



Electrical Products Group Presentation

Chris Kearney, Chairman, President and CEO

May 20, 2013



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- This presentation includes non-GAAP financial measures. A copy of this presentation, including a reconciliation of the non-GAAP financial measures with the most comparable measures calculated and presented in accordance with GAAP, is available on our website at www.spx.com.
- Unless otherwise indicated, amounts in this presentation relate to continuing operations.

Near Term Focus

- **Focused on improving operational performance:**
 - ❑ Targeting 40 to 80 points of improvement in segment income margins
 - ❑ \$30m+ of restructuring actions planned for 2013
 - ❑ New leadership with proven track records for operational improvement at underperforming businesses

- **\$450m capital allocation plans for 2013:**
 - ✓ \$250m voluntary pension contribution (\$160m net of tax benefit)
 - ❑ \$200m of share repurchases
 - ❑ **Annualized EPS benefit from combined actions: \$0.50 per share**

- **In a strong financial position with ~\$1.2b of projected liquidity:**
 - ❑ Potential for additional share repurchases
 - ❑ Not allocating capital to acquisitions in 2013

**Our Focus is on Operational Improvement, Returning Capital to Shareholders
and Continuing to Concentrate our Business in the Flow Space**

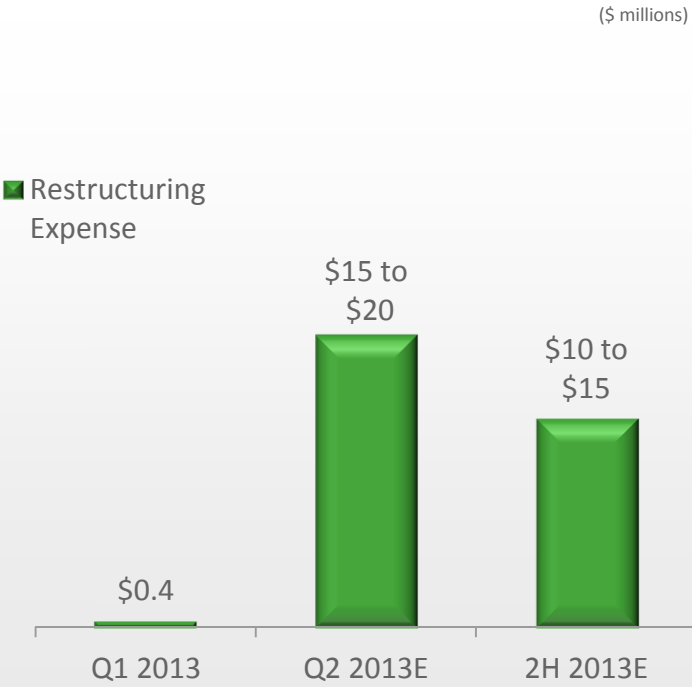
2013 Restructuring Actions



- 2013E restructuring expense: \$30m+

- Estimated savings:
 - 2013E: ~\$15m
 - Annualized: ~\$30m

- Key 2013 actions:
 - Thermal Segment:
 - Reduce fixed cost base at power-related businesses located in Europe
 - Flow Segment:
 - ClydeUnion overhead reduction
 - European overhead cost structure



Reducing Cost Base to Improve Margin Performance in Lower Growth Environment

Historical Capital Allocation Methodology	
Target Gross Leverage: 1.5x to 2.5x	
<p><u>Gross Leverage is > 2.5X</u></p> <ul style="list-style-type: none"> ▪ Debt repayment 	<p><u>Gross Leverage is < 2.5x</u></p> <ul style="list-style-type: none"> ▪ Share repurchases ▪ Strategic acquisitions

2013 Capital Allocation Priorities

- 1) Operational improvements and organic growth initiatives:
 - Restructuring actions
 - Capital expenditures
 - Innovation
- 2) Annual dividend (\$1 per share, paid quarterly)
- 3) Share repurchases:
 - Complete \$200m of targeted repurchases
 - Evaluate additional repurchases
- 4) Pension contribution:
 - ✓ Made \$250m voluntary pension contribution in April 2013

**Not Allocating Capital to Acquisitions This Year;
Focusing on Operational Improvement and Returning Capital to Shareholders**

2013 Projected Liquidity



Projected Liquidity

(\$ millions)

	<u>Amount</u>	<u>Expected Timing</u>
Cash on Hand at March 30, 2013	\$755	
<u>2013E Cash Outflows</u>		
2013 voluntary pension contribution	(\$250)	completed April 2013
2013 targeted share repurchases, net of Q1 repurchases	(\$173)	opportunistic
Planned dividend payments	(\$35)	Q2, Q3, Q4
<u>2013E Cash Inflows</u>		
Q2-Q4 2013 adjusted free cash flow guidance mid-point ⁽¹⁾	<u>\$312</u>	seasonal to 2H 2013
Projected Cash on Hand at December 31, 2013	\$609	
Available lines of credit	\$583	
Total projected liquidity	<u>\$1,192</u>	

⁽¹⁾ See appendix for reconciliation to GAAP

Projected Liquidity of ~\$1.2 Billion After All Expected Cash Inflows and Outflows

2013 Earnings Accretive Actions



Action	Annualized EPS Benefit
1) ~\$30m of annual savings from restructuring	~\$0.50 per share
2) \$200m of share repurchases	~\$0.26 per share
3) \$250m voluntary pension funding (\$160m net of cash tax benefit)	~\$0.24 per share
4) ~\$600m of projected cash on hand	to be determined

