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IDEX CORP /DE/
Form 10-K405
March 04, 2002

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-K

(MARK ONE)

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

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2001

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

FOR THE TRANSITION PERIOD FROM
----- TO

COMMISSION FILE NUMBER 1-10235

IDEX CORPORATION
(Exact Name of Registrant as Specified in its Charter)

DELAWARE
(State or other jurisdiction of
incorporation or organization)

36-3555336
(I.R.S. Employer
Identification No.)

630 DUNDEE ROAD,
NORTHBROOK, ILLINOIS
(Address of principal executive offices)

60062
(Zip Code)

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

SECURITIES REGISTERED PURSUANT TO SECTION 12(b) OF THE ACT:

TITLE OF EACH CLASS

NAME OF EACH EXCHANGE ON WHICH REGISTERED

COMMON STOCK, PAR VALUE \$.01 PER SHARE

NEW YORK STOCK EXCHANGE
CHICAGO STOCK EXCHANGE

SECURITIES REGISTERED PURSUANT TO SECTION 12(g) OF THE ACT: NONE

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

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registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. YES [X] NO []

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. [X]

The aggregate market value of the voting stock held by non-affiliates of IDEX Corporation as of December 31, 2001 was \$731,491,356.

The number of shares outstanding of IDEX Corporation's common stock, par value \$.01 per share (the "Common Stock"), as of January 31, 2002 was 30,748,819 (net of treasury shares).

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the 2001 Annual Report to Shareholders of IDEX Corporation (the "2001 Annual Report") are incorporated by reference into Parts I and II of this Form 10-K and portions of the definitive Proxy Statement of IDEX Corporation (the "2002 Proxy Statement") with respect to the 2002 annual meeting of shareholders are incorporated by reference into Part III of this Form 10-K.

PART I

ITEM 1. BUSINESS.

IDEX Corporation ("IDEX" or the "Company") manufactures an extensive array of proprietary, engineered industrial products sold to customers in a variety of industries around the world. The Company believes that each of its principal business units holds the number-one or number-two market share position in each unit's niche market. IDEX believes that its consistent financial performance has been attributable to the manufacture of quality proprietary products designed and engineered by the Company, coupled with its ability to identify and successfully integrate strategic acquisitions. IDEX consists of three reportable business segments: Pump Products Group, Dispensing Equipment Group, and Other Engineered Products Group.

PUMP PRODUCTS GROUP

The Pump Products Group designs, produces and distributes a wide variety of industrial pumps, compressors, flow meters and related controls for the movement of liquids, air and gases. The devices and equipment produced by this Group are used by a large and diverse set of industries, including chemical processing, machinery, water treatment, medical equipment, Liquid Petroleum distribution, oil and refining, and food and drug processing. In 2001, the six business units that comprised this group were Gast Manufacturing, Liquid Controls, Micropump, Pulsafeeder, Viking Pump, and Warren Rupp. The group accounted for 59% of sales and 61% of operating income in 2001, with 37% of sales shipped to customers outside the U.S.

Gast Manufacturing. Gast Manufacturing (Gast), acquired in 1998, is a leading manufacturer of air-moving products with an estimated one-third U.S. market share in air motors, low- and medium-range vacuum pumps, vacuum generators, regenerative blowers and fractional horsepower compressors. Gast's products are used in applications requiring a quiet, clean source of moderate vacuum or pressure. Gast's primary markets served are medical equipment, environmental equipment, computers and electronics, printing machinery, paint

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mixing machinery, packaging machinery, graphic arts and industrial manufacturing. Gast is based in Benton Harbor, Michigan, with an additional operation in England. Approximately 20% of Gast's 2001 sales were to customers outside the U.S.

Liquid Controls. Liquid Controls, acquired in January 2001, is a leading manufacturer of positive displacement flow meters and electronic registration and control products with an estimated one-third market share in its U.S. markets. Applications for its products include mobile and stationary metering installations for wholesale and retail distribution of petroleum and Liquid Petroleum gas, aviation refueling, and industrial metering and dispensing of liquids and gases. Liquid Controls is headquartered in Lake Bluff, Illinois, with additional operations in Italy and India. During 2001, the Company decided to operate its previously acquired Corken business unit as part of Liquid Controls. Corken, based in Oklahoma City, Oklahoma and acquired by IDEX in 1991, is a leading producer of positive displacement rotary vane pumps, single and multistage regenerative turbine pumps, and small horsepower reciprocating piston compressors. Approximately 50% of Liquid Controls' sales were to customers outside the U.S.

Micropump. Micropump, acquired in 1995, is a leader in small, precision-engineered, magnetically and electromagnetically driven rotary gear, piston and centrifugal pumps with an approximate 40% U.S. market share. Micropump's products are used in low-flow abrasive and corrosive applications. Micropump serves markets including printing machinery, medical equipment, chemical processing, pharmaceutical, refining, laboratory, electronics, pulp and paper, water treatment and textiles. Micropump has its headquarters facility in Vancouver, Washington, and also has operations in England. In April 2000, IDEX acquired Ismatec SA. Ismatec is a leading manufacturer of peristaltic metering pumps, analytic process controllers, and sample preparation systems. Headquartered near Zurich, Switzerland, the business operates as part of Micropump and provides Micropump with entry into scientific R&D markets including pharmaceutical, medical, biotech and institutional laboratory. In May 2000, IDEX acquired Trebor International, which also now operates as part of Micropump. Trebor is headquartered in Salt Lake City, Utah, and is a leader in high-purity fluid handling products, including air-operated diaphragm pumps and deionized water-heating systems. Its products

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are used to make semiconductors, disk drives and flat panel displays. Approximately 65% of Micropump's 2001 sales were to customers outside the U.S.

