2013 Fourth Quarter Results & 2014 Financial Guidance

February 12, 2014

- Certain statements contained in this presentation that are not historical facts, including any statements as to future market conditions, results of operations and financial projections, are forward-looking statements and are thus prospective. These forward-looking statements are subject to risks, uncertainties and other factors which could cause actual results to differ materially from future express or implied results.
- Although SPX believes that the expectations reflected in its forward-looking statements are reasonable, it can give no assurance that such expectations will prove to be correct. In addition, estimates of future operating results are based on the company's continuing operations, which are subject to change.
- Particular risks facing SPX include economic, business and other risks stemming from changes in the economy, our international operations, legal and regulatory risks, cost of raw materials, pricing pressures, pension funding requirements, and integration of acquisitions. More information regarding such risks can be found in SPX's SEC filings.
- Statements in this presentation are only as of the time made, and SPX does not intend to update any statements made in this presentation except as required by regulatory authorities.
- 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.
- The 2014 earnings per share guidance is on an adjusted basis to exclude the gain on sale of our EGS joint venture interest, early extinguishment of debt charges and non-service cost related pension items. The 2014 free cash flow guidance is also on an adjusted basis to exclude tax payments associated with the gain on the sale of EGS.
- Unless otherwise indicated, amounts in this presentation relate to continuing operations.

Q4 Financial Overview

- Earnings per share from continuing operations of $1.85
- Segment operating income margin improved 70 points year-over-year to 12.9%:
  - Flow segment operating margin increased 180 points to 14.3%
  - Industrial segment operating margin increased 200 points to 15.0%
- $236m of free cash flow from continuing operations
- Positive order trends:
  - Consolidated book-to-bill of 1.0x in Q4
  - A record order quarter for Flow segment
  - Thermal segment orders increased sequentially and year-over-year

Note: see appendix for reconciliation of non-GAAP metrics

Improved Operating Margins and Strong Free Cash Flow Generation;
Positive Order Trends With Another Record Order Quarter for Flow Segment

Flow End Market Trends

Food & Beverage

- **Q4 2013 was a record order quarter for food & beverage**

<u>Components</u>

- Steady aftermarket and component order trends

<u>Systems</u>

- Q4 system orders highlighted by:
  - >$50m award for infant formula plant in Europe

Power & Energy

<u>Oil & Gas</u>

- Demand for pipeline valves continued to be strong
- Aftermarket order activity remained steady at a high level
- Strong OE pump orders

<u>Power Generation</u>

- Market conditions generally unchanged as investment activity remained steady at low levels

Industrial Flow

- Q4 orders increased sequentially and year-over-year:
  - Highlighted by ~$10m mixer order in India
- Low shale gas pricing driving increased demand in U.S. chemical market
- Continued softness in mining and plate heat exchanger markets

Record Order Intake for Flow Segment in Q4 2013 with Orders Up 12% Year-Over-Year; Order Pipeline for Large Projects Remains Strong

Power-Related End Market Trends

Power Transformers (U.S.)

- No significant changes in market trends during 2013
- **Replacement demand for power transformers remained strong**
- Market pricing remained competitive, with market lead times for medium power units stable

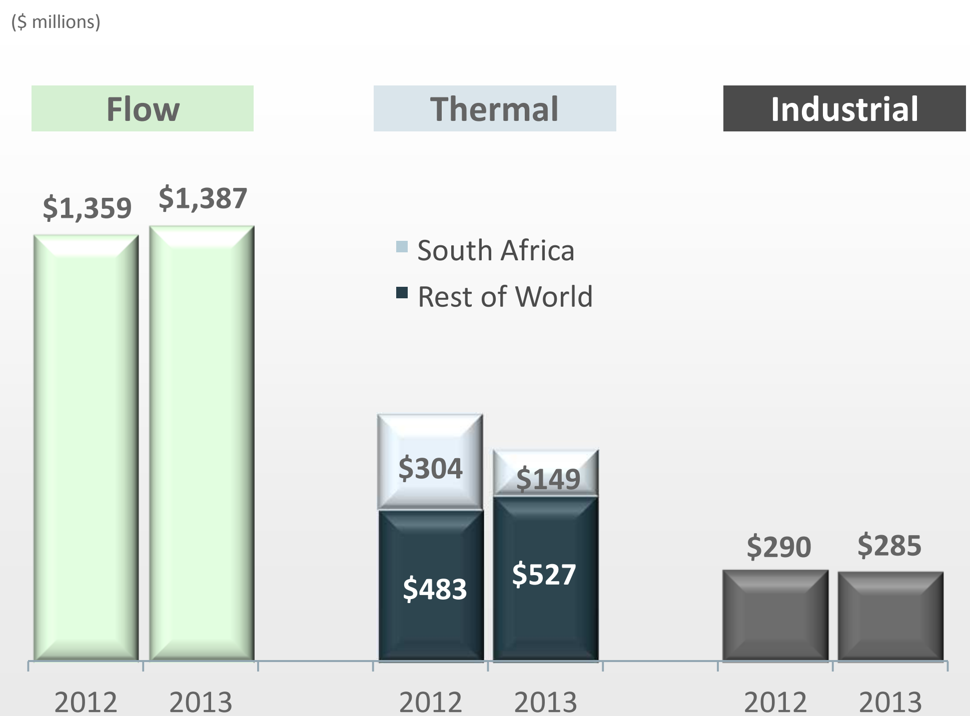
Power Generation

- Modestly improved market conditions in 2013 versus 2012
- **Thermal segment backlog (ex-South Africa) increased 9% year-over-year**
- South Africa: Continue to execute large projects in challenging environment; <u>South Africa backlog reduced to $149m</u>

Overall, Steady Market Conditions with Modest Improvement in Power Generation Orders

Year-End Backlog Analysis

Q4 Ending Backlog: 2012 vs. 2013



- Flow segment backlog increased 2%:
  - Driven largely by food & beverage backlog
  - ClydeUnion distressed backlog substantially completed (~$40m in ending 2012 backlog)
- Thermal segment backlog (ex-South Africa) increased 9%:
  - Driven primarily by cooling tower backlog
- Industrial segment backlog declined modestly:
  - 12% organic revenue growth in 2013
  - Transformer backlog flat year-over-year

Stable Backlog Position Heading into 2014;
2nd Half 2013 Orders Increased 11% Year-Over-Year