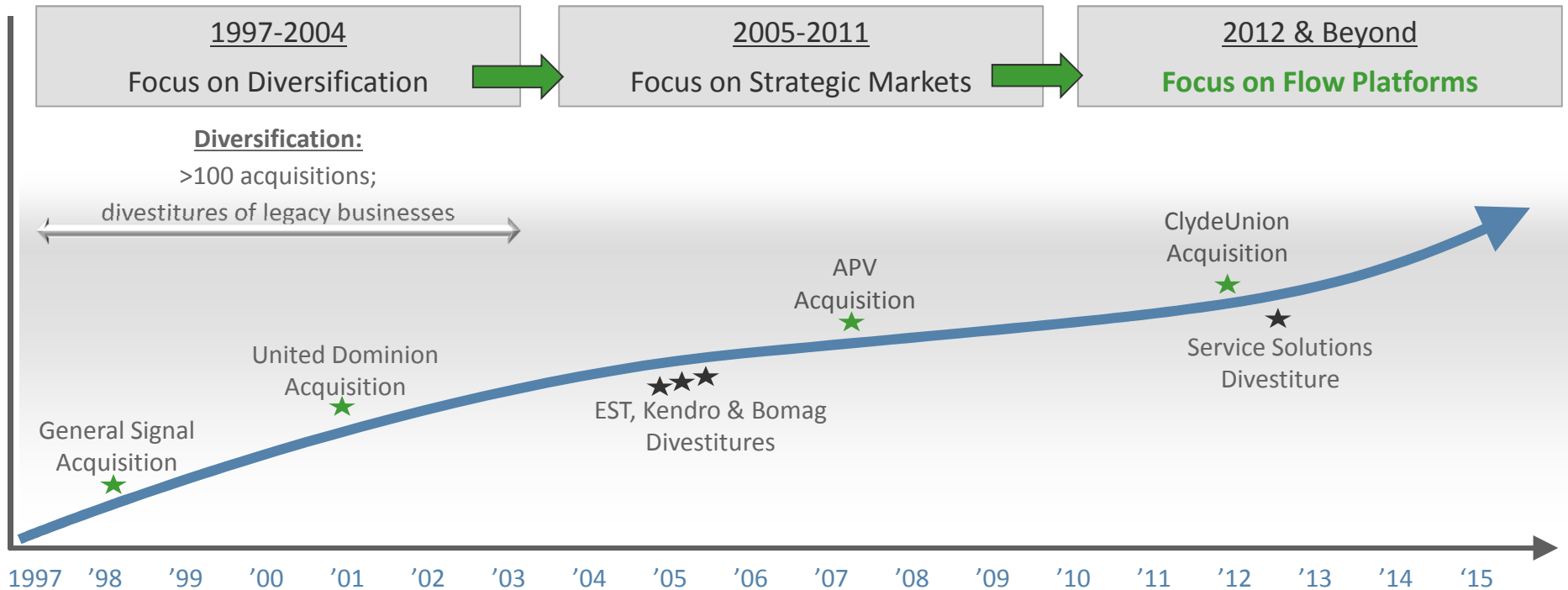
**2013 Capital Investments Expected to Contribute
at Least \$1.00 Earnings Per Share on an Annualized Basis**