Pulsafeeder. Pulsafeeder, acquired in 1992, is a leading manufacturer of metering pumps, special purpose rotary pumps, peristaltic pumps, electronic controls and dispensing equipment with an estimated one-third U.S. market share. Pulsafeeder's products are used to introduce precise amounts of fluids into processes to manage water quality and chemical composition. Pulsafeeder's markets include water and wastewater treatment, power generation, pulp and paper, chemical and hydrocarbon processing and swimming pools. This business is headquartered in Rochester, New York, with additional operations in Punta Gorda, Florida. Knight Equipment International was acquired in 1997 and is operated as part of the Pulsafeeder business unit. Knight, headquartered in Lake Forest, California, also has additional operations in The Netherlands. Knight is a leading manufacturer of pumps and dispensing equipment for industrial laundries, commercial dishwashing and chemical metering. In 2001, approximately 30% of Pulsafeeder's sales were to customers outside the U.S.

Viking Pump. Viking Pump is one of the world's largest internal gear pump producers. In the U.S., it has an estimated 40% of the rotary gear pump market. Viking also produces lobe and metering pumps, strainers and reducers, and

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related controls. These products are used for transferring and metering thin and viscous liquids. Markets served by Viking include chemical, petroleum, pulp and paper, plastics, paints, inks, tanker trucks, compressor, construction, food, beverage, personal care, pharmaceutical and biotech. Viking operates two foundries that supply a majority of Viking's castings requirements and also sells a variety of castings to outside customers. Viking is based in Cedar Falls, Iowa, with additional operations in Canada, England and Ireland. Approximately 30% of Viking's 2001 sales were to customers outside the U.S.

Warren Rupp. Warren Rupp is a leading producer of double-diaphragm pumps, both air-operated and motor-driven, and accessories with an estimated 30% U.S. market share. Warren Rupp's products are used for abrasive and semisolid materials as well as for applications where product degradation is a concern or where electricity is not available or should not be used. This business serves markets including chemical, paint, food processing, electronics, construction, utilities, mining and industrial maintenance. Warren Rupp is based in Mansfield, Ohio, with additional operations in England. Blagdon Pump, located in England, was acquired in 1997 and is also operated as part of the Warren Rupp business unit. Versa-Matic Tool, Inc. (Versa-Matic) was acquired in June, 2001 and is operated as part of Warren Rupp. Headquartered in Export, Pennsylvania, Versa-Matic is a leading manufacturer and distributor of air-operated double-diaphragm pumps and pump replacement parts. Approximately 50% of Warren Rupp's sales were to customers located outside the U.S.

DISPENSING EQUIPMENT GROUP

The Dispensing Equipment Group produces highly engineered equipment for dispensing, metering and mixing colorants, paints, inks and dyes; refinishing equipment; and centralized lubrication systems. This proprietary equipment is used in a variety of retail and commercial industries around the world. These units provide equipment, systems, and service for applications such as tinting paints and coatings; providing industrial and automotive refinishing equipment; and the precise lubrication of machinery and transportation equipment. In 2001, the three business units that comprised this group were FAST, Fluid Management, and Lubriquip. The group accounted for 19% of sales and 14% of operating income in 2001, with 57% of sales shipped to customers outside the U.S.

FAST. The Company acquired FAST S.p.A. (FAST) in June, 1999. FAST is a leading European manufacturer of precision-designed tinting, mixing, dispensing and measuring equipment for refinishing, architectural and industrial paints, inks, dyes, pastes and other liquids. Management estimates that FAST has a 20% European share of the architectural and refinishing equipment markets. FAST's products are used for the precise and reliable reproduction of colors based on paint producers' formulas. Through architectural, refinishing and industrial paint producers, precision equipment is supplied to retail and commercial stores, home centers, and automotive body shops. Approximately 95% of FAST's sales in 2001 were to customers outside the U.S. FAST is based in Milan, Italy.

Fluid Management. Fluid Management, acquired in 1996, is the market leader in automatic and manually operated dispensing, metering and mixing equipment for the paints and coatings market with an

estimated 50% worldwide market share. Fluid Management's products are used for the precise blending of base paints, tints and colorants, and inks and dyes. Fluid Management's markets include retail and commercial paint stores, hardware stores, home centers, department stores, printers, and paint and ink manufacturers. Fluid Management is based in Wheeling, Illinois. Additional operations are located in The Netherlands and Australia. Approximately 55% of Fluid Management's 2001 sales were to customers outside the U.S.

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Lubriquip. Lubriquip is a market leader in centralized oil and grease lubrication systems, force-feed lubricators, metering devices, related electronic controls and accessories with an estimated 25% share of the U.S. market for centralized oil lubrication systems. Lubriquip's products are used to prolong equipment life, reduce maintenance costs and increase productivity. Lubriquip serves markets including machine tools, transfer machines, conveyors, packaging equipment, transportation equipment, construction machinery, food processing and paper machinery. Lubriquip is headquartered in Warrensville Heights, Ohio, with an additional operation in Madison, Wisconsin. Approximately 20% of Lubriquip's sales in 2001 were to customers outside the U.S.