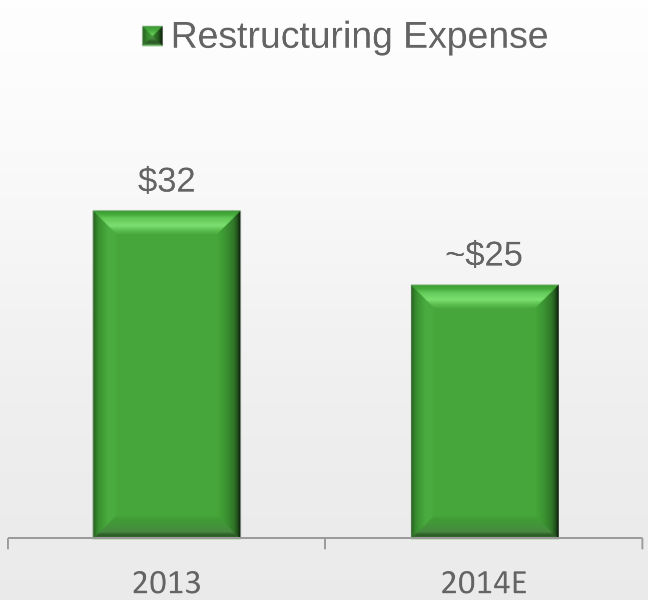
Recent Strategic Actions

- Divestitures:
  - Completed sale of joint venture interest in EGS to Emerson Electric for $574m in gross proceeds (~$340m net proceeds)
  - Sale processes are progressing on discontinued industrial assets
- U.S. Qualified Pension Plan actions:
  - Agreed to transfer monthly plan payment obligations to Mass Mutual
  - Offering a voluntary lump sum payment option to term vested, former employees in Q1 2014
- Debt actions:
  - Refinanced senior credit facilities and extended maturity to 2018
  - Completed the redemption of $500m bonds
- Entered into a 10b5-1 share repurchase plan to facilitate $500m of share repurchases
- **Increased annual dividend by 50% to $1.50 per share**

Significant Progress on Strategic Actions

Restructuring Actions

($ millions)



2013 Analysis:

- Restructuring actions concentrated in Flow and Thermal segments
- Total headcount reduction of ~700

2014 Target:

- ~$25m of restructuring expense
- Q1 action in Europe to further reduce ClydeUnion's cost structure
- Evaluating opportunities to reduce corporate cost structure

Continued Restructuring Efforts Focused on Our Commitment to a Leaner Cost Structure

2014 Financial Guidance

2014 Guidance on a Continuing Operations Basis

Adjusted Earnings Per Share

$5.00 to $5.50

Adjusted Free Cash Flow

$225m to $275m

	Revenue Growth	Segment Margin Improvement
Flow segment	+3% to +6%	+100 points
Thermal segment	(2%) to +2%	+40 points
Industrial segment	+6 to +10%	+80 points
Consolidated	+2% to +6%	+90 points

Note: 2014 financial guidance on a continuing operations basis; See appendix for reconciliation of non-GAAP metrics

Targeting 2% to 6% Revenue Growth and ~90 Points of Segment Margin Expansion in 2014

Financial Analysis

Jeremy Smeltser

Q4 Earnings Per Share

Diluted EPS from Continuing Operations

Reported Q4 2013 EPS: $1.85

Q4 2013 EPS Guidance: $1.73 to $1.88

Notable Variances from Q4 Guidance

Pension actions, net [1]	$0.14
Discrete tax benefits	$0.09
Other expense (primarily currency losses)	($0.11)
Miscellaneous trademark impairments	($0.07)

[1] A net benefit of $0.14 per share, which includes a $56m net settlement charge on the liability transfer and a $66m net benefit related to the change to mark-to-market accounting for pension

Q4 2013 Diluted Earnings Per Share From Continuing Operations of $1.85

Consolidated Q4 Results

Revenue and Segment Income

Revenue:

- (3.4%) year-over-year:
  - (3.0%) organic decline
  - (0.4%) currency impact

Segment Income:

- Consolidated segment income of $171m, up 3% versus prior year
- 70 points of margin improvement

($ millions)

Note: See appendix for reconciliation of non-GAAP metrics

Improved Operational Performance Driven by Flow and Industrial Segments; Revenue Declined as Expected Due to Lower Thermal Sales

Flow Technology Q4 Results

Q4 Year-Over-Year Analysis

Revenue decreased $8m, or 1%:

- Revenue related to ClydeUnion's distressed OE contracts declined $22m, **excluding this decline, revenue increased 2%:**
  - Organic growth in oil & gas aftermarket and pipeline valves
  - Organic growth in food & beverage systems/components

Segment Income increased $12m, or 14%:

- 180 points of margin improvement driven by:
  - ✓ increased mix of aftermarket and component sales
  - ✓ cost savings from restructuring initiatives
  - ✓ ***ClydeUnion operating margin into double-digits***

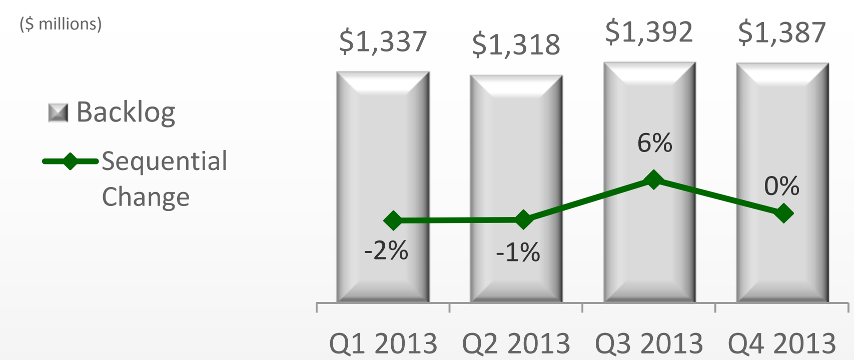
Organic Growth in Higher Margin Aftermarket and Component Sales; Operating Margin increased 180 Points to 14.3%

Flow Technology Sequential Analysis

Sequential Revenue & Margins

- Revenue increased 10% from Q3 to Q4, partially driven by seasonally strong aftermarket sales
- Steady sequential margin improvement in 2013
- ClydeUnion achieved double-digit margins in 2H