Strategic Transformation



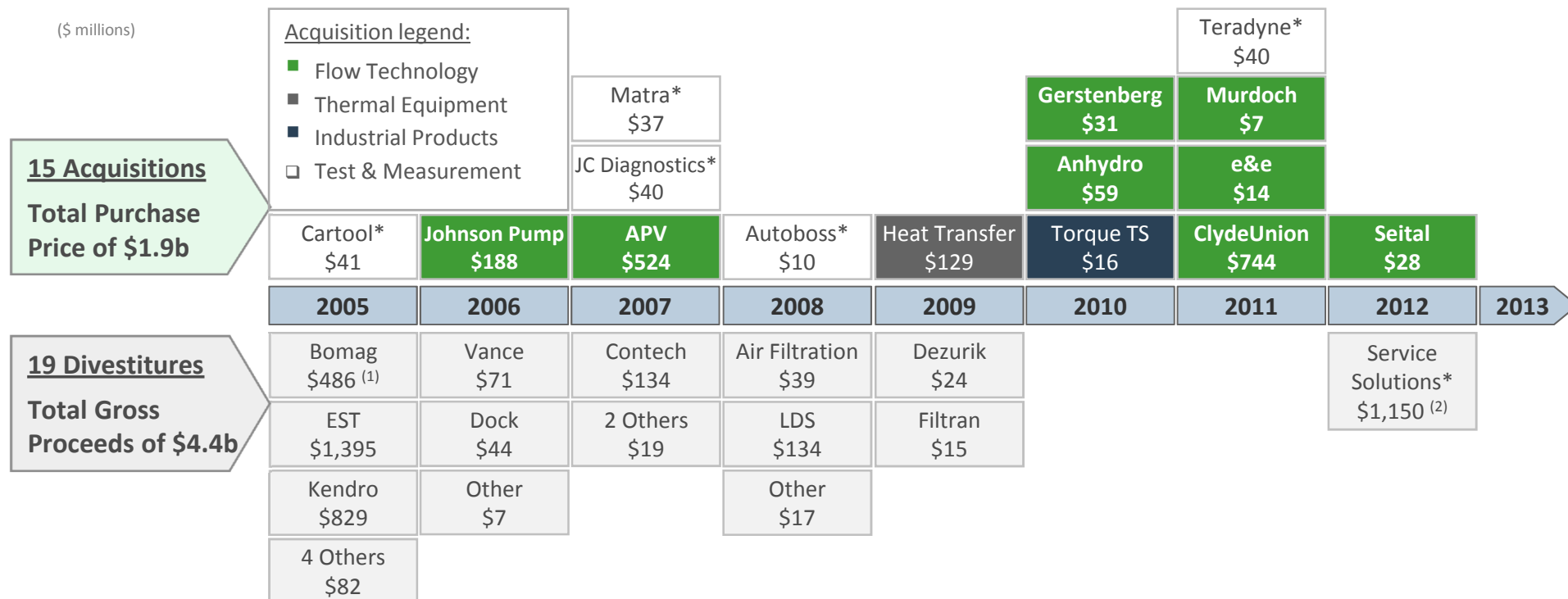
Strategic Transformation



Note: Arrow is for illustration purposes only

Transformation of SPX Continues With Strategic Focus on Flow Platforms

Strategic Transformation: 2005 to Today



* Part of Service Solutions divestiture
 1) Includes under-funded pension
 2) Subject to final working capital adjustment

**Acquisitions Funded Through Divestitures;
 ~85% of Acquisition Capital Concentrated in Flow Technology**

Key Divestitures



(\$ millions)

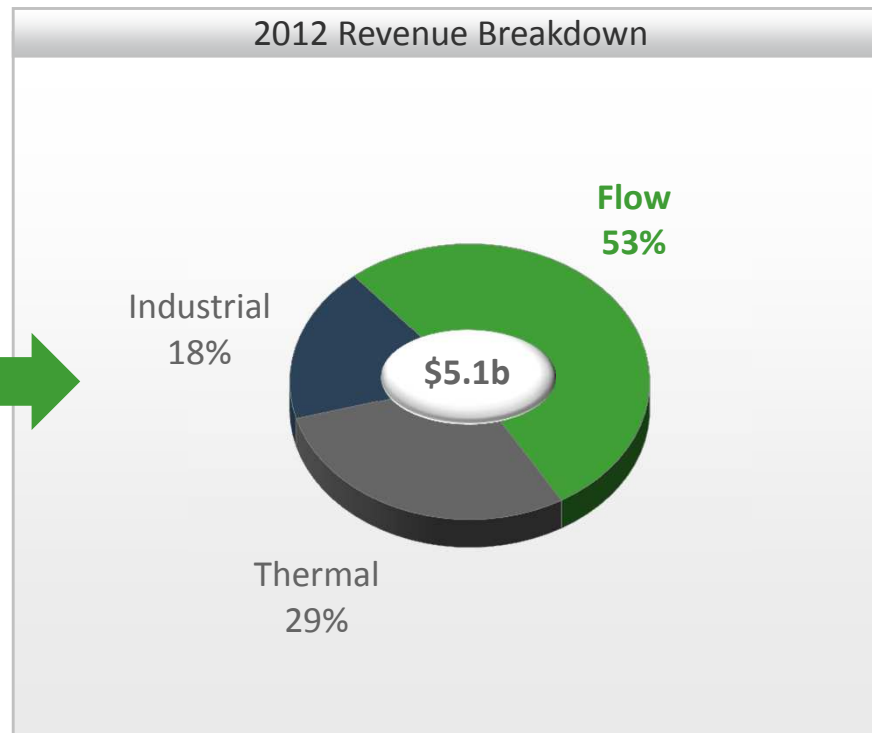
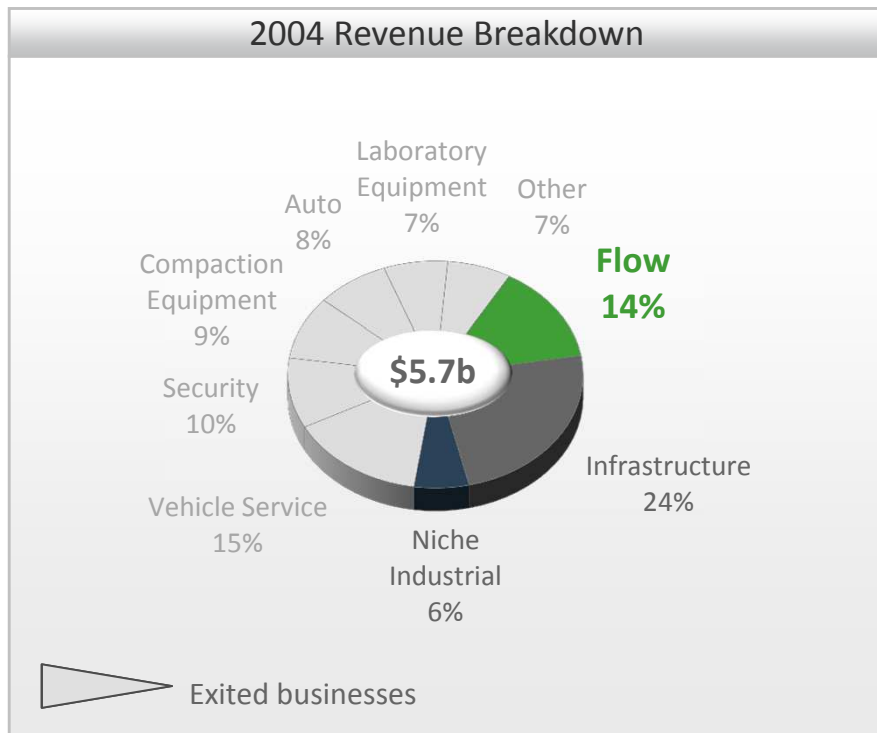
Business Sold	Quarter Completed	Primary End Market	Annual Revenue	Gross Proceeds	EBITDA Multiple
1) EST	Q1 2005	Building Life Security & Commercial Construction	\$438	\$1,395	~15.5x
2) Bomag	Q1 2005	Construction	\$506	\$486 ⁽¹⁾	~10.5x
3) Kendro	Q2 2005	Laboratory & Life Sciences	\$371	\$829	~11.0x
4) Service Solutions	Q4 2012	Automotive	\$911	\$1,150 ⁽²⁾	~12.7x
Total			\$2,226	\$3,860	~12.7x