OTHER ENGINEERED PRODUCTS GROUP

The Other Engineered Products Group manufactures engineered banding and clamping devices, fire fighting pumps, rescue tools, and other components and systems for the fire and rescue industry. The high-quality stainless steel bands, buckles and preformed clamps and related installation tools are used in a wide variety of "hold-together" industrial and commercial applications. The group also includes the world's leading manufacturer of truck-mounted fire pumps, rescue tool systems, and control devices and systems used by public and private fire and rescue organizations. In 2001, the two units that comprised this group were Band-It and Hale Products. The group accounted for 22% of sales and 25% of operating income in 2001, with 41% of sales shipped to customers outside the U.S.

Band-It. Band-It is a leading producer of high-quality stainless steel bands, buckles and clamping systems with an estimated 45% worldwide market share. Band-It's products are used for securing hose fittings, signs, signals, pipes, poles, electrical shielding and bundling and numerous other industrial and commercial applications. Signfix was acquired in 1993 and is being operated as part of the Band-It business unit. Band-It's markets include transportation equipment, oil and gas, industrial maintenance, electronics, electrical, communications, aerospace, traffic and commercial signs. Band-It is based in Denver, Colorado, with three additional operations in England and one in Singapore. In 2001, approximately 60% of Band-It's sales were to customers outside the U.S.

Hale Products. Hale Products (Hale), acquired in 1994, is a leading manufacturer of truck-mounted fire pumps and rescue systems with an estimated 50% worldwide market share. Hale's products include the Hurst Jaws of Life(R) and Lukas(R) rescue tool systems. Hale's pumps are used to pump water or foam to extinguish fires; its rescue equipment is used to extricate accident victims; and its forced entry equipment is used for law enforcement, disaster recovery, and recycling. Hale's markets include public and private fire and rescue organizations. Lukas was acquired in 1995 and is operated as part of the Hale business unit. Hale is headquartered in Conshohocken, Pennsylvania, with additional operations in Shelby, North Carolina, St Joseph, Tennessee, England and Germany. In January 2001, IDEX acquired Class 1, headquartered in Ocala, Florida, which now is also operated as part of Hale. Class 1 is a leading supplier of components and systems to the fire and rescue vehicle market. Its primary products include electronic information controls, engine information systems, electronic multiplexing units, electrical monitoring equipment and systems and fire truck mechanical components. Approximately 35% of Hale's 2001 sales were to customers outside the U.S.

GENERAL ASPECTS APPLICABLE TO THE COMPANY'S BUSINESS GROUPS

COMPETITORS

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The Company's businesses participate in highly competitive markets. Generally, all of the Company's businesses compete on the basis of performance, quality, service, and price.

Principal competitors of the businesses in the Pump Products Group are the Blackmer division of Dover Corporation (with respect to rotary gear pumps, and pumps and small horsepower compressors used in liquified petroleum gas distribution facilities); Milton Roy, a division of United Technologies Corporation (with respect to metering pumps and controls); Roper Industries and Tuthill Corporation (with respect to rotary gear pumps); Wilden Pump and Engineering Co., a division of Dover Corporation (with respect to air-operated double-diaphragm pumps); and Thomas Industries (with respect to vacuum pumps and compressors.)

The principal competitors of the Dispensing Equipment Group are Corob (with respect to dispensing and mixing equipment for the paint industry) and Lincoln Industrial (with respect to centralized lubrication systems).

The Other Engineered Products Group's principal competitors are A.J. Gerrard & Company, a division of Illinois Tool Works Inc. (with respect to stainless steel bands, buckles and tools) and Waterous Company, a division of American Cast Iron Pipe Company (with respect to truck-mounted fire-fighting pumps).

EMPLOYEES

At December 31, 2001, IDEX had approximately 3,900 employees. Approximately 15% were represented by labor union with various contracts expiring though January 2005. Management believes that the Company's relationship with its employees is good. The Company has historically been able to satisfactorily renegotiate its collective bargaining agreements, with its last work stoppage in March 1993.

SUPPLIERS

IDEX manufactures many of the parts and components used in its products. Substantially all materials, parts and components purchased by IDEX are available from multiple sources.

INVENTORY AND BACKLOG

The Company regularly and systematically adjusts production schedules and quantities based on the flow of incoming orders. Backlogs are therefore typically limited to approximately 1 to 1 1/2 months of production. While total inventory levels may also be affected by changes in orders, the Company generally tries to maintain relatively stable inventory levels based on its assessment of the requirements of the various industries served.

SEGMENT INFORMATION

For segment financial information for the years 2001, 2000, and 1999, see the table titled "Company and Business Group Financial Information" presented on page 18 under "Management's Discussion and Analysis of Financial Condition and Results of Operations" and Note 10 of the "Notes to Consolidated Financial Statements" on pages 30 and 31 of the 2001 Annual Report, which is incorporated herein by reference.

