2014 First Quarter Results

April 30, 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 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.

Q1 Financial Overview

Key Financial Information

- Adjusted earnings per share from continuing operations of $0.27
- Segment income increased 23% over the prior year to $98m
- Segment operating income margin improved 180 points year-over-year to 9.1%:
  - Flow segment operating margin increased 170 points
  - Thermal segment operating margin increased 270 points
- Total backlog up 1% sequentially

Note: see appendix for reconciliation of adjusted earnings per share

Q1 Adjusted EPS, Segment Income and Margins Exceeded Guidance

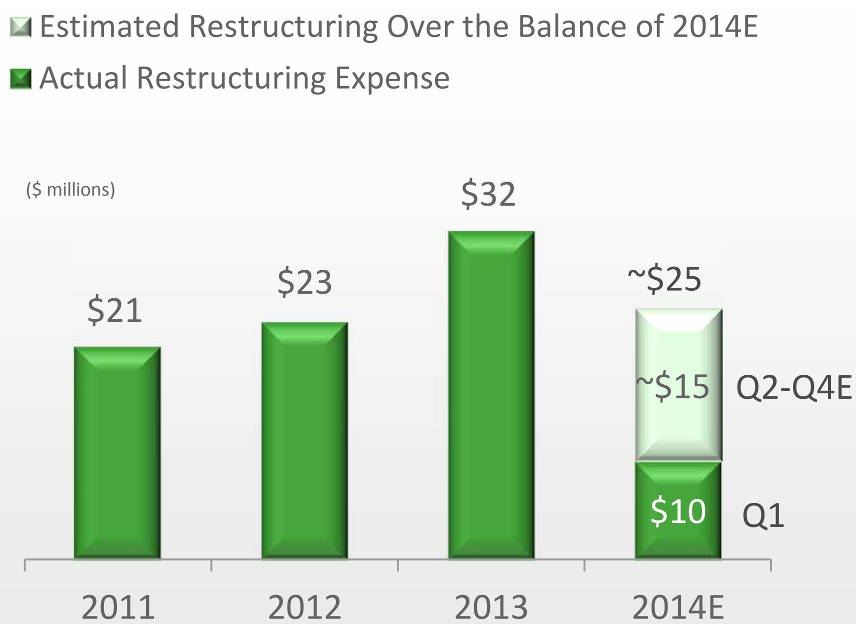
Capital Allocation and Strategic Update

Strategic Information

- Increased annual dividend by 50% to $1.50 per share
- To date, completed ~$200m of share repurchases (~2m shares) on $500m 10b5-1 share repurchase plan
- Completed U.S. Qualified Pension Plan actions
- **Gross debt to EBITDA now at 2.0x** after completing bond redemption
- **Generated $679 million of pre-tax divestiture proceeds** so far this year:
  - Completed sale of joint venture interest in EGS to Emerson Electric for $574m
  - Completed sale of Thermal Product Solutions for $43m
  - Completed sale of Precision Components for $62m

Disciplined Capital Allocation and Continued Progress on Strategic Actions

Restructuring Actions



Q1 2014 Analysis:

- Primarily actions to further reduce ClydeUnion's European cost structure

2014 Full Year Target:

- ~$25m of full year restructuring expense
- Evaluating additional opportunities to optimize global manufacturing footprint and to reduce global corporate cost structure

Continued Restructuring Efforts Expected to Further Simplify Our Organization and Reduce Our Cost Structure

Flow End Market Trends

Food & Beverage	Power & Energy	Industrial Flow
<u>Components</u> ▪ Positive, steady aftermarket and component order trends <u>Systems</u> ▪ No large system orders booked in Q1 due to customer delays ▪ Strong pipeline of frontlog activity for new dairy systems in EMEA and Asia Pacific	<u>Oil & Gas</u> ▪ Demand for pipeline valves steady at a high level ▪ Aftermarket order activity also steady at a high level ▪ Strong quote and bid activity for OE pumps with growing project pipeline <u>Power Generation</u> ▪ Investment activity remains steady at low levels	▪ Q1 orders up over prior year driven by dehydration equipment and heat exchangers ▪ Increased heat exchanger orders driven by marine market ▪ Mining continues to be weak ▪ Increased quoting activity and growing pipeline for industrial mixers used in chemical processing

Positive Trends in Aftermarket and Most Short Cycle Component Markets
Order Pipeline for Large Projects in Dairy and Oil & Gas Markets Remains Strong

End Market Trends for Power Transformers and Thermal Equipment

Power Transformers (U.S.)

