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UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 10-Q

☑ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended March 31, 2017

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

Commission file number 1-10235

IDEX CORPORATION

(Exact Name of Registrant as Specified in its Charter)

Delaware	**36-3555336**
(State or other jurisdiction of incorporation or organization)	*(I.R.S. Employer Identification No.)*
1925 West Field Court, Lake Forest, Illinois	**60045**
(Address of principal executive offices)	*(Zip Code)*

Registrant's telephone number: (847) 498-7070

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes ☑ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

Yes ☑ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer ☑ Accelerated filer ☐ Non-accelerated filer ☐ Smaller reporting company ☐

(Do not check if a smaller reporting company)

Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes ☐ No ☑

Number of shares of common stock of IDEX Corporation outstanding as of April 19, 2017 : 76,307,919 .

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PART I. FINANCIAL INFORMATION

Item 1. ***Financial Statements.***

IDEX CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(in thousands except share and per share amounts)
(unaudited)

	March 31, 2017	December 31, 2016
ASSETS		
Current assets		
Cash and cash equivalents	$ 216,095	$ 235,964
Receivables, less allowance for doubtful accounts of $7,483 at March 31, 2017 and $8,078 at December 31, 2016	294,707	272,813
Inventories	257,900	252,859
Other current assets	54,978	61,085
Total current assets	823,680	822,721
Property, plant and equipment — net	250,114	247,816
Goodwill	1,645,565	1,632,592
Intangible assets — net	428,583	435,504
Other noncurrent assets	15,843	16,311
Total assets	$ 3,163,785	$ 3,154,944
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Trade accounts payable	$ 135,462	$ 128,933
Accrued expenses	142,670	152,852
Short-term borrowings	323	1,046
Dividends payable	—	26,327
Total current liabilities	278,455	309,158
Long-term borrowings	950,283	1,014,235
Deferred income taxes	171,438	166,427
Other noncurrent liabilities	122,304	121,230
Total liabilities	1,522,480	1,611,050
Commitments and contingencies		
Shareholders' equity		
Preferred stock:		
Authorized: 5,000,000 shares, $.01 per share par value; Issued: None	—	—
Common stock:		
Authorized: 150,000,000 shares, $.01 per share par value		
Issued: 90,190,717 shares at March 31, 2017 and 90,200,951 shares at December 31, 2016	902	902
Additional paid-in capital	702,644	697,213
Retained earnings	1,910,638	1,834,739
Treasury stock at cost: 13,636,301 shares at March 31, 2017 and 13,760,266 shares at December 31, 2016	(794,442)	(787,307)
Accumulated other comprehensive income (loss)	(178,437)	(201,653)
Total shareholders' equity	1,641,305	1,543,894
Total liabilities and shareholders' equity	$ 3,163,785	$ 3,154,944

See Notes to Condensed Consolidated Financial Statements

IDEX CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(in thousands except per share amounts)
(unaudited)

	Three Months Ended March 31,	
	2017	**2016**
Net sales	$ 553,552	$ 502,572
Cost of sales	302,611	279,237
Gross profit	250,941	223,335
Selling, general and administrative expenses	130,473	119,990
Restructuring expenses	4,797	—
Operating income	115,671	103,345
Other (income) expense - net	(308)	44
Interest expense	11,552	10,489
Income before income taxes	104,427	92,812
Provision for income taxes	28,528	24,682
Net income	$ 75,899	$ 68,130
Basic earnings per common share	$ 0.99	$ 0.90
Diluted earnings per common share	$ 0.99	$ 0.89
Share data:		
Basic weighted average common shares outstanding	76,115	75,749
Diluted weighted average common shares outstanding	76,894	76,699

See Notes to Condensed Consolidated Financial Statements

IDEX CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(in thousands)
(unaudited)

	Three Months Ended March 31,	
	2017	**2016**
Net income	$ 75,899	$ 68,130
Other comprehensive income (loss)		
Reclassification adjustments for derivatives, net of tax	1,042	1,097
Pension and other postretirement adjustments, net of tax	1,124	671
Cumulative translation adjustment	21,050	16,217
Other comprehensive income (loss)	23,216	17,985
Comprehensive income	$ 99,115	$ 86,115

See Notes to Condensed Consolidated Financial Statements

IDEX CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
(in thousands except share amounts)
(unaudited)

	Common Stock and Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)			Treasury Stock	Total Shareholders' Equity
			Cumulative Translation Adjustment	Retirement Benefits Adjustment	Cumulative Unrealized Gain (Loss) on Derivatives		
Balance, December 31, 2016	$ 698,115	$ 1,834,739	$ (155,544)	$ (27,852)	$ (18,257)	$ (787,307)	$ 1,543,894
Net income	—	75,899	—	—	—	—	75,899
Cumulative translation adjustment	—	—	21,050	—	—	—	21,050
Net change in retirement obligations (net of tax of $552)	—	—	—	1,124	—	—	1,124
Net change on derivatives designated as cash flow hedges (net of tax of $635)	—	—	—	—	1,042	—	1,042
Issuance of 205,965 shares of common stock from issuance of unvested shares, performance share units and exercise of stock options (net of tax of $4,221)		—	—	—	—	6,074	6,074
Repurchase of 82,000 shares of common stock	—	—	—	—	—	(7,562)	(7,562)
Unvested shares surrendered for tax withholding	—	—	—	—	—	(5,647)	(5,647)
Share-based compensation	5,431	—	—	—	—	—	5,431
Balance, March 31, 2017	$ 703,546	$ 1,910,638	$ (134,494)	$ (26,728)	$ (17,215)	$ (794,442)	$ 1,641,305

See Notes to Condensed Consolidated Financial Statements

IDEX CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)
(unaudited)

	Three Months Ended March 31,	
	2017	**2016**
Cash flows from operating activities		
Net income	$ 75,899	$ 68,130
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	8,903	9,067
Amortization of intangible assets	11,789	10,890
Amortization of debt issuance costs	329	378
Share-based compensation expense	6,159	6,442
Deferred income taxes	1,293	2,950
Non-cash interest expense associated with forward starting swaps	1,677	1,724
Changes in (net of effect from acquisitions):		
Receivables	(20,058)	(19,267)
Inventories	(2,761)	(270)
Other current assets	6,570	(6,597)
Trade accounts payable	5,188	6,451
Accrued expenses	(11,565)	(6,641)
Other - net	1,556	(2,892)
Net cash flows provided by operating activities	84,979	70,365
Cash flows from investing activities		
Additions of property, plant and equipment	(10,162)	(8,650)
Acquisition of businesses, net of cash acquired	—	(221,556)
Other - net	546	91
Net cash flows (used in) investing activities	(9,616)	(230,115)
Cash flows from financing activities		
Borrowings under revolving facilities	13,000	275,391
Payments under revolving facilities	(80,224)	(20,994)
Dividends paid	(26,327)	(24,662)
Proceeds from stock option exercises	6,074	8,258
Purchase of common stock	(7,005)	(46,864)
Unvested shares surrendered for tax withholding	(5,647)	(4,717)
Other - net	738	—
Net cash flows provided by (used in) financing activities	(99,391)	186,412
Effect of exchange rate changes on cash and cash equivalents	4,159	3,765
Net increase (decrease) in cash	(19,869)	30,427
Cash and cash equivalents at beginning of year	235,964	328,018
Cash and cash equivalents at end of period	$ 216,095	$ 358,445
Supplemental cash flow information		
Cash paid for:		
Interest	$ 760	$ 965
Income taxes - net	5,888	9,516

See Notes to Condensed Consolidated Financial Statements

IDEX CORPORATION AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Amounts in thousands except share data and where otherwise indicated)
(unaudited)

1. Basis of Presentation and Significant Accounting Policies

The Condensed Consolidated Financial Statements of IDEX Corporation ("IDEX," "we," "our," or the "Company") have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP") applicable to interim financial information and the instructions to Form 10-Q under the Securities Exchange Act of 1934, as amended. The statements are unaudited but include all adjustments, consisting only of recurring items, except as noted, that the Company considers necessary for a fair presentation of the information set forth herein. The results of operations for the three months ended March 31, 2017 are not necessarily indicative of the results to be expected for the entire year.

The Condensed Consolidated Financial Statements and Management's Discussion and Analysis of Financial Condition and Results of Operations set forth in this report should be read in conjunction with the Company's Annual Report on Form 10-K for the year ended December 31, 2016 .

Recently Adopted Accounting Standards

In March 2017, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2017-07, *Improving the Presentation of Net Periodic Pension Cost and Net Periodic Postretirement Benefit Cost,* which amends the requirements related to the income statement presentation of the components of net periodic benefit cost for a company's sponsored defined benefit pension and other postretirement plans. Under this ASU, companies are required to disaggregate the current service cost component from the other components of net benefit cost and present it with other current compensation costs for related employees in the income statement and present the other components elsewhere in the income statement and outside of income from operations if such a subtotal is presented. This ASU also requires companies to disclose the income statement lines that contain the other components if they are not presented on appropriately described separate lines. In addition, only the service cost component of periodic net benefit cost is eligible for capitalization. The Company elected to early adopt this standard in the quarter ended March 31, 2017 as presenting the service cost within income from operations is more indicative of our current pension cost. The Company adopted this standard retrospectively and thus $0.8 million was reclassified from Selling, general and administrative expenses to Other (income) expense - net for the three months ended March 31, 2016 to conform to current period presentation. The Company elected to apply the practical expedient that permits the use of previously disclosed service cost and other costs from the prior year's pension and other postretirement benefit plan footnote in the comparative periods as appropriate estimates when retrospectively changing the presentation of these costs in the income statement. The Company included the required disclosures and the changes resulting from the adoption of this standard in Note 16.

In January 2017, the FASB issued ASU 2017-04, *Simplifying the Test for Goodwill Impairment* , which eliminates Step 2 from the goodwill impairment test. Under this ASU, if the carrying amount of a reporting unit exceeds its fair value, an impairment loss will be recognized in an amount equal to the excess, limited to the total amount of goodwill allocated to the reporting unit. This ASU also eliminated the requirements for any reporting unit with a zero or negative carrying amount to perform a qualitative assessment and, if it fails that qualitative test, to perform Step 2 of the goodwill impairment test. In addition, companies will be required to disclose the amount of goodwill allocated to each reporting unit with a zero or negative carrying amount of net assets. The Company early adopted this standard on January 1, 2017. The adoption of this standard did not have a material impact on our consolidated financial statements.

In July 2015, the FASB issued ASU 2015-11, *Simplifying the Measurement of Inventory* . Under this guidance, entities utilizing the FIFO or average cost method should measure inventory at the lower of cost or net realizable value, whereas net realizable value is defined as the estimated selling price in the ordinary course of business, less reasonably predictable costs of completion, disposal and transportation. The Company adopted this guidance on January 1, 2017. The adoption of this standard did not have a material impact on our consolidated financial statements.

Recently Issued Accounting Standards

In January 2017, the FASB issued ASU 2017-01, *Clarifying the Definition of a Business* , which clarifies the definition of a business and assists entities with evaluating whether transactions should be accounted for as acquisitions or disposals of assets or businesses. Under this guidance, when substantially all of the fair value of gross assets acquired is concentrated in a single asset or group of similar assets, the assets acquired would not represent a business. In addition, in order to be considered a business, an acquisition would have to include at a minimum an input and a substantive process that together significantly contribute to the ability to create an output. The amended guidance also narrows the definition of outputs by more closely aligning it with how outputs are described in FASB guidance for revenue recognition. This guidance is effective for interim and annual periods for the

Company on January 1, 2018, with early adoption permitted. The Company does not believe the guidance will have a material impact on its consolidated financial statements.

In February 2016, the FASB issued ASU 2016-02, *Leases* , which sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract (i.e. lessees and lessors). The standard introduces a new lessee model that will require most leases to be recorded on the balance sheet and eliminates the required use of bright line tests in current U.S. GAAP for determining lease classification. The new standard requires lessors to account for leases using an approach that is substantially equivalent to existing guidance for sales-type leases, direct financing leases and operating leases. This standard is effective for fiscal years beginning after December 15, 2018 and interim periods within those fiscal years. Companies are permitted to adopt the standard early and a modified retrospective application is required. The Company is currently evaluating the impact of adopting the new guidance on its consolidated financial statements.