EXECUTIVE OFFICERS OF THE REGISTRANT

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The following table sets forth the names of the executive officers of the Company, their ages, years of service, the positions held by them, and their business experience during the past 5 years.

| NAME ---- | AGE --- | YEARS OF SERVICE (1) ----- | POSITION ----- |
|--------------------------|------------|----------------------------------|--|
| Dennis K. Williams..... | 55 | 2 | Chairman of the Board, President and Chief Executive Officer |
| Wayne P. Sayatovic..... | 55 | 29 | Senior Vice President-Finance and Financial Officer |
| Jerry N. Derck..... | 54 | 9 | Vice President-Human Resources |
| Clinton L. Kooman..... | 58 | 37 | Vice President-Controller |
| Douglas C. Lennox..... | 49 | 22 | Vice President-Treasurer |
| John L. McMurray..... | 51 | 9 | Vice President-Operational Excellence |
| Dennis L. Metcalf..... | 54 | 28 | Vice President-Corporate Development |
| Frank J. Notaro..... | 38 | 4 | Vice President-General Counsel and Secretary |
| Rodney L. Usher..... | 56 | 21 | Vice President-Group Executive |
| David T. Windmuller..... | 44 | 21 | Vice President-Group Executive |

 (1) The years of service for executive officers include the period prior to acquisition by IDEX or with IDEX's predecessor company.

Mr. Williams was appointed Chairman of the Board, President and Chief Executive Officer by the Board of Directors, effective May 1, 2000. Prior to joining IDEX, Mr. Williams was a senior executive of the General Electric Company, most recently serving as President and Chief Executive Officer of GE Power Systems Industrial Products, a global business with \$4 billion in sales, based in Florence, Italy. Prior to heading GE Power Systems Industrial Products, he was President and Chief Executive Officer of GE's Nuovo Pignone business, one of the world's leading manufacturers of gas turbines and high-pressure industrial compressors.

Mr. Sayatovic has been Senior Vice President-Finance and Chief Financial Officer of the Company since January 1992.

Mr. Derck has been Vice President-Human Resources of the Company since November 1992.

Mr. Kooman has been Vice President-Controller of the Company since November 1995.

Mr. Lennox has served as Vice President-Treasurer of the Company since November 1995.

Mr. McMurray has been Vice President-Operational Excellence of the Company since October 2000. Mr. McMurray previously served as Vice President-Group Executive from November 1998 through September 2000, and President of Viking Pump from January 1997 through September 2000.

Mr. Metcalf has served as Vice President-Corporate Development of the Company since March 1997. Mr. Metcalf was Director of Business Development of the Company from March 1991 to February 1997.

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Mr. Notaro has served as Vice President-General Counsel and Secretary since March 1998. Previously, Mr. Notaro was a partner of Hodgson Russ LLP.

Mr. Usher has been Vice President-Group Executive of the Company since August 1997 and President of Pulsafeeder from August 1994 through September 2000.

Mr. Windmuller has served as Vice President-Group Executive since October 2000. Mr. Windmuller served as Vice President-Operations of the Company from January 1998 through September 2000. Previously, Mr. Windmuller was President of Fluid Management from January 1997 to December 1997.

The Company's executive officers are elected at a meeting of the Board of Directors immediately following the annual meeting of shareholders, and they serve until the next annual meeting of the Board, or until their successors are duly elected.

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ITEM 2. PROPERTIES.

The Company's principal plants and offices have an aggregate floor space area of approximately 2.9 million square feet, of which 2.0 million square feet (69%) are located in the U.S. and approximately 0.9 million square feet (31%) are located outside the U.S., primarily in the U.K. (9%), Italy (10%), Germany (6%) and The Netherlands (4%). These facilities are considered to be suitable and adequate for their operations. Management believes that utilization of manufacturing capacity ranges from 40% to 70% in each facility. The Company's executive office occupies approximately 18,000 square feet of leased space in Northbrook, Illinois.

Approximately 2.1 million square feet (72%) of the principal plant and office floor area is owned by the Company, and the balance is held under lease. Approximately 1.5 million square feet (54%) of the principal plant and office floor area is held by business units in the Pump Products Group; 0.7 million square feet (23%) is held by business units in the Dispensing Equipment Group; and 0.7 million square feet (23%) is held by business units in the Other Engineered Products Group.

ITEM 3. LEGAL PROCEEDINGS.

The Company and the Company's subsidiaries (Subsidiaries) are party to various legal proceedings arising in the ordinary course of business, none of which is expected to have a material adverse effect on the Company's business or financial condition.

The Subsidiaries are subject to extensive federal, state, and local laws, rules and regulations pertaining to environmental, waste management, and health and safety matters. Permits are or may be required for some of the Subsidiaries' facilities and waste-handling activities and these permits are subject to revocation, modification and renewal. In addition, risks of substantial costs and liabilities are inherent in the Subsidiaries' operations and facilities, as they are with other companies engaged in similar industries, and there can be no assurance that such costs and liabilities will not be incurred. The Company is not aware of any environmental, health or safety matter which could, individually or in the aggregate, cause a material adverse effect on the financial position, results of operations, or cash flows of the Company or any of its Subsidiaries.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS.

None.

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PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON STOCK AND RELATED SHAREHOLDER MATTERS.

Information regarding the prices of, and dividends on, the Common Stock, and certain related matters, is incorporated herein by reference to "Shareholder Information" on page 37 and to the "Statements of Consolidated Shareholders' Equity" on page 24 of the 2001 Annual Report.