Sequential Backlog Change



- Q4 orders +12% year-over-year and at a record level
- Q4 backlog flat sequentially and +2% year-over-year:
  - Strong growth in food & beverage backlog
  - ClydeUnion distressed backlog substantially completed

Steady Sequential Growth in Revenue and Margin Performance; Positive Order Trends During the Second Half of 2013

Flow Technology Full Year Analysis

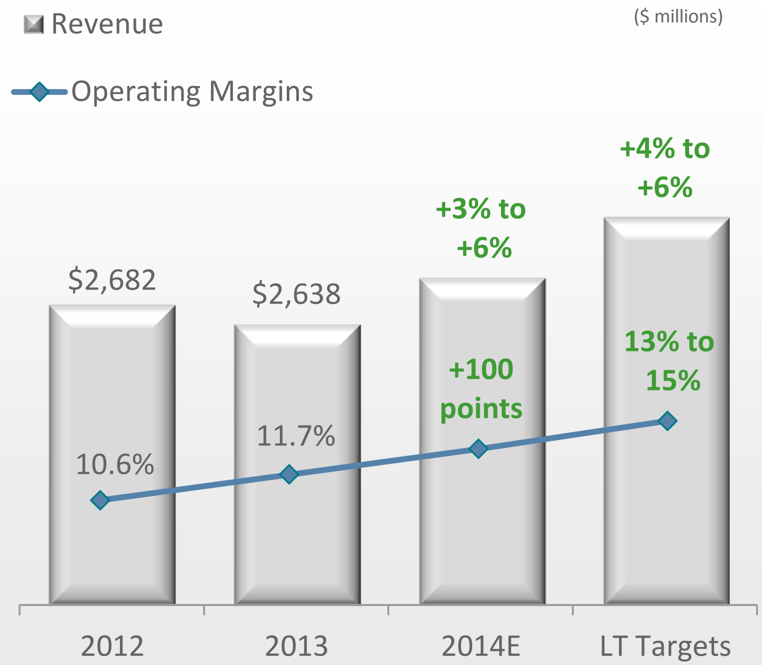
Full Year Analysis

2013 Analysis:

- 1.5% organic revenue decline:
  - $65m decline in revenue related to ClydeUnion distressed OE contracts
- 110 points of margin expansion

2014 Expectations:

- **2%-5% organic revenue growth**
- 1% currency benefit to revenue
- **~100 points of margin expansion**



Note: See appendix for reconciliation of non-GAAP metrics

Expect Lower Costs, Improved Operating Performance and Leverage on Organic Growth to Drive Continued Margin Expansion in 2014

Thermal Equipment & Services Q4 Results

Q4 Year-Over-Year Analysis

Revenue decreased $82m, or 18%:

- (1.5%) currency impact
- (17%) organic decline:
  - Lower sales of power generation equipment
  - Expected ramp down in power projects in South Africa
  - Expected decline in boiler revenue from 2012 Hurricane Sandy relief efforts

Segment Income decreased $19m, or 37%:

- 250 points of margin decline driven primarily by organic revenue decline described above

Note: See appendix for reconciliation of non-GAAP metrics

Q4 2013 Results In-Line with Expectations Coming Into the Quarter

Thermal Equipment & Services Sequential Analysis

Sequential Revenue & Margins

- Key sequential drivers for Q4 2013:
  - Seasonality of personal comfort heating businesses
  - Increased sales of evaporative cooling equipment

Sequential Backlog Change

- Ending 2013 backlog (ex-South Africa) increased 9% year-over-year:
  - Strong growth in cooling equipment backlog
- Backlog in South Africa declined to $149m at the end of 2013

Improved Backlog and Order Trend During 2013;
Excluding South Africa, Backlog Increased 9% During 2013

Thermal Equipment & Services Full Year Analysis

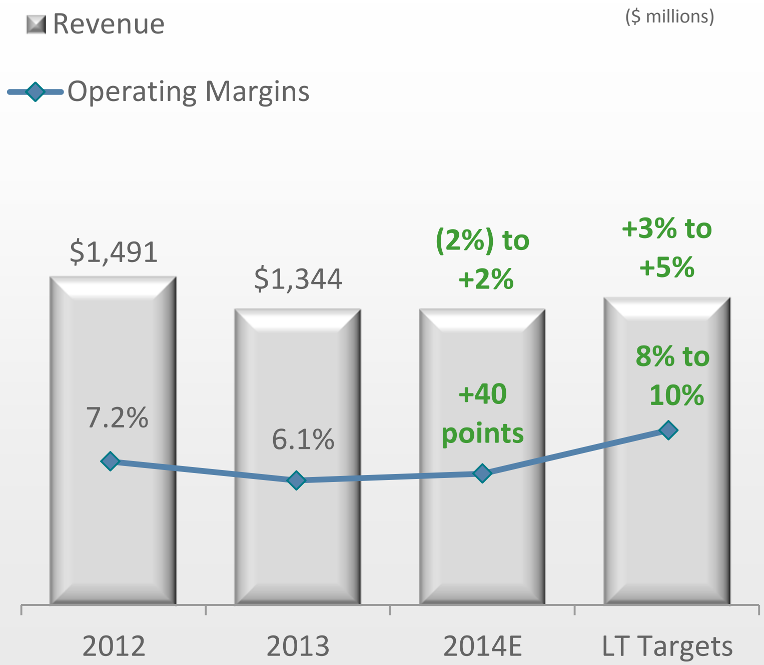
Full Year Analysis

2013 Analysis:

- (2%) currency impact on revenue
- (7%) organic revenue decline:
  - Decrease in power generation equipment and service revenue in North America and Europe
  - Expected ramp down of South Africa power projects
- 110 points of margin decline

2014 Expectations:

- ~$50m revenue headwind in South Africa
- **2%-6% organic revenue growth, excluding South Africa**
- **~40 points of margin expansion**



