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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 June 30, 2019

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, Suite 200, Lake Forest, Illinois	**60045**
(Address of principal executive offices)	*(Zip Code)*

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

Title of Each Class	Trading Symbol(s)	Name of Each Exchange on Which Registered
Common Stock, par value $.01 per share	IEX	New York Stock Exchange

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 every Interactive Data File required to be submitted 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 such files).

Yes ☑ No ☐

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

Large accelerated filer ☑ Accelerated filer ☐ Non-accelerated filer ☐ 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 July 23, 2019: 75,847,167.

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PART I. FINANCIAL INFORMATION

Item 1. ***Financial Statements***

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

	June 30, 2019	December 31, 2018
ASSETS		
Current assets		
Cash and cash equivalents	$ 543,189	$ 466,407
Receivables, less allowance for doubtful accounts of $6,778 at June 30, 2019 and $6,709 at December 31, 2018	326,358	312,192
Inventories	301,006	279,995
Other current assets	46,329	33,938
Total current assets	1,216,882	1,092,532
Property, plant and equipment - net	275,025	281,220
Goodwill	1,697,332	1,697,955
Intangible assets - net	365,741	383,327
Other noncurrent assets	85,235	18,823
Total assets	$ 3,640,215	$ 3,473,857
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Trade accounts payable	$ 160,579	$ 143,196
Accrued expenses	162,838	187,536
Short-term borrowings	452	483
Dividends payable	37,922	33,446
Total current liabilities	361,791	364,661
Long-term borrowings	848,555	848,335
Deferred income taxes	140,147	128,007
Other noncurrent liabilities	177,681	138,214
Total liabilities	1,528,174	1,479,217
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: 89,957,990 shares at June 30, 2019 and 90,112,028 shares at December 31, 2018	900	901
Additional paid-in capital	749,009	738,339
Retained earnings	2,489,911	2,342,079
Treasury stock at cost: 14,114,329 shares at June 30, 2019 and 14,159,251 shares at December 31, 2018	(1,002,870)	(957,454)
Accumulated other comprehensive income (loss)	(124,909)	(129,225)
Total shareholders' equity	2,112,041	1,994,640
Total liabilities and shareholders' equity	$ 3,640,215	$ 3,473,857

See Notes to Condensed Consolidated Financial Statements

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2019	2018	2019	2018
Net sales	$ 642,099	$ 634,360	$ 1,264,330	$ 1,246,684
Cost of sales	349,762	346,993	688,159	682,665
Gross profit	292,337	287,367	576,171	564,019
Selling, general and administrative expenses	134,928	137,548	270,980	275,875
Restructuring expenses	2,126	1,988	2,126	3,630
Operating income	155,283	147,831	303,065	284,514
Other (income) expense - net	(378)	(50)	(518)	(4,499)
Interest expense	11,011	11,140	21,932	22,140
Income before income taxes	144,650	136,741	281,651	266,873
Provision for income taxes	31,441	29,615	58,174	60,789
Net income	$ 113,209	$ 107,126	$ 223,477	$ 206,084
Basic earnings per common share	$ 1.50	$ 1.40	$ 2.96	$ 2.69
Diluted earnings per common share	$ 1.48	$ 1.38	$ 2.92	$ 2.65
Share data:				
Basic weighted average common shares outstanding	75,460	76,539	75,450	76,479
Diluted weighted average common shares outstanding	76,387	77,704	76,334	77,722

See Notes to Condensed Consolidated Financial Statements

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2019	2018	2019	2018
Net income	$ 113,209	$ 107,126	$ 223,477	$ 206,084
Other comprehensive income (loss):				
Reclassification adjustments for derivatives, net of tax	1,224	1,259	2,451	2,520
Pension and other postretirement adjustments, net of tax	1,256	1,296	2,518	2,709
Cumulative translation adjustment	2,628	(62,645)	(653)	(35,067)
Other comprehensive income (loss)	5,108	(60,090)	4,316	(29,838)
Comprehensive income	$ 118,317	$ 47,036	$ 227,793	$ 176,246

See Notes to Condensed Consolidated Financial Statements

IDEX CORPORATION
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, 2018	$ 739,240	$ 2,342,079	$ (94,420)	$ (22,740)	$ (12,065)	$ (957,454)	$ 1,994,640
Net income	—	110,268	—	—	—	—	110,268
Adjustment for adoption of ASU 2016-02	—	28	—	—	—	—	28
Cumulative translation adjustment	—	—	(3,281)	—	—	—	(3,281)
Net change in retirement obligations (net of tax of $438)	—	—	—	1,262	—	—	1,262
Net change on derivatives designated as cash flow hedges (net of tax of $361)	—	—	—	—	1,227	—	1,227
Issuance of 264,090 shares of common stock from issuance of unvested shares, performance share units and exercise of stock options (net of tax of $3,415)	—	—	—	—	—	8,870	8,870
Repurchase of 369,810 shares of common stock	—	—	—	—	—	(51,706)	(51,706)
Shares surrendered for tax withholding	—	—	—	—	—	(11,479)	(11,479)
Share-based compensation	5,403	—	—	—	—	—	5,403
Balance, March 31, 2019	$ 744,643	$ 2,452,375	$ (97,701)	$ (21,478)	$ (10,838)	$ (1,011,769)	$ 2,055,232
Net income	—	113,209	—	—	—	—	113,209
Cumulative translation adjustment	—	—	2,628	—	—	—	2,628
Net change in retirement obligations (net of tax of $435)	—	—	—	1,256	—	—	1,256
Net change on derivatives designated as cash flow hedges (net of tax of $359)	—	—	—	—	1,224	—	1,224
Issuance of 169,785 shares of common stock from issuance of unvested shares, performance share units and exercise of stock options (net of tax of $679)	—	—	—	—	—	11,891	11,891
Repurchase of 19,143 shares of common stock	—	—	—	—	—	(2,962)	(2,962)
Shares surrendered for tax withholding	—	—	—	—	—	(30)	(30)
Share-based compensation	5,266	—	—	—	—	—	5,266
Cash dividends declared - $1.00 per common share outstanding	—	(75,673)	—	—	—	—	(75,673)
Balance, June 30, 2019	$ 749,909	$ 2,489,911	$ (95,073)	$ (20,222)	$ (9,614)	$ (1,002,870)	$ 2,112,041

See Notes to Condensed Consolidated Financial Statements

IDEX CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY (Continued)
(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, 2017	$ 717,808	$ 2,057,915	$ (46,306)	$ (29,154)	$ (14,047)	$ (799,674)	$ 1,886,542
Net income	—	98,958	—	—	—	—	98,958
Adjustment for adoption of ASU 2016-16	—	(645)	—	—	—	—	(645)
Adjustment for adoption of ASU 2018-02	—	6,435	—	(3,411)	(3,024)	—	—
Cumulative translation adjustment	—	—	27,578	—	—	—	27,578
Net change in retirement obligations (net of tax of $505)	—	—	—	1,413	—	—	1,413
Net change on derivatives designated as cash flow hedges (net of tax of $371)	—	—	—	—	1,261	—	1,261
Issuance of 227,932 shares of common stock from issuance of unvested shares, performance share units and exercise of stock options (net of tax of $2,934)	—	—	—	—	—	6,590	6,590
Shares surrendered for tax withholding	—	—	—	—	—	(10,750)	(10,750)
Share-based compensation	5,938	—	—	—	—	—	5,938
Balance, March 31, 2018	$ 723,746	$ 2,162,663	$ (18,728)	$ (31,152)	$ (15,810)	$ (803,834)	$ 2,016,885
Net income	—	107,126	—	—	—	—	107,126
Cumulative translation adjustment	—	—	(62,645)	—	—	—	(62,645)
Net change in retirement obligations (net of tax of $457)	—	—	—	1,296	—	—	1,296
Net change on derivatives designated as cash flow hedges (net of tax of $368)	—	—	—	—	1,259	—	1,259
Issuance of 96,981 shares of common stock from issuance of unvested shares, performance share units and exercise of stock options (net of tax of $351)	—	—	—	—	—	7,026	7,026
Repurchase of 147,490 shares of common stock	—	—	—	—	—	(20,494)	(20,494)
Share-based compensation	5,014	—	—	—	—	—	5,014
Cash dividends declared - $0.86 per common share outstanding	—	(66,316)	—	—	—	—	(66,316)
Balance, June 30, 2018	$ 728,760	$ 2,203,473	$ (81,373)	$ (29,856)	$ (14,551)	$ (817,302)	$ 1,989,151

See Notes to Condensed Consolidated Financial Statements

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

	Six Months Ended June 30,	
	2019	**2018**
Cash flows from operating activities		
Net income	$ 223,477	$ 206,084
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	19,870	19,957
Amortization of intangible assets	17,953	20,667
Amortization of debt issuance expenses	669	664
Share-based compensation expense	14,413	13,252
Deferred income taxes	10,685	(3,021)
Non-cash interest expense associated with forward starting swaps	3,171	3,259
Changes in (net of the effect from acquisitions):		
Receivables	(14,177)	(40,044)
Inventories	(21,007)	(28,011)
Other current assets	(12,382)	17,798
Trade accounts payable	17,276	5,432
Accrued expenses	(39,602)	(21,131)
Other - net	(508)	(2,480)
Net cash flows provided by operating activities	219,838	192,426
Cash flows from investing activities		
Purchases of property, plant and equipment	(25,742)	(20,968)
Purchase of intellectual property	—	(4,000)
Proceeds from disposal of fixed assets	780	—
Other - net	501	(861)
Net cash flows used in investing activities	(24,461)	(25,829)
Cash flows from financing activities		
Dividends paid	(71,283)	(61,916)
Proceeds from stock option exercises	20,761	13,616
Repurchases of common stock	(54,668)	(19,499)
Shares surrendered for tax withholding	(11,509)	(10,750)
Settlement of foreign exchange contracts	—	6,593
Other - net	(1,929)	—
Net cash flows used in financing activities	(118,628)	(71,956)
Effect of exchange rate changes on cash and cash equivalents	33	(11,840)
Net increase in cash	76,782	82,801
Cash and cash equivalents at beginning of year	466,407	375,950
Cash and cash equivalents at end of period	$ 543,189	$ 458,751
Supplemental cash flow information		
Cash paid for:		
Interest	$ 18,282	$ 18,223
Income taxes	55,702	38,190
Significant non-cash activities:		
Capital expenditures for construction of new leased facility	—	11,971

See Notes to Condensed Consolidated Financial Statements

IDEX CORPORATION
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 and six months ended June 30, 2019 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, 2018.

Recently Adopted Accounting Standards

In February 2016, the Financial Accounting Standard Board ("FASB") issued Accounting Standards Update ("ASU") 2016-02, *Leases*, which set 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 introduced a new lessee model that requires most leases to be recorded on the balance sheet and eliminates the required use of bright line tests from U.S. GAAP for determining lease classification. In July 2018, the FASB issued the following standards which clarified ASU 2016-02 and had the same effective date as the original standard: ASU 2018-10, *Codification Improvements to Topic 842*, *Leases* and ASU 2018-11, *Leases (Topic 842): Targeted Improvements*. ASU 2018-11 included an option to use the effective date of ASU 2016-02 as the date of initial application of transition as well as an option not to restate comparative periods in transition. In March 2019, the FASB issued ASU 2019-01, *Leases (Topic 842): Codification Improvements,* which also clarifies ASU 2016-02 and is effective for fiscal years beginning after December 15, 2019 and interim periods within those fiscal years.

The Company adopted this standard on January 1, 2019 using the optional transition method provided by the FASB in ASU 2018-11. As we did not restate comparative periods, the adoption had no impact on our previously reported results. We elected to use both the practical expedient that allowed us not to reassess: (1) whether any expired or existing contracts are or contain leases, (2) lease classification for any expired or existing leases and (3) initial direct costs for any expired or existing leases as well as the practical expedient that allows us to treat the lease and non-lease components of a lease as a single lease component for all asset classes. We also elected to account for short-term leases in accordance with Accounting Standards Codification ("ASC") 842-20-25-2. The adoption of this standard had a material impact on our condensed consolidated balance sheet due to the recognition of right of use assets and lease liabilities. Upon adoption, we recognized right of use assets and lease liabilities of approximately $68 million that reflected the present value of future lease payments. The adoption of this standard did not have a material impact on our condensed consolidated results of operations or cash flows. See Note 13 for further information.

