</u>
	Reported Sales	1%

Q4 & Full Year Highlights:

- Acquired SFC in our Sealing Group, segment margins negatively impacted by \$7.3 of inventory step-up charges
- Scientific Fluidics experienced a strong year across all markets
- Sealing group is winning in Semiconductor market
- MPT won a large pharma order in Q4

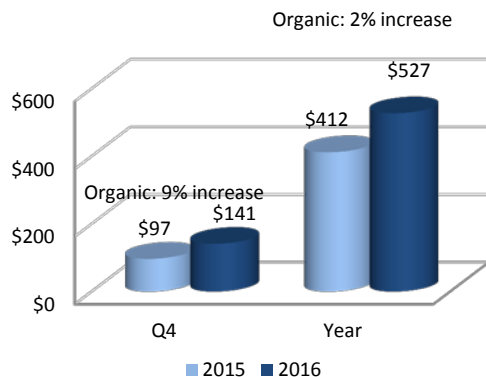
* Operating margin data adjusted for restructuring costs (\$1.1M in Q4 and FY 2016; \$1.6M in Q4 2015 and \$3.4M in FY 2015) .

Organic order growth of 7 percent in Q4

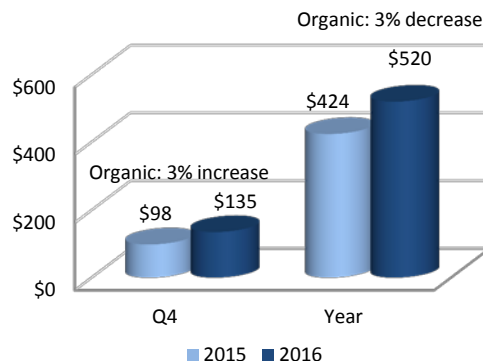
Fire & Safety / Diversified Products

(Dollars in millions)

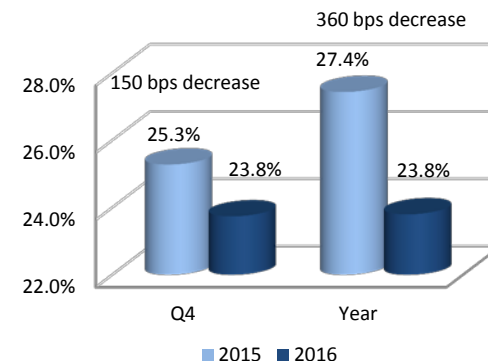
Orders



Sales



Adjusted Operating Margin*



Q4 Sales Mix:	Organic	3%
	Acquisitions	37%
	FX	-3%
	Reported Sales	37%

Q4 & Full Year Highlights:

- ❑ 2016 margins negatively impacted by acquisitions, including \$7.5 million of inventory step-up charges
- ❑ Dispensing had a strong 2016 driven by the continued momentum of the X-Smart product
- ❑ Fire and Safety global demand was strong in Q4
- ❑ Band-it continues to see strength in the transportation market and some positive activity in the upstream energy market

* Operating margin data adjusted for restructuring costs (\$1.4M in Q4 and FY 2016; \$0.3M in Q4 2015 and \$0.6M in FY 2015) and a pension settlement charge (\$0.5M in Q4 and FY 2016.)

Organic order growth of 9 percent in Q4

2017 Guidance Bridge

2017 Growth Expectations

- 1% – 2% organic revenue growth
- Future acquisitions not contemplated below

	<u>Sales (\$M)</u>	<u>EPS</u>
<i>FY 2016 - GAAP</i>	\$ 2,113	\$ 3.53
2016 Adjustments	<u>-</u>	<u>0.22</u>
<i>FY 2016 - Adjusted</i>	\$ 2,113	\$ 3.75
Organic Growth	~ 20 - 40	~ .15 - .23
FX (<i>Translation & Transaction</i>)	(43)	(0.12)
Acquisitions/Divestitures, net	40	0.24
Higher Share Count, net		(0.03)
Restructuring Savings		0.03
Corporate Expenses (<i>Earn-Out and CFO Departure</i>)		(0.06)
Inflation/Productivity, net		0.02
Growth Investments		<u>(0.11)</u>
<i>FY 2017 Plan</i>	<u>\$2,130 - \$2,150</u>	<u>\$3.87 - \$3.95</u>

2017 Guidance Summary

Q1 2017

- EPS estimate range: \$0.91 - \$0.93
- Organic revenue growth: 1% - 2%
- Operating margin: 20.5% - 21.0%
- Tax rate: ~ 27%
- FX impact: ~2% topline headwind based on December 31, 2016 FX rates
- Corporate costs: ~ \$17M

FY 2017

- EPS estimate range: \$3.87 - \$3.95
- Organic revenue growth: 1% - 2%
- Operating margin: ~ 21.5%
- FX impact: ~2% topline headwind based on December 31, 2016 FX rates
- Corporate costs: ~ \$66M
- Other modeling items:
 - Tax rate: ~ 27.5%
 - Cap Ex: ~ \$45M
 - Free Cash Flow will be ~120% of net income
 - EPS estimate excludes all future acquisitions and associated costs and future restructuring charges