In May 2014, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers,* which will replace numerous requirements in U.S. GAAP, including industry-specific requirements, and provide companies with a new five-step model for recognizing revenue from contracts with customers. Under ASU 2014-09, an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. This ASU also requires disclosures sufficient to enable users to understand the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers, including qualitative and quantitative disclosures about contracts with customers, significant judgments and changes in judgments, and assets recognized from the costs to obtain or fulfill a contract. This standard is effective for fiscal years beginning after December 15, 2017, using either of the following transition methods: (i) a full retrospective approach reflecting the application of the standard in each prior reporting period with the option to elect certain practical expedients, or (ii) a retrospective approach with the cumulative effect of initially adopting ASU 2014-09 recognized at the date of adoption. The FASB has also issued the following standards which clarify ASU 2014-09 and have the same effective date as the original standard: ASU 2016-08, *Revenue from Contracts with Customers: Principal versus Agent Considerations (Reporting Revenue Gross versus Net)* ; ASU 2016-10, *Revenue from Contracts with Customers: Identifying Performance Obligations and Licensing* ; ASU 2016-12 *, Revenue from Contracts with Customers: Narrow-Scope Improvements and Practical Expedients* ; and ASU 2016-20 *, Technical Corrections and Improvements to Topic 606, Revenue from Contracts with Customers.*

In 2016, we established an implementation team and analyzed the impact of the standard by surveying business units and reviewing contracts to identify potential differences that may result from applying the requirements of the new standard. We made significant progress on our contract reviews during 2016 and the first quarter of 2017. While we are continuing to assess all potential impacts of the new standard, we currently believe that the most significant potential change relates to contracts for the development, manufacture and sale of customized products in our Health & Science Technologies segment. Due to the complexity of certain contracts in our Health & Science Technologies segment, the actual revenue recognition treatment required under the standard will be dependent on contract-specific terms. However, under the new standard we expect revenue recognition to remain substantially unchanged as the contract reviews support the recognition of revenue at a point in time, which is consistent with our current revenue recognition model. We also expect revenue recognition related to the Fluid & Metering Technologies segment and the Fire & Safety/Diversified Products segment to remain substantially unchanged. The implementation team has reported these initial findings and progress of the project to the Audit Committee. The Company is still evaluating the impact of the new guidance on its consolidated financial statements and has not yet determined the method by which it will adopt the standard in 2018.

2. Acquisitions and Divestitures

All of the Company's acquisitions have been accounted for under ASC 805, *Business Combinations* . Accordingly, the accounts of the acquired companies, after adjustments to reflect fair values assigned to assets and liabilities, have been included in the Company's consolidated financial statements from their respective dates of acquisition.

The Company incurred $0.1 million and $1.0 million of acquisition-related transaction costs in the three months ended March 31, 2017 and 2016 , respectively. These costs were recorded in Selling, general and administrative expenses and were related to completed transactions, pending transactions and potential transactions, including transactions that ultimately were not completed. During the three months ended March 31, 2016 , the Company recorded $2.2 million of fair value inventory step-up charges in Cost of sales associated with the completed 2016 acquisition of Akron Brass Holding Corporation ("Akron Brass").

IDEX CORPORATION AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Amounts in thousands except share data and where otherwise indicated)
(unaudited)

2016 Acquisitions

On March 16, 2016, the Company acquired the stock of Akron Brass, a producer of a large array of engineered life–safety products for the safety and emergency response markets, which includes apparatus valves, monitors, nozzles, specialty lighting, electronic vehicle–control systems and firefighting hand tools. The business was acquired to complement and create synergies with our existing Hale, Class 1, and Godiva businesses. Headquartered in Wooster, Ohio, Akron Brass operates in our Fire & Safety/Diversified Products segment. Akron Brass was acquired for cash consideration of $221.4 million . The purchase price was funded with borrowings under the Company's revolving facilities. The final goodwill and intangible assets recognized as part of the transaction were $124.6 million and $90.4 million , respectively. The goodwill is not deductible for tax purposes.

On July 1, 2016, the Company acquired the stock of AWG Fittings GmbH ("AWG Fittings"), a producer of engineered products for the safety and emergency response markets, including valves, monitors and nozzles. The business was acquired to complement and create synergies with our existing Hale, Class 1, Godiva and Akron Brass businesses. Headquartered in Ballendorf, Germany, AWG Fittings operates in our Fire & Safety/Diversified Products segment. AWG Fittings was acquired for cash consideration of $47.5 million (€42.8 million). The purchase price was funded with cash on hand. Goodwill and intangible assets recognized as part of the transaction were $22.1 million and $10.3 million , respectively. The goodwill is not deductible for tax purposes.

On August 31, 2016, the Company acquired the stock of SFC Koenig AG ("SFC Koenig"), a producer of highly engineered expanders and check valves for critical applications across the transportation, hydraulic, aviation and medical markets. Headquartered in Dietikon, Switzerland, SFC Koenig operates in our Health & Science Technologies segment. SFC Koenig was acquired for cash consideration of $241.1 million (€215.9 million). The purchase price was funded with cash on hand and borrowings under the Company's revolving facilities. Goodwill and intangible assets recognized as part of the transaction were $144.4 million and $117.0 million , respectively. The goodwill is not deductible for tax purposes. The Company is continuing to evaluate the valuation of certain income tax liabilities associated with the SFC Koenig acquisition and is in the process of finalizing the purchase price allocation. The Company will make appropriate adjustments to the purchase price allocations prior to the completion of the measurement period, as required. Only items identified as of the acquisition date will be considered for subsequent adjustment.

2016 Divestitures

The Company periodically reviews its operations for businesses which may no longer be aligned with its strategic objectives and focus on core business and customers. Any resulting gain or loss recognized due to divestitures is recorded within Loss (gain) on sale of businesses - net.

On July 29, 2016, the Company completed the sale of its Hydra-Stop product line for $15.0 million in cash, resulting in a pre-tax gain on the sale of $5.8 million . In addition, the Company can earn up to $2 million based on the achievement of financial objectives for net sales in 2016 and 2017. The Company earned $1.0 million for the achievement of 2016 net sales objectives, which represents the maximum earn out for 2016. The Company can earn an additional $1.0 million based on 2017 net sales. The results of Hydra-Stop were reported within the Fluid & Metering Technologies segment and generated $7.5 million of revenues in 2016 through the date of sale.

On September 9, 2016, the Company completed the sale of its Melles Griot KK ("CVI Japan") subsidiary for $17.5 million in cash, resulting in a pre-tax loss on the sale of $7.9 million . The results of CVI Japan were reported within the Health & Science Technologies segment and generated $13.1 million of revenues in 2016 through the date of sale.

On October 10, 2016, the Company completed the sale of its IETG and 40Seven subsidiaries for $2.7 million in cash, resulting in a pre-tax loss on the sale of $4.2 million . The results of IETG and 40Seven were reported within the Fluid & Metering Technologies segment and generated $8.3 million of revenues in 2016 through the date of sale.

On December 30, 2016, the Company completed the sale of its Korea Electro-Optics Co., Ltd. ("CVI Korea") subsidiary for $3.8 million in cash, resulting in a pre-tax loss on the sale of $16.0 million . The results of CVI Korea were reported within the Health & Science Technologies segment and generated $11.7 million of revenues in 2016 through the date of sale.

IDEX CORPORATION AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Amounts in thousands except share data and where otherwise indicated)
(unaudited)

3. Business Segments

The Company has three reportable business segments: Fluid & Metering Technologies, Health & Science Technologies and Fire & Safety/Diversified Products.

The Fluid & Metering Technologies segment designs, produces and distributes positive displacement pumps, valves, flow meters, injectors, and other fluid-handling pump modules and systems and provides flow monitoring and other services for the food, chemical, general industrial, water & wastewater, agriculture and energy industries. The Health & Science Technologies segment designs, produces and distributes a wide range of precision fluidics, rotary lobe pumps, centrifugal and positive displacement pumps, roll compaction and drying systems used in beverage, food processing, pharmaceutical and cosmetics, pneumatic components and sealing solutions, including very high precision, low-flow rate pumping solutions required in analytical instrumentation, clinical diagnostics and drug discovery, high performance molded and extruded sealing components, biocompatible medical devices and implantables, air compressors used in medical, dental and industrial applications, optical components and coatings for applications in the fields of scientific research, defense, biotechnology, aerospace, telecommunications and electronics manufacturing, laboratory and commercial equipment used in the production of micro and nano scale materials, precision photonic solutions used in life sciences, research and defense markets, and precision gear and peristaltic pump technologies that meet exacting original equipment manufacturer specifications. The Fire & Safety/Diversified Products segment produces firefighting pumps and controls, apparatus valves, monitors, nozzles, rescue tools, lifting bags and other components and systems for the fire and rescue industry, engineered stainless steel banding and clamping devices used in a variety of industrial and commercial applications, and precision equipment for dispensing, metering and mixing colorants and paints used in a variety of retail and commercial businesses around the world.

Information on the Company's business segments is presented below, based on the nature of products and services offered. The Company evaluates performance based on several factors, of which operating income is the primary financial measure. Intersegment sales are accounted for as if the sales were to third parties.

IDEX CORPORATION AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Amounts in thousands except share data and where otherwise indicated)
(unaudited)

	Three Months Ended March 31,	
	2017	**2016 [1]**
Net sales		
Fluid & Metering Technologies		
External customers	$ 216,655	$ 211,709
Intersegment sales	115	134
Total group sales	216,770	211,843
Health & Science Technologies		
External customers	199,575	186,251
Intersegment sales	104	92
Total group sales	199,679	186,343
Fire & Safety/Diversified Products		
External customers	137,322	104,612
Intersegment sales	125	6
Total group sales	137,447	104,618
Intersegment elimination	(344)	(232)
Total net sales	$ 553,552	$ 502,572
Operating income		
Fluid & Metering Technologies	$ 57,813	$ 51,703
Health & Science Technologies	42,238	40,682
Fire & Safety/Diversified Products	32,626	25,654
Corporate office expense and other [2]	(17,006)	(14,694)
Total operating income	115,671	103,345
Interest expense	11,552	10,489
Other (income) expense - net	(308)	44
Income before income taxes	$ 104,427	$ 92,812

[1] Certain amounts in the prior year income statement have been reclassified to conform to the current presentation due to the early adoption of ASU 2017-07.

[2] Corporate office expense for the three months ended March 31, 2016 includes a $3.7 million benefit from the reversal of the contingent consideration related to a 2015 acquisition.

	March 31, 2017	**December 31, 2016**
Assets		
Fluid & Metering Technologies	$ 1,079,230	$ 1,065,670
Health & Science Technologies	1,281,976	1,266,036
Fire & Safety/Diversified Products	709,135	705,735
Corporate office	93,444	117,503
Total assets	$ 3,163,785	$ 3,154,944

IDEX CORPORATION AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Amounts in thousands except share data and where otherwise indicated)
(unaudited)

4. Earnings Per Common Share

Earnings per common share ("EPS") are computed by dividing net income by the weighted average number of shares of common stock (basic) plus common stock equivalents outstanding (diluted) during the period. Common stock equivalents consist of stock options, which have been included in the calculation of weighted average shares outstanding using the treasury stock method, restricted stock, and performance share units.

ASC 260, *Earnings Per Share,* provides that all outstanding unvested share-based payment awards that contain rights to nonforfeitable dividends participate in undistributed earnings with common shareholders. If awards are considered participating securities, the Company is required to apply the two-class method of computing basic and diluted earnings per share. The Company has determined that its outstanding shares of restricted stock are participating securities. Accordingly, earnings per common share are computed using the more dilutive of the treasury stock method and the two-class method prescribed by ASC 260.

Basic weighted average shares reconciles to diluted weighted average shares as follows:

	Three Months Ended March 31,	
	2017	**2016**
Basic weighted average common shares outstanding	76,115	75,749
Dilutive effect of stock options, restricted stock, and performance share units	779	950
Diluted weighted average common shares outstanding	76,894	76,699

Options to purchase approximately 0.3 million and 1.4 million shares of common stock for the three months ended March 31, 2017 , and 2016 , respectively, were not included in the computation of diluted EPS because the effect of their inclusion would be antidilutive.