2. Acquisitions and Divestitures

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

The Company incurred acquisition-related transaction costs of $0.4 million and $0.8 million in the three months ended June 30, 2019 and 2018, respectively, and $0.7 million and $1.5 million in the six months ended June 30, 2019 and 2018, 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.

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

2018 Acquisition

On July 23, 2018, the Company acquired Finger Lakes Instrumentation ("FLI"), a technology leader in the design, development and production of low-noise cooled CCD and high speed, high-sensitivity Scientific CMOS cameras for the astronomy and life science markets. Headquartered in Lima, NY, FLI operates in our Health & Sciences Technologies segment. FLI was acquired for an aggregate purchase price of $23.6 million, consisting of $20.2 million in cash and contingent consideration valued at $3.4 million as of the opening balance sheet date. The contingent consideration is based on the achievement of financial objectives during the 24-month period following the close of the transaction. The entire purchase price was funded with cash on hand. Goodwill and intangible assets recognized as part of this transaction were $12.6 million and $7.9 million, respectively. Acquired intangible assets consist of trade names, customer relationships and unpatented technology. The goodwill recorded for the acquisition reflects the strategic fit, revenue and earnings growth potential of this business. The goodwill is deductible for tax purposes.

The Company finalized its allocation of the purchase price for the FLI acquisition as of the acquisition date based on its understanding of the fair value of the acquired assets and assumed liabilities. These nonrecurring fair value measurements are classified as Level 3 in the fair value hierarchy.

3. Business Segments

IDEX has three reportable business segments: Fluid & Metering Technologies ("FMT"), Health & Science Technologies ("HST") and Fire & Safety/Diversified Products ("FSDP").

The Fluid & Metering Technologies segment designs, produces and distributes positive displacement pumps, 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 and 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 designs, produces and distributes firefighting pumps, valves and controls, 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 sales, operating income and operating margin are the primary financial measures. Intersegment sales are accounted for at fair value as if the sales were to third parties.

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2019	2018	2019	2018
Net sales				
Fluid & Metering Technologies				
External customers	$ 246,111	$ 242,755	$ 488,447	$ 475,016
Intersegment sales	78	45	264	117
Total segment sales	246,189	242,800	488,711	475,133
Health & Science Technologies				
External customers	232,172	227,367	456,860	448,334
Intersegment sales	81	36	683	144
Total segment sales	232,253	227,403	457,543	448,478
Fire & Safety/Diversified Products				
External customers	163,816	164,238	319,023	323,334
Intersegment sales	227	62	1,179	139
Total segment sales	164,043	164,300	320,202	323,473
Intersegment elimination	(386)	(143)	(2,126)	(400)
Total net sales	$ 642,099	$ 634,360	$ 1,264,330	$ 1,246,684
Operating income				
Fluid & Metering Technologies	$ 74,146	$ 71,228	$ 146,012	$ 137,394
Health & Science Technologies	56,763	52,569	110,917	104,375
Fire & Safety/Diversified Products	43,614	45,882	83,942	85,436
Corporate office	(19,240)	(21,848)	(37,806)	(42,691)
Total operating income	155,283	147,831	303,065	284,514
Interest expense	11,011	11,140	21,932	22,140
Other (income) expense - net	(378)	(50)	(518)	(4,499)
Income before income taxes	$ 144,650	$ 136,741	$ 281,651	$ 266,873

	June 30, 2019	December 31, 2018
Assets		
Fluid & Metering Technologies	$ 1,128,514	$ 1,107,777
Health & Science Technologies	1,375,385	1,329,368
Fire & Safety/Diversified Products	820,244	806,075
Corporate office	316,072	230,637
Total assets	$ 3,640,215	$ 3,473,857

4. Revenue

IDEX is an applied solutions company specializing in the manufacture of fluid and metering technologies, health and science technologies and fire, safety and other diversified products built to customers' specifications. The Company's products include industrial pumps, compressors, flow meters, injectors, valves and related controls for use in a wide variety of process applications; precision fluidics solutions, including pumps, valves, degassing equipment, corrective tubing, fittings and complex manifolds, optical filters and specialty medical equipment and devices for use in life science applications; precision-engineered equipment for dispensing, metering and mixing paints; and engineered products for industrial and commercial markets, including fire and rescue, transportation equipment, oil and gas, electronics and communications.

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

Revenue is recognized when control of the promised products or services is transferred to our customers in an amount that reflects the consideration we expect to be entitled to in exchange for transferring those products or providing those services. We account for a contract when it has approval and commitment from both parties, the rights of the parties are identified, payment terms are identified, the contract has commercial substance and collectability of the consideration is probable. We determine the appropriate revenue recognition for our contracts with customers by analyzing the type, terms and conditions of each contract or arrangement with a customer.

Disaggregation of Revenue

We have a comprehensive offering of products, including technologies, built to customers' specifications that are sold in niche markets throughout the world. We disaggregate our revenue from contracts with customers by reporting unit and geographical region for each of our segments as we believe it best depicts how the nature, amount, timing and uncertainty of our revenue and cash flows are affected by economic factors. Revenue was attributed to geographic areas based on the location of the customer. The following tables present our revenue disaggregated by reporting unit and geographical region.

Revenue by reporting unit for the three and six months ended June 30, 2019 and 2018 was as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2019	2018	2019	2018
Energy	$ 40,608	$ 40,779	$ 80,006	$ 79,538
Valves	29,809	28,830	59,191	54,859
Water	65,148	65,171	126,280	124,011
Pumps	87,125	82,735	175,385	163,401
Agriculture	23,499	25,285	47,849	53,324
Intersegment elimination	(78)	(45)	(264)	(117)
Fluid & Metering Technologies	246,111	242,755	488,447	475,016
Scientific Fluidics & Optics	109,554	104,106	216,862	203,613
Sealing Solutions	46,431	51,634	96,937	105,336
Gast	37,399	30,903	71,308	59,415
Micropump	8,271	9,800	17,026	19,098
Material Processing Technologies	30,598	30,960	55,410	61,016
Intersegment elimination	(81)	(36)	(683)	(144)
Health & Science Technologies	232,172	227,367	456,860	448,334
Fire & Safety	103,257	99,940	202,705	196,152
BAND-IT	27,758	26,981	55,670	54,455
Dispensing	33,028	37,379	61,827	72,866
Intersegment elimination	(227)	(62)	(1,179)	(139)
Fire & Safety/Diversified Products	163,816	164,238	319,023	323,334
Total net sales	$ 642,099	$ 634,360	$ 1,264,330	$ 1,246,684

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Revenue by geographical region for the three and six months ended June 30, 2019 and 2018 was as follows:

	Three Months Ended June 30, 2019			
	FMT	HST	FSDP	IDEX
U.S.	$ 139,786	$ 106,193	$ 78,898	$ 324,877
North America, excluding U.S.	14,628	5,497	6,418	26,543
Europe	43,949	65,798	43,813	153,560
Asia	32,353	50,502	26,744	109,599
Other [1]	15,473	4,263	8,170	27,906
Intersegment elimination	(78)	(81)	(227)	(386)
Total net sales	$ 246,111	$ 232,172	$ 163,816	$ 642,099

	Three Months Ended June 30, 2018			
	FMT	HST	FSDP	IDEX
U.S.	$ 139,347	$ 97,544	$ 75,747	$ 312,638
North America, excluding U.S. [2]	—	—	—	—
Europe	40,097	74,023	43,702	157,822
Asia	34,899	48,240	30,065	113,204
Other [3]	28,457	7,596	14,786	50,839
Intersegment elimination	(45)	(36)	(62)	(143)
Total net sales	$ 242,755	$ 227,367	$ 164,238	$ 634,360

	Six Months Ended June 30, 2019			
	FMT	HST	FSDP	IDEX
U.S.	$ 277,935	$ 205,244	$ 153,575	$ 636,754
North America, excluding U.S.	27,685	10,389	12,398	50,472
Europe	87,573	135,170	86,875	309,618
Asia	64,270	98,561	50,304	213,135
Other [1]	31,248	8,179	17,050	56,477
Intersegment elimination	(264)	(683)	(1,179)	(2,126)
Total net sales	$ 488,447	$ 456,860	$ 319,023	$ 1,264,330

	Six Months Ended June 30, 2018			
	FMT	HST	FSDP	IDEX
U.S.	$ 272,500	$ 191,352	$ 148,244	$ 612,096
North America, excluding U.S. [2]	—	—	—	—
Europe	83,696	147,802	90,821	322,319
Asia	61,297	92,788	54,298	208,383
Other [3]	57,640	16,536	30,110	104,286
Intersegment elimination	(117)	(144)	(139)	(400)
Total net sales	$ 475,016	$ 448,334	$ 323,334	$ 1,246,684

[1] Other in 2019 includes: South America, Middle East, Australia and Africa.
[2] Revenue from North America, excluding U.S. of $15,631 from FMT, $4,038 from HST and $6,297 from FSDP were included in Other for the three months ended June 30, 2018. Revenue from North America, excluding U.S. of $29,219 from FMT, $7,358 from HST and $13,906 from FSDP were included in Other for the six months ended June 30, 2018.
[3] Other in 2018 includes: North America, excluding U.S., South America, Middle East, Australia and Africa.

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Contract Balances

The timing of revenue recognition, billings and cash collections results in customer receivables, advance payments and billings in excess of revenue recognized. Customer receivables include amounts billed and currently due from customers as well as unbilled amounts (contract assets) and are included in Receivables on our Condensed Consolidated Balance Sheets. Amounts are billed in accordance with contractual terms or as work progresses in accordance with contractual terms. Unbilled amounts arise when the timing of billing differs from the timing of revenue recognized, such as when contract provisions require specific milestones to be met before a customer can be billed. Unbilled amounts primarily relate to performance obligations satisfied over time when the cost-to-cost method is utilized and the revenue recognized exceeds the amount billed to the customer as there is not yet a right to payment in accordance with contractual terms. Unbilled amounts are recorded as a contract asset when the revenue associated with the contract is recognized prior to billing and derecognized when billed in accordance with the terms of the contract. Customer receivables are recorded at face amounts less an allowance for doubtful accounts. The Company maintains an allowance for doubtful accounts for estimated losses as a result of customers' inability to make required payments. Management evaluates the aging of the customer receivable balances, the financial condition of its customers, historical trends and the time outstanding of specific balances to estimate the amount of customer receivables that may not be collected in the future and records the appropriate provision.

The composition of Customer receivables was as follows:

	June 30, 2019	December 31, 2018
Billed receivables	$ 314,714	$ 299,227
Unbilled receivables	12,034	14,492
Total customer receivables	$ 326,748	$ 313,719

Advance payments and billings in excess of revenue recognized are included in Deferred revenue which is classified as current or noncurrent based on the timing of when we expect to recognize the revenue. The current portion is included in Accrued expenses and the noncurrent portion is included in Other noncurrent liabilities on our Condensed Consolidated Balance Sheets. Advance payments and billings in excess of revenue recognized represent contract liabilities and are recorded when customers remit contractual cash payments in advance of us satisfying performance obligations under contractual arrangements, including those with performance obligations satisfied over time. Billings in excess of revenue recognized primarily relate to performance obligations satisfied over time when the cost-to-cost method is utilized and revenue cannot yet be recognized as the Company has not completed the corresponding performance obligation. We generally receive advance payments from customers related to maintenance services which we recognize ratably over the service term. Contract liabilities are derecognized when revenue is recognized and the performance obligation is satisfied.