- No significant changes in market trends during Q1
- Replacement demand for power transformers remained strong
- Market pricing remained competitive, with market lead times for medium power units stable
- **Winter weather impact:** **shipping delays on 4 large power units (~$10m in revenue)**

Thermal Equipment

- Challenging conditions persist in global power generation markets
- **Continue to expand cooling systems offerings into North American petrochemical, industrial and HVAC markets**
- **Winter weather impact:** **$9m increase in sales of boiler and residential heating products, partially offset by a ~$4m decrease in sales of package cooling units into commercial HVAC applications**

Power Market Trends for Transformers and Thermal Equipment Remained Stable;
Q1 Winter Weather Caused a Net Revenue Headwind of ~$5m

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

Reaffirm 2014 Financial Expectations

Financial Analysis

Jeremy Smeltser

Q1 Earnings Per Share

Non-GAAP Reconciliation of EPS from Continuting Operations

Diluted EPS from continuing operations	$6.58	
Gain on sale of joint venture interest	($7.00)	Sale of interest in EGS joint venture
Early extinguishment of debt	$0.45	$500m bond redemption
Non-service cost pension items	$0.24	Lump-sum pension settlement related charges
Adjusted EPS from continuing operations	**$0.27**	

Q1 Adjusted Earnings Per Share of $0.27 Exceeded Guidance Range of $0.15 to $0.22 Per Share Due to Segment Income

Consolidated Q1 Results

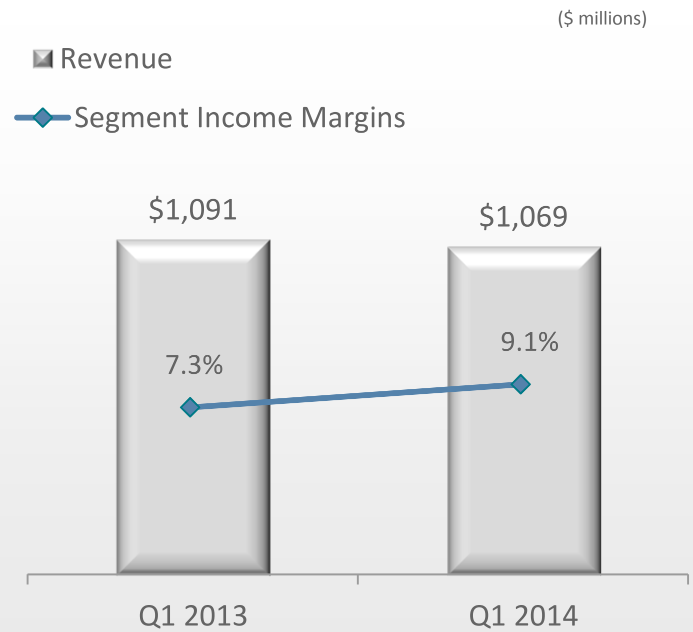
Q1 Year-Over-Year Analysis

Revenue:

- (1.9%) year-over-year:
  - (2.0%) organic decline
  - 0.1% currency benefit

Segment Income:

- Consolidated segment income of $98m, up 23% versus prior year
- 180 points of margin improvement



Note: See appendix for reconciliation of non-GAAP metrics

Revenue Decline Due Primarily to Expected Ramp Down of South Africa Power Projects; Increase in Segment Income and Margins Driven by Flow and Thermal Segments

Flow Technology Q1 Results

Q1 Year-Over-Year Analysis

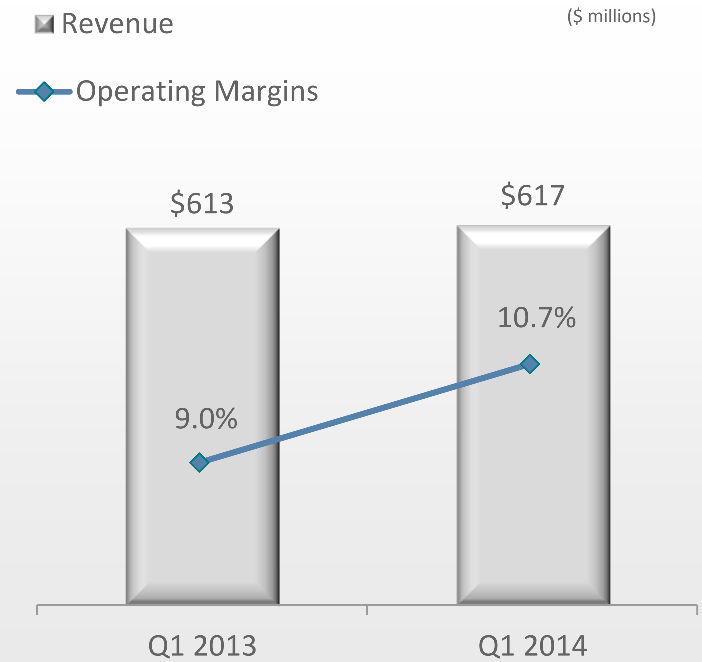
Revenue increased modestly:

- 1% currency benefit
- Modest organic decline:
  - Lower sales of ClydeUnion OE pumps, reflecting disciplined order acceptance
  - Increased sales of:
    - power and energy valves
    - food & beverage equipment
    - oil & gas aftermarket services
    - Industrial flow components

Segment Income increased $11m, or 20%:

- 170 points of margin improvement driven by:
  - ✓ cost savings from restructuring initiatives
  - ✓ increased mix of aftermarket sales

($ millions)

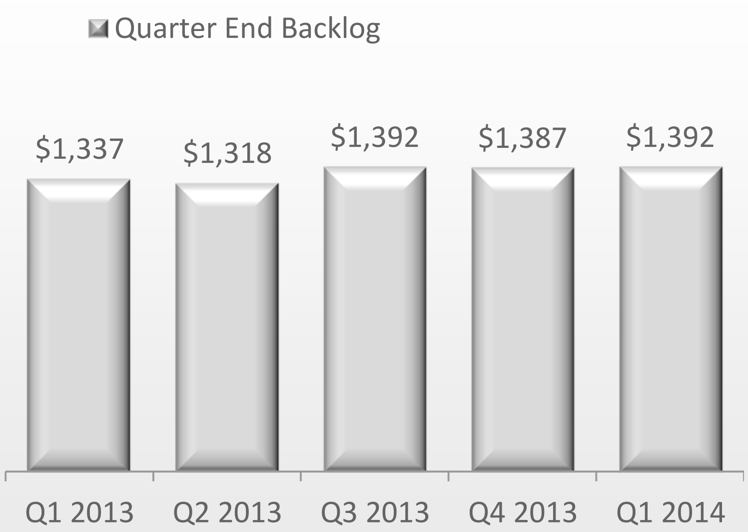


Flow's Segment Income Increased 20% and Operating Margins Increased 170 Points

Flow Technology Backlog

Sequential Backlog Analysis

($ millions)



- Q1 backlog up 4% over prior year period, stable to prior quarter
- Strong pipeline of front log activity in longer cycle oil & gas and food & beverge projects

Flow Backlog Stable Quarter-to-Quarter

Thermal Equipment & Services Q1 Results

Q1 Year-Over-Year Analysis

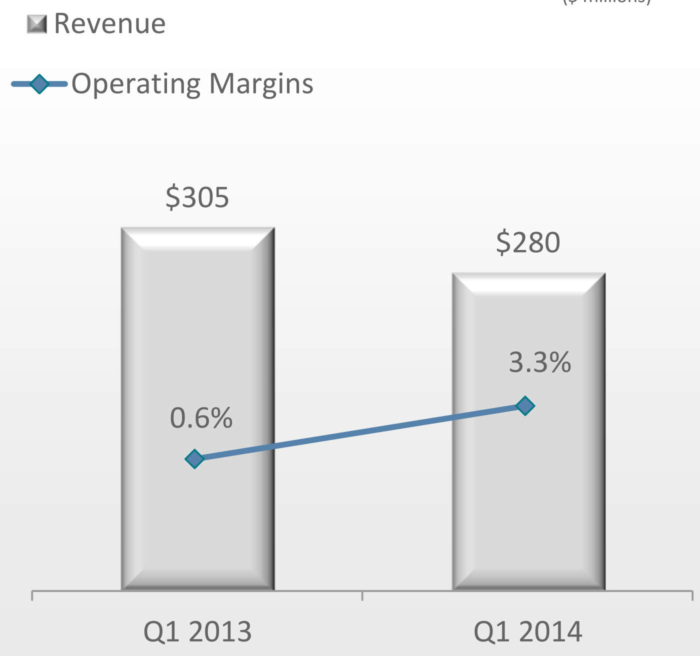
Revenue decreased $26m, or 8.4%:

- (2.6%) currency impact
- (5.8%) organic decline:
  - Expected ramp down in revenue related to power projects in South Africa
  - Personal comfort heating revenue flat to prior year, but better than anticipated

Segment Income increased $8m and margins expanded 270 points:

- Reduced cost structure
- Improved operating execution

($ millions)

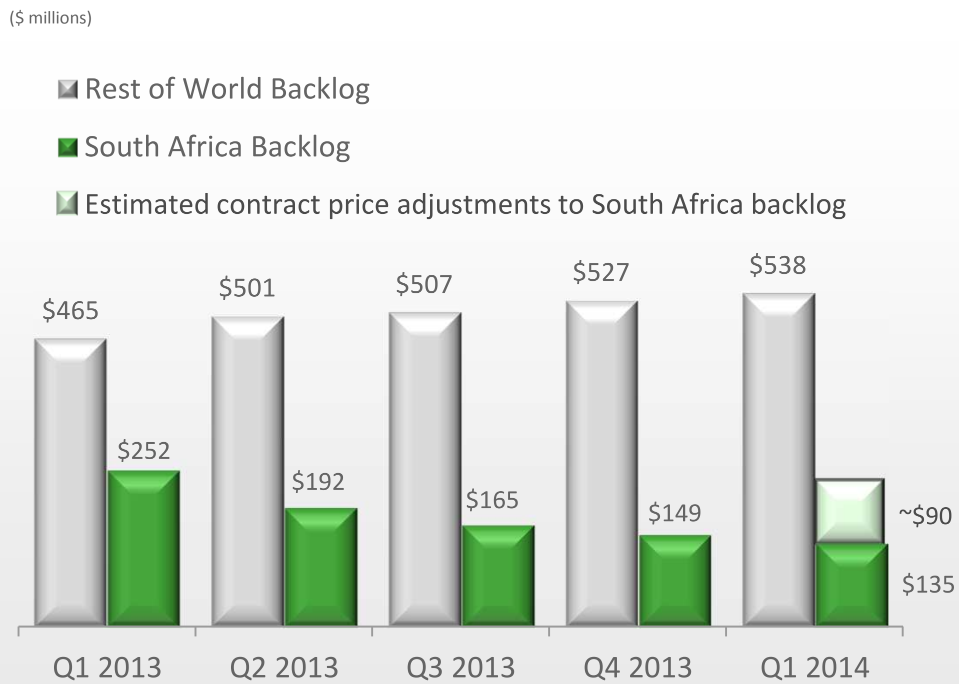


Note: See appendix for reconciliation of non-GAAP metrics

Continued Solid Progress by Thermal Organization

Thermal Equipment & Services Backlog

Sequential Backlog Analysis`

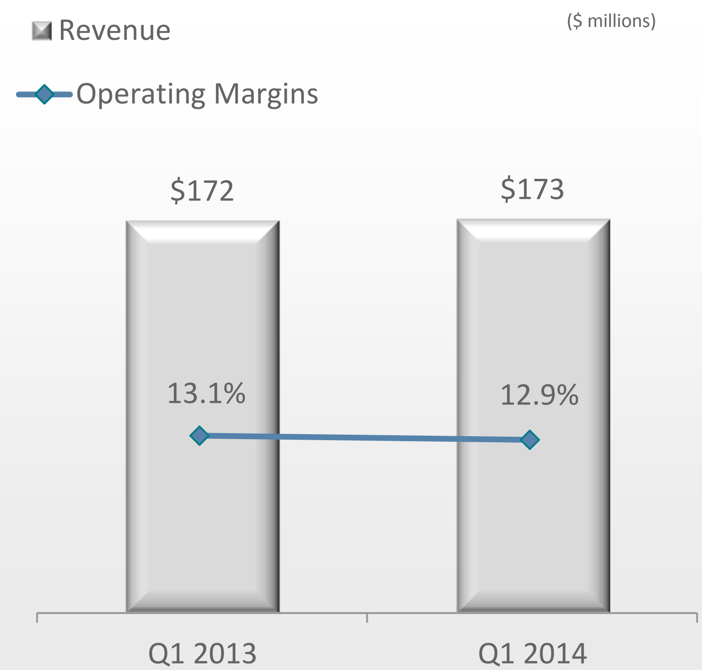


- Core backlog up 16% in Q1 2014 versus the prior year period
- Continued progress on South Africa power projects:
  - Contract price adjustments expected to add ~$90m of future revenue