The principal market for the Common Stock is the New York Stock Exchange, but the Common Stock is also listed on the Chicago Stock Exchange. As of January 31, 2002, the Common Stock was held by approximately 5,500 shareholders and there were 30,748,819 shares of Common Stock outstanding, net of treasury shares.

ITEM 6. SELECTED FINANCIAL DATA.

The information set forth under "Historical Data" on page 14 of the 2001 Annual Report is incorporated herein by reference.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.

The information set forth under "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 16 to 21 of the 2001 Annual Report is incorporated herein by reference.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURE ABOUT MARKET RISK.

The information set forth under the caption "Quantitative and Qualitative Disclosure About Market Risk" on page 21 of the 2001 Annual Report is incorporated herein by reference.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA.

The Consolidated Financial Statements of IDEX, including Notes thereto, together with the independent auditors' report thereon of Deloitte & Touche LLP on pages 22 to 34 of the 2001 Annual Report are incorporated herein by reference.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH INDEPENDENT AUDITORS ON ACCOUNTING AND FINANCIAL DISCLOSURE.

None.

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PART III

ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT.

Certain information regarding the directors of the Company is incorporated herein by reference to the information set forth under the caption "Election of Directors" in the 2002 Proxy Statement.

Information regarding executive officers of the Company is incorporated

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herein by reference to Item 1 of this report under the caption "Executive Officers of the Registrant" on page 5.

Certain information regarding compliance with Section 16(a) of the Securities and Exchange Act of 1934, as amended, is incorporated herein by reference to the information set forth under "Compliance with Section 16(a) of the Exchange Act" in the 2002 Proxy Statement.

ITEM 11. EXECUTIVE COMPENSATION.

Information regarding executive compensation is incorporated herein by reference to the materials under the caption "Compensation of Executive Officers" in the 2002 Proxy Statement.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT.

Information regarding security ownership of certain beneficial owners and management is incorporated herein by reference to the information set forth under the caption "Security Ownership" in the 2002 Proxy Statement.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS.

Information regarding certain relationships and related transactions is incorporated herein by reference to the information set forth under the caption "Certain Interests" in the 2002 Proxy Statement.

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PART IV

ITEM 14. EXHIBITS, FINANCIAL STATEMENT SCHEDULES, AND REPORTS ON FORM 8-K.

(A) 1. Financial Statements

The following financial statements are incorporated herein by reference to the 2001 Annual Report.

| | 2001 ANNUAL REPORT PAGE ----- |
|--|-------------------------------------|
| Consolidated Balance Sheets as of December 31, 2001 and 2000..... | 22 |
| Statements of Consolidated Operations for the Years Ended December 31, 2001, 2000 and 1999..... | 23 |
| Statements of Consolidated Shareholders' Equity for the Years Ended December 31, 2001, 2000 and 1999..... | 24 |
| Statements of Consolidated Cash Flows for the Years Ended December 31, 2001, 2000 and 1999..... | 25 |
| Notes to Consolidated Financial Statements..... | 26-33 |
| Independent Auditors' Report..... | 34 |

2. Financial Statement Schedule

2001 FORM
10-K PAGE

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| | |
|---|----|
| (a) Independent Auditors' Report..... | 10 |
| (b) Schedule II -- Valuation and Qualifying Accounts..... | 10 |
| All other schedules are omitted because they are not applicable, not required, or because the required information is included in the Consolidated Financial Statements of IDEX or the Notes thereto. | |

3. Exhibits

The exhibits filed with this report are listed on the "Exhibit Index."

(B) Report on Form 8-K

None filed in the fourth quarter 2001.

INDEPENDENT AUDITORS' REPORT

IDEX Corporation:

We have audited the consolidated financial statements of IDEX Corporation and its subsidiaries as of December 31, 2001 and 2000 and for each of the three years in the period ended December 31, 2001, and have issued our report thereon; dated January 15, 2002: such financial statements and report are included in your 2001 Annual Report to Shareholders and are incorporated herein by reference. Our audits also included the financial statement schedule of IDEX Corporation, listed in Item 14. This financial statement schedule is the responsibility of the Company's management. Our responsibility is to express an opinion based on our audits. In our opinion, such financial statement schedule, when considered in relation to the basic consolidated financial statements as a whole, presents fairly in all material respects the information set forth therein.

DELOITTE & TOUCHE LLP

Chicago, Illinois
March 4, 2002

IDEX CORPORATION AND SUBSIDIARIES
SCHEDULE II -- VALUATION AND QUALIFYING ACCOUNTS
FOR THE YEARS ENDED DECEMBER 31, 2001, 2000 AND 1999
(IN THOUSANDS)

| DESCRIPTION | BALANCE BEGINNING OF YEAR | CHARGED TO COSTS AND EXPENSES | DEDUCTIONS | OTHER |
|---|---------------------------------|-------------------------------------|-------------|-------|
| ----- | ----- | ----- | ----- | ----- |
| Allowance for Doubtful Accounts | | | | |
| ----- | | | | |
| Year Ended December 31, 2001: | | | | |
| Deducted from Assets to Which They Apply: | | | | |
| Allowance for Doubtful Accounts..... | \$3,342 | \$ 3,737 (1) | \$4,176 (2) | \$47 |
| Year Ended December 31, 2000: | | | | |
| Deducted from Assets to Which They Apply: | | | | |