The composition of Deferred revenue was as follows:

	June 30, 2019	December 31, 2018
Deferred revenue - current	$ 11,861	$ 8,055
Deferred revenue - noncurrent	2,512	3,027
Total deferred revenue	$ 14,373	$ 11,082

Performance Obligations

A performance obligation is a promise in a contract to transfer a distinct product or service to the customer. A contract's transaction price is allocated to each distinct performance obligation and recognized as revenue when, or as, the performance obligation is satisfied. For our contracts that require complex design, manufacturing and installation activities that are not separately identifiable from other promises in the contract and, therefore, not distinct, the entire contract is accounted for as a single performance obligation. For our contracts that include distinct products or services that are substantially the same and have the same pattern of transfer to the customer over time, they are recognized as a series of distinct products or services. Certain of our contracts have multiple performance obligations for which we allocate the transaction price to each performance obligation using an estimate of the standalone selling price of each distinct product or service in the contract. For product sales, each product sold to a customer

generally represents a distinct performance obligation. In such cases, the observable standalone sales are used to determine the standalone selling price. In certain cases, we may be required to estimate standalone selling price using the expected cost plus margin approach, under which we forecast our expected costs of satisfying a performance obligation and then add an appropriate margin for that distinct product or service.

Our performance obligations are satisfied at a point in time or over time as work progresses. Performance obligations are supported by contracts with customers that provide a framework for the nature of the distinct products or services or bundle of products and services. We define service revenue as revenue from activities that are not associated with the design, development or manufacture of a product or the delivery of a software license.

Revenue from products and services transferred to customers at a point in time approximated 95% of total revenues in the three and six months ended June 30, 2019 and 2018. Revenue recognized at a point in time relates to the majority of our product sales. Revenue on these contracts is recognized when obligations under the terms of the contract with our customer are satisfied. Generally, this occurs with the transfer of control of the asset, which is in line with shipping terms.

Revenue from products and services transferred to customers over time approximated 5% of total revenues in the three and six months ended June 30, 2019 and 2018. Revenue earned by certain business units within the Water, Energy, Material Processing Technologies ("MPT") and Dispensing reporting units is recognized over time because control transfers continuously to our customers. When accounting for over-time contracts, we use an input measure to determine the extent of progress towards completion of the performance obligation. For certain business units within the Water, Energy and MPT reporting units, revenue is recognized over time as work is performed based on the relationship between actual costs incurred to date for each contract and the total estimated costs for such contract at completion of the performance obligation (i.e. the cost-to-cost method). We believe this measure of progress best depicts the transfer of control to the customer which occurs as we incur costs on our contracts. Incurred cost represents work performed, which corresponds with the transfer of control to the customer. Contract costs include labor, material and overhead. Contract estimates are based on various assumptions to project the outcome of future events. These assumptions include labor productivity and availability; the complexity of the work to be performed; the cost and availability of materials; the performance of subcontractors; and the availability and timing of funding from the customer. Revenues, including estimated fees or profits, are recorded proportionally as costs are incurred. For certain business units within the Energy and Dispensing reporting units, revenue is recognized ratably over the contract term.

As a significant change in one or more of these estimates could affect the profitability of our contracts, we review and update our estimates regularly. Due to uncertainties inherent in the estimation process, it is reasonably possible that completion costs, including those arising from contract penalty provisions and final contract settlements, will be revised. Such revisions to costs and income are recognized in the period in which the revisions are determined as a cumulative catch-up adjustment. The impact of the adjustment on profit recorded to date on a contract is recognized in the period the adjustment is identified. Revenue and profit in future periods of contract performance are recognized using the adjusted estimate. If at any time the estimate of contract profitability indicates an anticipated loss on the contract, we recognize provisions for estimated losses on uncompleted contracts in the period in which such losses are determined.

The Company records allowances for discounts and product returns at the time of sale as a reduction of revenue as such allowances can be reliably estimated based on historical experience and known trends. The Company also offers product warranties (primarily assurance-type) and accrues its estimated exposure for warranty claims at the time of sale based upon the length of the warranty period, warranty costs incurred and any other related information known to the Company.

5. Earnings Per Common Share

Earnings per common share ("EPS") is 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,* concludes 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

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has determined that its outstanding shares of restricted stock are participating securities. Accordingly, EPS was computed using the two-class method prescribed by ASC 260.

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2019	2018	2019	2018
Basic weighted average common shares outstanding	75,460	76,539	75,450	76,479
Dilutive effect of stock options, restricted stock and performance share units	927	1,165	884	1,243
Diluted weighted average common shares outstanding	76,387	77,704	76,334	77,722

Options to purchase approximately 0.6 million and 0.3 million shares of common stock for the three months ended June 30, 2019 and 2018, respectively, and 0.6 million and 0.3 million shares of common stock for the six months ended June 30, 2019 and 2018, respectively, were not included in the computation of diluted EPS because the effect of their inclusion would have been antidilutive.

6. Inventories

The components of inventories as of June 30, 2019 and December 31, 2018 were:

	June 30, 2019	December 31, 2018
Raw materials and component parts	$ 186,117	$ 178,805
Work in process	28,480	37,495
Finished goods	86,409	63,695
Total inventories	$ 301,006	$ 279,995

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.

7. Goodwill and Intangible Assets

The changes in the carrying amount of goodwill for the six months ended June 30, 2019, by reportable business segment, were as follows:

	FMT	HST	FSDP	IDEX
Balance at December 31, 2018	$ 581,041	$ 745,357	$ 371,557	$ 1,697,955
Foreign currency translation	(610)	637	(833)	(806)
Acquisition adjustments	—	183	—	183
Balance at June 30, 2019	$ 580,431	$ 746,177	$ 370,724	$ 1,697,332

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 six months of 2019, 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, 2018, all reporting units had fair values in excess of their carrying values.

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The following table provides the gross carrying value and accumulated amortization for each major class of intangible asset at June 30, 2019 and December 31, 2018:

	At June 30, 2019				At December 31, 2018		
	Gross Carrying Amount	Accumulated Amortization	Net	Weighted Average Life	Gross Carrying Amount	Accumulated Amortization	Net
Amortized intangible assets:							
Patents	$ 6,555	$ (4,986)	$ 1,569	12	$ 6,468	$ (4,693)	$ 1,775
Trade names	115,890	(60,962)	54,928	16	115,899	(57,227)	58,672
Customer relationships	253,470	(92,394)	161,076	14	256,202	(85,652)	170,550
Unpatented technology	97,494	(40,384)	57,110	12	96,922	(35,685)	61,237
Other	700	(542)	158	10	700	(507)	193
Total amortized intangible assets	474,109	(199,268)	274,841		476,191	(183,764)	292,427
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	$ 565,009	$ (199,268)	$ 365,741		$ 567,091	$ (183,764)	$ 383,327

The Banjo trade name and the Akron Brass trade name are indefinite-lived intangible assets which are tested for impairment on an annual basis in accordance with ASC 350 or more frequently if events or changes in circumstances indicate that the assets might be impaired. In the first six months of 2019, there were no events or circumstances that would have required an interim impairment test. The Company uses the relief-from-royalty method, a form of the income approach, to determine the fair value of these trade names. The relief-from-royalty method is dependent on a number of significant management assumptions, including estimates of revenues, royalty rates and discount rates.

Amortization of intangible assets was $9.0 million and $18.0 million for the three and six months ended June 30, 2019, respectively. Amortization of intangible assets was $9.8 million and $20.7 million for the three and six months ended June 30, 2018, respectively. Based on the intangible asset balances as of June 30, 2019, amortization expense is expected to approximate $18.0 million for the remaining six months of 2019, $35.3 million in 2020, $34.1 million in 2021, $32.3 million in 2022 and $29.2 million in 2023.

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8. Accrued Expenses

The components of accrued expenses as of June 30, 2019 and December 31, 2018 were:

	June 30, 2019	December 31, 2018
Payroll and related items	$ 68,586	$ 78,944
Management incentive compensation	10,441	25,321
Income taxes payable	12,500	23,844
Insurance	9,513	10,422
Warranty	5,284	5,303
Deferred revenue	11,861	8,055
Lease liability	12,973	—
Restructuring	3,903	6,170
Liability for uncertain tax positions	830	980
Accrued interest	1,569	1,759
Other	25,378	26,738
Total accrued expenses	$ 162,838	$ 187,536

9. Other Noncurrent Liabilities

The components of other noncurrent liabilities as of June 30, 2019 and December 31, 2018 were:

	June 30, 2019	December 31, 2018
Pension and retiree medical obligations	$ 76,228	$ 80,667
Transition tax payable	17,127	17,127
Liability for uncertain tax positions	3,255	3,183
Deferred revenue	2,512	3,027
Liability for construction of new leased facility	—	11,616
Lease liability	54,619	—
Contingent consideration for acquisition	3,375	3,375
Other	20,565	19,219
Total other noncurrent liabilities	$ 177,681	$ 138,214

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10. Borrowings

Borrowings at June 30, 2019 and December 31, 2018 consisted of the following:

	June 30, 2019	December 31, 2018
Revolving Facility	$ —	$ —
4.50% Senior Notes, due December 2020	300,000	300,000
4.20% Senior Notes, due December 2021	350,000	350,000
3.20% Senior Notes, due June 2023	100,000	100,000
3.37% Senior Notes, due June 2025	100,000	100,000
Other borrowings	824	1,078
Total borrowings	850,824	851,078
Less current portion	452	483
Less deferred debt issuance costs	1,288	1,593
Less unaccreted debt discount	529	667
Total long-term borrowings	$ 848,555	$ 848,335

On June 13, 2016, the Company completed a private placement of a $100 million aggregate principal amount of 3.20% Senior Notes due June 13, 2023 and a $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 13th and December 13th. 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 the 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 the 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 a payment event of default, any holder of the Notes affected thereby may declare all of the Notes held by it due and payable immediately. In the case of any other event of default, a majority of the holders of the Notes may declare all of the Notes to be due and payable immediately.

On May 31, 2019, 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 replaces the Company's existing five-year, $700 million credit agreement, dated as of June 23, 2015, which was due to expire in June 2020.

Terms and fees of the 2019 Credit Agreement are essentially the same as the 2015 credit agreement except for certain fees and interest rate pricing that are more favorable to the Company.

The Credit Agreement consists of a revolving credit facility (the "Revolving Facility") in an aggregate principal amount of $800 million with a final maturity date of May 30, 2024. The maturity date may be extended under certain conditions for an additional one-year term. Up to $75 million of the Revolving Facility under the Credit Agreement 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.

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Proceeds of the Revolving Facility are available for use by the Borrowers for 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 $400 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 under the Credit Agreement.

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 better of the Company's senior, unsecured, long-term debt rating or the Company's applicable leverage ratio. Interest is payable (a) in the case of base rate loans, quarterly, and (b) in the case of LIBOR rate loans, on the last day of the applicable interest period selected, or every three months from the effective date of such interest period for interest periods exceeding three months.

Voluntary prepayments of any loans and voluntary reductions of the unutilized portion of the commitments under the Credit Agreement are permissible without penalty, subject to break funding payments and minimum notice and minimum reduction amount requirements.

The Credit Agreement contains affirmative and negative covenants usual and customary for such senior unsecured credit agreements, including an interest coverage ratio test and a leverage ratio test, in each case tested quarterly and, in the case of the leverage ratio, with an option to increase the ratio for 12 months in connection with certain acquisitions. The negative covenants include restrictions on the Company on granting liens, entering into transactions resulting in fundamental changes (such as mergers or sales of all or substantially all of the assets of the Company), making certain subsidiary dividends or distributions, engaging in materially different lines of businesses and allowing subsidiaries to incur certain additional debt.

The Credit Agreement also contains customary events of default (subject to grace periods, as appropriate).

At June 30, 2019, there was no balance outstanding under the Revolving Facility and $9.1 million of outstanding letters of credit, resulting in a net available borrowing capacity under the Revolving Facility at June 30, 2019 of approximately $790.9 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 3.00 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. In the case of the leverage ratio, there is an option to increase the ratio to 4.00 for 12 months in connection with certain acquisitions. At June 30, 2019, 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.