5. Inventories

The components of inventories as of March 31, 2017 and December 31, 2016 were:

	March 31, 2017	**December 31, 2016**
Raw materials and component parts	$ 158,236	$ 154,278
Work in process	38,460	34,832
Finished goods	61,204	63,749
Total	$ 257,900	$ 252,859

Inventories are stated at the lower of cost or net realizable value. Cost, which includes material, labor and factory overhead, is determined on a FIFO basis.

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6. Goodwill and Intangible Assets

The changes in the carrying amount of goodwill for the three months ended March 31, 2017 , by reportable business segment, were as follows:

	Fluid & Metering Technologies	Health & Science Technologies	Fire & Safety/ Diversified Products	Total
Balance at December 31, 2016	$ 573,437	$ 699,299	$ 359,856	$ 1,632,592
Foreign currency translation	3,068	5,732	3,474	12,274
Acquisition adjustments	—	636	63	699
Balance at March 31, 2017	$ 576,505	$ 705,667	$ 363,393	$ 1,645,565

ASC 350, *Goodwill and Other Intangible Assets,* requires that goodwill be tested for impairment at the reporting unit level on an annual basis and between annual tests if an event occurs, or circumstances change, that would more likely than not reduce the fair value of the reporting unit below its carrying value. In the first three months of 2017 , there were no events or circumstances that would have required an interim impairment test. Annually, on October 31, goodwill and other acquired intangible assets with indefinite lives are tested for impairment. Based on the results of our annual impairment test at October 31, 2016, all reporting units had fair values in excess of their carrying values. In addition to performing our annual impairment test, we also performed interim impairment tests due to the divestitures in the third and fourth quarters of 2016 as well as the reorganization of certain reporting units. As a result of these impairment tests, the Company concluded that the reporting units had fair values in excess of their carrying values, which was consistent with our annual impairment test at October 31, 2016.

The following table provides the gross carrying value and accumulated amortization for each major class of intangible assets at March 31, 2017 and December 31, 2016 :

	At March 31, 2017				At December 31, 2016		
	Gross Carrying Amount	Accumulated Amortization	Net	Weighted Average Life	Gross Carrying Amount	Accumulated Amortization	Net
Amortized intangible assets:							
Patents	$ 9,863	$ (6,809)	$ 3,054	11	$ 9,856	$ (6,635)	$ 3,221
Trade names	114,403	(44,714)	69,689	16	113,428	(42,653)	70,775
Customer relationships	334,735	(130,996)	203,739	12	369,087	(161,065)	208,022
Unpatented technology	102,260	(41,392)	60,868	12	106,747	(44,516)	62,231
Other	829	(496)	333	10	6,527	(6,172)	355
Total amortized intangible assets	562,090	(224,407)	337,683		605,645	(261,041)	344,604
Indefinite lived intangible assets:							
Banjo trade name	62,100	—	62,100		62,100	—	62,100
Akron Brass trade name	28,800	—	28,800		28,800	—	28,800
Total intangible assets	$ 652,990	$ (224,407)	$ 428,583		$ 696,545	$ (261,041)	$ 435,504

The Banjo trade name is an indefinite-lived intangible asset which is tested for impairment on an annual basis in accordance with ASC 350 or more frequently if events or changes in circumstances indicate that the asset might be impaired. In the first three months of 2017 , there were no events or circumstances that would have required an interim impairment test. Based on the results of our annual impairment test at October 31, 2016 , the fair value of the Banjo trade name was greater than 25% in excess of the carrying value.

The Akron Brass trade name is an indefinite-lived intangible asset that was acquired as a result of the Akron Brass acquisition in March 2016 and is tested for impairment on an annual basis in accordance with ASC 350 or more frequently if events or changes in circumstances indicate that the asset might be impaired. In the first three months of 2017 , there were no events or circumstances

that would have required an interim impairment test. Based on the results of our annual impairment test at October 31, 2016 , the fair value of the Akron Brass trade name was near its carrying value as a result of the acquisition of this business in March 2016.

Amortization of intangible assets was $11.8 million and $10.9 million for the three months ended March 31, 2017 and 2016 , respectively. Based on the intangible asset balances as of March 31, 2017 , amortization expense is expected to approximate $31.7 million for the remaining nine months of 2017 , $35.2 million in 2018 , $33.2 million in 2019 , $32.0 million in 2020 and $30.8 million in 2021 .

7. Accrued Expenses

The components of accrued expenses as of March 31, 2017 and December 31, 2016 were:

	March 31, 2017	December 31, 2016
Payroll and related items	$ 54,041	$ 67,600
Management incentive compensation	6,582	16,339
Income taxes payable	13,393	8,808
Insurance	9,420	9,416
Warranty	5,887	5,628
Deferred revenue	15,463	12,607
Restructuring	4,148	3,893
Liability for uncertain tax positions	2,359	1,366
Accrued interest	10,449	1,663
Other	20,928	25,532
Total accrued expenses	$ 142,670	$ 152,852

8. Other Noncurrent Liabilities

The components of other noncurrent liabilities as of March 31, 2017 and December 31, 2016 were:

	March 31, 2017	December 31, 2016
Pension and retiree medical obligations	$ 98,656	$ 93,604
Liability for uncertain tax positions	2,079	2,623
Deferred revenue	2,361	2,442
Other	19,208	22,561
Total other noncurrent liabilities	$ 122,304	$ 121,230

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9. Borrowings

Borrowings at March 31, 2017 and December 31, 2016 consisted of the following:

	March 31, 2017	December 31, 2016
Revolving Facility	$ 105,342	$ 169,579
4.5% Senior Notes, due December 2020	300,000	300,000
4.2% Senior Notes, due December 2021	350,000	350,000
3.2% Senior Notes, due June 2023	100,000	100,000
3.37% Senior Notes, due June 2025	100,000	100,000
Other borrowings	527	1,294
Total borrowings	955,869	1,020,873
Less current portion	323	1,046
Less deferred debt issuance costs	4,133	4,399
Less unaccreted debt discount	1,130	1,193
Total long-term borrowings	$ 950,283	$ 1,014,235

On June 13, 2016, the Company completed a private placement of $100 million aggregate principal amount of 3.20% Senior Notes due June 13, 2023 and $100 million aggregate principal amount of 3.37% Senior Notes due June 13, 2025 (collectively, the "Notes") pursuant to a Note Purchase Agreement, dated June 13, 2016 (the "Purchase Agreement"). Each series of Notes bears interest at the stated amount per annum, which is payable semi-annually in arrears on each June 13 th and December 13 th . The Notes are unsecured obligations of the Company and rank pari passu in right of payment with all of the Company's other unsecured, unsubordinated debt. The Company may at any time prepay all, or any portion of the Notes; provided that such portion is greater than 5% of the aggregate principal amount of Notes then outstanding. In the event of a prepayment, the Company will pay an amount equal to par plus accrued interest plus a make-whole amount. In addition, the Company may repurchase Notes by making an offer to all holders of the Notes, subject to certain conditions.

The Purchase Agreement contains certain covenants that restrict the Company's ability to, among other things, transfer or sell assets, incur indebtedness, create liens, transact with affiliates and engage in certain mergers or consolidations or other change of control transactions. In addition, the Company must comply with a leverage ratio and interest coverage ratio, as further described below, and the Purchase Agreement also limits the outstanding principal amount of priority debt that may be incurred by the Company to 15% of consolidated assets. The Purchase Agreement provides for customary events of default. In the case of an event of default arising from specified events of bankruptcy or insolvency, all of the outstanding Notes will become due and payable immediately without further action or notice. In the case of payment event of default, any holder of the Notes affected thereby may declare all the Notes held by it due and payable immediately. In the case of any other event of default, a majority of the holders of Notes may declare all of the Notes to be due and payable immediately.

On June 23, 2015, the Company entered into a credit agreement (the "Credit Agreement") along with certain of its subsidiaries, as borrowers (the "Borrowers"), Bank of America, N.A., as administrative agent, swing line lender and an issuer of letters of credit, with other agents party thereto. The Credit Agreement replaced the Company's existing five -year, $700 million credit agreement, dated as of June 27, 2011, which was due to expire on June 27, 2016.

The Credit Agreement consists of a revolving credit facility (the "Revolving Facility") in an aggregate principal amount of $700 million , with a final maturity date of June 23, 2020 . The maturity date may be extended under certain conditions for an additional one -year term. Up to $75 million of the Revolving Facility is available for the issuance of letters of credit. Additionally, up to $50 million of the Revolving Facility is available to the Company for swing line loans, available on a same-day basis.

Proceeds of the Revolving Facility are available for use by the Borrowers for acquisitions, working capital and other general corporate purposes, including refinancing existing debt of the Company and its subsidiaries. The Company may request increases in the lending commitments under the Credit Agreement, but the aggregate lending commitments pursuant to such increases may not exceed $350 million . The Company has the right, subject to certain conditions set forth in the Credit Agreement, to designate certain foreign subsidiaries of the Company as borrowers under the Credit Agreement. In connection with any such designation, the Company is required to guarantee the obligations of any such subsidiaries.

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Borrowings under the Credit Agreement bear interest, at either an alternate base rate or an adjusted LIBOR rate plus, in each case, an applicable margin. Such applicable margin is based on the Company's senior, unsecured, long-term debt rating and can range from .005% to 1.50% . Based on the Company's credit rating at March 31, 2017 , the applicable margin was 1.10% , resulting in a weighted average interest rate of 1.51% at March 31, 2017 . Interest is payable (a) in the case of base rate loans, quarterly, and (b) in the case of LIBOR rate loans, on the maturity date of the borrowing, or quarterly from the effective date for borrowings exceeding three months.

The Credit Agreement requires payment to the lenders of a facility fee based upon (a) the amount of the lenders' commitments under the credit facility from time to time and (b) the applicable corporate credit ratings of the Company. Voluntary prepayments of any loans and voluntary reductions of the unutilized portion of the commitments under the credit facility are permissible without penalty, subject to break funding payments and minimum notice and minimum reduction amount requirements.

The negative covenants include, among other things, limitations (each of which is subject to customary exceptions for financings of this type) on our ability to grant liens; enter into transactions resulting in fundamental changes (such as mergers or sales of all or substantially all of the assets of the Company); restrict subsidiary dividends or other subsidiary distributions; enter into transactions with the Company's affiliates; and incur certain additional subsidiary debt.

The Credit Agreement also contains customary events of default (subject to grace periods, as appropriate) including among others: nonpayment of principal, interest or fees; breach of the representations or warranties in any material respect; breach of the financial, affirmative or negative covenants; payment default on, or acceleration of, other material indebtedness; bankruptcy or insolvency; material judgments entered against the Company or any of its subsidiaries; certain specified events under the Employee Retirement Income Security Act of 1974, as amended; certain changes in control of the Company; and the invalidity or unenforceability of the Credit Agreement or other documents associated with the Credit Agreement.

At March 31, 2017 , $105.3 million was outstanding under the Revolving Facility, with $9.1 million of outstanding letters of credit, resulting in net available borrowing capacity under the Revolving Facility at March 31, 2017 of approximately $585.6 million .

There are two key financial covenants that the Company is required to maintain in connection with the Revolving Facility and the Notes, a minimum interest coverage ratio of 3.0 to 1 and a maximum leverage ratio of 3.50 to 1 , which is the ratio of the Company's consolidated total debt to its consolidated EBITDA. At March 31, 2017 , the Company was in compliance with both of these financial covenants. There are no financial covenants relating to the 4.5% Senior Notes or 4.2% Senior Notes; however, both are subject to cross-default provisions.

10. Derivative Instruments

The Company enters into cash flow hedges from time to time to reduce the exposure to variability in certain expected future cash flows. The type of cash flow hedges the Company enters into includes foreign currency contracts and interest rate exchange contracts that effectively convert a portion of floating-rate debt to fixed-rate debt and are designed to reduce the impact of interest rate changes on future interest expense.

