

**S P X**

January 2016

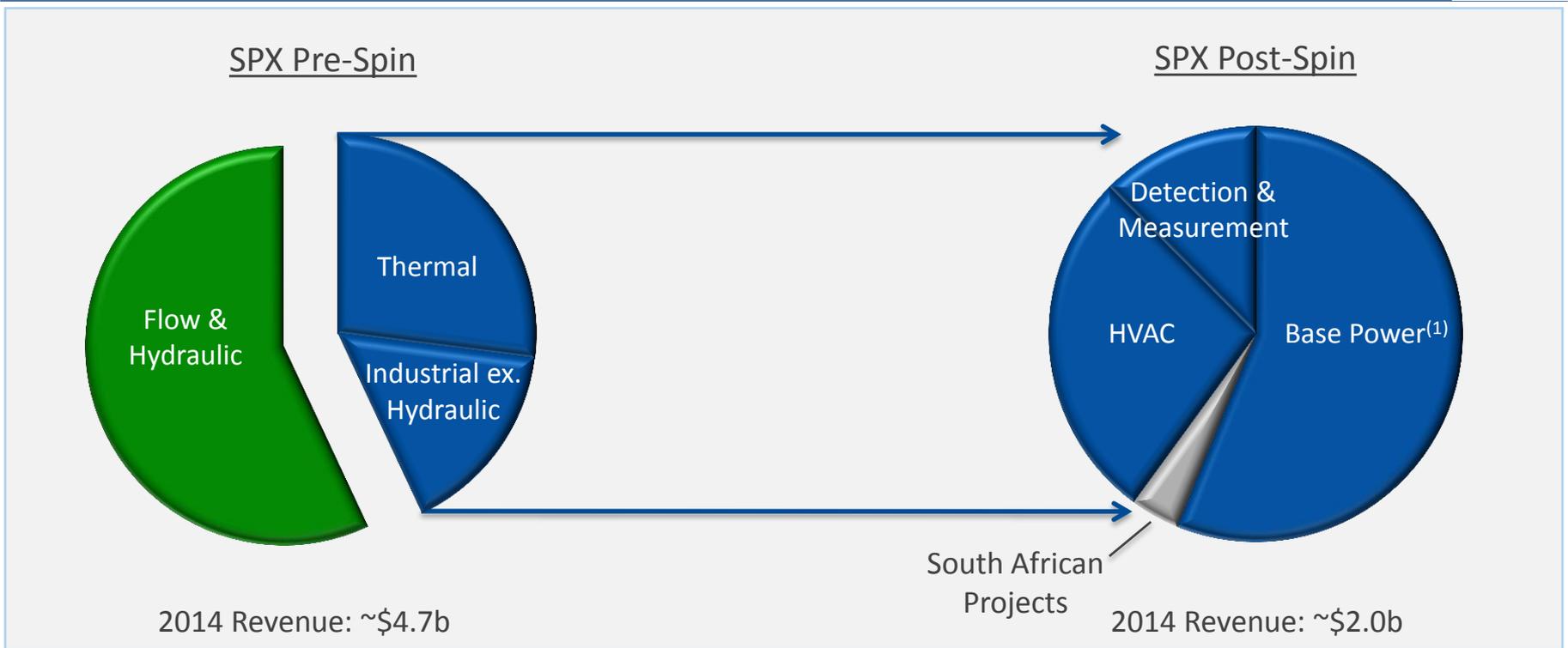
- Certain statements contained in this presentation that are not historical facts, including any statements as to future market conditions, results of operations and financial projections, are forward-looking statements and are thus prospective. These forward-looking statements are subject to risks, 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 existing operations, which are subject to change.
- Particular risks facing SPX include risks relating to our recent spin-off transaction, economic, business and other risks stemming from changes in the economy, our international operations, legal and regulatory risks, cost of raw materials, pricing pressures, and our ability to manage changes and measure and estimate the expected revenue and cost associated with our power projects in South Africa 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. For a reconciliation of the non-GAAP financial measures with the most comparable measures calculated and presented in accordance with GAAP refer to prior presentations available in the investor relations section of our website (SPX.com). We believe that non-GAAP measures are useful to investors in evaluating our operating performance and our management of the business from period to period.