11. 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 types of cash flow hedges the Company enters into include foreign currency exchange contracts designed to minimize the earnings impact on certain intercompany loans as well as interest rate exchange agreements designed to reduce the impact of interest rate changes on future interest expense that effectively convert a portion of floating-rate debt to fixed-rate debt.

The effective portion of gains or losses on interest rate exchange agreements 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 in net income during the period of change. See Note 15 for the amount of loss reclassified into net income for interest rate contracts for the three and six months ended June 30, 2019 and 2018. As of June 30, 2019, the Company did not have any interest rate contracts outstanding.

In 2010 and 2011, the Company entered into two separate forward starting interest rate exchange agreements 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 terms of the respective debt instruments. Approximately $6.2 million of the pre-tax amount included in Accumulated other comprehensive income (loss)

in shareholders' equity at June 30, 2019 will be recognized in net income over the next 12 months as the underlying hedged transactions are realized.

At March 31, 2018, the Company had outstanding foreign currency exchange contracts with a combined notional value of €180 million that were not designated as hedges for accounting purposes and, as a result, the change in the fair value of these foreign currency exchange contracts and the corresponding foreign currency gain or loss on the revaluation of the intercompany loans were both recorded through earnings within Other (income) expense - net in the Condensed Consolidated Statements of Operations each period as incurred.

During the three and six months ended June 30, 2018, the Company recorded a loss of $0.3 million and a gain of $0.9 million, respectively, within Other (income) expense - net in the Condensed Consolidated Statements of Operations related to these foreign currency exchange contracts. During the three and six months ended June 30, 2018, the Company recorded a foreign currency transaction gain of $0.3 million and a foreign currency transaction loss of $0.9 million, respectively, within Other (income) expense - net in the Condensed Consolidated Statements of Operations related to these intercompany loans. For the six months ended June 30, 2018, the Company received $6.6 million in settlement of the foreign currency exchange contracts.

In April 2018, the Company settled its outstanding foreign currency exchange contracts in conjunction with its repayment of the underlying intercompany loans and did not extend these foreign currency exchange contracts. Along with the repayment of the intercompany loans, the Company was required to make a capital contribution to one of its subsidiaries, which resulted in a $2.2 million stamp duty in Switzerland which was recorded within Selling, general and administrative expenses in the Condensed Consolidated Statements of Operations.

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.

12. 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 the 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 (liabilities) at fair value on a recurring basis in the balance sheets at June 30, 2019 and December 31, 2018:

		Basis of Fair Value Measurements		
	Balance at June 30, 2019	Level 1	Level 2	Level 3
Available for sale securities	$ 9,429	$ 9,429	$ —	$ —
Contingent consideration	3,375	—	—	3,375

		Basis of Fair Value Measurements		
	Balance at December 31, 2018	Level 1	Level 2	Level 3
Available for sale securities	$ 7,598	$ 7,598	$ —	$ —
Contingent consideration	3,375	—	—	3,375

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There were no transfers of assets or liabilities between Level 1 and Level 2 during the three and six months ended June 30, 2019 or the year ended December 31, 2018.

The Company utilized a Monte Carlo Simulation to determine the fair value of the contingent consideration associated with the acquisition of FLI as of the acquisition date. The $3.4 million represents management's best estimate of the liability, based on a range of outcomes of FLI's two-year operating results, from August 1, 2018 to July 31, 2020, and is expected to be paid during the third quarter of 2020. As of June 30, 2019, the $3.4 million of contingent consideration is included in Other noncurrent liabilities on the Condensed Consolidated Balance Sheets.

The carrying values of our cash and cash equivalents, accounts receivable, accounts payable and accrued expenses approximate their fair values because of the short term nature of these instruments. At June 30, 2019, the fair value of the outstanding indebtedness under our 3.2% Senior Notes, 3.37% Senior Notes, 4.5% Senior Notes, 4.2% Senior Notes and other borrowings based on quoted market prices and current market rates for debt with similar credit risk and maturity was approximately $875.8 million compared to the carrying value of $850.3 million. At December 31, 2018, the fair value of the outstanding indebtedness under our 3.2% Senior Notes, 3.37% Senior Notes, 4.5% Senior Notes, 4.2% Senior Notes and other borrowings based on quoted market prices and current market rates for debt with similar credit risk and maturity was approximately $851.5 million compared to the carrying value of $850.4 million. These fair value measurements are classified as Level 2 within the fair value hierarchy since they are 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.

13. Leases

The Company leases certain office facilities, warehouses, manufacturing plants, equipment (which includes both office and plant equipment) and vehicles under operating leases. Leases with an initial term of 12 months or less are not recorded on the balance sheet; the Company recognizes lease expense for these leases on a straight-line basis over the lease term.

Certain leases include one or more options to renew. The exercise of lease renewal options is at the Company's sole discretion. There are currently no renewal periods included in any of the leases' respective lease terms as they are not reasonably certain of being exercised. The Company does not have any material purchase options.

Certain of our lease agreements have rental payments that are adjusted periodically for inflation or that are based on usage. Our lease agreements do not contain any material residual value guarantees or material restrictive covenants.

Supplemental balance sheet information related to leases as of June 30, 2019 was as follows:

	Balance Sheet Caption	June 30, 2019
Operating leases:		
Building right-of-use assets - net	Other noncurrent assets	$ 59,226
Equipment right-of-use assets - net	Other noncurrent assets	6,636
Total right-of-use assets - net		$ 65,862
Operating leases:		
Current lease liabilities	Accrued expenses	$ 12,973
Noncurrent lease liabilities	Other noncurrent liabilities	54,619
Total lease liabilities		$ 67,592

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As part of the adoption of the new lease standard, the Company derecognized its liability for the construction of a new leased facility that was recorded in Other noncurrent liabilities on the Condensed Consolidated Balance Sheets and recorded it as a right of use asset in Other noncurrent assets on the Condensed Consolidated Balance Sheets with a corresponding lease liability in Accrued expenses and Other noncurrent liabilities on the Condensed Consolidated Balance Sheets.

The components of lease cost for the three and six months ended June 30, 2019 were as follows:

	Three Months Ended June 30, 2019	Six Months Ended June 30, 2019
Operating lease cost [1]	$ 6,195	$ 11,570
Variable lease cost	625	1,218
Total lease expense	$ 6,820	$ 12,788

[1] Includes short-term leases, which are immaterial.

Supplemental cash flow information related to leases for the six months ended June 30, 2019 was as follows:

	Six Months Ended June 30, 2019
Cash paid for amounts included in the measurement of operating lease liabilities	$ 6,071
Right-of-use assets obtained in exchange for new operating lease liabilities	4,180

Other supplemental information related to leases as of June 30, 2019 was as follows:

Lease Term and Discount Rate	June 30, 2019
Weighted-average remaining lease term (years):	
Operating leases - building and equipment	8.32
Operating leases - vehicles	2.18
Weighted-average discount rate:	
Operating leases - building and equipment	4.06%
Operating leases - vehicles	3.28%

The Company uses the implicit rate to determine the present value of the lease payments. If the implicit rate is not defined in the lease, the Company uses its incremental borrowing rate to determine the present value of the lease payments. The Company used either the implicit rate or the incremental borrowing rate based on the information available at the transition date to determine the present value of the lease payments as of January 1, 2019.

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Total lease liabilities at June 30, 2019 have scheduled maturities as follows:

Maturity of Lease Liabilities	Operating Leases [1]
2019 (excluding the six months ended June 30, 2019)	$ 7,620
2020	13,609
2021	11,609
2022	8,820
2023	6,857
Thereafter	30,837
Total lease payments	79,352
Less: Imputed interest	(11,760)
Present value of lease liabilities	$ 67,592

[1] Excludes $25.2 million of legally binding minimum lease payments for leases signed but not yet commenced.

Total lease liabilities at December 31, 2018 had scheduled maturities as follows:

Maturity of Lease Liabilities	Operating Leases
2019	$ 17,509
2020	13,162
2021	10,516
2022	7,979
2023	6,535
Thereafter	29,658
Total lease payments	$ 85,359

14. Restructuring

During the year ended December 31, 2018 and the three months ended June 30, 2019, the Company recorded accruals for restructuring costs incurred as part of restructuring initiatives that supported 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 and exit costs which were included in Restructuring expenses in the Condensed Consolidated Statements of Operations. 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 and lease exit and contract termination costs.

Pre-tax restructuring expenses by segment for the three and six months ended June 30, 2019 were as follows:

	Severance Costs	Exit Costs	Total
Fluid & Metering Technologies	$ 930	$ —	$ 930
Health & Science Technologies	46	284	330
Fire & Safety/Diversified Products	819	—	819
Corporate/Other	47	—	47
Total restructuring costs	$ 1,842	$ 284	$ 2,126

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Restructuring accruals of $3.9 million and $6.2 million at June 30, 2019 and December 31, 2018, respectively, are recorded in Accrued expenses on the Condensed 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 six months ended June 30, 2019 are as follows:

	Restructuring
Balance at January 1, 2019	$ 6,170
Restructuring expenses	2,126
Payments, utilization and other	(4,393)
Balance at June 30, 2019	$ 3,903

15. Other Comprehensive Income (Loss)

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

	Three Months Ended June 30, 2019			Three Months Ended June 30, 2018		
	Pre-tax	Tax	Net of tax	Pre-tax	Tax	Net of tax
Cumulative translation adjustment	$ 2,628	$ —	$ 2,628	$ (62,645)	$ —	$ (62,645)
Pension and other postretirement adjustments	1,691	(435)	1,256	1,753	(457)	1,296
Reclassification adjustments for derivatives	1,583	(359)	1,224	1,627	(368)	1,259
Total other comprehensive income (loss)	$ 5,902	$ (794)	$ 5,108	$ (59,265)	$ (825)	$ (60,090)

	Six Months Ended June 30, 2019			Six Months Ended June 30, 2018		
	Pre-tax	Tax	Net of tax	Pre-tax	Tax	Net of tax
Cumulative translation adjustment	$ (653)	$ —	$ (653)	$ (35,067)	$ —	$ (35,067)
Pension and other postretirement adjustments	3,391	(873)	2,518	3,671	(962)	2,709
Reclassification adjustments for derivatives	3,171	(720)	2,451	3,259	(739)	2,520
Total other comprehensive income (loss)	$ 5,909	$ (1,593)	$ 4,316	$ (28,137)	$ (1,701)	$ (29,838)

The following table summarizes the amounts reclassified from accumulated other comprehensive income (loss) to net income during the three and six months ended June 30, 2019 and 2018:

	Three Months Ended June 30,		Six Months Ended June 30,		
	2019	2018	2019	2018	Income Statement Caption
Pension and other postretirement plans:					
Amortization of service cost	$ 1,691	$ 1,753	$ 3,391	$ 3,671	Other (income) expense - net
Total before tax	1,691	1,753	3,391	3,671	
Provision for income taxes	(435)	(457)	(873)	(962)	
Total net of tax	$ 1,256	$ 1,296	$ 2,518	$ 2,709	
Derivatives:					
Reclassification adjustments	$ 1,583	$ 1,627	$ 3,171	$ 3,259	Interest expense
Total before tax	1,583	1,627	3,171	3,259	
Provision for income taxes	(359)	(368)	(720)	(739)	
Total net of tax	$ 1,224	$ 1,259	$ 2,451	$ 2,520	

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

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16. Common and Preferred Stock

On December 1, 2015, the Company's Board of Directors approved an increase of $300.0 million in the authorized level of repurchases of common stock. This followed the prior Board of Directors approved repurchase authorization of $400.0 million that was announced by the Company on November 6, 2014. These authorizations have no expiration date. Repurchases under the program will be funded with future cash flow generation or borrowings available under the Revolving Facility. During the six months ended June 30, 2019, the Company repurchased a total of 389 thousand shares at a cost of $54.7 million. During the six months ended June 30, 2018, the Company repurchased a total of 147 thousand shares at a cost of $20.5 million, of which $1.0 million was settled in July 2018. As of June 30, 2019, the amount of share repurchase authorization remaining was $322.3 million.