1) Includes under-funded pension

2) Subject to final working capital adjustment

SPX is an Experienced, Sophisticated Seller of Businesses

Strategic Transformation

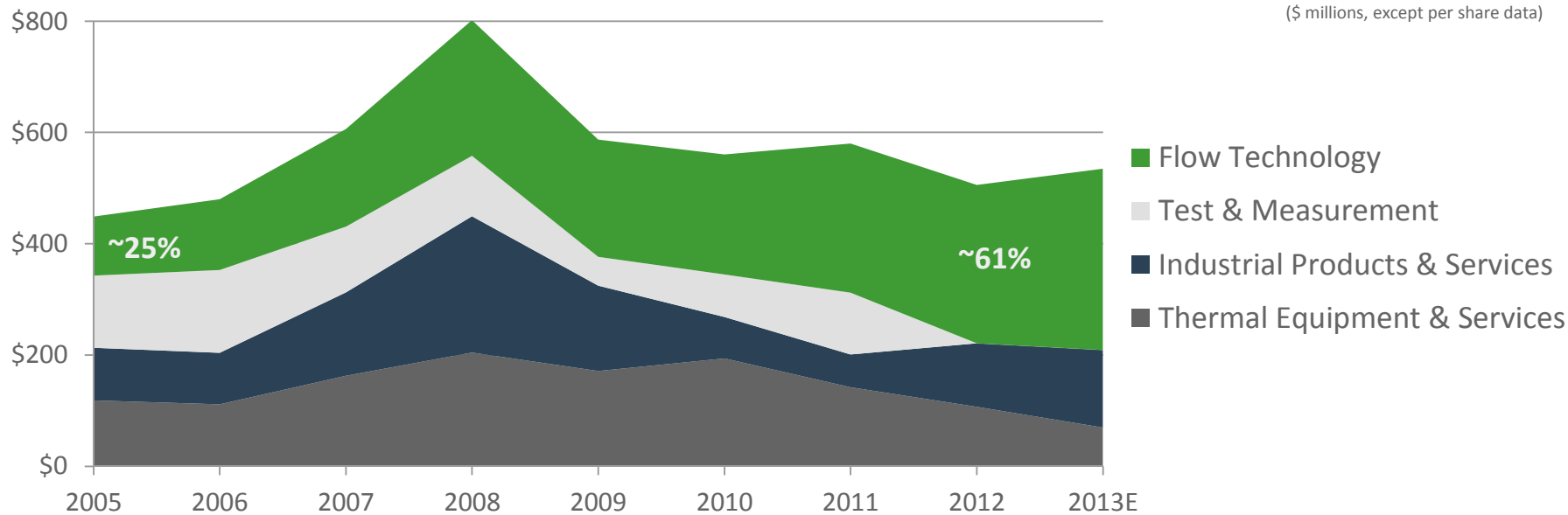


Continue to Focus on Strategically Expanding SPX into Higher Growth Markets, Improving Our Overall Return Profile and Creating Global Platforms for Future Growth

Segment Income Development



(\$ millions, except per share data)