The effective portion of gains or losses on interest rate exchange contracts is reported in Accumulated other comprehensive income (loss) in Shareholders' equity and reclassified into net income in the same period or periods in which the hedged transaction affects net income. The remaining gain or loss in excess of the cumulative change in the present value of future cash flows or the hedged item, if any, is recognized into net income during the period of change. See Note 13 for the amount of loss reclassified into income for interest rate contracts for the three months ended March 31, 2017 and 2016 . As of March 31, 2017 , the Company did not have any interest rate contracts outstanding.

In 2010 and 2011, the Company entered into two separate forward starting interest rate contracts in anticipation of the issuance of the 4.2% Senior Notes and the 4.5% Senior Notes. The Company cash settled these two interest rate contracts in 2010 and 2011 for a total of $68.9 million , which is being amortized into interest expense over the 10 year term of the debt instruments. Approximately $6.6 million of the pre-tax amount included in accumulated other comprehensive income (loss) in shareholders' equity at March 31, 2017 will be recognized to net income over the next 12 months as the underlying hedged transactions are realized.

During the three months ended March 31, 2017, the Company entered into four foreign currency forward contracts with a combined notional value of €180 million that have not been designated as hedges for accounting purposes. These contracts are used to manage foreign currency exposure related to changes in the value of intercompany loans caused by changes in foreign

exchange rates. The change in the fair value of the foreign currency forward contracts and the corresponding change in the fair value of the intercompany loans of the Company are both recorded through earnings each period as incurred. During the three months ended March 31, 2017, the Company recorded a net gain of $0.4 million within Other income (expense) - net in the Condensed Consolidated Statements of Operations related to these forward contracts.

Fair values relating to derivative financial instruments reflect the estimated amounts that the Company would receive or pay to sell or buy the contracts based on quoted market prices of comparable contracts at each balance sheet date. The following table sets forth the fair value amounts of derivative instruments held by the Company as of March 31, 2017 and December 31, 2016:

	Fair Value Assets (Liabilities)		
	March 31, 2017	December 31, 2016	Balance Sheet Caption
	(In thousands)		
Forward exchange contracts	$ (373)	$ —	Accrued expenses

11. Fair Value Measurements

ASC 820, *Fair Value Measurements and Disclosures,* defines fair value, provides guidance for measuring fair value and requires certain disclosures. This standard discusses valuation techniques, such as the market approach (comparable market prices), the income approach (present value of future income or cash flow), and the cost approach (cost to replace the service capacity of an asset or replacement cost). The standard utilizes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value into three broad levels. The following is a brief description of those three levels:

- Level 1: Observable inputs such as quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Inputs, other than quoted prices that are observable for the asset or liability, either directly or indirectly. These include quoted prices for similar assets or liabilities in active markets and quoted prices for identical or similar assets or liabilities in markets that are not active.
- Level 3: Unobservable inputs that reflect the reporting entity's own assumptions.

The following table summarizes the basis used to measure the Company's financial assets at fair value on a recurring basis in the balance sheets at March 31, 2017 and December 31, 2016 :

		Basis of Fair Value Measurements		
	Balance at March 31, 2017	Level 1	Level 2	Level 3
Available for sale securities	$ 5,071	$ 5,071	$ —	$ —
Foreign exchange contracts	(373)	—	(373)	—

		Basis of Fair Value Measurements		
	Balance at December 31, 2016	Level 1	Level 2	Level 3
Available for sale securities	$ 5,369	$ 5,369	$ —	$ —

There were no transfers of assets or liabilities between Level 1 and Level 2 during the three months ended March 31, 2017 or the year ended December 31, 2016 .

The carrying value of our cash and cash equivalents, accounts receivable, accounts payable and accrued expenses approximates their fair values because of the short term nature of these instruments. At March 31, 2017 , the fair value of the outstanding indebtedness under our Revolving Facility, 3.2% Senior Notes, 3.37% Senior Notes, 4.5% Senior Notes and 4.2% Senior Notes, based on quoted market prices and current market rates for debt with similar credit risk and maturity, was approximately $974.2 million compared to the carrying value of $954.2 million . This fair value measurement is classified as Level 2 within the fair value hierarchy since it is determined based upon significant inputs observable in the market, including interest rates on recent financing transactions to entities with a credit rating similar to ours.

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12. Restructuring

During the first quarter of 2017, the Company recorded restructuring costs of $4.8 million as part of the 2016 restructuring initiatives that support the implementation of key strategic efforts designed to facilitate long-term, sustainable growth through cost reduction actions, primarily consisting of employee reductions and facility rationalization. The restructuring costs included severance benefits for 97 employees. The costs incurred related to these initiatives were included in Restructuring expenses in the Consolidated Statements of Operations while the related accruals were included in Accrued expenses in the Consolidated Balance Sheets. Severance costs primarily consisted of severance benefits through payroll continuation, COBRA subsidies, outplacement services, conditional separation costs and employer tax liabilities, while exit costs primarily consisted of asset disposals or impairments.

Pre-tax restructuring expenses by segment for the three months ended March 31, 2017 are as follows:

	Severance Costs	Exit Costs	Total
		(In thousands)	
Fluid & Metering Technologies	$ 1,566	$ —	$ 1,566
Health & Science Technologies	2,470	558	3,028
Fire & Safety/Diversified Products	73	—	73
Corporate/Other	130	—	130
Total restructuring costs	$ 4,239	$ 558	$ 4,797

Restructuring accruals of $4.1 million and $3.9 million at March 31, 2017 and December 31, 2016 , respectively, are recorded in Accrued expenses in the Consolidated Balance Sheets. Severance benefits are expected to be paid by the end of the year using cash from operations. The changes in the restructuring accrual for the three months ended March 31, 2017 are as follows:

	Restructuring
	(In thousands)
Balance at January 1, 2017	$ 3,893
Restructuring expenses	4,797
Payments, utilization and other	(4,542)
Balance at March 31, 2017	$ 4,148

13. Other Comprehensive Income (Loss)

The components of other comprehensive income (loss) are as follows:

	Three Months Ended March 31, 2017			Three Months Ended March 31, 2016		
	Pre-tax	Tax	Net of tax	Pre-tax	Tax	Net of tax
Cumulative translation adjustment	$ 21,050	$ —	$ 21,050	$ 16,217	$ —	$ 16,217
Pension and other postretirement adjustments	1,676	(552)	1,124	993	(322)	671
Reclassification adjustments for derivatives	1,677	(635)	1,042	1,724	(627)	1,097
Total other comprehensive income (loss)	$ 24,403	$ (1,187)	$ 23,216	$ 18,934	$ (949)	$ 17,985

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The following table summarizes the amounts reclassified from accumulated other comprehensive income to net income during the three months ended March 31, 2017 and 2016 :

	Three Months Ended March 31,	
	2017	2016
Pension and other postretirement plans		
Amortization of service cost	$ 1,676	$ 993
Total before tax	1,676	993
Provision for income taxes	(552)	(322)
Total net of tax	$ 1,124	$ 671
Derivatives		
Reclassification adjustments	$ 1,677	$ 1,724
Total before tax	1,677	1,724
Provision for income taxes	(635)	(627)
Total net of tax	$ 1,042	$ 1,097

The Company recognizes the service cost component in both Selling, general and administrative expenses and Cost of sales, depending on the functional area of the underlying employees included in the plans.

14. Common and Preferred Stock

On December 1, 2015 , the Company's Board of Directors approved a $300.0 million increase in the authorized level for repurchases of common stock. Repurchases will be funded with future cash flow generation or borrowings available under the Revolving Facility. During the three months ended March 31, 2017 , the Company purchased a total of 82 thousand shares at a cost of $7.6 million , of which $0.6 million was settled in April 2017. During the three months ended March 31, 2016 , the Company purchased 628 thousand shares at a cost of $45.8 million , of which $1.2 million was settled in April 2016 . As of March 31, 2017 , the amount of share repurchase authorization remaining is $572.4 million .

At March 31, 2017 and December 31, 2016 , the Company had 150 million shares of authorized common stock, with a par value of $.01 per share, and 5 million shares of authorized preferred stock, with a par value of $.01 per share. No preferred stock was outstanding at March 31, 2017 or December 31, 2016 .

15. Share-Based Compensation

Stock Options

Weighted average option fair values and assumptions for the periods specified are disclosed below. The fair value of each option grant was estimated on the date of the grant using the Binomial lattice option pricing model.

	Three Months Ended March 31,	
	2017	2016
Weighted average fair value of option grants	$24.11	$18.40
Dividend yield	1.45%	1.70%
Volatility	29.41%	29.71%
Risk-free forward interest rate	0.82% - 3.04%	0.53% - 2.50%
Expected life (in years)	5.83	5.91

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Total compensation cost for stock options is as follows:

	Three Months Ended March 31,	
	2017	2016
Cost of goods sold	$ 186	$ 119
Selling, general and administrative expenses	2,284	2,295
Total expense before income taxes	2,470	2,414
Income tax benefit	(747)	(760)
Total expense after income taxes	$ 1,723	$ 1,654

A summary of the Company's stock option activity as of March 31, 2017 , and changes during the three months ended March 31, 2017 , are presented in the following table:

Stock Options	Shares	Weighted Average Price	Weighted-Average Remaining Contractual Term	Aggregate Intrinsic Value
Outstanding at January 1, 2017	1,987,946	$ 61.83	6.84	$ 56,144,876
Granted	427,895	93.17		
Exercised	(110,112)	55.17		
Forfeited	(25,755)	77.15		
Outstanding at March 31, 2017	2,279,974	$ 67.87	7.25	$ 58,471,654
Vested and expected to vest as of March 31, 2017	2,117,100	$ 66.61	7.10	$ 56,949,565
Exercisable at March 31, 2017	1,188,689	$ 54.28	5.67	$ 46,633,546

Restricted Stock

Restricted stock awards generally cliff vest after three years for employees and non-employee directors. Unvested restricted stock carries dividend and voting rights and the sale of the shares is restricted prior to the date of vesting. A summary of the Company's restricted stock activity as of March 31, 2017 , and changes during the three months ended March 31, 2017 , are presented as follows:

Restricted Stock	Shares	Weighted-Average Grant Date Fair Value
Unvested at January 1, 2017	217,898	$ 76.19
Granted	55,440	93.05
Vested	(62,994)	71.02
Forfeited	(11,725)	79.24
Unvested at March 31, 2017	198,619	$ 82.36

Dividends are paid on restricted stock awards, whose fair value is equal to the market price of the Company's stock at the date of the grant.

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Total compensation cost for restricted shares is as follows:

	Three Months Ended March 31,	
	2017	2016
Cost of goods sold	$ 152	$ 128
Selling, general and administrative expenses	1,253	1,530
Total expense before income taxes	1,405	1,658
Income tax benefit	(439)	(513)
Total expense after income taxes	$ 966	$ 1,145

Cash-Settled Restricted Stock

The Company also maintains a cash-settled share based compensation plan for certain employees. Cash-settled restricted stock awards generally cliff vest after three years. A summary of the Company's unvested cash-settled restricted stock activity as of March 31, 2017 , and changes during the three months ended March 31, 2017 , are presented in the following table:

Cash-Settled Restricted Stock	Shares	Weighted-Average Fair Value
Unvested at January 1, 2017	103,790	$ 90.06
Granted	33,505	93.51
Vested	(26,300)	91.96
Forfeited	(7,550)	93.51
Unvested at March 31, 2017	103,445	$ 93.51

Dividend equivalents are paid on certain cash-settled restricted stock awards. Total compensation cost for cash-settled restricted stock is as follows:

	Three Months Ended March 31,	
	2017	2016
Cost of goods sold	$ 248	$ 189
Selling, general and administrative expenses	430	500
Total expense before income taxes	678	689
Income tax benefit	(142)	(98)
Total expense after income taxes	$ 536	$ 591

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Performance Share Units

Weighted average performance share unit fair values and assumptions for the period specified are disclosed below. The performance share units are market condition awards and have been assessed at fair value on the date of grant using a Monte Carlo simulation model.