At June 30, 2019 and December 31, 2018, 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 June 30, 2019 or December 31, 2018.

17. Share-Based Compensation

The Company typically grants equity awards annually at its regularly scheduled first quarter meeting of the Board of Directors based on their recommendation from the Compensation Committee.

Stock Options

Stock options generally vest ratably over four years. 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 June 30,		Six Months Ended June 30,	
	2019	2018	2019	2018
Weighted average fair value of grants	$34.82	$37.22	$35.16	$38.09
Dividend yield	1.18%	1.24%	1.18%	1.07%
Volatility	23.31%	28.01%	24.78%	28.49%
Risk-free interest rate	2.37% - 2.62%	2.28% - 3.11%	2.53% - 3.04%	2.01% - 3.17%
Expected life (in years)	5.86	5.82	5.87	5.83

Total compensation cost for stock options is as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2019	2018	2019	2018
Cost of goods sold	$ 90	$ 91	$ 282	$ 297
Selling, general and administrative expenses	1,986	1,881	4,526	4,405
Total expense before income taxes	2,076	1,972	4,808	4,702
Income tax benefit	(284)	(364)	(652)	(834)
Total expense after income taxes	$ 1,792	$ 1,608	$ 4,156	$ 3,868

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A summary of the Company's stock option activity as of June 30, 2019 and changes during the six months ended June 30, 2019 are presented in the following table:

Stock Options	Shares	Weighted Average Price	Weighted-Average Remaining Contractual Term	Aggregate Intrinsic Value
Outstanding at January 1, 2019	1,714,003	$ 85.08	6.70	$ 74,191,783
Granted	334,430	144.89		
Exercised	(298,167)	69.54		
Forfeited	(61,098)	112.34		
Outstanding at June 30, 2019	1,689,168	$ 98.68	7.06	$ 124,043,143
Vested and expected to vest as of June 30, 2019	1,587,297	$ 95.88	6.88	$ 121,043,268
Exercisable at June 30, 2019	860,924	$ 75.87	5.64	$ 82,885,109

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 June 30, 2019 and changes during the six months ended June 30, 2019 are presented as follows:

Restricted Stock	Shares	Weighted-Average Grant Date Fair Value
Unvested at January 1, 2019	148,041	$ 101.50
Granted	40,890	146.25
Vested	(35,552)	74.88
Forfeited	(8,400)	125.11
Unvested at June 30, 2019	144,979	$ 119.70

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.

Total compensation cost for restricted shares is as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2019	2018	2019	2018
Cost of goods sold	$ 64	$ 83	$ 202	$ 239
Selling, general and administrative expenses	1,037	964	2,325	2,253
Total expense before income taxes	1,101	1,047	2,527	2,492
Income tax benefit	(205)	(186)	(480)	(443)
Total expense after income taxes	$ 896	$ 861	$ 2,047	$ 2,049

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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. Cash-settled restricted stock awards are recorded at fair value on a quarterly basis using the market price of the Company's stock on the last day of the quarter. A summary of the Company's unvested cash-settled restricted stock activity as of June 30, 2019 and changes during the six months ended June 30, 2019 are presented in the following table:

Cash-Settled Restricted Stock	Shares	Weighted-Average Fair Value
Unvested at January 1, 2019	88,225	$ 126.26
Granted	25,585	145.18
Vested	(27,900)	144.12
Forfeited	(4,360)	155.18
Unvested at June 30, 2019	81,550	$ 172.14

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 June 30,		Six Months Ended June 30,	
	2019	2018	2019	2018
Cost of goods sold	$ 336	$ 102	$ 836	$ 515
Selling, general and administrative expenses	1,167	508	2,697	1,712
Total expense before income taxes	1,503	610	3,533	2,227
Income tax benefit	(159)	(51)	(346)	(210)
Total expense after income taxes	$ 1,344	$ 559	$ 3,187	$ 2,017

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.

	Six Months Ended June 30,	
	2019	2018
Weighted average fair value of grants	$207.26	$216.59
Dividend yield	—%	—%
Volatility	19.11%	17.42%
Risk-free interest rate	2.49%	2.40%
Expected life (in years)	2.83	2.85

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A summary of the Company's performance share unit activity as of June 30, 2019 and changes during the six months ended June 30, 2019 are presented in the following table:

Performance Share Units	Shares	Weighted-Average Grant Date Fair Value
Unvested at January 1, 2019	111,155	$ 142.42
Granted	56,860	207.26
Vested	—	—
Forfeited	(9,850)	163.68
Unvested at June 30, 2019	158,165	$ 179.06

On December 31, 2018, 69,995 performance share units vested. Based on the Company's relative total shareholder return rank during the three year period ended December 31, 2018, the Company achieved a 250% payout factor and issued 174,994 common shares in February 2019.

Total compensation cost for performance share units is as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2019	2018	2019	2018
Cost of goods sold	$ —	$ —	$ —	$ —
Selling, general and administrative expenses	2,173	1,971	3,545	3,831
Total expense before income taxes	2,173	1,971	3,545	3,831
Income tax benefit	(203)	(388)	(251)	(705)
Total expense after income taxes	$ 1,970	$ 1,583	$ 3,294	$ 3,126

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 Condensed Consolidated Statements of Operations is consistent with classification of cash compensation for the same employees.

As of June 30, 2019, there was $17.3 million of total unrecognized compensation cost related to stock options that is expected to be recognized over a weighted-average period of 1.5 years, $2.0 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, $5.4 million of total unrecognized compensation cost related to cash-settled restricted shares that is expected to be recognized over a weighted-average period of 1.1 years and $12.6 million of total unrecognized compensation cost related to performance share units that is expected to be recognized over a weighted-average period of 1.1 years.

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18. 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.

	Pension Benefits			
	Three Months Ended June 30,			
	2019		2018	
	U.S.	Non-U.S.	U.S.	Non-U.S.
Service cost	$ 209	$ 460	$ 255	$ 527
Interest cost	764	361	653	351
Expected return on plan assets	(801)	(262)	(983)	(282)
Net amortization	486	280	685	322
Net periodic benefit cost	$ 658	$ 839	$ 610	$ 918

	Pension Benefits			
	Six Months Ended June 30,			
	2019		2018	
	U.S.	Non-U.S.	U.S.	Non-U.S.
Service cost	$ 417	$ 924	$ 509	$ 1,072
Interest cost	1,528	726	1,306	712
Expected return on plan assets	(1,602)	(526)	(1,966)	(572)
Net amortization	973	564	1,370	652
Net periodic benefit cost	$ 1,316	$ 1,688	$ 1,219	$ 1,864

	Other Postretirement Benefits			
	Three Months Ended June 30,		Six Months Ended June 30,	
	2019	2018	2019	2018
Service cost	$ 140	$ 167	$ 280	$ 335
Interest cost	212	203	424	406
Net amortization	(158)	(184)	(317)	(368)
Net periodic benefit cost	$ 194	$ 186	$ 387	$ 373

The Company previously disclosed in its financial statements for the year ended December 31, 2018, that it expected to contribute approximately $0.6 million to its defined benefit plans and $1.1 million to its other postretirement benefit plans in 2019. During the first six months of 2019, the Company contributed a total of $0.1 million to fund these plans.

19. Legal Proceedings

The Company and certain of its subsidiaries are involved in pending and threatened legal, regulatory and other proceedings arising in the ordinary course of business. These proceedings may pertain to matters such as product liability or contract disputes, and may also involve governmental inquiries, inspections, audits or investigations relating to issues such as tax matters, intellectual property, environmental, health and safety issues, governmental regulations, employment and other matters. Although the results of such legal proceedings cannot be predicted with certainty, the Company believes that the ultimate disposition of these matters will not have a material adverse effect, individually or in the aggregate, on the Company's business, financial condition, results of operations or cash flows.

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20. 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 $31.4 million for the three months ended June 30, 2019 from $29.6 million during the same period in 2018. The effective tax rate of 21.7% for the three months ended June 30, 2019 was flat compared to the same period in 2018.

The provision for income taxes decreased to $58.2 million for the six months ended June 30, 2019 from $60.8 million during the same period in 2018. The effective tax rate decreased to 20.7% for the six months ended June 30, 2019 compared to 22.8% during the same period in 2018 due to an increase in foreign tax credits as a result of U.S. Treasury proposed regulations issued related to Global Intangible Low-Taxed Income ("GILTI"), discrete income tax expense in first quarter 2018 related to IRS Revenue Procedure 2018-17 and IRS Notice 2018-26 as well as 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 $0.8 million.

21. Subsequent Events

On July 18, 2019, the Company acquired Velcora Holding AB ("Velcora") and its Roplan and Steridose businesses for cash consideration of $87.3 million and $49.9 million of assumed debt. Roplan is a global manufacturer of custom mechanical and shaft seals for a variety of end markets including food and beverage, marine, chemical, wastewater and water treatment. Steridose develops engineered hygienic mixers and valves for the global biopharmaceutical industry. Both companies are headquartered in Sweden, with operations in China, the United Kingdom and the United States. Roplan and Steridose have annual revenues of approximately $40.0 million and will operate in the Health & Science Technologies segment.

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 "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 "anticipates," "estimates," "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 the Company's results, particularly in light of the low levels of order backlogs it typically maintains; the Company's 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; developments with respect to trade policy and tariffs; 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 the manufacture of 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 across 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, Health & Science Technologies and Fire & Safety/Diversified Products. Within our three reportable segments, the Company maintains 13 platforms, where we focus on organic growth and strategic acquisitions. Each of our 13 platforms is also a reporting unit that we annually test goodwill for impairment.

The Fluid & Metering Technologies segment designs, produces and distributes positive displacement pumps, 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 and wastewater, agriculture and energy industries. The Fluid & Metering Technologies segment contains the Energy platform (comprised of Corken, Liquid Controls, SAMPI and Toptech), the Valves platform (comprised of Alfa Valvole, Richter and Aegis), the Water platform (comprised of Pulsafeeder, OBL, Knight, ADS, Trebor and iPEK), the Pumps platform (comprised of Viking and Warren Rupp) and the Agriculture platform (comprised of Banjo).

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 Health & Science Technologies segment contains the Scientific Fluidics & Optics platform (comprised of Eastern Plastics, Rheodyne, Sapphire Engineering, Upchurch Scientific, ERC, CiDRA Precision Services, thinXXS, CVI Melles Griot, Semrock, Advanced Thin Films and FLI), the Sealing Solutions platform (comprised of Precision Polymer Engineering, FTL Seals Technology, Novotema and SFC Koenig), the Gast platform, the Micropump platform and the Material Processing Technologies platform (comprised of Quadro, Fitzpatrick, Microfluidics and Matcon).

The Fire & Safety/Diversified Products segment designs, produces and develops firefighting pumps, valves and controls, 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. The Fire & Safety/Diversified Products segment is comprised of the Fire & Safety platform (comprised of Class 1, Hale, Akron Brass, AWG Fittings, Godiva, Dinglee, Hurst Jaws of Life, Lukas and Vetter), the BAND-IT platform and the Dispensing platform.

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 from continuing operations calculated according to generally accepted accounting principles in the United States of America ("U.S. GAAP") but excludes (1) the impact of foreign currency translation and (2) sales from acquired or divested businesses during the first twelve months of ownership or divestiture. 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.