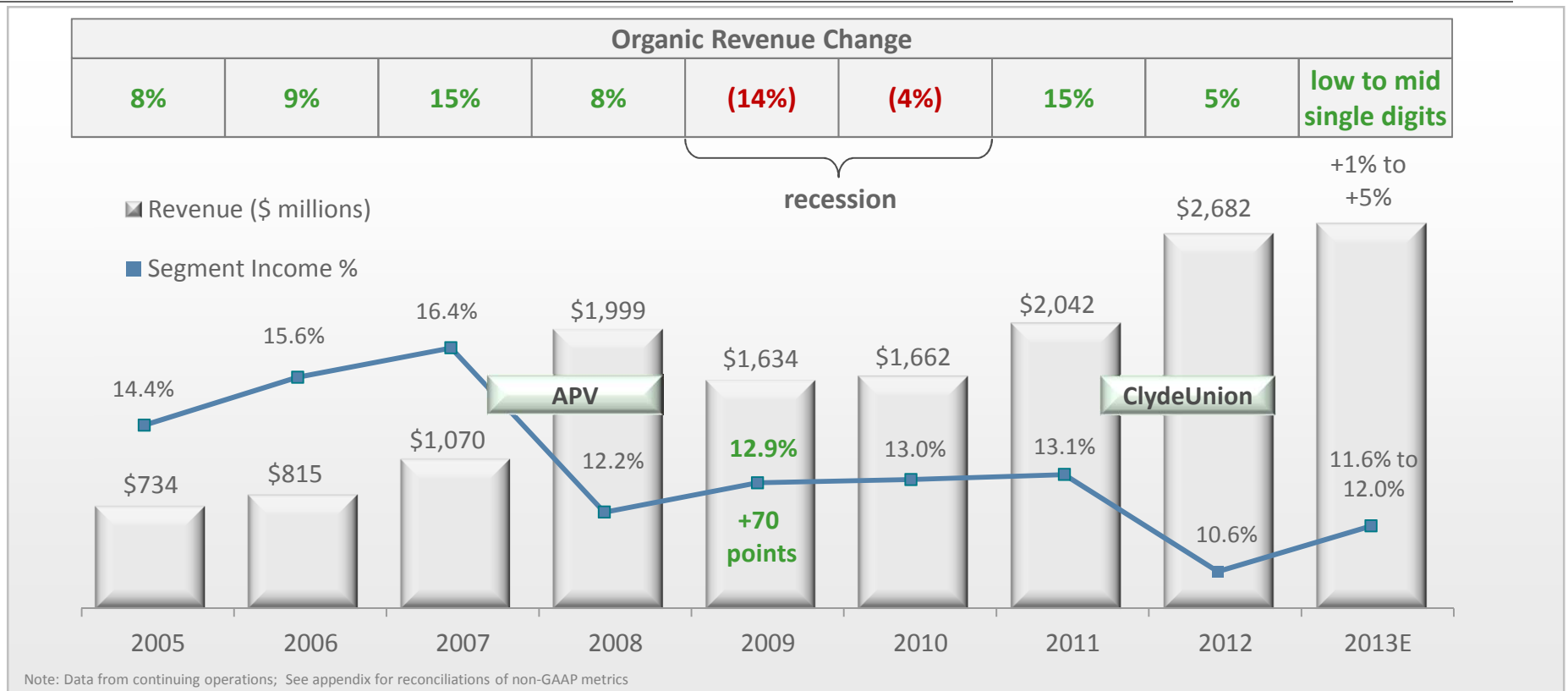
\$1.70	\$2.05	\$2.81	\$3.91	\$3.38	\$3.46	\$4.31	\$4.57	~\$5.20	Flow Technology earnings per share ⁽¹⁾
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Note: Data from continuing operations

⁽¹⁾ Calculation based on 2013E tax rate and share count

\$1.6b of Acquisition Capital Was Deployed in Flow Technology Between 2004 and 2012; During This Period, Flow Technology's EBITDA Increased Over \$225m to ~\$350m in 2012

Flow Technology Financial Performance



**Revenue and Segment Income have Tripled Over the Past 8 Years;
 Targeting ~\$2.7b of Revenue with ~\$325m of Segment Income in 2013E**

Attractiveness of Flow Space



Definition of Flow Space

- Market sectors that require highly engineered system solutions and components which enable our customers to:
 - process, transport, meter, filter or dehydrate...
 - ...fluids, gases and powders across a variety of applications

Strategic Rationale for Flow

- High growth, high margin potential
- Aftermarket model
- Technology adaptable across multiple end markets
- Fragmented industry
- Generally, a higher valuation potential than multi-industrial companies

Technology Examples

pumps



valves



heat exchangers



mixers



separation



air treatment



**Many Attractive Characteristics to the Flow Space and End Markets
Representing Significant Growth Opportunities for SPX**