	Three Months Ended March 31,	
	2017	2016
Weighted average fair value of performance share units	$115.74	$111.42
Dividend yield	—%	—%
Volatility	17.36%	17.99%
Risk-free forward interest rate	1.45%	0.89%
Expected life (in years)	2.85	2.86

A summary of the Company's performance share unit activity as of March 31, 2017 , and changes during the three months ended March 31, 2017 , are presented in the following table:

Performance Share Units	Shares	Weighted-Average Grant Date Fair Value
Unvested at January 1, 2017	137,055	$ 104.18
Granted	65,530	115.76
Vested	—	—
Forfeited and other	(3,925)	100.95
Unvested at March 31, 2017	198,660	$ 108.06

The Company granted 63,325 performance share units in February 2014, which vested on December 31, 2016. Based on the Company's relative total shareholder return rank during the three year period ended December 31, 2016, the Company achieved a 141% payout that resulted in 89,288 shares issued in February 2017.

Total compensation cost for performance share units is as follows:

	Three Months Ended March 31,	
	2017	2016
Cost of goods sold	$ —	$ —
Selling, general and administrative expenses	1,606	1,681
Total expense before income taxes	1,606	1,681
Income tax benefit	(507)	(535)
Total expense after income taxes	$ 1,099	$ 1,146

The Company's policy is to recognize compensation cost on a straight-line basis, assuming forfeitures, over the requisite service period for the entire award. Classification of stock compensation cost within the Consolidated Statements of Operations is consistent with classification of cash compensation for the same employees.

As of March 31, 2017 , there was $16.6 million of total unrecognized compensation cost related to stock options that is expected to be recognized over a weighted-average period of 1.6 years, $7.5 million of total unrecognized compensation cost related to restricted stock that is expected to be recognized over a weighted-average period of 1.2 years, $4.6 million of total unrecognized compensation cost related to cash-settled restricted shares that is expected to be recognized over a weighted-average period of 1.2 years, and $10.7 million of total unrecognized compensation cost related to performance share units that is expected to be recognized over a weighted-average period of 1.2 years.

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16. Retirement Benefits

The Company sponsors several qualified and nonqualified defined benefit and defined contribution pension plans and other postretirement plans for its employees. The following tables provide the components of net periodic benefit cost for its major defined benefit plans and its other postretirement plans. As disclosed in Note 1, the Company elected to early adopt ASU 2017-17 during the quarter ended March 31, 2017. As a result, the Company recorded Interest cost, Expected return on plan assets, and Net amortization within Other (income) expense - net. The Company adopted this standard retrospectively and thus $0.8 million was reclassified from Selling, general and administrative expenses to Other (income) expense - net for the three months ended March 31, 2016 to conform to current period presentation.

	Pension Benefits			
	Three Months Ended March 31,			
	2017		2016	
	U.S.	Non-U.S.	U.S.	Non-U.S.
Service cost	$ 254	$ 482	$ 294	$ 299
Interest cost	660	308	747	350
Expected return on plan assets	(944)	(264)	(1,175)	(219)
Net amortization	642	382	827	238
Net periodic benefit cost	$ 612	$ 908	$ 693	$ 668

	Other Postretirement Benefits	
	Three Months Ended March 31,	
	2017	2016
Service cost	$ 152	$ 132
Interest cost	204	174
Net amortization	(198)	(154)
Net periodic benefit cost	$ 158	$ 152

The Company previously disclosed in its financial statements for the year ended December 31, 2016 , that it expected to contribute approximately $5.8 million to its defined benefit plans and $0.1 million to its other postretirement benefit plans in 2017 . As of March 31, 2017 , the Company continues to expect to contribute approximately $5.8 million to its defined benefit plans and $0.1 million to its other postretirement benefit plans in 2017 . The Company contributed a total of $0.6 million during the first three months of 2017 to fund these plans.

17. Legal Proceedings

The Company is party to various legal proceedings arising in the ordinary course of business, none of which are expected to have a material impact on its financial condition, results of operations or cash flows.

IDEX CORPORATION AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Amounts in thousands except share data and where otherwise indicated)
(unaudited)

18. Income Taxes

The Company's provision for income taxes is based upon estimated annual tax rates for the year applied to federal, state and foreign income. The provision for income taxes increased to $28.5 million in the three months ended March 31, 2017 from $24.7 million in the same period of 2016 . The effective tax rate increased to 27.3% for the three months ended March 31, 2017 compared to 26.6% in the same period of 2016 due to the mix of global pre-tax income among jurisdictions.

The Company and its subsidiaries file income tax returns in the U.S. federal jurisdiction, and various state and foreign jurisdictions. Due to the potential for resolution of federal, state and foreign examinations, and the expiration of various statutes of limitation, it is reasonably possible that the Company's gross unrecognized tax benefits balance may change within the next twelve months by a range of zero to $2.4 million .

Item 2. *Management's Discussion and Analysis of Financial Condition and Results of Operations.*

Cautionary Statement Under the Private Securities Litigation Reform Act

This quarterly report on Form 10-Q, including the "Overview and Outlook" and the "Liquidity and Capital Resources" sections of this Management's Discussion and Analysis of Financial Condition and Results of Operations, 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 report. 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 Corporation'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. The forward-looking statements included here are only made as of the date of this report, 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.

Overview and Outlook

IDEX is an applied solutions company specializing in fluid and metering technologies, health and science technologies, and fire, safety and other diversified products built to customers' specifications. IDEX's products are sold in niche markets to a wide range of industries throughout the world. Accordingly, IDEX's businesses are affected by levels of industrial activity and economic conditions in the U.S. and in other countries where it does business and by the relationship of the U.S. Dollar to other currencies. Levels of capacity utilization and capital spending in certain industries and overall industrial activity are important factors that influence the demand for IDEX's products.

The Company has three reportable business segments: Fluid & Metering Technologies ("FMT"), Health & Science Technologies ("HST") and Fire & Safety/Diversified Products ("FSDP"). Within our three reportable segments, the Company maintains thirteen platforms, where we focus on organic growth and strategic acquisitions. Each of our thirteen platforms is also a reporting unit, where we annually test goodwill for impairment.

The Fluid & Metering Technologies segment contains the Energy (comprised of Corken, Faure Herman, Liquid Controls, SAMPI, and Toptech), Valves (comprised of Alfa Valvole, Richter, and Aegis), Water (comprised of Pulsafeeder, OBL, Knight, ADS, Trebor, and iPEK), Pumps (comprised of Viking and Warren Rupp), and Agriculture (comprised of Banjo) platforms. The Health & Science Technologies segment contains the Scientific Fluidics & Optics (comprised of Eastern Plastics, Rheodyne, Sapphire Engineering, Upchurch Scientific, ERC, CiDRA Precision Services, CVI Melles Griot, Semrock, and AT Films), Sealing Solutions (comprised of Precision Polymer Engineering, FTL Seals Technology, Novotema, and SFC Koenig), Gast, Micropump,

and Material Processing Technologies (comprised of Quadro, Fitzpatrick, Microfluidics, and Matcon) platforms. The Fire & Safety/Diversified Products segment is comprised of the Fire & Safety (comprised of Class 1, Hale, Akron Brass, AWG Fittings, Godiva, Dinglee, Hurst Jaws of Life, Lukas, and Vetter), Band-It, and Dispensing platforms.

The Fluid & Metering Technologies segment designs, produces and distributes positive displacement pumps, flow meters, valves, injectors, and other fluid-handling pump modules and systems and provides flow monitoring and other services for the food, chemical, general industrial, water & wastewater, agriculture and energy industries.

The Health & Science Technologies segment designs, produces and distributes a wide range of precision fluidics, rotary lobe pumps, centrifugal and positive displacement pumps, roll compaction and drying systems used in beverage, food processing, pharmaceutical and cosmetics, pneumatic components and sealing solutions, including very high precision, low-flow rate pumping solutions required in analytical instrumentation, clinical diagnostics and drug discovery, high performance molded and extruded sealing components, biocompatible medical devices and implantables, air compressors used in medical, dental and industrial applications, optical components and coatings for applications in the fields of scientific research, defense, biotechnology, life sciences, aerospace, telecommunications and electronics manufacturing, laboratory and commercial equipment used in the production of micro and nano scale materials, precision photonic solutions used in life sciences, research and defense markets, and precision gear and peristaltic pump technologies that meet exacting original equipment manufacturer specifications.

The Fire & Safety/Diversified Products segment produces firefighting pumps and controls, valves, monitors, nozzles, rescue tools, lifting bags and other components and systems for the fire and rescue industry, engineered stainless steel banding and clamping devices used in a variety of industrial and commercial applications, and precision equipment for dispensing, metering and mixing colorants and paints used in a variety of retail and commercial businesses around the world.

Management's primary measurements of segment performance are sales, operating income, and operating margin. In addition, due to the highly acquisitive nature of the Company, the determination of operating income includes amortization of acquired intangible assets and, as a result, management reviews depreciation and amortization as a percentage of sales. These measures are monitored by management and significant changes in operating results versus current trends in end markets and variances from forecasts are analyzed with segment management.

This report references organic sales, a non-GAAP measure, that refers to sales calculated according to U.S. GAAP but excluding amounts from acquired or divested businesses during the first twelve months after acquisition or divestiture and the impact of foreign currency translation. The portion of sales attributable to foreign currency translation is calculated as the difference between (a) the period-to-period change in organic sales and (b) the period-to-period change in organic sales after applying prior period foreign exchange rates to the current year period. Management believes that reporting organic sales provides useful information to investors by helping identify underlying growth trends in our business and facilitating easier comparisons of our revenue performance with prior and future periods and to our peers. The Company excludes the effect of foreign currency translation from organic sales because foreign currency translation is not under management's control, is subject to volatility and can obscure underlying business trends. The Company excludes the effect of acquisitions and divestitures because the nature, size, and number can vary dramatically from period to period and between the Company and its peers and can also obscure underlying business trends and make comparisons of long-term performance difficult.

EBITDA means earnings before interest, income taxes, depreciation and amortization. Given the acquisitive nature of the Company, which results in a higher level of amortization expense at recently acquired businesses, management uses EBITDA as an internal operating metric to provide another representation of the businesses performance across our three segments and for enterprise valuation purposes. Management believes that EBITDA is useful to investors as an indicator of the strength and performance of the Company and a way to evaluate and compare operating performance and value companies within our industry. Management believes EBITDA margin is useful for the same reason as EBITDA. EBITDA is also used to calculate certain financial covenants, as discussed in Note 9 of the Notes to Consolidated Financial Statements in Part I, Item 1, "Financial Statements."

Organic sales have been reconciled to net sales and EBITDA has been reconciled to net income in Item 2 under the heading "Non-GAAP Disclosures." The reconciliation of segment EBITDA to net income was performed on a consolidated basis due to the fact that we do not allocate consolidated interest expense or the consolidated provision for income taxes to our segments.

Management uses Adjusted operating income, Adjusted net income, and Adjusted EPS as metrics by which to measure performance of the Company since they exclude items that are not reflective of ongoing operations, such as restructuring expenses.

The non-GAAP financial measures disclosed by the Company should not be considered a substitute for, or superior to, financial measures prepared in accordance with U.S. GAAP, and the financial results prepared in accordance with U.S. GAAP and the reconciliations from these results should be carefully evaluated.

Some of our key financial results for the three months ended March 31, 2017 when compared to the same period from the prior year are as follows:

- Sales of $ 554 million increased 10% ; organic sales (which excludes acquisitions, divestitures and foreign currency translation) were up 5%.
- Operating income of $ 116 million increased 12% . Adjusted operating income of $120 million , adjusted for $4.8 million of restructuring charges, increased 17% .
- Net income increased 11% to $ 76 million or 14% of sales. Adjusted net income of $79 million , adjusted for $3 million of restructuring charges net of tax benefit, increased 16% or 14% of sales.
- EBITDA of $137 million was 25% of sales and covered interest expense by nearly 12 times.
- Diluted EPS of $ 0.99 increased 10 cent s, or 11% . Adjusted EPS of $1.03 increased 14 cents, or 16% .

Given the Company's current outlook, we are projecting second quarter 2017 EPS in the range of $1.04 to $1.06 with full year 2017 adjusted EPS of $4.00 to $4.10. We are also projecting full year organic revenue growth expectations of 3% to 4% with 2% to 3% growth in the second quarter.

Results of Operations

The following is a discussion and analysis of our results of operations for the three month periods ended March 31, 2017 and 2016 . Segment operating income and EBITDA exclude unallocated corporate operating expenses of $17.0 million and $14.7 million for the three months ended March 31, 2017 and 2016 , respectively.