Encouraged by the Organizational Progress and Positive Order Trends in 2013

Industrial Products & Services Q4 Results

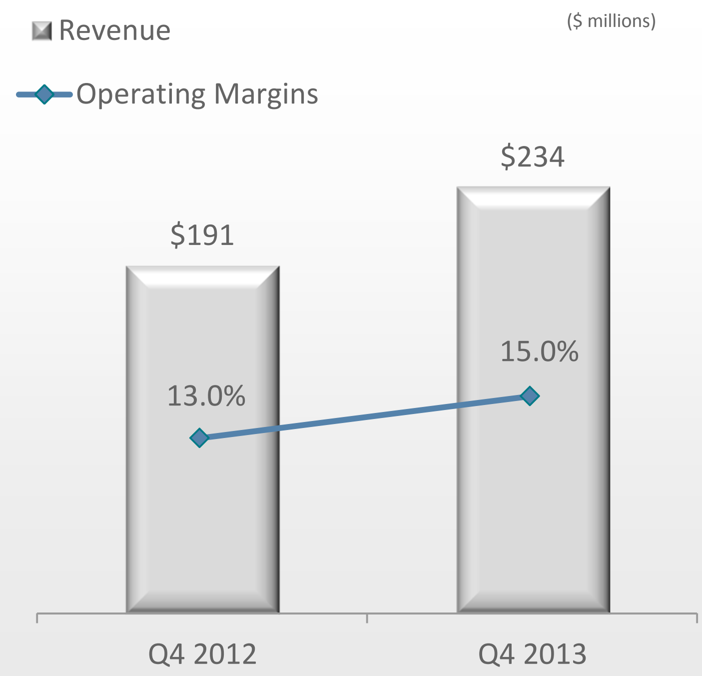
Q4 Year-Over-Year Analysis

Revenue increased $43m, or 23%:

- Organic growth in each business
- >20% growth in power transformer sales

Segment Income increased $10m, or 42%:

- **200 points of margin improvement** driven by:
  - Leverage on organic revenue growth
  - Improved operational execution in our power transformer business

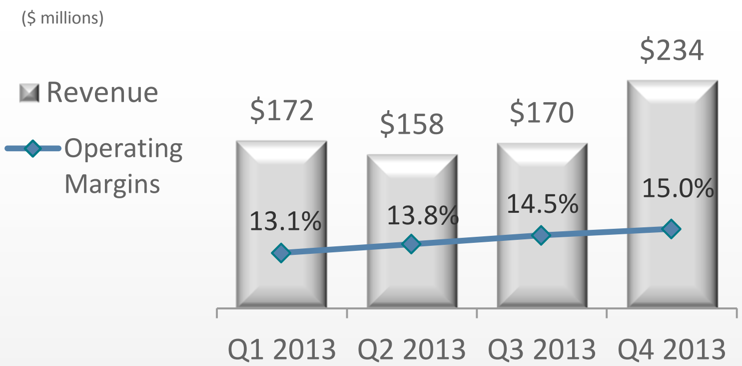


Note: See appendix for reconciliation of non-GAAP metrics

22% Organic Revenue Growth with 200 Points of Margin Improvement

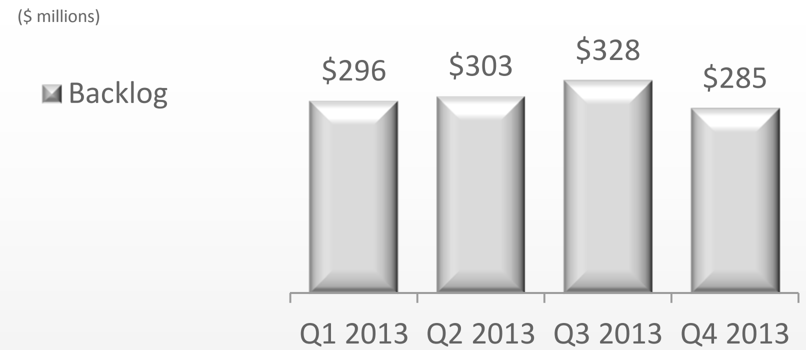
Industrial Products & Services Sequential Analysis

Sequential Revenue & Margins



- Q4 revenue increase driven primarily by power transformer sales
- Steady increase in profitability throughout 2013

Sequential Backlog Change



- Strong revenue conversion in Q4 2013 resulted in sequential backlog decline
- Q4 orders were steady sequentually and increased year-over-year

Strong Q4 Revenue and Margin Performance Driven by Improved Operating Performance in Power Transformer Business

Industrial Products & Services Full Year Analysis

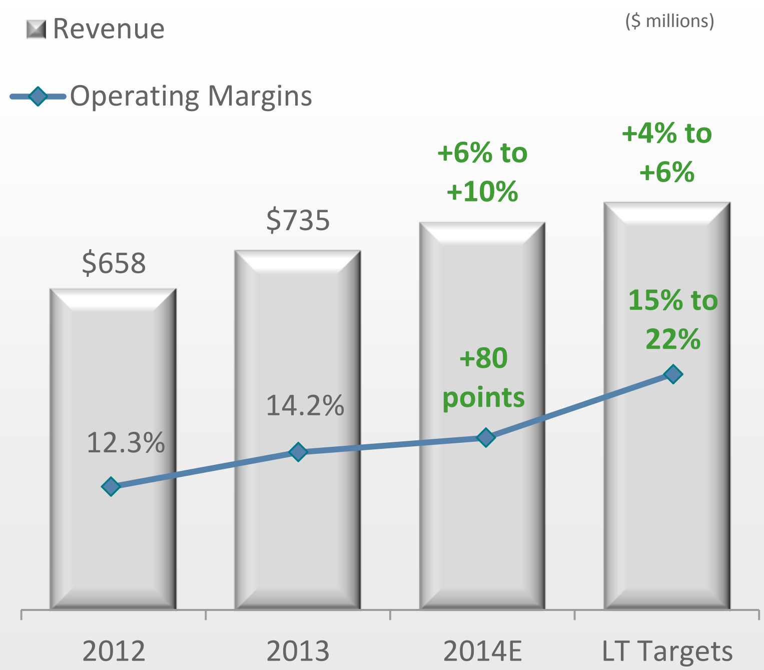
Full Year Analysis

2013 Analysis:

- 12% organic revenue growth:
  - Organic growth in each business
  - Power transformer and fare collection system sales experienced the highest growth
- 190 points of margin expansion:
  - Leverage on organic revenue growth and improved operating execution at our power transformer business

2014 Expectations:

- **6%-10% organic revenue growth**
- **~80 points of margin expansion**



12% Organic Growth and 190 Points of Margin Expansion in 2013;
Expect High Single-Digit Growth With Margins at ~15% in 2014E

SPX

2014 Financial Targets

2014 Adjusted EPS Mid-Point Model

($ millions, except per share data)