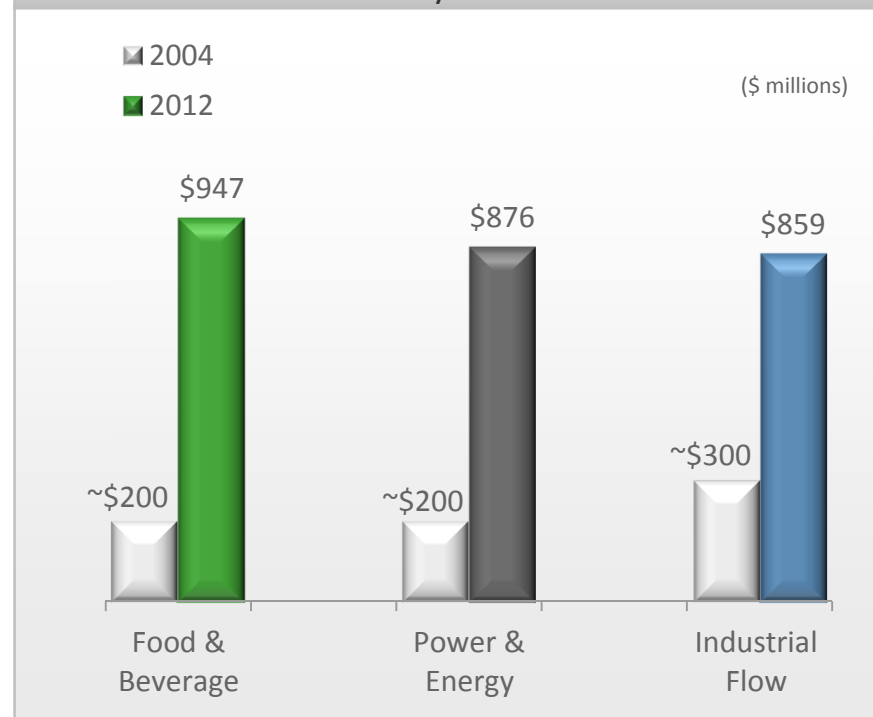
Flow End Market Development



Flow Acquisitions

<u>Year</u>	<u>Business</u>	<u>Primary Market</u>
1998	Lightnin Mixers	Industrial Flow
2000	Copes Vulcan Valves	Power & Energy
2001	Waukesha Cherry-Burrell	Food & Beverage
2001	Bran & Luebbe Pumps	Industrial Flow
2001	Dollinger Filtration	Industrial Flow
2001	The Plenty Group	Power & Energy
2002	M&J Valve	Power & Energy
2003	Hankinson	Industrial Flow
2006	Johnson Pump	Industrial Flow
2007	APV	Food & Beverage
2010	Gerstenberg	Food & Beverage
2010	Anhydro	Food & Beverage
2010	Murdoch	Food & Beverage
2011	ClydeUnion Pumps	Power & Energy
2011	e&e	Food & Beverage
2012	Seital	Food & Beverage

Revenue by End Market



Significantly Expanded Global Presence Across Key End Markets

Flow Technology Food & Beverage Expansion



2008	2009	2010	2011	2012	2013 and beyond
<p>> APV®</p> <ul style="list-style-type: none"> □ defining acquisition □ expanded niche position into global platform 		<p>> Gerstenberg</p> <ul style="list-style-type: none"> □ butter, fats & oils processing <p>> Anhydro</p> <ul style="list-style-type: none"> □ liquid to powder dehydration □ infant milk formula 	<p>> Murdoch</p> <ul style="list-style-type: none"> □ engineering expertise □ New Zealand customer relationships <p>> e&e</p> <ul style="list-style-type: none"> □ extraction & evaporation technology □ coffee industry 	<p>> Seital</p> <ul style="list-style-type: none"> □ separation technology □ expands F&B "component" portfolio □ scalable 	<ul style="list-style-type: none"> □ Focus on organic growth and margin improvement: <ol style="list-style-type: none"> 1) grow installed base of systems 2) improve profitability 3) grow aftermarket 4) Innovation □ Acquisition opportunities are focused on bolt-ons
<p>APV Integration →</p>					
<p>~\$200m revenue before APV</p>			<p>\$947m revenue</p>		

Significantly Expanded Technology Offering Through Acquisition Strategy

Flow Technology Power & Energy Expansion

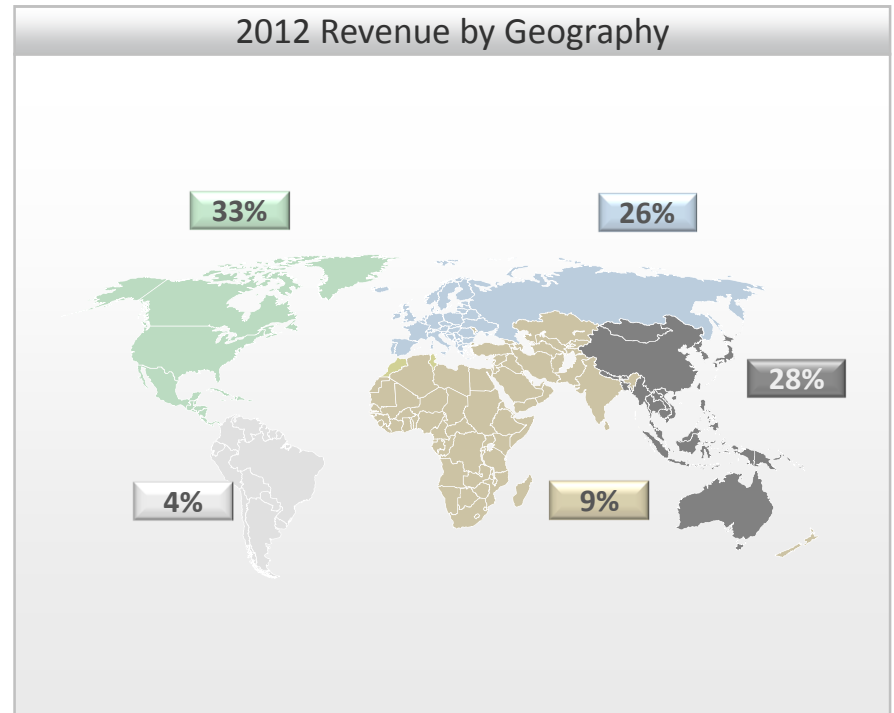
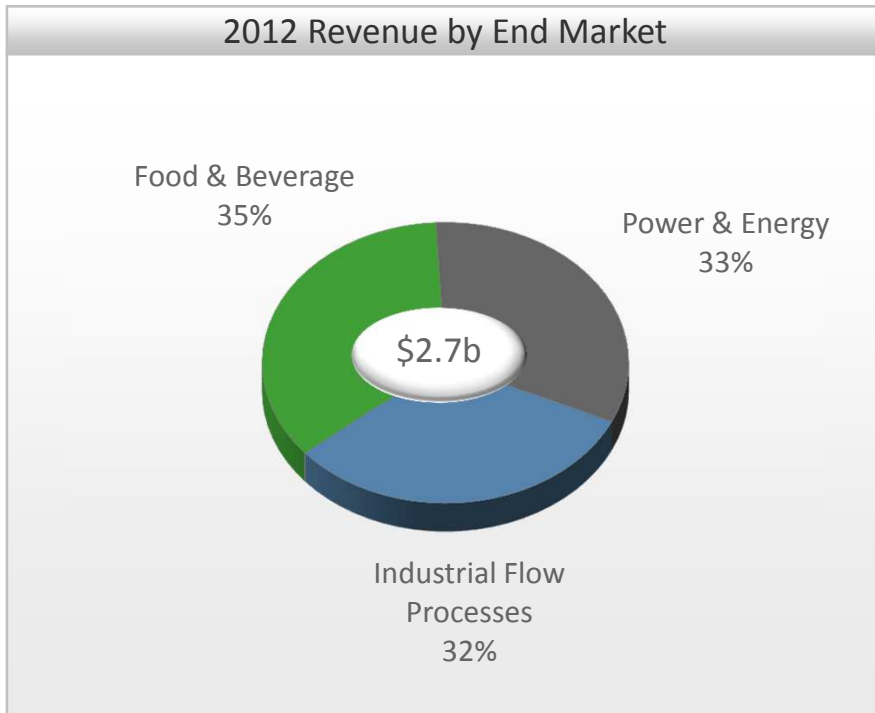


