



IDEX Corporation (IEX)

Updated August 4th, 2025, by Kody Kester

Key Metrics

Current Price:	\$158	5 Year CAGR Estimate:	15.2%	Market Cap:	\$11.9B
Fair Value Price:	\$207	5 Year Growth Estimate:	8.0%	Ex-Dividend Date:	10/10/25 ¹
% Fair Value:	77%	5 Year Valuation Multiple Estimate:	5.5%	Dividend Payment Date:	10/24/25 ¹
Dividend Yield:	1.8%	5 Year Price Target	\$304	Years Of Dividend Growth:	16
Dividend Risk Score:	B	Sector:	Industrials	Rating:	Buy

Overview & Current Events

Founded in 1987, IDEX Corporation (IEX) is a company that sells industrial products in over 100 countries around the world. IEX operates the following three segments:

1. **Fluid & Metering Technologies (FMT):** The FMT segment designs, produces, and distributes flow meters, injectors, small volume provers, positive displacement pumps, and valves. Through the first half of 2025, this segment accounted for ~42% of IEX's \$1.68 billion in total net sales.
2. **Health & Science Technologies (HST):** The HST segment designs, produces, and distributes powder and liquid processing technologies, drying systems, biocompatible medical devices and implantables, optical components and coatings, and laboratory and commercial equipment. This segment comprised ~36% of the company's total net sales in H1 2025.
3. **Fire & Safety/Diversified Products (FSDP):** The FSDP segment designs, produces, and distributes firefighting pumps, valves and controls, lifting bags, and rescue tools. In the first half of 2025, this segment made up the remaining ~22% of IEX's total net sales.

IEX is also reasonably active on the M&A front. Acquisitions in recent years include Mott Corporation and STC Material Solutions. The former was acquired last September and bolstered its position in health and science technologies. The latter acquisition was completed in December 2023 and built on its materials science portfolio.

On July 30th, IDEX released its earnings report for the second quarter ended June 30th, 2025. The company's net sales grew by 7.2% year-over-year to \$865.4 million in the quarter. Once again, the acquisition of Mott Corporation last September was the biggest driver of this topline growth during the quarter. Organic sales grew by 1% over the year-ago period, which was the result of price increases across all three of its segments for the quarter. Strength in businesses serving data centers, aerospace, defense, and pharmaceutical customers more than offset continued weakness within semiconductor and automotive in the quarter. IEX's adjusted diluted EPS edged 0.5% higher year-over-year to \$2.07 during the quarter. This exceeded the analyst consensus for the quarter by \$0.08.

Growth on a Per-Share Basis

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2030
EPS	\$3.55	\$3.75	\$4.31	\$5.41	\$5.80	\$5.19	\$6.87	\$8.12	\$8.22	\$7.89	\$7.95	\$11.68
DPS	\$1.24	\$1.34	\$1.45	\$1.66	\$1.93	\$2.00	\$2.12	\$2.34	\$2.52	\$2.71	\$2.84	\$3.98
Shares²	76.5	76.4	76.7	76.0	76.1	76.0	76.2	75.6	75.7	75.9	75.3	74.9

Since 2015, IEX's adjusted diluted EPS has compounded by approximately 9%. Moving forward, we believe that IEX can deliver 8% adjusted diluted EPS growth off an anticipated 2025 base of \$7.95. That's because IEX can grow organically over the medium term. The company also operates in fragmented industries, which should give it room to execute bolt-on acquisitions for the foreseeable future to drive further growth.

¹ Estimate based on past dividend dates.

² Share count is in millions.



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Valuation Analysis

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	Now	2030
Avg. P/E	21.6	24.0	30.6	23.3	29.7	38.4	34.4	28.1	26.4	26.2	19.9	26.0
Avg. Yld.	1.6%	1.5%	1.1%	1.3%	1.1%	1.0%	0.9%	1.0%	1.2%	1.3%	1.8%	1.3%

In the past decade, IEX's P/E ratio has varied from as low as the low 20s to as high as the upper 30s. Over that time, the average P/E ratio was around 28. IEX's growth prospects are comparable to recent years, too. That's why we continue to believe that a P/E ratio of 26 approximates fair value for the stock. Relative to the current valuation multiple of 19.9, this suggests a sizable discount to fair value.