2014 adjusted EPS from continuing operations guidance range:

$5.00 to $5.50 per share

Key modeling assumptions

- ~26% tax rate for 2014
- ~43.5 million diluted shares outstanding

2014 Adjusted EPS from Continuing Operations Mid-Point Guidance Model

	2014E
Revenue	$4,895
Segment income %	11.4%
Corporate expense	($101)
Pension service costs	($9)
Stock-based compensation	($35)
Special charges	($25)
Operating Income	**$387**
Equity earnings in joint ventures	$1
Interest expense, net	($68)
Other income or (expense)	($6)
Income before taxes	**$314**
Income tax provision	($82)
Income from continuing operations	**$232**
Minority interest, net of taxes	($4)
Net income from continuing operations	**$228**
Mid-Point Adjusted EPS	**$5.25**

2014E EPS From Continuing Operations Guidance Mid-Point is $5.25 Per Share

Quarterly Segment Income Profile

% of Full Year Segment Income Per Quarter

Segment Income Seasonally Stronger in Second Half of the Year

Q1 Consolidated Financial Analysis

($ millions, except per share data)

	Q1 2013	Q1 2014 Targets	comments
Revenue	$1,091	(1%) to +2%	▪ Expect low single digit growth across SPX, partially offset by lower revenue from South Africa projects
Segment Income	$79	$90 to $95	▪ Targeting 14% to 20% growth
Segment Income %	7.3%	8.3% to 8.7%	▪ Targeting 100 to 140 points of margin expansion
Special Charges	$0.4	$7 to $10	▪ European cost reduction actions at ClydeUnion
Shares Outstanding	47.5m	~45m	▪ Reflects 2013 and 2014 share repurchases
Adjusted Earnings Per Share	NA	$0.15 to $0.22	▪ Q1 2014 adjusted EPS to exclude large gain on sale of EGS, early extinguishment of debt charge and non-service cost related pension items

Targeting 14% to 20% Increase in Segment Income;
Expect ~$0.15 Per Share EPS Headwind from Increased Year-Over-Year Restructuring Expense

Capital Allocation

Pension Review

Key U.S. Qualified Pension Plan Actions:

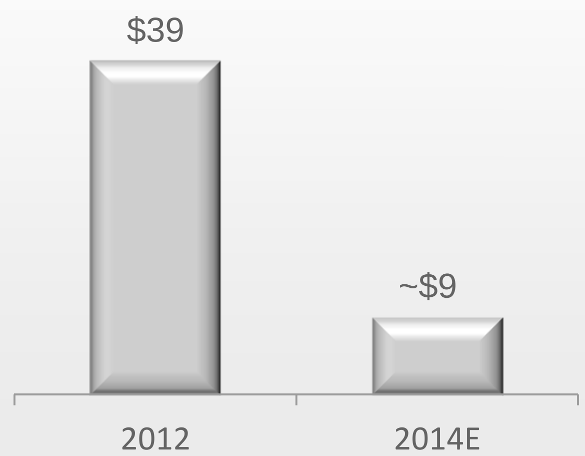
- ✓ Made $250m voluntary contribution in Q2 2013
- ✓ In Q4 2013, agreed to transfer monthly pension payment obligations to Mass Mutual
- ✓ Offering lump sum payment option to eligible former employees in Q1 2014

Results of Actions:

- **Expected to reduce SPX's U.S. qualified pension obligations by approximately $800 million, or 75%**
- Expect no additional funding requirments in the U.S.
- Changed to "mark-to-market" accounting which is **expected to reduce adjusted pension expense by $30m or $0.43 per share**

Pension & Post Retirement Healthcare Expense

($ millions)

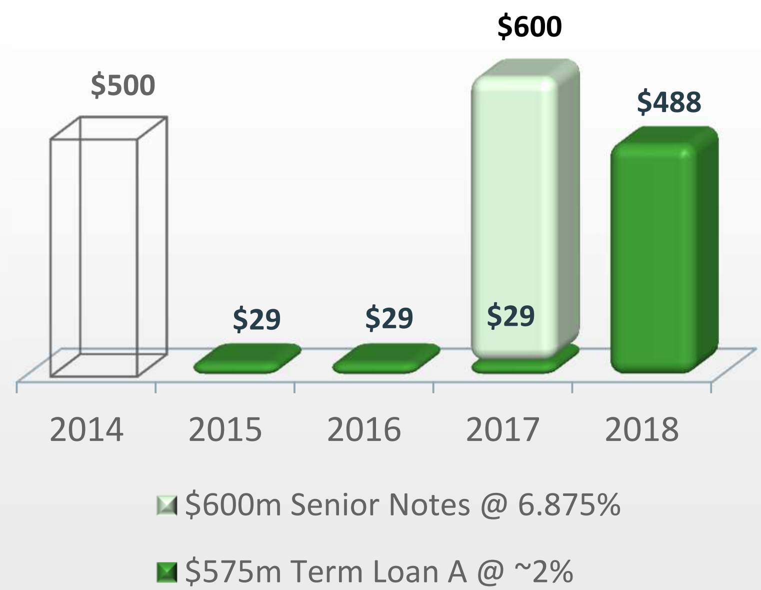


Actions Expected to Significantly Reduce Pension Obligations Going Forward

Debt Actions & New Debt Structure

- Redeemed $500m bonds at 7.625% in Q1 2014:
  - Expect to record ~$32m of charges related to the early extinguishment of debt in Q1 2014
- Refinanced senior credit facilities:
  - Extended maturity to 2018
  - Added $100m delayed draw term loan
- **Reduced net interest expense by ~$36m or ~$0.52 per share**

($ millions)