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| | | | | |
|---|-------|-----------|-------------|-------|
| Allowance for Doubtful Accounts..... | 3,135 | 1,585 (1) | 1,563 (2) | 18 |
| Year Ended December 31, 1999: | | | | |
| Deducted from Assets to Which They Apply: | | | | |
| Allowance for Doubtful Accounts..... | 2,484 | 1,392 (1) | 1,051 (2) | 31 |
| Accrued Restructuring Expense | | | | |
| ----- | | | | |
| Year ended December 31, 2001: | | | | |
| Deducted from Liabilities to which They | | | | |
| Apply: | | | | |
| Accrued Restructuring Expense..... | \$ -- | \$11,226 | \$5,747 (4) | \$ -- |
| Year ended December 31, 2000: | | | | |
| Deducted from Liabilities to which They | | | | |
| Apply: | | | | |
| Accrued Restructuring Expense..... | -- | -- | -- | -- |
| Year ended December 31, 1999: | | | | |
| Deducted from Liabilities to which They | | | | |
| Apply: | | | | |
| Accrued Restructuring Expense..... | -- | -- | -- | -- |

-
- (1) Includes provision for doubtful accounts and sales discounts granted to customers of \$2.9 million, \$1.1 million and \$0.8 million in 2001, 2000 and 1999, respectively.
 - (2) Represents uncollectible accounts, net of recoveries and sales discounts taken by customers of \$2.8 million, \$1.1 million and \$0.7 million in 2001, 2000 and 1999, respectively.
 - (3) Represents acquisition, translation and reclassification adjustments.
 - (4) Represents expenditures on liabilities established on restructuring liabilities.

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SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) 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, on the 4th day of March, 2002.

IDEX CORPORATION

By /s/ WAYNE P. SAYATOVIC

 Wayne P. Sayatovic
 Senior Vice President -- Finance
 and Chief Financial Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed by the following persons on behalf of the Registrant and in the capacities and on the dates indicated:

SIGNATURE

TITLE

DA

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| | | |
|---|---|-------|
| /s/ DENNIS K. WILLIAMS ----- Dennis K. Williams | Chairman of the Board, President, Chief Executive Officer (Principal Executive Officer) and Director | March |
| /s/ WAYNE P. SAYATOVIC ----- Wayne P. Sayatovic | Senior Vice President -- Finance and Chief Financial Officer (Principal Financial and Accounting Officer) | March |
| /s/ BRADLEY J. BELL ----- Bradley J. Bell | Director | March |
| /s/ RICHARD E. HEATH ----- Richard E. Heath | Director | March |
| /s/ GREGORY B. KENNY ----- Gregory B. Kenny | Director | March |
| /s/ HENRY R. KRAVIS ----- Henry R. Kravis | Director | March |
| /s/ WILLIAM H. LUERS ----- William H. Luers | Director | March |
| /s/ PAUL E. RAETHER ----- Paul E. Raether | Director | March |
| /s/ GEORGE R. ROBERTS ----- George R. Roberts | Director | March |

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/s/ NEIL A. SPRINGER

Director

Neil A. Springer

March

/s/ MICHAEL T. TOKARZ

Director

Michael T. Tokarz

March

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EXHIBIT INDEX

| EXHIBIT NUMBER ----- | DESCRIPTION ----- |
|----------------------------|--|
| 3.1 | Restated Certificate of Incorporation of IDEX Corporation (formerly HI, Inc.) (incorporated by reference to Exhibit No. 3.1 to the Registration Statement on Form S-1 of IDEX, et al., Registration No. 33-21205, as filed on April 21, 1988) |
| 3.1(a) | Amendment to Restated Certificate of Incorporation of IDEX Corporation (formerly HI, Inc.) (incorporated by reference to Exhibit No. 3.1(a) to the Quarterly Report of IDEX on Form 10-Q for the quarter ended March 31, 1996, Commission File No. 1-10235) |
| 3.2 | Amended and Restated By-Laws of IDEX Corporation (incorporated by reference to Exhibit No. 3.2 to Post-Effective Amendment No. 2 to the Registration Statement on Form S-1 of IDEX, et al., Registration No. 33-21205, as filed on July 17, 1989) |
| 3.2(a) | Amended and Restated Article III, Section 13 of the Amended and Restated By-Laws of IDEX Corporation (incorporated by reference to Exhibit No. 3.2(a) to Post-Effective Amendment No. 3 to the Registration Statement on Form S-1 of IDEX, et al., Registration No. 33-21205, as filed on February 12, 1990) |
| 4.1 | Restated Certificate of Incorporation and By-Laws of IDEX Corporation (filed as Exhibits No. 3.1 through 3.2(a)) |
| 4.2 | Indenture, dated as of February 23, 1998, between IDEX Corporation, and Norwest Bank Minnesota, National Association, as Trustee, relating to the 6 7/8% of Senior Notes of IDEX due February 15, 2008 (incorporated by reference to Exhibit No. 4.1 to the Current Report of IDEX on Form 8-K dated February 23, 1998, Commission File No. 1-10235) |
| 4.3 | Specimen Senior Note of IDEX Corporation (incorporated by reference to Exhibit No. 4.1 to the Current Report of IDEX on Form 8-K dated February 23, 1998, Commission File No. 1-10235) |
| 4.4 | Specimen Certificate of Common Stock of IDEX Corporation (incorporated by reference to Exhibit No. 4.3 to the |