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 from 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 that EBITDA margin is useful for the same reason as EBITDA. EBITDA is also used to calculate certain financial covenants, as discussed in Note 10 in the Notes to Condensed 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, Adjusted EBITDA 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. 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 June 30, 2019 when compared to the same period in the prior year are as follows:

- Sales of $642.1 million increased 1%; organic sales (which excludes acquisitions and foreign currency translation) were up 3%.
- Operating income of $155.3 million increased 5%. Adjusted operating income of $157.4 million, adjusted for $2.1 million of restructuring expenses in the second quarter of 2019, increased 5%.
- Net income of $113.2 million increased 6%. Adjusted net income of $114.8 million, adjusted for $1.6 million of restructuring expenses, net of tax benefit, in the second quarter of 2019, increased 6%.
- EBITDA of $174.8 million was 27% of sales and covered interest expense by almost 16 times. Adjusted EBITDA of $177.0 million was 28% of sales and covered interest expense by over 16 times.

- Diluted EPS of $1.48 increased 10 cents, or 7%. Adjusted EPS of $1.50 increased 10 cents, or 7%.

Some of our key financial results for the six months ended June 30, 2019 when compared to the same period in the prior year are as follows:

- Sales of $1,264.3 million increased 1%; organic sales (which excludes acquisitions and foreign currency translation) were up 3%.
- Operating income of $303.1 million increased 7%. Adjusted operating income of $305.2 million, adjusted for $2.1 million of restructuring expenses during 2019, increased 6%.
- Net income of $223.5 million increased 8%. Adjusted net income of $225.0 million, adjusted for $1.6 million of restructuring expenses, net of tax benefit, during 2019, increased 8%.
- EBITDA of $341.4 million was 27% of sales and covered interest expense by almost 16 times. Adjusted EBITDA of $343.5 million was 27% of sales and covered interest expense by almost 16 times.
- Diluted EPS of $2.92 increased 27 cents, or 10%. Adjusted EPS of $2.94 increased 25 cents, or 9%.

Given the Company's current outlook, we are projecting third quarter 2019 EPS in the range of $1.45 to $1.47 with full year 2019 EPS of $5.78 to $5.85. We are also projecting third quarter organic revenue growth of approximately 3% with full year organic revenue growth of 3% to 4%.

Results of Operations

The following is a discussion and analysis of our results of operations for the three and six months ended June 30, 2019 and 2018. Segment operating income and EBITDA exclude unallocated corporate operating expenses of $19.2 million and $21.8 million for the three months ended June 30, 2019 and 2018, respectively, and $37.8 million and $42.7 million for the six months ended June 30, 2019 and 2018, respectively.

Consolidated Results for the Three Months Ended June 30, 2019 Compared with the Same Period in 2018

(In thousands)	Three Months Ended June 30,	
	2019	2018
Net sales	$ 642,099	$ 634,360
Operating income	155,283	147,831
Operating margin	24.2%	23.3%

For the three months ended June 30, 2019, Fluid & Metering Technologies contributed 38% of sales, 42% of operating income and 41% of EBITDA; Health & Science Technologies contributed 36% of sales, 33% of operating income and 34% of EBITDA; and Fire & Safety/Diversified Products contributed 26% of sales, 25% of operating income and 25% of EBITDA. These percentages are calculated on the basis of total segment (not total Company) sales, operating income and EBITDA.

Sales in the second quarter of 2019 were $642.1 million, which was a 1% increase compared to the same period in 2018. This increase reflects a 3% increase in organic sales, partially offset by a 2% unfavorable impact from foreign currency translation. Sales to customers outside the U.S. represented approximately 49% of total sales in the second quarter of 2019 compared to 51% during the same period in 2018.

Gross profit of $292.3 million in the second quarter of 2019 increased $5.0 million, or 2%, compared to the same period in 2018, while gross margin of 45.5% in the second quarter of 2019 increased 20 basis points from 45.3% during the same period in 2018. Both gross profit and margin increased compared to the prior year period primarily due to price, volume leverage and productivity initiatives, partially offset by higher engineering investments.

Selling, general and administrative expenses decreased to $134.9 million in the second quarter of 2019 from $137.5 million during the same period in 2018. The decrease is primarily due to lower amortization and variable compensation costs in 2019 as well as the stamp duty charge in the second quarter of 2018. Corporate costs decreased to $19.2 million in the second quarter of 2019 compared to $21.6 million during the same period in 2018, mainly due to the stamp duty charge in 2018. As a percentage of sales, selling, general and administrative expenses were 21.0% for the second quarter of 2019, down 70 basis points compared to 21.7% during the same period in 2018.

The Company incurred $2.1 million of restructuring expenses in the second quarter of 2019 compared with $2.0 million during the same period in 2018. The restructuring expenses were part of 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.

Operating income of $155.3 million and operating margin of 24.2% in the second quarter of 2019 were up from the $147.8 million and 23.3%, respectively, recorded during the same period in 2018. The increase in operating margin is primarily due to gross margin expansion along with reduced selling, general and administrative expenses in 2019.

Other (income) expense - net increased to $0.4 million of income in the second quarter of 2019 compared to $0.1 million of income during the same period in 2018, primarily due to gains on pension-related investments and higher interest income in 2019.

Interest expense of $11.0 million in the second quarter of 2019 was essentially flat compared to the same period in 2018.

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 $31.4 million in the second quarter of 2019 compared to $29.6 million during the same period in 2018. The effective tax rate was 21.7% for the second quarter of 2019 which was flat compared to the same period in 2018.

Net income in the second quarter of 2019 of $113.2 million increased from $107.1 million during the same period in 2018. Diluted earnings per share in the second quarter of 2019 of $1.48 increased $0.10, or 7%, compared to the same period in 2018.

Fluid & Metering Technologies Segment

(In thousands)	Three Months Ended June 30,	
	2019	2018
Net sales	$ 246,189	$ 242,800
Operating income	74,146	71,228
Operating margin	30.1%	29.3%

Sales of $246.2 million increased $3.4 million, or 1%, in the second quarter of 2019 compared to the same period in 2018. This reflects a 3% increase in organic sales, partially offset by a 2% unfavorable impact from foreign currency translation. In the second quarter of 2019, sales were flat domestically and increased 3% internationally compared to the same period in 2018. Sales to customers outside the U.S. were approximately 43% of total segment sales in both the second quarters of 2019 and 2018.

Sales within our Pumps platform increased in the second quarter of 2019 compared to the same period in 2018 due to strength in LACT (lease automatic custody transfer) projects and strong OEM activity. Sales within our Valves platform increased in the second quarter of 2019 compared to the same period in 2018 as a result of strong demand within chemical end markets domestically and in Asia. Sales within our Water platform were flat compared to the same period in 2018 driven by strong Europe and Asia distribution offset by headwinds in U.S. sales. Sales within our Energy platform were essentially flat compared to the same period in 2018. Sales within our Agriculture platform decreased in the second quarter of 2019 compared to the same period in 2018 due to decreased demand across both the agriculture and industrial OEM markets.

Operating income of $74.1 million and operating margin of 30.1% in the second quarter of 2019 were higher than the $71.2 million and 29.3%, respectively, recorded during the same period in 2018, primarily due to higher volume, price and productivity initiatives, partially offset by higher engineering investments.

Health & Science Technologies Segment

(In thousands)	Three Months Ended June 30,	
	2019	2018
Net sales	$ 232,253	$ 227,403
Operating income	56,763	52,569
Operating margin	24.4%	23.1%

Sales of $232.3 million increased $4.9 million, or 2%, in the second quarter of 2019 compared to the same period in 2018. This reflects a 3% increase in organic sales and a 1% increase from acquisitions (FLI - July 2018), partially offset by a 2% unfavorable impact from foreign currency translation. In the second quarter of 2019, sales increased 9% domestically and decreased 3% internationally compared to the same period in 2018. Sales to customers outside the U.S. were approximately 54% of total segment sales in the second quarter of 2019 compared to 57% during the same period in 2018.

Sales within our Scientific Fluidics & Optics platform increased in the second quarter of 2019 compared to the same period in 2018 due to new products, market share wins, strong demand in our primary end markets, including analytical instrumentation, IVD and biotechnology as well as the FLI acquisition. Sales within our Gast platform increased in the second quarter of 2019 compared to the same period in 2018 primarily due to strength in new product sales. Sales within our Sealing Solutions platform decreased in the second quarter of 2019 compared to the same period in 2018 primarily as a result of weakness in the semiconductor and automotive end markets. Sales within our Micropump platform decreased in the second quarter of 2019 compared to the same period in 2018 due to weakness in the core printing and hemodialysis end markets. Sales within our Material Processing Technologies platform decreased slightly in the second quarter of 2019 compared to the same period in 2018 primarily due to timing of projects and unfavorable foreign currency translation.

Operating income of $56.8 million and operating margin of 24.4% in the second quarter of 2019 were higher than the $52.6 million and 23.1%, respectively, recorded during the same period in 2018, primarily due to higher volume and lower amortization, partially offset by higher engineering investments.

Fire & Safety/Diversified Products Segment

(In thousands)	Three Months Ended June 30,	
	2019	2018
Net sales	$ 164,043	$ 164,300
Operating income	43,614	45,882
Operating margin	26.6%	27.9%

Sales of $164.0 million were relatively flat in the second quarter of 2019 compared to the same period in 2018. This reflects a 3% increase in organic sales offset by a 3% unfavorable impact from foreign currency translation. In the second quarter of 2019, sales increased 4% domestically and decreased 4% internationally compared to the same period in 2018. Sales to customers outside the U.S. were approximately 52% of total segment sales in the second quarter of 2019 compared to 54% during the same period in 2018.

Sales within our Dispensing platform decreased in the second quarter of 2019 compared to the same period in 2018 primarily due to large projects in the U.S. from 2018 not repeating in 2019, weakness in Asian markets and unfavorable foreign currency translation. Sales within our Band-It platform increased in the second quarter of 2019 compared to the same period in 2018 due to strength in the aerospace market. Sales within our Fire & Safety platform increased in the second quarter of 2019 compared to the same period in 2018 due to strong demand for core pump/modules with OEMs.

Operating income $43.6 million and operating margin of 26.6% in the second quarter of 2019 were lower than the $45.9 million and 27.9%, respectively, recorded during the same period in 2018, mainly due to product mix and higher engineering investments.

Consolidated Results for the Six Months Ended June 30, 2019 Compared with the Same Period in 2018

(In thousands)	Six Months Ended June 30,	
	2019	2018
Net sales	$ 1,264,330	$ 1,246,684
Operating income	303,065	284,514
Operating margin	24.0%	22.8%

For the six months ended June 30, 2019, Fluid & Metering Technologies contributed 39% of sales, 43% of operating income and 42% of EBITDA; Health & Science Technologies contributed 36% of sales, 32% of operating income and 34% of EBITDA; and Fire & Safety/Diversified Products contributed 25% of sales, 25% 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 first six months of 2019 were $1,264.3 million, which was a 1% increase compared to the same period in 2018. This reflects a 3% increase in organic sales, partially offset by a 2% unfavorable impact from foreign currency translation. Sales to customers outside the U.S. represented approximately 50% of total sales in the first six months of 2019 compared to 51% during the same period in 2018.

Gross profit of $576.2 million in the first six months of 2019 increased $12.2 million, or 2%, compared to the same period in 2018, while gross margin of 45.6% in the first six months of 2019 increased 40 basis points from 45.2% during the same period in 2018. Both gross profit and margin increased compared to the prior year period primarily due to price, volume leverage and productivity initiatives, partially offset by higher engineering costs.

Selling, general and administrative expenses decreased to $271.0 million in the first six months of 2019 from $275.9 million during the same period in 2018, primarily due to lower amortization and variable compensation costs in 2019 as well as the stamp duty charge in 2018. Corporate costs decreased to $37.8 million in the first six months of 2019 compared to $42.1 million during the same period in 2018 primarily due to lower amortization and variable compensation costs in 2019 as well as the stamp duty charge in 2018. As a percentage of sales, selling, general and administrative expenses were 21.4% for the first six months of 2019, down 70 basis points compared to 22.1% during the same period in 2018.

The Company incurred $2.1 million of restructuring expenses in the first six months of 2019 compared with $3.6 million during the same period in 2018. The restructuring expenses were part of 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.