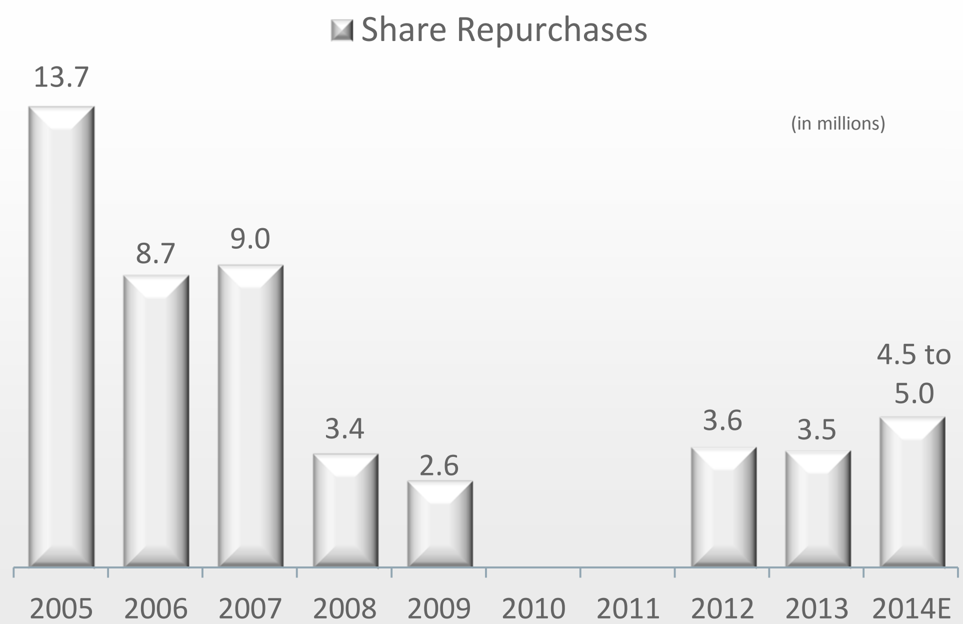


Gross Leverage Now Within the Target Range of 1.5x to 2.5x

Share Repurchases

Summary

- From 2005 through 2013…
- ..we repurchased ~44.5 million shares at an average price of $56 per share…for a total investment of ~$2.5b
- Targeting an additional $500m of share repurchases in 2014



~45% Reduction in the Diluted Share Count Over the Ten Year Period

Annual Dividend

SPX

Summary

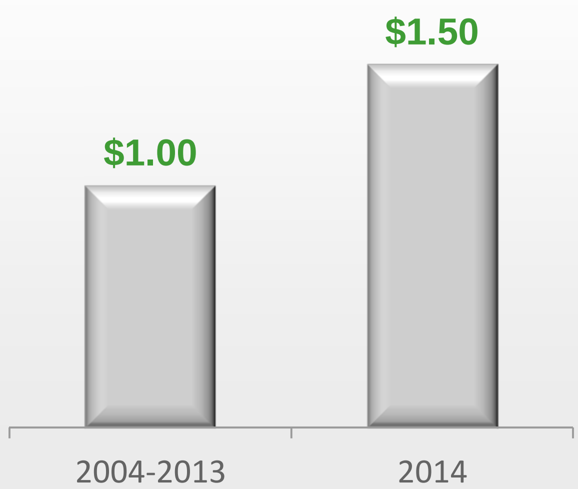
2004 to 2013:

- $1.00 per share annual dividend paid quarterly

2014 and beyond:

- Increased annual dividend 50% to $1.50 per share :
  - Increases current dividend yield to ~1.6%
  - Increases cash committed to dividend payment to ~$65m annually or ~25% of 2014E adjusted free cash flow
- Expect to review annually to evaluate potential increase

Annual Dividend Per Share



Increased Annual Dividend 50% to $1.50 Per Share Paid Quarterly

Projected Liquidity

($ millions)	Amount	Expected Timing
Cash on Hand at December 31, 2013	**$692**	
2014E Cash Outflows and Inflows		
Gross proceeds from sale of EGS joint venture	$574	received January 7th
Tax payments on gain from sale of EGS joint venture	($236)	quarterly
Net debt reduction	($300)	Q1 2014
10b5-1 share repurchase plan	($489)	ratably throughout 2014
Planned dividend payments	($65)	quarterly
2014E adjusted free cash flow generation (guidance mid-point)	$250	seasonally strong in 2H 2014
Projected Cash on Hand at December 31, 2014	**$426**	
Available lines of credit	$318	
Total projected liquidity (prior to divestiture proceeds)	**$744**	
Net proceeds from planned divestitures	TBD	

Projected Liquidity ~$750m in 2014

Executive Summary

Chris Kearney

Capital Allocation

SPX®

2013 Capital Allocation Summary

1) Operational improvements and organic growth initiatives:
   - Capital expenditures: $55m
   - Restructuring actions: $29m
2) Annual dividend ($1 per share, paid quarterly)
3) Voluntary pension contribution: $250m
4) Share repurchases: $260m

2014 Capital Allocation Commitments

1) Operational improvements and organic growth initiatives:
   - Capital expenditures: ~$85m
   - Restructuring actions: ~$25m
2) Total debt reduction of ~$300m
3) Annual dividend: increased 50% to $1.50 per share paid quarterly
4) Share repurchases: additional $500m

2014 Capital Allocation Commitments Include 18% Debt Reduction, ~$500m of Additional Share Repurchases and a 50% Increase in the Dividend

Capital Allocation 2005 thru 2014E

SPX

Share Repurchases & Dividends

- Repurchased ~49m shares
- Increased annual dividend 50% to $1.50/share

$3.5b

Acquisitions

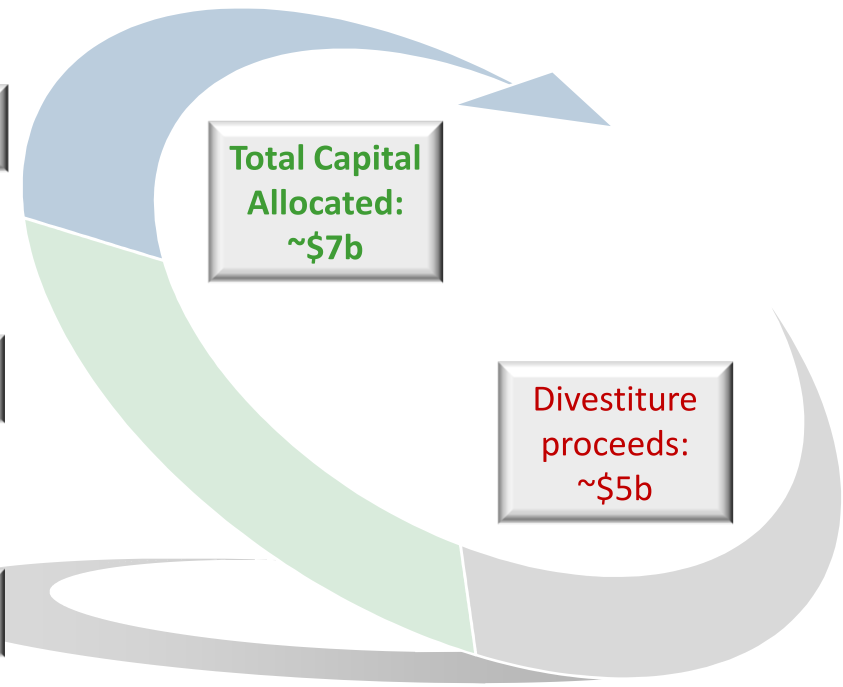
- Invested 85% of acquisition capital in Flow segment