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- Registration Statement on Form S-2 of IDEX, et al.,
 Registration No. 33-42208, as filed on September 16, 1991)
- 4.5 Credit Agreement, dated as of June 8, 2001, among IDEX Corporation, Bank of America N.A. as Agent and Issuing Bank, and the Other Financial Institutions Party Herto: Bank of America Securities LLC. (incorporated by reference to Exhibit No. 4.5 to the Quarterly Report of IDEX on Form 10-Q for the quarter ended June 30, 2001, Commission File No. 1-10235)
 - *4.6 Credit Lyonnais Uncommitted Line of Credit, dated as of December 3, 2001
 - *4.7 Receivables Purchase Agreement dated as of December 20, 2001 among IDEX Receivables Corporation, as Seller, IDEX Corporation, as Servicer, Falcon Asset Securitization Corporation, the Several Financial Institutions from Time to Time Party Hereto, and Bank One, NA (Main Office Chicago), as Agent
 - 10.1** Employment Agreement between IDEX Corporation and Dennis K. Williams, dated April 14, 2000 (incorporated by reference to Exhibit No. 10.6 to the Quarterly Report of IDEX on Form 10-Q for the quarter ended June 30, 2000, Commission File No. 1-10235)
 - 10.2** Amended and Restated Employment Agreement between IDEX Corporation and Wayne P. Sayatovic, dated March 31, 2000 (incorporated by reference to Exhibit No. 10.2 to the Quarterly Report of IDEX on Form 10-Q for the quarter ended March 31, 2000, Commission File No. 1-10235)

| EXHIBIT NUMBER ----- | DESCRIPTION ----- |
|----------------------------|--|
| 10.2(a)** | Letter Agreement between IDEX Corporation and Wayne P. Sayatovic, dated December 3, 1999 (incorporated by reference to Exhibit No. 10.2(c) to the Annual Report of IDEX on Form 10-K for the year ended December 31, 1999, Commission File No. 1-10235) |
| 10.2(b)** | First Amendment to the Letter Agreement between IDEX Corporation and Wayne P. Sayatovic, dated March 15, 2000 (incorporated by reference to Exhibit No. 10.3 to the Quarterly Report of IDEX on Form 10-Q for the quarter ended March 31, 2000, Commission File No. 1-10235) |
| 10.2(c)** | Letter Agreement between IDEX Corporation and Wayne P. Sayatovic dated April 24, 2000 (incorporated by reference to Exhibit No. 10.7 to the Quarterly Report of IDEX on Form 10-Q for the quarter ended June 30, 2000, Commission File No. 1-10235) |
| 10.3** | Amended and Restated Employment Agreement between IDEX Corporation and Frank J. Hansen, dated December 23, 1998 (incorporated by reference to Exhibit No. 10.3(c) to the Annual Report of IDEX on Form 10-K for the year ended December 31, 1998, Commission File No. 1-10235) |
| *10.4** | Revised and Restated Management Incentive Compensation Plan for Key Employees Effective January 1, 2002 |
| 10.5** | Form of Indemnification Agreement of IDEX Corporation (incorporated by reference to Exhibit No. 10.23 to the |

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- Registration Statement on Form S-1 of IDEX, et al.,
Registration No. 33-28317, as filed on April 26, 1989)
- 10.6** Form of Shareholder Purchase and Sale Agreement of IDEX Corporation (incorporated by reference to Exhibit No. 10.24 to Amendment No. 1 to the Registration Statement on Form S-1 of IDEX, et al., Registration No. 33-28317, as filed on June 1, 1989)
- 10.7** IDEX Corporation Amended and Restated Stock Option Plan for Outside Directors adopted by resolution of the Board of Directors dated as of January 25, 2000 (incorporated by reference to Exhibit No. 10.1 of the Quarterly Report of IDEX on Form 10-Q for the quarter ended March 31, 2000, Commission File No. 10-10235)
- 10.8 Registration Rights Agreement, dated January 22, 1988, among IDEX, KKR Associates and IDEX Associates, relating to the Common Stock (Incorporated by reference to Exhibit No. 10.8 to the Registration Statement on Form S-1 of IDEX Corporation, et al., Registration No. 33-21205, as filed on April 21, 1988)
- 10.9** Non-Qualified Stock Option Plan for Non-Officer Key Employees of IDEX Corporation (incorporated by reference to Exhibit No. 10.15 to the Annual Report of IDEX on Form 10-K for the year ended December 31, 1992, Commission File No. 1-102351)
- 10.9(a)** 1996 Stock Plan for Non-Officer Key Employees of IDEX Corporation (incorporated by reference to Exhibit No. 4.5 to the Registration Statement on Form S-8 of IDEX, et al., Registration No. 333-18643, as filed on December 23, 1996)
- *10.9(b)** First Amended and Restated 1996 Stock Option Plan for Non-Officer Key Employees of IDEX Corporation dated March 27, 2001
- 10.10** Non-Qualified Stock Option Plan for Officers of IDEX Corporation (incorporated by reference to Exhibit No. 10.16 to the Annual Report of IDEX on Form 10-K for the year ended December 31, 1992, Commission File No. 1-102351)