Consolidated Results for the Three Months Ended March 31, 2017 Compared with the Same Period of 2016

(In thousands)	Three Months Ended March 31,	
	2017	2016
Net sales	$ 553,552	$ 502,572
Operating income	115,671	103,345
Operating margin	20.9%	20.6%

For the three months ended March 31, 2017 , Fluid & Metering Technologies contributed 39% of sales, 44% of operating income and 41% of EBITDA; Health & Science Technologies contributed 36% of sales, 32% of operating income and 35% of EBITDA; and Fire & Safety/Diversified Products contributed 25% of sales, 24% of operating income and 24% of EBITDA. These percentages are calculated on the basis of total segment (not total Company) sales, operating income and EBITDA.

Sales in the three months ended March 31, 2017 were $553.6 million , which was a 10% increase compared to the same period last year. This reflects a 5% increase in organic sales, a 7% net favorable impact from acquisitions (Akron Brass - March 2016, AWG Fittings - July 2016 and SFC Koenig - September 2016) and divestitures (Hydra-Stop - July 2016, CVI Japan - September 2016, IETG - October 2016, and CVI Korea - December 2016) and 2% unfavorable foreign currency translation. Sales to customers outside the U.S. represented approximately 49% of total sales in the first three months of 2017 compared with 51% during the same period in 2016 .

Gross profit of $250.9 million in the first three months of 2017 increased $27.6 million , or 12% , from the same period in 2016 . Gross margin of 45.3% in the first three months of 2017 increased 90 basis points from 44.4% during the same period in 2016 , primarily due to productivity, volume leverage and a $2.2 million fair value inventory step-up charge in the prior year period. Gross profit increased compared to 2016 as a result of a full quarter of prior year acquisitions.

Selling, general and administrative expenses increased to $130.5 million in the first three months of 2017 from $120.0 million during the same period of 2016 . The change is due to $12.6 million of net incremental costs from acquisitions and divestitures, offset by benefits from prior period restructuring and cost controls. As a percentage of sales, selling, general and administrative expenses were 23.5% for the first three months of 2017 , down 30 basis points compared to 23.8% during the same period of 2016 .

Other (income) expense - net in the first three months of 2017 was flat compared with the same period in 2016 .

Interest expense of $11.6 million in the first three months of 2017 was up from $10.5 million in 2016 primarily as a result of the Notes issued in June 2016.

Operating income of $115.7 million in the first three months of 2017 was up from the $103.3 million recorded during the same period in 2016 , while operating margin of 20.9% was up from 20.6% recorded in the same period of 2016 . The increase in operating income and margin is primarily due to operational efficiency and a $2.2 million fair value inventory step-up charge in the prior year period, partially offset by $4.8 million of restructuring-related charges in the current period.

The provision for income taxes is based upon estimated annual tax rates for the year applied to federal, state and foreign income. The provision for income taxes of $ 28.5 million for the first three months of 2017 increased compared to $ 24.7 million recorded in the same period of 2016 . The effective tax rate increased to 27.3% for the first three months of 2017 compared to 26.6% in the same period of 2016 due to the mix of global pre-tax income among jurisdictions.

Net income in the first three months of 2017 of $ 75.9 million increased from $ 68.1 million during the same period of 2016 . Diluted earnings per share in the first three months of 2017 of $ 0.99 increased $ 0.10 , or 11% , compared with the same period in 2016 .

Fluid & Metering Technologies Segment

(In thousands)	Three Months Ended March 31,	
	2017	2016
Net sales	$ 216,770	$ 211,843
Operating income	57,813	51,703
Operating margin	26.7%	24.4%

Sales of $ 216.8 million increased $4.9 million , or 2% , in the first three months of 2017 compared with the same period of 2016 . This reflects a 6% increase in organic sales, a 3% unfavorable impact from divestitures (Hydra-Stop - July 2016 and IETG - October 2016), and a 1% unfavorable impact from foreign currency translation. In the first three months of 2017 , sales increased 8% domestically and decreased 5% internationally compared to the same period in 2016 . Sales to customers outside the U.S. were approximately 41% of total segment sales during the first three months of 2017 compared with 44% during the same period in 2016 .

Sales within our Energy platform were flat in the first three months of 2017 compared to the same period of 2016 primarily as a result of strong oil & gas project orders, a healthy US aviation project funnel and a stable stationary market offset by continued weakness in the North American LPG mobile market and lower than expected truck builds. Sales within our Pumps platform increased compared to the first three months of 2016 due to strength in oil & gas upstream markets, as well as a solid North American industrial distribution market and higher project volume. Sales within the Water platform decreased in the first three months of 2017 due to the Hydra-Stop and IETG divestitures, partially offset with an increase in municipal spending and health care end markets. Sales within our Agricultural platform increased in the first three months of 2017 compared to the same period of 2016 due to strong global demand across North America, Europe and Latin America. Sales in the Valves platform were up in the first three months of 2017 compared to the prior year period as a result of accelerated improvements in Europe as well as a strong global automotive market and the petro-chemical end market.

Operating income and operating margins of $ 57.8 million and 26.7% , respectively, in the first three months of 2017 were higher than the $ 51.7 million and 24.4% , respectively, recorded in the first three months of 2016 , primarily due to productivity, higher volume and the benefit from prior period restructuring initiatives, partially offset by current period restructuring expenses.

Health & Science Technologies Segment

(In thousands)	Three Months Ended March 31,	
	2017	2016
Net sales	$ 199,679	$ 186,343
Operating income	42,238	40,682
Operating margin	21.2%	21.8%

Sales of $ 199.7 million increased $ 13.3 million , or 7% , in the first three months of 2017 compared with the same period in 2016 . This reflects a 5% increase in organic sales, a 5% net favorable impact from acquisitions (SFC Koenig - September 2016) and divestitures (CVI Japan - September 2016 and CVI Korea - December 2016) and a 3% unfavorable impact from foreign currency translation. In the first three months of 2017 , sales increased 15% domestically and increased 2% internationally. Sales to customers outside the U.S. were approximately 55% of total segment sales in the first three months of 2017 compared with 58% during the same period in 2016 .

Sales within our Material Processing Technologies platform decreased in the first three months of 2017 compared to the same period in 2016 due to the timing on pharmaceutical project shipments. Sales within our Scientific Fluidics & Optics platform were down compared to the first three months of 2016 due to the CVI Japan and CVI Korea divestitures, partially offset by strong demand in all primary end markets, including analytical instrumentation, IVD, and life sciences. Sales within our Sealing Solutions platform increased compared to the first three months of 2016 due to the inclusion of a full quarter of the SFC Koenig acquisition as well as continued strength in the semiconductor and transportation end markets. Sales within our Gast platform decreased compared to the first three months of 2016, primarily due to the impact of OEM headwinds. Sales within our Micropump platform decreased compared to the first three months of 2016 due to continued weakness in printing markets partially offset by increasing demand in North American industrial distribution markets.

Operating income of $ 42.2 million in the first three months of 2017 was up from the $ 40.7 million recorded in the same period of 2016 , primarily due to higher volume and productivity improvements within the segment, partially offset by 2017 restructuring expenses related to site consolidations within the Material Processing Technologies platform. Operating margin of 21.2% in the first three months of 2017 was down from the 21.8% recorded in the same period of 2016 , primarily due to the site consolidation related restructuring expenses.

Fire & Safety/Diversified Products Segment

(In thousands)	Three Months Ended March 31,	
	2017	2016
Net sales	$ 137,447	$ 104,618
Operating income	32,626	25,654
Operating margin	23.7%	24.5%

Sales of $ 137.4 million increased $ 32.8 million , or 31% , in the first three months of 2017 compared with the same period in 2016 . This reflects a 1% increase in organic revenue, a 33% favorable acquisition impact (Akron Brass - March 2016 and AWG Fittings - July 2016) and a 3% unfavorable impact from foreign currency translation. In the first three months of 2017 , sales increased 43% domestically and increased 22% internationally, compared with the same period in 2016 . Sales to customers outside the U.S. were approximately 52% of total segment sales in the first three months of 2017 compared to 56% during the same period of 2016 .

Sales within our Dispensing platform decreased compared to the first three months of 2016, primarily driven by lower X-Smart sales in Asia and large European projects from the prior year that did not repeat. Sales within our Band-It platform increased compared to the first three months of 2016 due to solid growth in the energy and transportation markets, partially offset by lack of project funding in Asia. Sales within our Fire & Safety platform increased compared to the first three months of 2016 primarily due to a full quarter of the Akron Brass and AWG Fittings acquisitions as well as strength in the Industrial market.

Operating income of $ 32.6 million in the first three months of 2017 was higher than the $ 25.7 million recorded in the same period of 2016 while operating margin of 23.7% recorded in the first three months of 2017 was lower than the 24.5% recorded for the same period of 2016. The lower operating margin was due to the dilutive impact of prior year acquisitions resulting from a higher level of amortization and a lower operating margin run rate from the acquired businesses compared to the historical businesses within the segment. The higher operating income was due to the incremental impact of the prior year acquisitions.

Liquidity and Capital Resources

Operating Activities

At March 31, 2017 , the Company’s cash and cash equivalents totaled $216.1 million , of which $186.8 million was held outside of the United States. At March 31, 2017 , working capital was $545.2 million and the current ratio was 3.0 to 1. Cash flows from operating activities for the first three months of 2017 increased $14.6 million , or 21% , to $85.0 million compared to the first three months of 2016 , due to higher net income and lower U.S. federal income tax payments, partially offset by higher bonus payments.

Investing Activities

Cash flows used in investing activities for the first three months of 2017 decreased $220.5 million to $9.6 million compared to the same period in 2016 , primarily due to $221.6 million spent on the acquisition of Akron Brass.

Cash flows provided by operating activities were more than adequate to fund capital expenditures of $10.2 million and $8.7 million in the first three months of 2017 and 2016 , respectively. Capital expenditures were generally for machinery and equipment

that improved productivity, tooling, business system technology, replacement of equipment and investments in new facilities. Management believes the Company has sufficient capacity in its plants and equipment to meet expected needs for future growth.

Financing Activities

Cash flows used in financing activities for the first three months of 2017 was $99.4 million compared to cash flows provided by financing activities of $186.4 million in the same period of 2016 , primarily as a result of borrowings to fund the Akron Brass acquisition, partially offset by lower stock repurchases and higher payments under revolving facilities in 2017 compared to the same period in 2016.

On June 13, 2016, the Company completed a private placement of $100 million aggregate principal amount of 3.20% Senior Notes due June 13, 2023 and $100 million aggregate principal amount of 3.37% Senior Notes due June 13, 2025 (collectively, the "Notes") pursuant to a Note Purchase Agreement, dated June 13, 2016 (the "Purchase Agreement"). Each series of Notes bears interest at the stated amount per annum, which is payable semi-annually in arrears on each June 13 th and December 13 th . The Notes are unsecured obligations of the Company and rank pari passu in right of payment with all of the Company's other unsecured, unsubordinated debt. The Company may at any time prepay all, or any portion of the Notes; provided that such portion is greater than 5% of the aggregate principal amount of Notes then outstanding. In the event of a prepayment, the Company will pay an amount equal to par plus accrued interest plus a make-whole amount. In addition, the Company may repurchase Notes by making an offer to all holders of the Notes, subject to certain conditions.

The Credit Agreement consists of the Revolving Facility, which is a $700.0 million unsecured, multi-currency bank credit facility expiring on June 23, 2020. At March 31, 2017 , there were $105.3 million of outstanding borrowings under the Revolving Facility and outstanding letters of credit totaled approximately $9.1 million . The net available borrowing capacity under the Revolving Facility at March 31, 2017 , was approximately $585.6 million . Borrowings under the Revolving Facility bear interest, at either an alternate base rate or an adjusted LIBOR rate plus, in each case, an applicable margin. Such applicable margin is based on the Company's senior, unsecured, long-term debt rating and can range from .005% to 1.50% . Based on the Company's credit rating at March 31, 2017 , the applicable margin was 1.10% , resulting in a weighted average interest rate of 1.51% at March 31, 2017 . Interest is payable (a) in the case of base rate loans, quarterly, and (b) in the case of LIBOR rate loans, on the maturity date of the borrowing, or quarterly from the effective date for borrowings exceeding three months. An annual Revolving Facility fee, also based on the Company's credit rating, is currently 15 basis points and is payable quarterly.