$1.9b

Net Debt Reduction

- Target gross leverage range 1.5x to 2.5x
- Total pension contributions: ~$550m

$1.8b



>50% of Total Capital Allocated has Been Returned To Shareholders

Capital Allocation Discipline

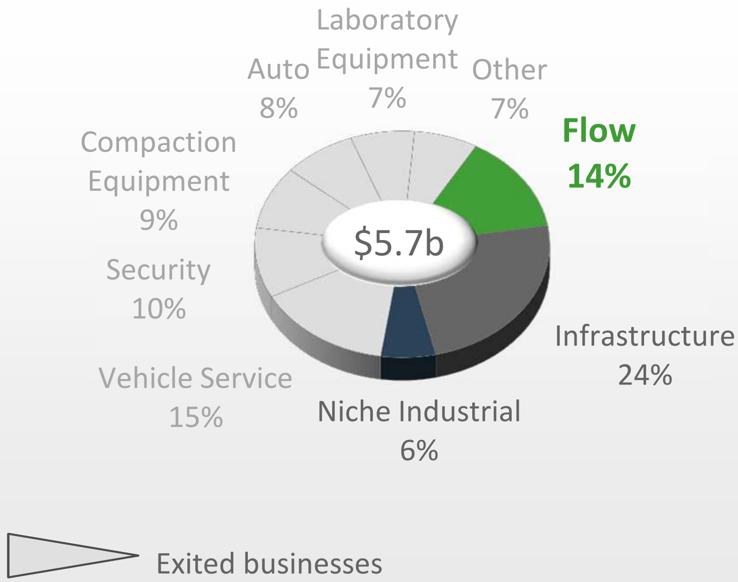
Methodology	Expected Outcome
1) Utilize strategic planning process to evaluate future revenue and earnings growth	▪ Quantify projected future cash flows and estimate total company valuation
2) Maintain target capital structure and fund regular dividend	▪ Gross Debt to EBITDA[1] target range: <u>1.5x to 2.5x</u> ▪ Annual dividend of $1.50 per share
3) Invest available capital in highest, risk adjusted, return opportunities: ▪ **EVA models continue to drive allocation decision-making**	▪ Organic growth and improvement opportunities ▪ Strategic acquisitions *(not expected in the near term)* ▪ Share repurchases ▪ Increase dividend

[1] Gross Debt and EBITDA as defined in our credit facility

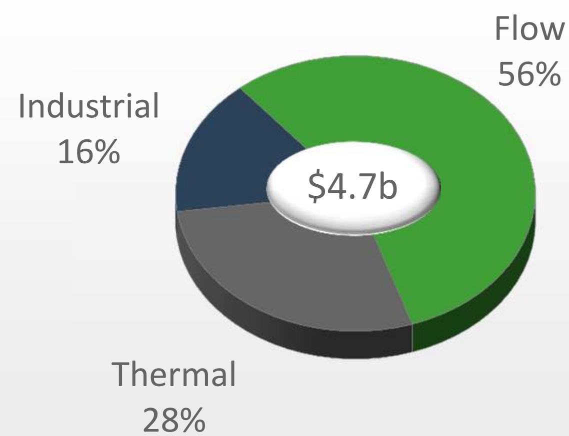
Capital Allocation Discipline Focused on the Highest Return Opportunities

Strategic Transformation

2004 Revenue Mix



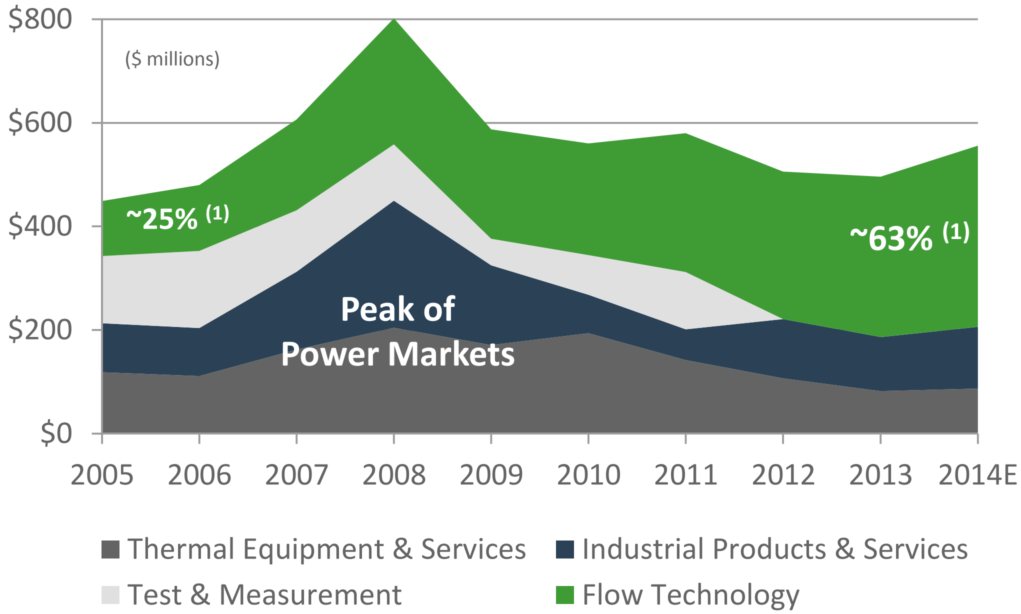
2013 Revenue Mix



Significant Transformation Since 2004 has Simplified SPX;
Transitioning from Portfolio Company to Operating Company