2010	2011	2012	2013	2014
<ul style="list-style-type: none"> > M&J Valve > Copes-Vulcan[®] <ul style="list-style-type: none"> □ valves > Plenty[®] <ul style="list-style-type: none"> □ filtration > Dollinger[®] <ul style="list-style-type: none"> □ dehydration > Bran+Luebbe[®] <ul style="list-style-type: none"> □ chemical injection 	<ul style="list-style-type: none"> > ClydeUnion <ul style="list-style-type: none"> □ defining acquisition □ expanded niche position into global platform □ added highly engineered pump technology 		<p style="text-align: center;"><u>future expectations</u></p> <ul style="list-style-type: none"> ▪ margin improvement ▪ multi-product offerings / revenue synergies ▪ Acquisitions beyond 2013 	
<div style="border: 1px solid gray; padding: 5px; width: fit-content; margin: 0 auto;">~\$300m revenue</div>			<div style="border: 1px solid gray; padding: 5px; width: fit-content; margin: 0 auto;">\$876m revenue</div>	

ClydeUnion Integration

Currently Focused on Improving ClydeUnion's Operating Performance;
Several Attractive Organic and Acquisition Opportunities for Future Growth

Flow Technology Segment Overview



**SPX Flow Technology is a Leading Global Supplier of Engineered Products and Solutions
In the Food & Beverage, Power & Energy and Industrial Flow End Markets**

Flow Technology Segment Overview



Food & Beverage



2012 Revenue: \$947m

Key Products

- Pumps
- Valves
- Heat Exchangers
- Mixers
- Dispersion
- Separation
- Filtration
- Dehydration
- Drying & Evaporation
- Full-Line Systems

Power & Energy




2012 Revenue: \$876m

Key Products

- Pumps
- Valves
- Heat Exchangers
- Filtration
- Chemical Injection Skids

Industrial Flow



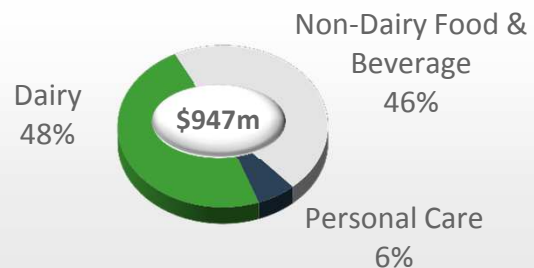
2012 Revenue: \$859m

Key Products

- Pumps
- Heat Exchangers
- Mixers
- Filtration
- Dehydration

SPX Flow Technology is Well Positioned Across All Three Broad End Markets

Flow's 2012 Food & Beverage Revenue



Customer Examples



Market Overview

- Regulated, global industry in which customers demand highly engineered, turn-key solutions
- Competitors include GEA, Tetra Pak, Alfa Laval, Sudmo (Pentair) and Fristam
- Key demand drivers:
 - Emerging market capacity expansion
 - Sustainability & productivity
 - Customer product innovation
 - Safety

Well Positioned as a Leading Global Supplier of Food & Beverage Systems and Aftermarket Services

Key Flow Technology Food & Beverage Offerings



Full Line Systems

Liquid Processing



Drying & Evaporation



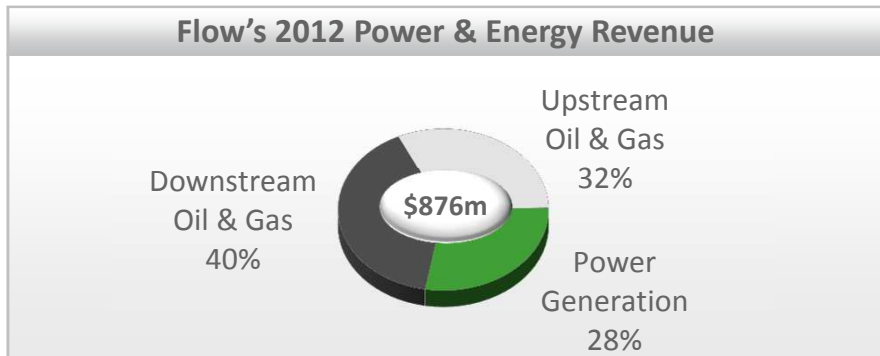
Extraction & Distillation



Components

Separation & Clarification	Dispersion	Mixing
		
Pumps	Valves	Heat Exchangers
		

Our Technology Offerings Include Full-Line Process Systems and Process Components