Core Thermal Backlog Increased 16% Year-Over-Year

Industrial Products & Services Q1 Results

Q1 Year-Over-Year Analysis



Revenue increased modestly:

- The severe winter weather delayed the shipment of 4 large power transformers, representing ~$10m in revenue

Segment Income flat to prior year:

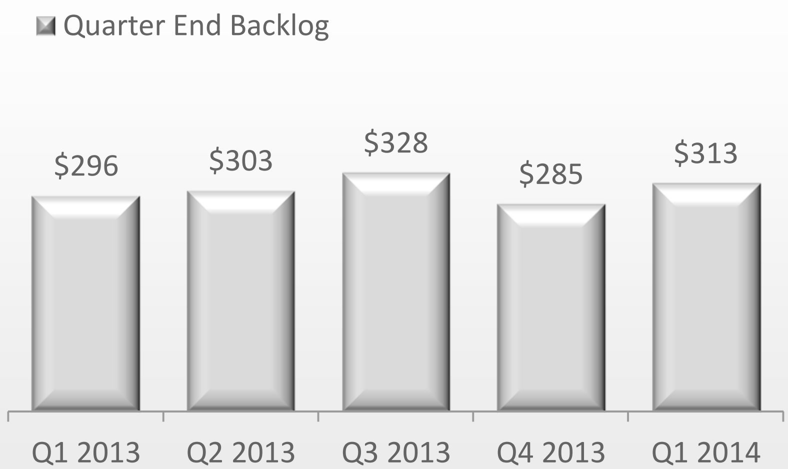
- A slightly less favorable revenue mix caused a modest decline in the margins

~$10m of Revenue Related to Delayed Power Transformer Shipments Caused by the Severe Winter Weather

Industrial Products & Services Backlog

Sequential Backlog Analysis

($ millions)



- Q1 2014 backlog up 6% versus the prior year period and up 10% sequentially:
  - Includes $10m benefit from weather delayed transformer shipments
- Strong Q1 order volume for power transformer business

Strong Q1 Order Volume in Power Transformer Business

Q2 Financial Targets and Financial Position Update

Jeremy Smeltser

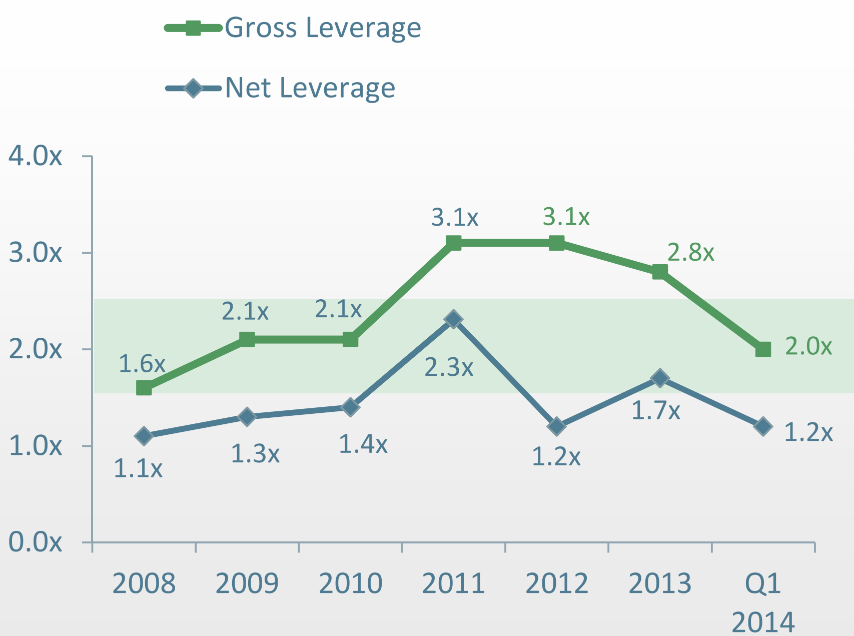
Q2 Consolidated Financial Analysis

($ millions, except per share data)	Q2 2013	Q2 2014 Targets	Comments
Revenue	$1,162	+1% to +5%	▪ Expect low to mid-single digit total growth
Segment Income	$115	$125 to $131	▪ Targeting ~11% growth
Segment Income %	9.9%	10.5% to 10.8%	▪ Targeting 60 to 90 points of margin expansion
Shares Outstanding	46m	~44m	▪ Reflects 2013 and 2014 share repurchases
Adjusted Earnings Per Share	NA	$1.11 to $1.21	▪ Excludes non-service related pension items