Operating income of $303.1 million and operating margin of 24.0% in the first six months of 2019 were up from the $284.5 million and 22.8%, respectively, recorded during the same period in 2018. The increases in operating income and operating margin are primarily due to gross margin expansion and lower selling, general and administrative expenses.

Other (income) expense - net was $0.5 million of income in the first six months of 2019 compared to $4.5 million of income during the same period in 2018, primarily due to foreign currency transaction gains in 2018 that did not repeat in 2019.

Interest expense of $21.9 million in the first six months of 2019 was essentially flat compared to the same period in 2018.

The provision for income taxes decreased to $58.2 million in the first six months of 2019 compared to $60.8 million during the same period in 2018. The effective tax rate decreased to 20.7% in the first six months of 2019 compared to 22.8% during the same period in 2018 due to an increase in foreign tax credits as a result of U.S. Treasury proposed regulations issued related to Global Intangible Low-Taxed Income ("GILTI"), discrete income tax expense in the first quarter of 2018 related to IRS Revenue Procedure 2018-17 and IRS Notice 2018-26 and the mix of global pre-tax income among jurisdictions.

Net income of $223.5 million in the first six months of 2019 increased from $206.1 million during the same period in 2018. Diluted earnings per share of $2.92 in the first six months of 2019 increased $0.27, or 10%, compared to the same period in 2018.

Fluid & Metering Technologies Segment

(In thousands)	Six Months Ended June 30,	
	2019	2018
Net sales	$ 488,711	$ 475,133
Operating income	146,012	137,394
Operating margin	29.9%	28.9%

Sales of $488.7 million increased $13.6 million, or 3%, in the first six months of 2019 compared to the same period in 2018. This reflects a 5% increase in organic sales, partially offset by a 2% unfavorable impact from foreign currency translation. In the first six months of 2019, sales increased 2% domestically and 4% internationally compared to the same period in 2018. Sales to customers outside the U.S. were approximately 43% of total segment sales in both the first six months of 2019 and 2018.

Sales within our Pumps platform increased in the first six months of 2019 compared to the same period in 2018 due to strength in OEM activity and LACT projects. Sales within our Valves platform increased in the first six months of 2019 compared to the same period in 2018 primarily due to strong demand within the chemical end market. Sales within our Water platform increased

in the first six months of 2019 compared to the same period in 2018 due to increased project demand domestically and in Asia. Sales within our Energy platform increased in the first six months of 2019 compared to the same period in 2018 primarily as a result of new product launches along with a favorable North American aviation market. Sales within our Agriculture platform decreased in the first six months of 2019 compared to the same period in 2018 due to decreased demand across both OEM and distribution channels in North America and Europe.

Operating income of $146.0 million and operating margin of 29.9% in the first six months of 2019 were higher than the $137.4 million and 28.9%, respectively, recorded in the first six months of 2018, primarily due to higher volume and productivity initiatives.

Health & Science Technologies Segment

(In thousands)	Six Months Ended June 30,	
	2019	2018
Net sales	$ 457,543	$ 448,478
Operating income	110,917	104,375
Operating margin	24.2%	23.3%

Sales of $457.5 million increased $9.1 million, or 2%, in the first six months of 2019 compared to the same period in 2018. This reflects a 3% increase in organic sales and a 1% increase from an acquisition (FLI - July 2018), partially offset by a 2% unfavorable impact from foreign currency translation. In the first six months of 2019, sales increased 7% domestically and decreased 2% internationally compared to the same period in 2018. Sales to customers outside the U.S. were approximately 55% of total segment sales in the first six months of 2019 compared to 57% during the same period in 2018.

Sales within our Scientific Fluidics & Optics platform increased in the first six months of 2019 compared to the same period in 2018 due to new product introductions, increased demand for IVD, biotechnology, DNA sequencing and defense and the FLI acquisition. Sales within our Gast platform increased in the first six months of 2019 compared to the same period in 2018 primarily due to new product introductions in the food and beverage market. Sales within our Material Processing Technologies platform decreased in the first six months of 2019 compared to the same period in 2018 primarily due to timing of large projects in 2019 as compared to 2018. Sales within our Sealing Solutions platform decreased in the first six months of 2019 compared to the same period in 2018 due to market softness in the semiconductor and automotive end markets. Sales within our Micropump platform decreased in the first six months of 2019 compared to the same period in 2018 due to industrial distribution softness.

Operating income of $110.9 million and operating margin of 24.2% in the first six months of 2019 were higher than the $104.4 million and 23.3%, respectively, recorded during the same period in 2018, primarily due to lower amortization, partially offset by higher engineering investments.

Fire & Safety/Diversified Products Segment

(In thousands)	Six Months Ended June 30,	
	2019	2018
Net sales	$ 320,202	$ 323,473
Operating income	83,942	85,436
Operating margin	26.2%	26.4%

Sales of $320.2 million decreased $3.3 million, or 1%, in the first six months of 2019 compared to the same period in 2018. This reflects a 2% increase in organic sales offset by a 3% unfavorable impact from foreign currency translation. In the first six months of 2019, sales increased 4% domestically and decreased 5% internationally compared to the same period in 2018. Sales to customers outside the U.S. were approximately 52% of total segment sales in the first six months of 2019 compared with 54% during the same period in 2018.

Sales within our Dispensing platform decreased in the first six months of 2019 compared to the same period in 2018 due to large projects in the U.S. from 2018 not repeating in 2019. Sales within our BAND-IT platform increased in the first six months of 2019 compared to the same period in 2018 due to strength in the aerospace market. Sales within our Fire & Safety platform increased in the first six months of 2019 compared to the same period in 2018 primarily due to elevated OEM backlog and strong demand for rescue tools across all geographies.

Operating income of $83.9 million and operating margin of 26.2% in the first six months of 2019 were lower than the $85.4 million and 26.4%, respectively, recorded during the same period in 2018, primarily due to higher engineering investments.

Liquidity and Capital Resources

Operating Activities

Cash flows from operating activities for the first six months of 2019 increased $27.4 million, or 14%, to $219.8 million compared to the first six months of 2018 due to higher earnings and favorable operating working capital. At June 30, 2019, working capital was $855.1 million and the Company's current ratio was 3.4 to 1. At June 30, 2019, the Company's cash and cash equivalents totaled $543.2 million, of which $341.2 million was held outside of the United States.

Investing Activities

Cash flows used in investing activities for the first six months of 2019 decreased $1.4 million to $24.5 million compared to the same period in 2018 primarily due to proceeds from the disposal of fixed assets.

Cash flows from operations were more than adequate to fund capital expenditures of $25.7 million and $21.0 million in the first six months of 2019 and 2018, respectively. Capital expenditures were generally for machinery and equipment that supported growth, improved productivity, tooling, business system technology, replacement of equipment and investments in new facilities. Management believes that the Company has ample capacity in its plants and equipment to meet demand increases for future growth in the intermediate term.

Financing Activities

Cash flows used in financing activities for the first six months of 2019 were $118.6 million compared to $72.0 million during the same period in 2018, primarily as a result of higher share repurchases and dividends paid in 2019.

On June 13, 2016, the Company completed a private placement of a $100 million aggregate principal amount of 3.20% Senior Notes due June 13, 2023 and a $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 13th and December 13th. 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 the 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 the Notes by making an offer to all holders of the Notes, subject to certain conditions.

On May 31, 2019, 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 consists of a revolving credit facility (the "Revolving Facility"), which is an $800.0 million unsecured, multi-currency bank credit facility expiring on May 30, 2024. The Credit Agreement replaces the Company's existing five-year, $700 million credit agreement, dated as of June 23, 2015, which was due to expire in June 2020. At June 30, 2019, there was no balance outstanding under the Revolving Facility and $9.1 million of outstanding letters of credit, resulting in a net available borrowing capacity under the Revolving Facility of $790.9 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 better of the Company's senior, unsecured, long-term debt rating or the Company's applicable leverage ratio. Interest is payable (a) in the case of base rate loans, quarterly, and (b) in the case of LIBOR rate loans, on the last day of the applicable interest period selected, or every three months from the effective date of such interest period for interest periods exceeding three months. 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 $400 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 under the Credit Agreement.

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 3.00 to 1 and a maximum leverage ratio of 3.50 to 1. In the case of the leverage ratio, there is an option to increase the ratio to 4.00 for 12 months in connection with certain acquisitions. At June 30, 2019, the Company was in compliance with both of these financial covenants, as the Company's interest coverage ratio was 15.98 to 1 and

the leverage ratio was 1.25 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 an increase of $300.0 million in the authorized level for repurchases of common stock. This followed the prior Board of Directors approved repurchase authorization of $400.0 million that was announced by the Company on November 6, 2014. Repurchases under the program will be funded with future cash flow generation or borrowings available under the Revolving Facility. During the six months ended June 30, 2019, the Company repurchased a total of 389 thousand shares at a cost of $54.7 million. During the six months ended June 30, 2018, the Company repurchased a total of 147 thousand shares at a cost of $20.5 million, of which $1.0 million settled in July 2018. As of June 30, 2019, the amount of share repurchase authorization remaining is $322.3 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 and principal payments on all borrowings, pension and postretirement funding requirements, authorized share repurchases and annual dividend payments to holders of the Company's common stock for the remainder of 2019. 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, EBITDA and Adjusted EBITDA to the comparable measures of net income and operating income, as determined in accordance with U.S. GAAP. We have reconciled Adjusted operating income to Operating income; Adjusted net income to Net income; Adjusted EPS to EPS; and consolidated EBITDA, segment EBITDA, Adjusted EBITDA and Adjusted 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 from 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 that EBITDA margin is useful for the same reason as EBITDA. EBITDA is also used to calculate certain financial covenants, as discussed in Note 10 in the Notes to Condensed Consolidated Financial Statements in Part I, Item 1, "Financial Statements."

This report references organic sales, a non-GAAP measure, that refers to sales from continuing operations calculated according to U.S. GAAP but excludes (1) the impact of foreign currency translation and (2) sales from acquired or divested businesses during the first twelve months of ownership or divestiture. 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, Adjusted EBITDA 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 the Change in Net Sales to Organic Net Sales

	Three Months Ended June 30, 2019			
	FMT	**HST**	**FSDP**	**IDEX**
Change in net sales	1 %	2 %	— %	1 %
- Impact from acquisitions/divestitures	— %	1 %	— %	— %
- Impact from foreign currency	(2)%	(2)%	(3)%	(2)%
Change in organic net sales	3 %	3 %	3 %	3 %

	Six Months Ended June 30, 2019			
	FMT	**HST**	**FSDP**	**IDEX**
Change in net sales	3 %	2 %	(1)%	1 %
- Impact from acquisitions/divestitures	— %	1 %	— %	— %
- Impact from foreign currency	(2)%	(2)%	(3)%	(2)%
Change in organic net sales	5 %	3 %	2 %	3 %

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

(dollars in thousands)	Three Months Ended June 30, 2019				
	FMT	**HST**	**FSDP**	**Corporate**	**IDEX**
Reported operating income (loss)	$ 74,146	$ 56,763	$ 43,614	$ (19,240)	$ 155,283
+ Restructuring expenses	930	330	819	47	2,126
Adjusted operating income (loss)	$ 75,076	$ 57,093	$ 44,433	$ (19,193)	$ 157,409
Net sales (eliminations)	$ 246,189	$ 232,253	$ 164,043	$ (386)	$ 642,099
Operating margin	30.1%	24.4%	26.6%	n/m	24.2%
Adjusted operating margin	30.5%	24.6%	27.1%	n/m	24.5%

	Three Months Ended June 30, 2018				
	FMT	**HST**	**FSDP**	**Corporate**	**IDEX**
Reported operating income (loss)	$ 71,228	$ 52,569	$ 45,882	$ (21,848)	$ 147,831
+ Restructuring expenses	343	1,123	267	255	1,988
Adjusted operating income (loss)	$ 71,571	$ 53,692	$ 46,149	$ (21,593)	$ 149,819
Net sales (eliminations)	$ 242,800	$ 227,403	$ 164,300	$ (143)	$ 634,360
Operating margin	29.3%	23.1%	27.9%	n/m	23.3%
Adjusted operating margin	29.5%	23.6%	28.1%	n/m	23.6%