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| EXHIBIT NUMBER ----- | DESCRIPTION ----- |
|----------------------------|---|
| 10.11** | First Amended and Restated 1996 Stock Plan for Officers of IDEX Corporation (incorporated by reference to Exhibit No. 10.1 to the Quarterly Report of IDEX on Form 10-Q for the quarter ended March 31, 1998, Commission File No. 1-102351) |
| 10.12** | 2001 Stock Plan for Officers dated March 27, 2001 (incorporated by reference to Exhibit No. 10.2 to the Quarterly Report of IDEX on Form 10-Q for the quarter ended March 31, 2001, Commission File No. 1-10235) |
| 10.13** | Executive Incentive Bonus Plan dated March 27, 2001 (incorporated by reference to Exhibit No. 10.1 to the Quarterly Report of IDEX on Form 10-Q for the quarter ended March 31, 2001, Commission File No. 1-10235) |
| 10.14** | IDEX Corporation Supplemental Executive Retirement Plan (incorporated by reference to Exhibit No. 10.17 to the Annual Report of IDEX on Form 10-K for the year ended December 31, 1992, Commission File No. 1-102351) |

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- 10.15** Second Amended and Restated IDEX Corporation Directors Deferred Compensation Plan (incorporated by reference to Exhibit No. 10.14(b) to the Annual Report of IDEX on Form 10-K for the year ended December 31, 1997, Commission File No. 1-10235)
- 10.16** IDEX Corporation 1996 Deferred Compensation Plan for Officers (incorporated by reference to Exhibit No. 4.8 to the Registration Statement on Form S-8 of IDEX, et al., Registration No. 333-18643, as filed on December 23, 1996)
- 10.17** IDEX Corporation 1996 Deferred Compensation Plan for Non-Officer Presidents (incorporated by reference to Exhibit No. 4.7 to the Registration Statement on Form S-8 of IDEX, et al., Registrant No. 333-18643, as filed on December 23, 1996)
- 10.18** Letter Agreement between IDEX Corporation and David T. Windmuller, dated December 3, 1999 (incorporated by reference to Exhibit No. 10.17 to the Annual Report of IDEX on Form 10-K for the year ended December 31, 1999, Commission File No. 1-10235)
- 10.18(a)** Letter Agreement between IDEX Corporation and David T. Windmuller, dated April 24, 2000 (incorporated by reference to Exhibit No. 10.9 to the Quarterly Report of IDEX on Form 10-Q for the quarter ended June 30, 2000, Commission File No. 1-10235)
- 10.19** Letter Agreement between IDEX Corporation and James R. Fluharty, dated December 3, 1999 (incorporated by reference to Exhibit No. 10.18 to the Annual Report of IDEX on Form 10-K for the year ended December 31, 1999, Commission File No. 1-10235)
- 10.19(a)** First Amendment to the Letter Agreement between IDEX Corporation and James R. Fluharty, dated March 15, 2000 (incorporated by reference to Exhibit No. 10.4 to the Quarterly Report of IDEX on Form 10-Q for the quarter ended March 31, 2000, Commission File No. 1-10235)
- 10.19(b)** Letter Agreement between IDEX Corporation and James R. Fluharty, dated April 24, 2000 (incorporated by reference to Exhibit No. 10.8 to the Quarterly Report of IDEX on Form 10-Q for the quarter ended June 30, 2000, Commission File No. 1-10235)
- 10.20** Letter Agreement between IDEX Corporation and John L. McMurray, dated December 3, 1999 (incorporated by reference to Exhibit No. 10.17 to the Annual Report of IDEX on Form 10-K for the year ended December 31, 2001, Commission File No. 1-10235)

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| EXHIBIT NUMBER ----- | DESCRIPTION ----- |
|----------------------------|--|
| 10.20(a)** | Letter Agreement between IDEX Corporation and John L. McMurray, dated April 24, 2000 (incorporated by reference to Exhibit No. 10.17(a) to the Annual Report of IDEX on Form 10-K for the year ended December 31, 2001, Commission File No. 1-10235) |
| 10.21** | Letter Agreement between IDEX Corporation and Rodney L. Usher, dated December 3, 1999 (incorporated by reference to |

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Exhibit No. 10.19 to the Annual Report of IDEX on Form 10-K for the year ended December 31, 1999, Commission File No. 1-10235)

- 10.21(a)** First Amendment to the Letter Agreement between IDEX Corporation and Rodney L. Usher, dated March 15, 2000 (incorporated by reference to Exhibit No. 10.5 to the Quarterly Report of IDEX on Form 10-Q for the quarter ended March 31, 2000, Commission File No. 1-10235)
- 10.21(b)** Letter Agreement between IDEX Corporation and Rodney L. Usher, dated April 24, 2000 (incorporated by reference to Exhibit No. 10.10 to the Quarterly Report of IDEX on Form 10-Q for the quarter ended June 30, 2000, Commission File No. 1-10235)
- *13 2001 Annual Report to Shareholders of IDEX
- *21 Subsidiaries of IDEX
- *23 Consent of Deloitte & Touche LLP

* Filed herewith

** Management contract or compensatory plan or agreement.