There are two key financial covenants that the Company is required to maintain in connection with the Revolving Facility and the Notes, which require a minimum interest coverage ratio of 3.0 to 1 and a maximum leverage ratio of 3.50 to 1 . At March 31, 2017 , the Company was in compliance with both of these financial covenants, as the Company's interest coverage ratio was 11.65 to 1 and the leverage ratio was 1.78 to 1. There are no financial covenants relating to the 4.5% Senior Notes or 4.2% Senior Notes; however, both are subject to cross-default provisions.

On December 1, 2015 , the Company's Board of Directors approved a $300.0 million increase in the authorized level for repurchases of common stock. Repurchases under the program will be funded with future cash flow generation or borrowings available under the Revolving Facility. During the first three months of 2017 , the Company purchased a total of 82 thousand shares at a cost of $7.6 million , of which $0.6 million settled in April 2017. During the three months ended March 31, 2016 , the Company purchased 628 thousand shares at a cost of $45.8 million , of which $1.2 million was settled in April 2016 . As of March 31, 2017 , the amount of share repurchase authorization remaining is $572.4 million .

The Company believes current cash, cash from operations and cash available under the Revolving Facility will be sufficient to meet its operating cash requirements, planned capital expenditures, interest on all borrowings, pension and postretirement funding requirements, expected share repurchases and annual dividend payments to holders of the Company's stock for the remainder of 2017 . Additionally, in the event that suitable businesses are available for acquisition upon acceptable terms, the Company may obtain all or a portion of the financing for these acquisitions through the incurrence of additional borrowings.

Non-GAAP Disclosures

Set forth below are reconciliations of Adjusted operating income, Adjusted net income, Adjusted EPS, and EBITDA to the comparable measures of net income and operating income, as determined in accordance with generally accepted accounting principles in the U.S. ("U.S. GAAP"). We have reconciled Adjusted operating income to Operating income; Adjusted net income to Net income; Adjusted EPS to EPS; consolidated EBITDA and segment EBITDA to net income. The reconciliation of segment EBITDA to net income was performed on a consolidated basis due to the fact that we do not allocate consolidated interest expense or the consolidated provision for income taxes to our segments.

EBITDA means earnings before interest, income taxes, depreciation and amortization. Given the acquisitive nature of the Company, which results in a higher level of amortization expense at recently acquired businesses, management uses EBITDA as an internal operating metric to provide another representation of the businesses performance across our three segments and for

enterprise valuation purposes. Management believes that EBITDA is useful to investors as an indicator of the strength and performance of the Company and a way to evaluate and compare operating performance and value companies within our industry. Management believes EBITDA margin is useful for the same reason as EBITDA. EBITDA is also used to calculate certain financial covenants, as discussed in Note 9 of the Notes to Consolidated Financial Statements in Part I, Item 1, "Financial Statements."

This report references organic sales, a non-GAAP measure, that refers to sales calculated according to U.S. GAAP but excluding amounts from acquired or divested businesses during the first twelve months after acquisition or divestiture and the impact of foreign currency translation. The portion of sales attributable to foreign currency translation is calculated as the difference between (a) the period-to-period change in organic sales and (b) the period-to-period change in organic sales after applying prior period foreign exchange rates to the current year period. Management believes that reporting organic sales provides useful information to investors by helping identify underlying growth trends in our business and facilitating easier comparisons of our revenue performance with prior and future periods and to our peers. The Company excludes the effect of foreign currency translation from organic sales because foreign currency translation is not under management's control, is subject to volatility and can obscure underlying business trends. The Company excludes the effect of acquisitions and divestitures because they can obscure underlying business trends and make comparisons of long term performance difficult due to the varying nature, size and number of transactions from period to period and between the Company and its peers.

Management uses Adjusted operating income, Adjusted net income, and Adjusted EPS as metrics by which to measure performance of the Company since they exclude items that are not reflective of ongoing operations, such as restructuring expenses. Management also supplements its U.S. GAAP financial statements with adjusted information to provide investors with greater insight, transparency, and a more comprehensive understanding of the information used by management in its financial and operational decision making.

In addition to measuring our cash flow generation and usage based upon the operating, investing and financing classifications included in the Condensed Consolidated Statements of Cash Flows, we also measure free cash flow (a non-GAAP measure) which represents net cash provided by operating activities minus capital expenditures. We believe that free cash flow is an important measure of operating performance because it provides management a measurement of cash generated from operations that is available for mandatory payment obligations and investment opportunities, such as funding acquisitions, paying dividends, repaying debt and repurchasing our common stock.

The non-GAAP financial measures disclosed by the Company should not be considered a substitute for, or superior to, financial measures prepared in accordance with U.S. GAAP. The financial results prepared in accordance with U.S. GAAP and the reconciliations from these results should be carefully evaluated.

1. Reconciliations of Reported-to-Adjusted Operating Income

(in thousands)	**Three Months Ended March 31,**	
	2017	**2016**
Reported operating income	$ 115,671	$ 103,345
+ Restructuring expenses	4,797	—
Adjusted operating income	$ 120,468	$ 103,345
Net sales	553,552	502,572
Operating margin	20.9%	20.6%
Adjusted operating margin	21.8%	20.6%

2. Reconciliations of Reported-to-Adjusted Net Income

(in thousands)	Three Months Ended March 31, 2017	Three Months Ended March 31, 2016
Reported net income	$ 75,899	$ 68,130
+ Restructuring expenses	4,797	—
+ Tax impact on restructuring expenses	(1,529)	—
Adjusted net income	$ 79,167	$ 68,130

3. Reconciliations of Reported-to-Adjusted EPS

(shares in thousands)	Three Months Ended March 31, 2017	Three Months Ended March 31, 2016
Reported EPS	$ 0.99	$ 0.89
+ Restructuring expenses	0.06	—
+ Tax impact on restructuring expenses	(0.02)	—
Adjusted EPS	$ 1.03	$ 0.89
Diluted weighted average shares	76,894	76,699

4. Reconciliations of Reported-to-Adjusted Operating Income and Margin

(dollars in thousands)	Three months ended March 31, 2017				
	FMT	HST	FSDP	Corporate	IDEX
Reported operating income (loss)	$ 57,813	$ 42,238	$ 32,626	$ (17,006)	$ 115,671
+ Restructuring expenses	1,566	3,028	73	130	4,797
Adjusted operating income (loss)	$ 59,379	$ 45,266	$ 32,699	$ (16,876)	$ 120,468
Net sales (eliminations)	$ 216,770	$ 199,679	$ 137,447	$ (344)	$ 553,552
Operating margin	26.7%	21.2%	23.7%	n/m	20.9%
Adjusted operating margin	27.4%	22.7%	23.8%	n/m	21.8%

5. Reconciliations of Reported-to-Adjusted Operating Income and Margin

(dollars in thousands)	Three months ended March 31, 2016				
	FMT	HST	FSDP	Corporate	IDEX
Reported operating income (loss)	$ 51,703	$ 40,682	$ 25,654	$ (14,694)	$ 103,345
+ Restructuring expenses	—	—	—	—	—
Adjusted operating income (loss)	$ 51,703	$ 40,682	$ 25,654	$ (14,694)	$ 103,345
Net sales (eliminations)	$ 211,843	$ 186,343	$ 104,618	$ (232)	$ 502,572
Operating margin	24.4%	21.8%	24.5%	n/m	20.6%
Adjusted operating margin	24.4%	21.8%	24.5%	n/m	20.6%

6. Reconciliation of EBITDA to Net Income

(in thousands)	Three Months Ended March 31, 2017				
	FMT	HST	FSDP	Corporate	IDEX
Operating income (loss)	$ 57,813	$ 42,238	$ 32,626	$ (17,006)	$ 115,671
- Other (income) expense - net	30	143	36	(517)	(308)
+ Depreciation and amortization	5,644	11,264	3,577	207	20,692
EBITDA	63,427	53,359	36,167	(16,282)	136,671
- Interest expense					11,552
- Provision for income taxes					28,528
- Depreciation and amortization					20,692
Net income					$ 75,899
Net sales (intersegment eliminations)	$ 216,770	$ 199,679	$ 137,447	$ (344)	$ 553,552
Operating margin	26.7%	21.2%	23.7%	n/m	20.9%
EBITDA margin	29.3%	26.7%	26.3%	n/m	24.7%

7. Reconciliation of EBITDA to Net Income

(in thousands)	Three Months Ended March 31, 2016				
	FMT	HST	FSDP	Corporate	IDEX
Operating income (loss)	$ 51,703	$ 40,682	$ 25,654	$ (14,694)	$ 103,345
- Other (income) expense - net	135	(390)	160	139	44
+ Depreciation and amortization	7,256	10,861	1,482	358	19,957
EBITDA	58,824	51,933	26,976	(14,475)	123,258
- Interest expense					10,489
- Provision for income taxes					24,682
- Depreciation and amortization					19,957
Net income					$ 68,130
Net sales (intersegment eliminations)	$ 211,843	$ 186,343	$ 104,618	$ (232)	$ 502,572
Operating margin	24.4%	21.8%	24.5%	n/m	20.6%
EBITDA margin	27.8%	27.9%	25.8%	n/m	24.5%

8. Reconciliation of Net Sales to Net Organic Sales

	Three Months Ended March 31, 2017			
	FMT	HST	FSDP	IDEX
Change in net sales	2 %	7 %	31 %	10 %
- Net impact from acquisitions/divestitures	(3)%	5 %	33 %	7 %
- Impact from foreign currency	(1)%	(3)%	(3)%	(2)%
Change in net organic sales	6 %	5 %	1 %	5 %

9. Reconciliation of Net Sales to Net Organic Sales

	Three Months Ended March 31, 2016			
	FMT	HST	FSDP	IDEX
Change in net sales	(3)%	4 %	(2)%	— %
- Impact from acquisitions	3 %	3 %	5 %	4 %
- Impact from foreign currency	(1)%	(1)%	(1)%	(1)%
Change in net organic sales	(5)%	2 %	(6)%	(3)%

10. Reconciliations of Free Cash Flow

(in thousands)	For the Quarter Ended		
	March 31,		December 31,
	2017	2016	2016
Cash flow from operating activities	$ 84,979	$ 70,365	$ 115,593
- Capital expenditures	10,162	8,650	9,600
Free cash flow	$ 74,817	$ 61,715	$ 105,993

Item 3. ***Quantitative and Qualitative Disclosures About Market Risk.***

The Company is subject to market risk associated with changes in foreign currency exchange rates and interest rates. The Company may, from time to time, enter into foreign currency forward contracts and interest rate swaps on its debt when it believes there is a financial advantage in doing so. A treasury risk management policy, adopted by the Board of Directors, provides for procedures and controls over derivative financial and commodity instruments, including foreign currency forward contracts and interest rate swaps. Under the policy, the Company does not use derivative financial or commodity instruments for trading purposes, and the use of these instruments is subject to strict approvals by senior officers. Typically, the use of derivative instruments is limited to foreign currency forward contracts and interest rate swaps on the Company's outstanding long-term debt.

Foreign Currency Exchange Rates

The Company's foreign currency exchange rate risk is limited principally to the Euro, British Pound, Canadian Dollar, Swiss Franc, Indian Rupee and Chinese Renminbi. The Company manages its foreign exchange risk principally through invoicing customers in the same currency as the cost incurred to produce our products. The effect of transaction gains and losses is reported within other (income) expense-net on the Consolidated Statements of Operations.

Interest Rate Fluctuation

The Company's interest rate exposure is primarily related to the $1.0 billion of total debt outstanding at March 31, 2017 . Approximately 11% of the debt, representing the amount drawn on the Revolving Facility at March 31, 2017 , is priced at interest rates that float with the market. A 50 basis point movement in the interest rate on the floating rate debt would result in an approximate $0.5 million annualized increase or decrease in interest expense and cash flows. The remaining debt is fixed rate debt.

Item 4. ***Controls and Procedures.***

The Company maintains disclosure controls and procedures that are designed to ensure that information required to be disclosed in the Company's Exchange Act reports is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to the Company's management, including its Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure.