Power & Energy Overview

- Large, global markets in which customers demand highly engineered technology solutions
- Competitors include Flowserve, Sulzer, KSB, Cameron, Goulds Pumps and Ebara
- Key demand drivers:
 - Global energy consumption
 - Crude oil & natural gas pricing
 - Global rig count
 - Global shale activity
 - New power plant investments and replacement of aged power plant equipment

Customer Examples

72% of Flow's 2012 Power & Energy Revenue From Sales Into the Oil & Gas End Market

Key Flow Technology Power & Energy Offerings



multi-stage pumps



valves



closures



reciprocating oil pump



multi-stage, vertical pump



dehydration & filtration



Complementary Products With Very Good Potential for Revenue Synergies Through Cross-Selling Opportunities, Channel Combinations and Key Customer Account Management

Flow's 2012 Industrial Revenue



Customer Examples



Industrial Flow Markets Overview

- Large, global markets in which customers demand highly engineered technology solutions
- Fragmented, regional competitor base
- Key demand drivers:
 - ❑ Global GDP growth
 - ❑ Manufacturing expansion
 - ❑ Industrial capital spending
 - ❑ Metal pricing
 - ❑ Shipbuilding

SPX Flow Technology Also Serves Global Customers in a Variety of Industrial End Markets

Key Flow Technology Industrial Offerings



mixers	pumps	heat exchangers	air treatment	strategic growth opportunities
				<ul style="list-style-type: none"> ■ Expand product offerings <u>geographically</u> ■ Add <u>adjacent technologies</u> to broaden product portfolio ■ Extend vertically in select <u>end markets</u> ■ Fragmented competitor and adjacent supplier environment results in broad opportunities for acquisitions

Broad Opportunities for Strategic Growth in Highly Engineered Industrial Flow Applications



Executive Summary



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Questions?





Appendix



2013 Adjusted Free Cash Flow Guidance Reconciliation



2013 Adjusted Free Cash Flow Guidance

(\$ millions)

	<u>Q1 2013</u>	<u>Q2 to Q4 2013E</u>		<u>Full Year 2013E</u>	
Net cash from operations	(\$57)	\$112	to \$152	\$55	to \$95
Tax payment on the gain from the sale of Service Solutions	\$115	\$0	\$0	\$115	\$115
Voluntary pension contribution, net of ~\$90m tax benefit	<u>(\$90)</u>	<u>\$250</u>	<u>\$250</u>	<u>\$160</u>	<u>\$160</u>
Adjusted cash from operations	(\$32)	\$362	\$402	\$330	\$370
Capital expenditures	<u>(\$19)</u>	<u>(\$71)</u>	<u>(\$71)</u>	<u>(\$90)</u>	<u>(\$90)</u>
Adjusted free cash flow	<u>(\$52)</u>	<u>\$292</u>	to <u>\$332</u>	<u>\$240</u>	to <u>\$280</u>

2005 to 2012 Flow Organic Growth



Flow Segment - Organic Revenue Reconciliation

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Net Revenue Change	8.4%	11.2%	31.2%	86.8%	-18.2%	1.7%	22.8%	31.4%
Acquisitions/Divestitures	0.0%	0.9%	14.0%	78.9%	0.0%	5.6%	4.3%	29.2%
Currency	0.1%	1.0%	2.5%	-0.1%	-4.3%	0.2%	3.4%	(3.0%)
Organic	8.3%	9.3%	14.7%	8.0%	-13.9%	-4.1%	15.1%	5.2%

Bank EBITDA Reconciliation



(\$ millions)	<u>LTM</u>	<u>2013E</u>
Net Income	\$248	\$206
Income tax provision (benefit)	15	65
Interest expense	115	107
Income before interest and taxes	\$378	\$379
Depreciation, intangible amortization expense and write off of goodwill and intangibles	401	119
EBITDA from continuing operations	\$779	\$498
Adjustments:		
Non-cash compensation expense	54	50
Extraordinary non-cash charges	10	0
Extraordinary non-recurring cash charges	26	30
Joint venture EBITDA adjustments	13	15
Net (gains) and losses on disposition of assets outside the ordinary course of business	(308)	0
Pro Forma effect of acquisitions and divestitures	(25)	0
Other	0	2
Bank EBITDA from continuing operations	\$549	\$594

Note: EBITDA as defined in the credit facility

Debt Reconciliation



(\$ millions)

3/30/2013

Short-term debt	\$ 31
Current maturities of long-term debt	9
Long-term debt	<u>1,652</u>
Gross Debt	\$ 1,691
Less: Purchase card program and extended A/P programs	<u>(26)</u>
Adjusted Gross Debt	\$ 1,665
Less: Cash in excess of \$50	<u>(705)</u>
Adjusted Net Debt	<u>\$ 960</u>

Note: Debt as defined in the credit facility