	Six Months Ended June 30, 2019				
	FMT	HST	FSDP	Corporate	IDEX
Reported operating income (loss)	$ 146,012	$ 110,917	$ 83,942	$ (37,806)	$ 303,065
+ Restructuring expenses	930	330	819	47	2,126
Adjusted operating income (loss)	$ 146,942	$ 111,247	$ 84,761	$ (37,759)	$ 305,191
Net sales (eliminations)	$ 488,711	$ 457,543	$ 320,202	$ (2,126)	$ 1,264,330
Operating margin	29.9%	24.2%	26.2%	n/m	24.0%
Adjusted operating margin	30.1%	24.3%	26.5%	n/m	24.1%

	Six Months Ended June 30, 2018				
	FMT	HST	FSDP	Corporate	IDEX
Reported operating income (loss)	$ 137,394	$ 104,375	$ 85,436	$ (42,691)	$ 284,514
+ Restructuring expenses	486	2,182	367	595	3,630
Adjusted operating income (loss)	$ 137,880	$ 106,557	$ 85,803	$ (42,096)	$ 288,144
Net sales (eliminations)	$ 475,133	$ 448,478	$ 323,473	$ (400)	$ 1,246,684
Operating margin	28.9%	23.3%	26.4%	n/m	22.8%
Adjusted operating margin	29.0%	23.8%	26.5%	n/m	23.1%

3. Reconciliations of Reported-to-Adjusted Net Income and EPS

(in thousands, except EPS)	Three Months Ended June 30,		Six Months Ended June 30,	
	2019	2018	2019	2018
Reported net income	$ 113,209	$ 107,126	$ 223,477	$ 206,084
+ Restructuring expenses	2,126	1,988	2,126	3,630
+ Tax impact on restructuring expenses	(560)	(494)	(560)	(873)
Adjusted net income	$ 114,775	$ 108,620	$ 225,043	$ 208,841

	Three Months Ended June 30,		Six Months Ended June 30,	
	2019	2018	2019	2018
Reported EPS	$ 1.48	$ 1.38	$ 2.92	$ 2.65
+ Restructuring expenses	0.03	0.03	0.03	0.05
+ Tax impact on restructuring expenses	(0.01)	(0.01)	(0.01)	(0.01)
Adjusted EPS	$ 1.50	$ 1.40	$ 2.94	$ 2.69
Diluted weighted average shares	76,387	77,704	76,334	77,722

4. Reconciliations of EBITDA to Net Income

(dollars in thousands)	Three Months Ended June 30, 2019				
	FMT	HST	FSDP	Corporate	IDEX
Operating income (loss)	$ 74,146	$ 56,763	$ 43,614	$ (19,240)	$ 155,283
- Other (income) expense - net	239	80	(140)	(557)	(378)
+ Depreciation and amortization	5,640	9,635	3,717	172	19,164
EBITDA	79,547	66,318	47,471	(18,511)	174,825
- Interest expense					11,011
- Provision for income taxes					31,441
- Depreciation and amortization					19,164
Net income					$ 113,209
Net sales (eliminations)	$ 246,189	$ 232,253	$ 164,043	$ (386)	$ 642,099
Operating margin	30.1%	24.4%	26.6%	n/m	24.2%
EBITDA margin	32.3%	28.6%	28.9%	n/m	27.2%

	Three Months Ended June 30, 2018				
	FMT	HST	FSDP	Corporate	IDEX
Operating income (loss)	$ 71,228	$ 52,569	$ 45,882	$ (21,848)	$ 147,831
- Other (income) expense - net	511	(463)	(45)	(53)	(50)
+ Depreciation and amortization	5,707	10,090	3,597	176	19,570
EBITDA	76,424	63,122	49,524	(21,619)	167,451
- Interest expense					11,140
- Provision for income taxes					29,615
- Depreciation and amortization					19,570
Net income					$ 107,126
Net sales (eliminations)	$ 242,800	$ 227,403	$ 164,300	$ (143)	$ 634,360
Operating margin	29.3%	23.1%	27.9%	n/m	23.3%
EBITDA margin	31.5%	27.8%	30.1%	n/m	26.4%

	Six Months Ended June 30, 2019				
	FMT	HST	FSDP	Corporate	IDEX
Operating income (loss)	$ 146,012	$ 110,917	$ 83,942	$ (37,806)	$ 303,065
- Other (income) expense - net	317	364	365	(1,564)	(518)
+ Depreciation and amortization	11,146	19,142	7,179	356	37,823
EBITDA	156,841	129,695	90,756	(35,886)	341,406
- Interest expense					21,932
- Provision for income taxes					58,174
- Depreciation and amortization					37,823
Net income					$ 223,477
Net sales (eliminations)	$ 488,711	$ 457,543	$ 320,202	$ (2,126)	$ 1,264,330
Operating margin	29.9%	24.2%	26.2%	n/m	24.0%
EBITDA margin	32.1%	28.3%	28.3%	n/m	27.0%

	Six Months Ended June 30, 2018				
	FMT	HST	FSDP	Corporate	IDEX
Operating income (loss)	$ 137,394	$ 104,375	$ 85,436	$ (42,691)	$ 284,514
- Other (income) expense - net	645	(1,060)	(3,666)	(418)	(4,499)
+ Depreciation and amortization	11,401	21,479	7,371	373	40,624
EBITDA	148,150	126,914	96,473	(41,900)	329,637
- Interest expense					22,140
- Provision for income taxes					60,789
- Depreciation and amortization					40,624
Net income					$ 206,084
Net sales (eliminations)	$ 475,133	$ 448,478	$ 323,473	$ (400)	$ 1,246,684
Operating margin	28.9%	23.3%	26.4%	n/m	22.8%
EBITDA margin	31.2%	28.3%	29.8%	n/m	26.4%

5. Reconciliations of EBITDA to Adjusted EBITDA

(dollars in thousands)	Three Months Ended June 30, 2019				
	FMT	HST	FSDP	Corporate	IDEX
EBITDA	$ 79,547	$ 66,318	$ 47,471	$ (18,511)	$ 174,825
+ Restructuring expenses	930	330	819	47	2,126
Adjusted EBITDA	$ 80,477	$ 66,648	$ 48,290	$ (18,464)	$ 176,951
Adjusted EBITDA margin	32.7%	28.7%	29.4%	n/m	27.6%

	Three Months Ended June 30, 2018				
	FMT	HST	FSDP	Corporate	IDEX
EBITDA	$ 76,424	$ 63,122	$ 49,524	$ (21,619)	$ 167,451
+ Restructuring expenses	343	1,123	267	255	1,988
Adjusted EBITDA	$ 76,767	$ 64,245	$ 49,791	$ (21,364)	$ 169,439
Adjusted EBITDA margin	31.6%	28.3%	30.3%	n/m	26.7%

	Six Months Ended June 30, 2019				
	FMT	HST	FSDP	Corporate	IDEX
EBITDA	$ 156,841	$ 129,695	$ 90,756	$ (35,886)	$ 341,406
+ Restructuring expenses	930	330	819	47	2,126
Adjusted EBITDA	$ 157,771	$ 130,025	$ 91,575	$ (35,839)	$ 343,532
Adjusted EBITDA margin	32.3%	28.4%	28.6%	n/m	27.2%

	Six Months Ended June 30, 2018				
	FMT	HST	FSDP	Corporate	IDEX
EBITDA	$ 148,150	$ 126,914	$ 96,473	$ (41,900)	$ 329,637
+ Restructuring expenses	486	2,182	367	595	3,630
Adjusted EBITDA	$ 148,636	$ 129,096	$ 96,840	$ (41,305)	$ 333,267
Adjusted EBITDA margin	31.3%	28.8%	29.9%	n/m	26.7%

6. Reconciliations of Cash Flows from Operating Activities to Free Cash Flow

(dollars in thousands)	Three Months Ended June 30,		Six Months Ended June 30,	
	2019	2018	2019	2018
Cash flows from operating activities	$ 131,175	$ 120,697	$ 219,838	$ 192,426
- Capital expenditures	12,867	10,959	25,742	20,968
Free cash flow	$ 118,308	$ 109,738	$ 194,096	$ 171,458

Critical Accounting Policies

As discussed in the Annual Report on Form 10-K for the year ended December 31, 2018, the preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and judgments that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities, and reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates. See Part 1, Notes to the Condensed Consolidated Financial Statements, Note 1 Basis of Presentation and Significant Accounting Policies. The adoption of recent accounting standards as described in Note 1 had a material impact on our condensed consolidated balance sheet due to the recognition of right of use assets and lease liabilities but did not have and is not expected to have a material impact on our condensed consolidated results of operations or cash flows. Aside from recent accounting standards adopted as described in Note 1, there have been no changes to the Company's critical accounting policies described in the Annual Report on Form 10-K for the year ended December 31, 2018 that have a material impact on our condensed consolidated financial statements.

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, describes the 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 financial or commodity derivative 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. As of June 30, 2019, the Company did not have any derivative instruments outstanding.

Foreign Currency Exchange Rates

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

Interest Rate Fluctuation

The Company does not have significant interest rate exposure due to substantially all of the $849.0 million of debt outstanding as of June 30, 2019 being 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 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 June 30, 2019, 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 control over financial reporting.

PART II. OTHER INFORMATION

Item 1. *Legal Proceedings*

The Company and its subsidiaries are party to legal proceedings as described in Note 19 in Part I, Item 1, "Legal Proceedings," and such disclosure is incorporated by reference into this Item 1, "Legal Proceedings." In addition, 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 and the United Kingdom. Most of the claims resolved to date have been dismissed without payment. The balance of the claims have been settled for various immaterial 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.

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 June 30, 2019:

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]
April 1, 2019 to April 30, 2019	19,143	$ 154.73	19,143	$ 322,342,564
May 1, 2019 to May 31, 2019	—	—	—	322,342,564
June 1, 2019 to June 30, 2019	—	—	—	322,342,564
Total	19,143	$ 154.73	19,143	$ 322,342,564

(1) On December 1, 2015, the Company's Board of Directors approved an increase of $300.0 million in the authorized level of repurchases of common stock. This followed the prior Board of Directors approved repurchase authorization of $400.0 million that was announced by the Company on November 6, 2014. These authorizations have no expiration date.

Item 6. ***Exhibits.***

Exhibit Number	Description
10.1	Credit Agreement, dated as of May 31, 2019, by and among IDEX Corporation and certain of its subsidiaries, as borrowers, Bank of America, N.A., as administrative agent, swing line lender and an issuer of letters of credit; JPMorgan Chase Bank, N.A. and Wells Fargo Bank, National Association, as co-syndication agents and issuers of letters of credit; HSBC Bank USA, National Association, Mizuho Bank, Ltd., PNC Bank, National Association, and U.S. Bank, National Association, as co-documentation agents, and the other lenders and financial institutions party thereto (incorporated by reference to Exhibit No. 10.1 to the Current Report of IDEX on Form 8-K filed June 4, 2019, Commission File No. 1-10235)
*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 June 30, 2019 formatted in Inline XBRL (Extensible Business Reporting Language) includes: (i) the Condensed Consolidated Balance Sheets, (ii) the Condensed Consolidated Statements of Operations, (iii) the Condensed Consolidated Statements of Comprehensive Income, (iv) the Condensed Consolidated Statements of Shareholders' Equity, (v) the Condensed Consolidated Statements of Cash Flows, and (vi) Notes to the Condensed Consolidated Financial Statements.
*104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101).

* Filed herewith

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: July 26, 2019

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: July 26, 2019

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: July 26, 2019

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 June 30, 2019 (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: July 26, 2019

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 June 30, 2019 (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: July 26, 2019