Safety, Quality, Competitive Advantage, & Recession Resiliency

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2030
Payout	35%	36%	34%	31%	33%	39%	31%	29%	31%	34%	36%	34%

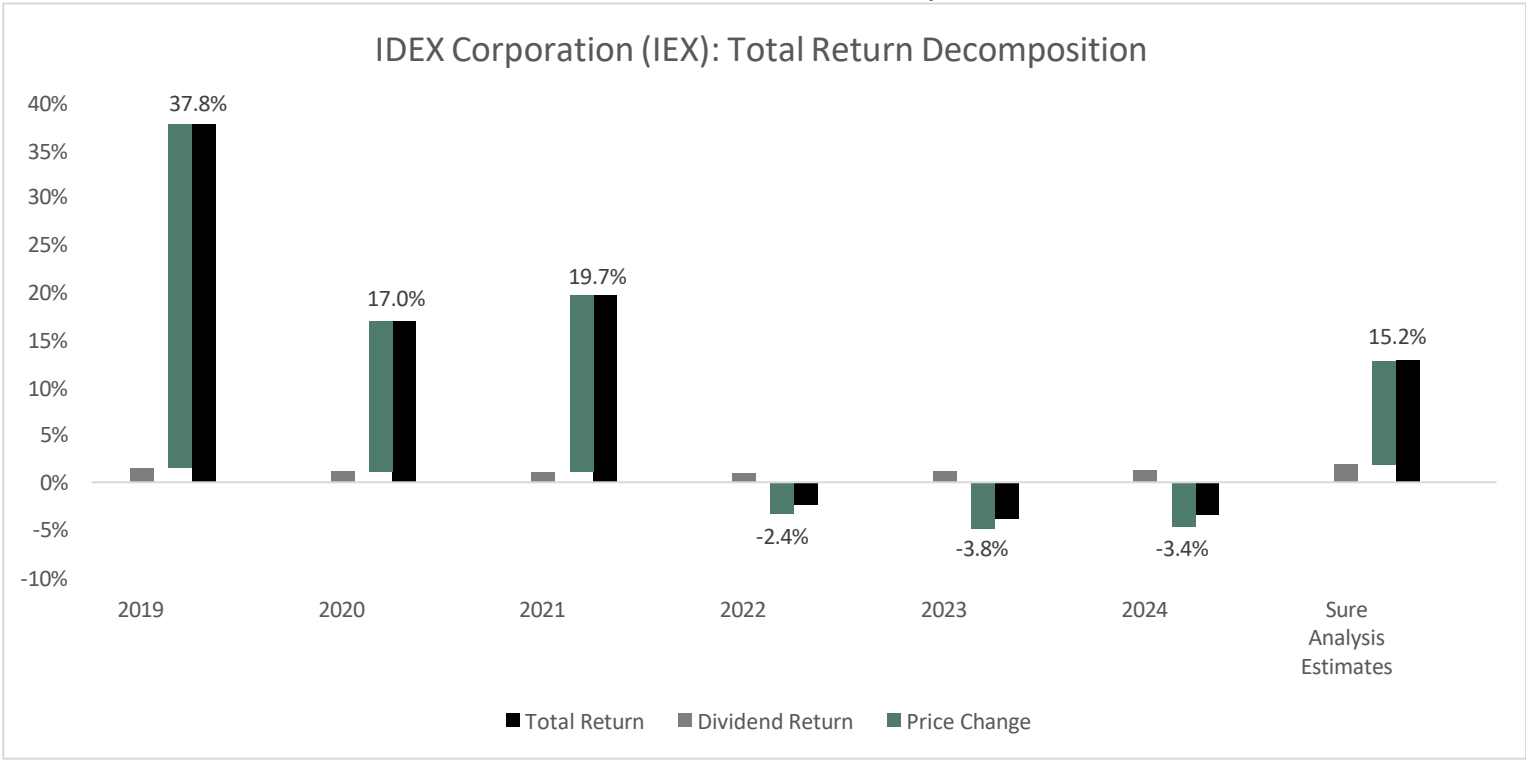
IEX generally operates in fragmented niches in growing markets. Additionally, these businesses tend to be first or second in their respective markets. That has led to consistent earnings growth over the years.