As required by Rule 13a-15(b) promulgated under the Securities Exchange Act, the Company carried out an evaluation, under the supervision and with the participation of the Company's management, including the Company's Chief Executive Officer and the Company's Chief Financial Officer, of the effectiveness of the design and operation of the Company's disclosure controls and procedures as of the end of the period covered by this report. Based on the foregoing, the Company's Chief Executive Officer and Chief Financial Officer concluded as of March 31, 2017 , that the Company's disclosure controls and procedures were effective.

There has been no change in the Company's internal controls over financial reporting during the Company's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the Company's internal controls over financial reporting.

PART II. OTHER INFORMATION

Item 1. ***Legal Proceedings.***

The Company and six of its subsidiaries are presently named as defendants in a number of lawsuits claiming various asbestos-related personal injuries, allegedly as a result of exposure to products manufactured with components that contained asbestos. These components were acquired from third party suppliers, and were not manufactured by the Company or any of the defendant subsidiaries. To date, the majority of the Company's settlements and legal costs, except for costs of coordination, administration, insurance investigation and a portion of defense costs, have been covered in full by insurance, subject to applicable deductibles. However, the Company cannot predict whether and to what extent insurance will be available to continue to cover these settlements and legal costs, or how insurers may respond to claims that are tendered to them. Claims have been filed in jurisdictions throughout the United States. Most of the claims resolved to date have been dismissed without payment. The balance have been settled for various insignificant amounts. Only one case has been tried, resulting in a verdict for the Company's business unit. No provision has been made in the financial statements of the Company, other than for insurance deductibles in the ordinary course, and the Company does not currently believe the asbestos-related claims will have a material adverse effect on the Company's business, financial position, results of operations or cash flows.

The Company is also party to various other legal proceedings arising in the ordinary course of business, none of which are expected to have a material impact on its financial condition, results of operations or cash flows.

Item 2. ***Unregistered Sales of Equity Securities and Use of Proceeds.***

The following table provides information about the Company's purchases of its common stock during the quarter ended March 31, 2017 :

Period	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs (1)	Maximum Dollar Value that May Yet be Purchased Under the Plans or Programs (1)
January 1, 2017 to January 31, 2017	—	$ —	—	$ 580,010,084
February 1, 2017 to February 28, 2017	36,000	91.60	36,000	576,712,400
March 1, 2017 to March 31, 2017	46,000	92.71	46,000	572,447,713
Total	82,000	$ 92.22	82,000	$ 572,447,713

(1) On December 1, 2015 , the Company announced that its Board of Directors had increased the authorized level for repurchases of its common stock by $300.0 million . This followed the prior Board of Directors repurchase authorization of $400.0 million, announced by the Company on November 6, 2014. These authorizations have no expiration date.

Item 6. ***Exhibits.***

The exhibits listed in the accompanying "Exhibit Index" are filed or furnished as part of this report.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

IDEX Corporation

By: /s/ WILLIAM K. GROGAN

William K. Grogan

Senior Vice President and Chief Financial Officer
(Principal Financial Officer)

By: /s/ MICHAEL J. YATES

Michael J. Yates

Vice President and Chief Accounting Officer (Principal Accounting Officer)

Date: April 26, 2017

EXHIBIT INDEX

Exhibit Number	Description
3.1	Restated Certificate of Incorporation of IDEX Corporation (incorporated by reference to Exhibit No. 3.1 to the Registration Statement on Form S-1 of IDEX, et al., Registration No. 33-21205, as filed on April 21, 1988)
3.1(a)	Amendment to Restated Certificate of Incorporation of IDEX Corporation (incorporated by reference to Exhibit No. 3.1(a) to the Quarterly Report of IDEX on Form 10-Q for the quarter ended March 31, 1996, Commission File No. 1-10235)
3.1(b)	Amendment to Restated Certificate of Incorporation of IDEX Corporation (incorporated by reference to Exhibit No. 3.1(b) to the Current Report of IDEX on Form 8-K dated March 24, 2005, Commission File No. 1-10235)
3.2	Amended and Restated By-Laws of IDEX Corporation (incorporated by reference to Exhibit No. 3.1 to the Current Report of IDEX Corporation on Form 8-K filed November 14, 2011, Commission File No. 1-10235)
3.2(a)	Amended and Restated Article III, Section 13 of the Amended and Restated By-Laws of IDEX Corporation (incorporated by reference to Exhibit No. 3.2(a) to Post-Effective Amendment No. 3 to the Registration Statement on Form S-1 of IDEX, et al., Registration No. 33-21205, as filed on February 12, 1990)
*10.1	Amendment to Letter Agreement dated September 24, 2015, between IDEX Corporation and Denise R. Cade, effective as of April 24, 2017. **
*10.2	Amendment to Letter Agreement dated February 12, 2014, between IDEX Corporation and Eric D. Ashleman, effective as of April 24, 2017. **
*10.3	Amendment to Letter Agreement dated December 30, 2016, between IDEX Corporation and William K. Grogan, effective as of April 24, 2017. **
*31.1	Certification of Chief Executive Officer Pursuant to Section 302 of Sarbanes Oxley Act of 2002
*31.2	Certification of Chief Financial Officer Pursuant to Section 302 of Sarbanes Oxley Act of 2002
*32.1	Certification of Chief Executive Officer Pursuant to 18 U.S.C. Section 1350
*32.2	Certification of Chief Financial Officer Pursuant to 18 U.S.C. Section 1350
*101	The following financial information from IDEX Corporation's Quarterly Report on Form 10-Q for the quarter ended March 31, 2017 formatted in XBRL includes: (i) the Condensed Consolidated Balance Sheets, (ii) the Condensed Consolidated Statements of Earnings, (iii) the Condensed Consolidated Statements of Comprehensive Income, (iv) the Condensed Consolidated Statement of Shareholders' Equity, (v) the Condensed Consolidated Statements of Cash Flows, and (vi) Notes to the Condensed Consolidated Financial Statements.

* Filed herewith

** Management contract or compensatory plan or agreement.



April 24, 2017

Denise R. Cade
c/o IDEX Corporation
1925 West Field Court, Suite 200,
Lake Forest, IL 60045-4824

Re: Amendment of Letter Agreement Dated September 24, 2015

Dear Denise:

This letter agreement will confirm an amendment to the letter agreement ("Letter Agreement") dated September 24, 2015 between you and IDEX Corporation ("IDEX").

The Letter Agreement is amended by deleting the twelfth bullet point provisions, which provide for payments due to you if your employment with IDEX is terminated without cause, and such provisions will no longer be in effect.

You and IDEX hereby agree to the addition of the following provisions to the Letter Agreement:

- If, in the future, your employment with IDEX Corporation is terminated, without cause ("cause" defined as willful misconduct or fraudulent behavior), IDEX will pay you twelve (12) months base salary at the then current monthly base rate plus your targeted annual incentive bonus in exchange for you signing, and not revoking, an IDEX-standard Severance Agreement & General Release Agreement. These payments are subject to tax withholdings and deductions. Such benefit will not be applicable in the event of your voluntary termination.

Please indicate your acceptance of these provisions below.

Best regards,

/s/ JEFFREY D. BUCKLEW

Jeffrey D. Bucklew
SVP, Chief Human Resources Officer
IDEX Corporation
1925 West Field Court
Suite 200
Lake Forest, IL 60045

April 24, 2017	/s/ DENISE R. CADE
Date	Acceptance of Provisions Denise R. Cade



April 24, 2017

Eric D. Ashleman
c/o IDEX Corporation
1925 West Field Court, Suite 200,
Lake Forest, IL 60045-4824

Re: Amendment of Letter Agreement Dated February 12, 2014

Dear Eric:

This letter agreement will confirm an amendment to the letter agreement ("Letter Agreement") dated February 12, 2014 between you and IDEX Corporation ("IDEX").

The Letter Agreement is amended by deleting the fourth bullet point provisions, which provide for payments due to you if your employment with IDEX is terminated without cause, and such provisions will no longer be in effect.

You and IDEX hereby agree to the addition of the following provisions to the Letter Agreement:

- If, in the future, your employment with IDEX Corporation is terminated, without cause ("cause" defined as willful misconduct or fraudulent behavior), IDEX will pay you twelve (12) months base salary at the then current monthly base rate plus your targeted annual incentive bonus in exchange for you signing, and not revoking, an IDEX-standard Severance Agreement & General Release Agreement. These payments are subject to tax withholdings and deductions. Such benefit will not be applicable in the event of your voluntary termination.

Please indicate your acceptance of these provisions below.

Best regards,

/s/ JEFFREY D. BUCKLEW

Jeffrey D. Bucklew
SVP, Chief Human Resources Officer
IDEX Corporation
1925 West Field Court
Suite 200
Lake Forest, IL 60045

April 24, 2017	/s/ ERIC D. ASHLEMAN
Date	Acceptance of Provisions Eric D. Ashleman



April 24, 2017

William K. Grogan
c/o IDEX Corporation
1925 West Field Court, Suite 200,
Lake Forest, IL 60045-4824

Re: Amendment of Letter Agreement Dated December 30, 2016

Dear Bill:

This letter agreement will confirm an amendment to the letter agreement ("Letter Agreement") dated December 30, 2016 between you and IDEX Corporation ("IDEX").

The Letter Agreement is amended by deleting the thirteenth bullet point provisions, which provide for payments due to you if your employment with IDEX is terminated without cause, and such provisions will no longer be in effect.

You and IDEX hereby agree to the addition of the following provisions to the Letter Agreement:

- If, in the future, your employment with IDEX Corporation is terminated, without cause ("cause" defined as willful misconduct or fraudulent behavior), IDEX will pay you twelve (12) months base salary at the then current monthly base rate plus your targeted annual incentive bonus in exchange for you signing, and not revoking, an IDEX-standard Severance Agreement & General Release Agreement. These payments are subject to tax withholdings and deductions. Such benefit will not be applicable in the event of your voluntary termination.

Please indicate your acceptance of these provisions below.

Best regards,

/s/ JEFFREY D. BUCKLEW

Jeffrey D. Bucklew
SVP, Chief Human Resources Officer
IDEX Corporation
1925 West Field Court
Suite 200
Lake Forest, IL 60045

April 24, 2017	/s/ WILLIAM K. GROGAN
Date	Acceptance of Provisions William K. Grogan

Exhibit 31.1

Certification of Chief Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Andrew K. Silvernail, certify that:

1. I have reviewed this quarterly report on Form 10-Q of IDEX Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and we have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ ANDREW K. SILVERNAIL

Andrew K. Silvernail

Chairman of the Board and Chief Executive Officer

Date: April 26, 2017

Exhibit 31.2

Certification of Chief Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, William K. Grogan, certify that:

1. I have reviewed this quarterly report on Form 10-Q of IDEX Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and we have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ WILLIAM K. GROGAN

William K. Grogan

Senior Vice President and Chief Financial Officer

Date: April 26, 2017

Exhibit 32.1

Certification of Chief Executive Officer

Pursuant to 18 U.S.C. § 1350, as created by Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned officer of IDEX Corporation (the " Company ") hereby certifies, to such officer's knowledge, that:

(i) the accompanying Quarterly Report on Form 10-Q of the Company for the quarterly period ended March 31, 2017 (the " Report ") fully complies with the requirements of Section 13(a) or Section 15(d), as applicable, of the Securities Exchange Act of 1934, as amended; and

(ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ ANDREW K. SILVERNAIL

Andrew K. Silvernail

Chairman of the Board and Chief Executive Officer

Date: April 26, 2017

Exhibit 32.2

Certification of Chief Financial Officer

Pursuant to 18 U.S.C. § 1350, as created by Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned officer of IDEX Corporation (the " Company ") hereby certifies, to such officer's knowledge, that:

(i) the accompanying Quarterly Report on Form 10-Q of the Company for the quarterly period ended March 31, 2017 (the " Report ") fully complies with the requirements of Section 13(a) or Section 15(d), as applicable, of the Securities Exchange Act of 1934, as amended; and

(ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ WILLIAM K. GROGAN

William K. Grogan

Senior Vice President and Chief Financial Officer

Date: April 26, 2017