Expect Growth in Flow and Industrial Segments to be Partially Offset by Decline in Thermal Segment Due to Continued Ramp Down of South Africa Power Projects

Financial Position

Leverage and Balance Sheet Review



Note: Gross leverage as defined in the credit facility; See appendix for reconciliations of non-GAAP metrics

- **Reduced total debt by $549m, or 33%, during Q1**
  - **Gross leverage reduced to 2.0x,** within target range
- $486m of cash on hand at end of Q1
- Estimated Q2-Q4 2014 cash **inflows**:
  - ~$320m of adjusted free cash flow
  - $100m delayed draw option on term loan
  - $62m gross proceeds from sale of Precision Components
- Estimated Q2-Q4 2014 cash **outflows**:
  - ~$355m of share repurchases
  - ~$260m of tax payments related to asset sale gains
  - ~49m of dividend payments:

Reduced Gross Debt by 33% in Q1 and Gross Leverage* Now at 2.0x;
Sufficiently Funded to Execute the Remainder of our 2014 Capital Allocation Plan

Executive Summary

Chris Kearney

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: 1.5x to 2.5x ▪ 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 Highest Return Opportunities

Executive Summary

SPX®

Key Investor Messages

1) Solid Q1 operational performance with significant progress on strategic actions

2) Remain committed to leaner cost structure and continued operating improvement:
   - Focused on achieving 2014 *and* long-term margin targets
   - >100% conversion of net income to free cash flow

3) Focused on profitable growth initiatives:
   - Growth in developing economies
   - Increased aftermarket penetration
   - Continued innovation to increase our market penetration on new product launches

4) Disciplined capital allocation

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

Q1 Earnings Per Share

Non-GAAP Reconciliation of EPS from Continuting Operations

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Q1 2014 Organic Revenue Growth Reconciliation

Q1 2014 Organic Growth Reconciliation

	Three Months Ended March 29, 2014			
	Net Revenue Change	Acquisitions/ Divestitures	Currency	Organic
Flow Technology	0.6%	0.0%	1.2%	-0.6%
Thermal Equipment & Services	-8.4%	0.0%	-2.6%	-5.8%
Industrial Products & Services	0.4%	0.0%	1.0%	-0.6%
Consolidated SPX	-1.9%	0.0%	0.1%	-2.0%

Free Cash Flow

SPX

Reconciliation to GAAP Cash Flow Statement

($ millions)	Q1 2014	Q2 through Q4 2014E	2014E		
Net cash from continuing operations	**($59)**	**$134**	**$50**	to	**$100**
Tax payments on asset sale gains		$260	$260		$260
Capital expenditures	($11)	($74)	($85)		($85)
Adjusted free cash flow from continuing operations	**($71)**	**$320**	**$225**	to	**$275**

Debt Reconciliation

December 31, 2013 Debt Reconciliation

($ millions)

	3/29/2014
Short-term debt	$ 35
Current maturities of long-term debt	2
Long-term debt	1,089
Gross Debt	**$ 1,127**
Less: Puchase card program and extended A/P programs	(30)
Adjusted Gross Debt	**$ 1,097**
Less: Cash in excess of $50	(436)
Adjusted Net Debt	**$ 661**

Note: Adjusted debt as defined in the credit facility

Bank EBITDA Reconciliation

($ millions)	LTM as of 3/29/2014	2014E
Net Income	**$509**	**$237**
Income tax provision (benefit)	207	82
Net interest expense	103	76
Income before interest and taxes	**$819**	**$395**
Depreciation, intangible amortization expense and write off of goodwill and intangibles	120	113
EBITDA	**$939**	**$508**
Adjustments:		
Non-cash compensation expense	54	51
Pension adjustments	16	0
Extraordinary non-cash charges	2	0
Extraordinary non-recurring cash charges (gains)	74	25
Joint venture EBITDA adjustments	7	0
Net (gains) and losses on disposition of assets outside the ordinary course of business	(513)	0
Pro Forma effect of acquisitions and divestitures	(34)	6
Other	0	0
Bank EBITDA	**$545**	**$591**

Note: EBITDA as defined in the credit facility