Segment Income Development

Segment Income



(1) % of segment income from Flow segment

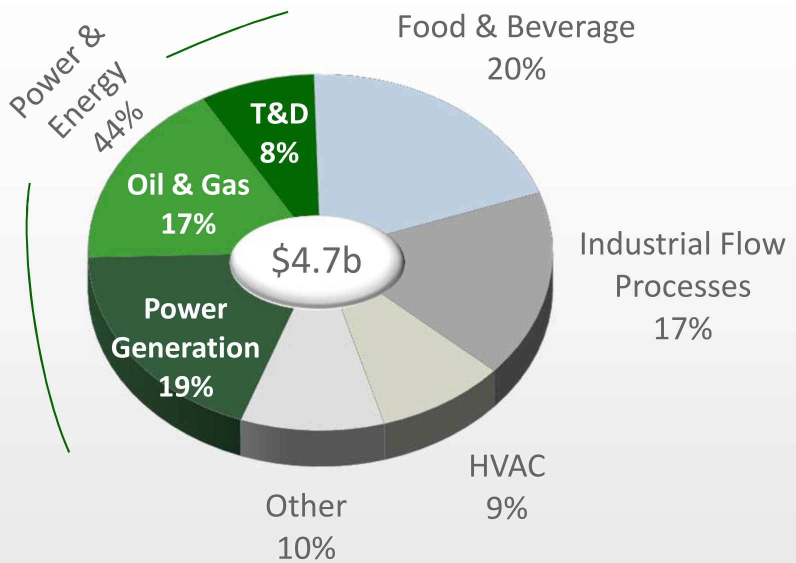
Earnings Impact

- Since 2008, growth and investment in Flow segment, combined with capital allocation actions have largely offset…
- … the earnings declines at our Thermal and Industrial segments related to the slow recovery in power generation and power T&D markets

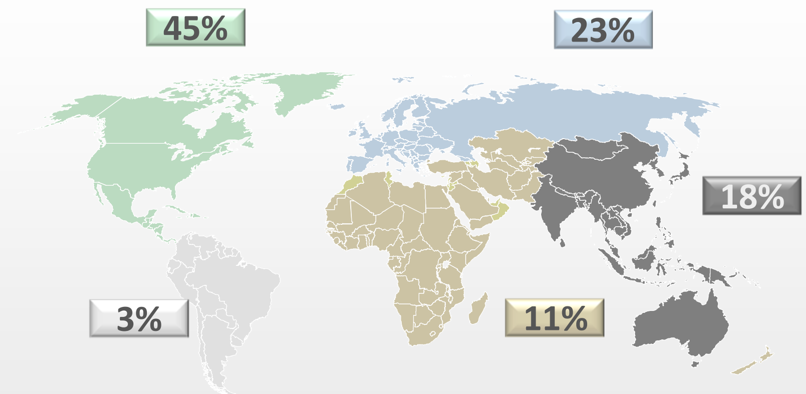
Flow Segment Income Now Represents ~63% of Total Segment Income

Revenue Profile

2013 Revenue by End Market



2013 Revenue by Geography



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

Executive Summary

Key Investor Messages

1) Committed to further improvement in operating performance::
   - Focused on achieving 2014 *and* long-term margin targets
   - >100% conversion of net income to free cash flow

2) Committed to a leaner cost structure

3) Focused on profitable growth initiatives:
   - Focus on growth in developing economies
   - Increase aftermarket penetration
   - Continue to innovate and increase our market penetration on new product launches

4) Focused on executing strategic and capital allocation actions

Targeting 2% to 6% Revenue Growth and 90 Points of Segment Margin Expansion in 2014;
Committed to Operational Improvement and Returning Capital to Shareholders

Questions?

Appendix

Free Cash Flow

SPX®

Reconciliation to GAAP Cash Flow Statement

($ millions)

	Q4 2013	Full Year 2013	2014E		
Net cash from continuing operations	**$249**	**$99**	**$74**	to	**$124**
Tax payment from gain on sale of assets		$115	$236		$236
Voluntary pension contribution, net of ~$90m tax benefit		$160			
Capital expenditures	($12)	($55)	($85)		($85)
Adjusted free cash flow from continuing operations	**$236**	**$319**	**$225**	to	**$275**

Q4 2013 Organic Revenue Growth Reconciliation

SPX

Q4 2013 Organic Growth Reconciliation

	Three Months Ended December 31, 2013			
	Net Revenue Change	Acquisitions/ Divestitures	Currency	Organic
Flow Technology	-1.1%	0.0%	0.1%	-1.2%
Thermal Equipment & Services	-18.4%	0.0%	-1.5%	-16.9%
Industrial Products & Services	22.6%	0.0%	0.2%	22.4%
Consolidated SPX	-3.4%	0.0%	-0.4%	-3.0%

Full Year 2013 Organic Revenue Growth Reconciliation

Full Year 2013 Organic Growth Reconciliation

	Twelve Months Ended December 31, 2013			
	Net Revenue Change	Acquisitions/ Divestitures	Currency	Organic
Flow Technology	-1.6%	0.1%	-0.2%	-1.5%
Thermal Equipment & Services	-9.8%	0.0%	-2.4%	-7.4%
Industrial Products & Services	11.7%	0.0%	0.0%	11.7%
Consolidated SPX	-2.4%	0.1%	-0.8%	-1.7%

Debt Reconciliation

December 31, 2013 Debt Reconciliation

($ millions)

	12/31/2013
Short-term debt	$ 27
Current maturities of long-term debt	559
Long-term debt	1,090
Gross Debt	**$ 1,676**
Less: Puchase card program and extended A/P programs	(25)
Adjusted Gross Debt	**$ 1,650**
Less: Cash in excess of $50	(642)
Adjusted Net Debt	**$ 1,008**

Note: Adjusted debt as defined in the credit facility

Bank EBITDA Reconciliation

($ millions)	2013	2014E
Net Income	**$191**	**$237**
Income tax provision (benefit)	45	82
Net interest expense	113	76
Income before interest and taxes	**$349**	**$395**
Depreciation, intangible amortization expense and write off of goodwill and intangibles	124	113
EBITDA	**$472**	**$508**
Adjustments:		
Non-cash compensation expense	49	51
Pension expense (benefit)	2	0
Extraordinary non-cash charges	3	0
Extraordinary non-recurring cash charges	33	25
Joint venture EBITDA adjustments	10	0
Net (gains) and losses on disposition of assets outside the ordinary course of business	4	0
Pro Forma effect of acquisitions and divestitures	8	6
Other	1	0
Bank EBITDA	**$582**	**$591**

Note: EBITDA as defined in the credit facility