IEX's balance sheet is also strong, with a BBB credit rating from S&P on a stable outlook. This also positions IEX for more M&A in the future. The company's dividend is well-covered, too. IEX's payout ratio is set to be in the mid- to high-30% range for 2025. That's why we think the company can build on its 16-year dividend growth streak with high-single-digit percentage dividend growth for the foreseeable future.

Final Thoughts & Recommendation

IEX's 1.8% yield, 8.0% annual adjusted diluted EPS growth prospects, and 5.5% annual valuation multiple expansion potential could generate 15.2% annual total returns through 2030. As a result, we're maintaining our Buy rating.

Total Return Breakdown by Year



Disclosure: This analyst has no position in the security discussed in this research report, and no plans to initiate one in the next 72 hours.



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Income Statement Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenue	2,021	2,113	2,287	2,484	2,495	2,352	2,765	3,182	3,274	3,269
Gross Profit	904	931	1,027	1,118	1,125	1,027	1,225	1,427	1,447	1,445
Gross Margin	44.8%	44.0%	44.9%	45.0%	45.1%	43.7%	44.3%	44.8%	44.2%	44.2%
SG&A Exp.	474	492	525	537	525	495	578	653	704	759
D&A Exp.	78	87	84	78	77	84	103	120	152	176
Operating Profit	430	438	502	581	600	533	646	774	743	687
Op. Margin	21.3%	20.7%	21.9%	23.4%	24.1%	22.6%	23.4%	24.3%	22.7%	21.0%
Net Profit	283	271	337	411	426	378	449	587	596	505
Net Margin	14.0%	12.8%	14.7%	16.5%	17.1%	16.1%	16.3%	18.4	18.2%	15.4%
Free Cash Flow	317	362	389	419	477	518	493	489	627	603
Income Tax	110	97	118	118	107	93	131	163	165	135

Balance Sheet Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Total Assets	2,805	3,155	3,400	3,474	3,814	4,414	4,917	5,512	5,865	6,745
Cash & Equivalents	328	236	376	466	633	1,026	855	430	534	621
Acc. Receivable	262	275	298	314	298	288	355	431	419	466
Inventories	239	253	260	280	293	290	370	471	421	430
Goodwill & Int.	1,684	2,068	2,119	2,081	2,168	2,311	2,765	3,586	3,850	4,537
Total Liabilities	1,362	1,611	1,513	1,479	1,551	1,874	2,114	2,472	2,324	2,951
Accounts Payable	129	129	147	143	138	152	179	209	180	198
Long-Term Debt	841	1,015	859	849	849	1,045	1,190	1,469	1,326	1,860
Total Equity	1,443	1,544	1,887	1,995	2,263	2,540	2,803	3,039	3,541	3,794
LTD/E Ratio	0.58	0.66	0.46	0.43	0.38	0.41	0.42	0.48	0.37	0.49

Profitability & Per Share Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Return on Assets	9.9%	9.1%	10.3%	11.9%	11.7%	9.2%	9.6%	11.3%	10.5%	8.0%
Return on Equity	19.3%	18.2%	19.7%	21.2%	20.0%	15.7%	16.8%	20.1%	18.1%	13.8%
ROIC	12.2%	11.2%	12.7%	14.7%	14.3%	11.3%	11.9%	13.8%	12.7%	9.5%
Shares Out.	77	76	77	76	76	76	76	76	76	76
Revenue/Share	25.92	27.53	29.58	32.02	32.61	30.78	36.19	41.87	43.13	43.01
FCF/Share	4.06	4.71	5.03	5.41	6.24	6.78	6.45	6.44	8.26	7.93

Note: All figures in millions of U.S. Dollars unless per share or indicated otherwise.

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