# SPX Corporation: Company Overview



January 2016

# Strategic Transformation



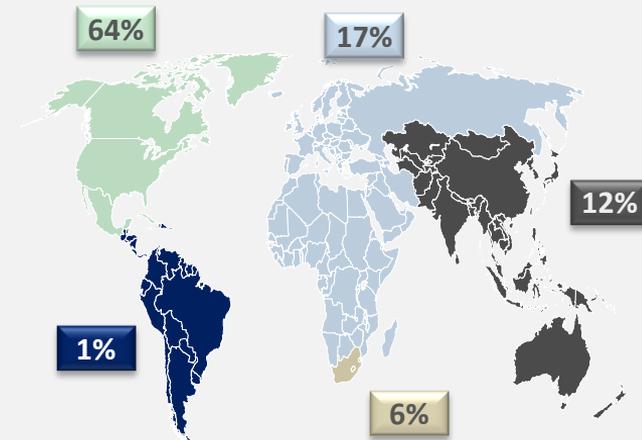
<sup>(1)</sup> Excludes South African projects

**Spin Objective: Narrow the Strategic Focus and Create Value for Both Future Companies**

## The “New” SPX Corporation

- Headquartered in Charlotte, NC
- A leading supplier of:
  - HVAC products,
  - Detection & Measurement technologies, and
  - Power equipment
- ~\$2.0b of revenue in 2014
- ~6,000 employees
- NYSE Ticker: **SPXC**

### 2014 Revenue by Region



**SPX Corporation is a Leading Supplier of HVAC, Detection & Measurement and Power Equipment;  
Approximately 2/3 of Revenue is Generated by Sales Into North America**

# Key Product Offerings and Financial Profile by Segment



## HVAC

- ✓ Package cooling units
- ✓ Fluid coolers
- ✓ Residential and non-residential boilers
- ✓ Electrical heating products

### 2014:

- \$536m revenue
- mid-teens EBITDA %

## DETECTION & MEASUREMENT

- ✓ Locators
- ✓ Fare collection systems
- ✓ Communication technologies
- ✓ Obstruction lighting

### 2014:

- \$244m revenue
- >20% EBITDA %

## POWER

- ✓ Power transformers
- ✓ Cooling towers
- ✓ Heat exchangers
- ✓ Pollution filters

### 2014 base power business<sup>(1)</sup>:

- \$1,098m revenue
- mid single-digit EBITDA %

<sup>(1)</sup> Excludes South African projects

\*Reflects EBITDA as defined by SPX Corporation's credit facility and excludes the impact of the South African projects

**CORE EBITDA\* is Predominantly Generated by the HVAC and Detection & Measurement Segments**

## HVAC

### Grow HVAC platform:

- New product development
- Channel development
- Geographic expansion
- Leverage synergies

### Grow Detection & Measurement platform:

- Continue to upgrade installed base
- New product launches in 2016
- Expand vertically and geographically
- Extend product offering into adjacent markets

## Detection & Measurement

**CORE EBITDA\***  
of \$180-200m  
in 3 years

## POWER Transformers

### Improve efficiency of power transformer business:

- Increase sales of new, value-engineered power transformer design
- Productivity initiatives

### Reduce complexity, risk and cost in power generation business:

- Project execution and selectivity
- Focus on working capital
- Reposition business

## POWER Generation

\*CORE EBITDA reflects EBITDA as defined by SPX Corporation's credit facility and excludes the impact of the South African projects

**Targeting ~\$180-200m in CORE EBITDA\* in 3 years;  
Expanding in Attractive Markets While Reducing Exposure to Lower Return Markets**

# Value Creation Key Accomplishments



HVAC

## Grow HVAC platform:

- ✓ Launch of new evaporative condenser product (industrial refrigeration)
- ✓ Launch of new high-efficiency boiler (residential heating)

## Grow Detection & Measurement platform:

- ✓ New Genfare Link fare collection system installed in key reference market
- ✓ Launch of RD8100 GPS-enabled cable and pipe locator

Detection & Measurement

**CORE EBITDA\***  
**of \$180-200m**  
**in 3 years**

POWER Transformers

## Improve efficiency of power transformer business:

- ✓ New, value-engineered transformer design accepted by >50% of customers
- ✓ Optimizing plant loading and operational efficiencies

## Reduce complexity, risk and cost in power generation business:

- ✓ Right-sizing power generation cost structure
- ✓ South African Projects: GE Agreement Amendment Completed in Q4 2015
- ✓ Announced sale of Global Dry Cooling business

POWER Generation

\*CORE EBITDA reflects EBITDA as defined by SPX Corporation's credit facility and excludes the impact of the South African projects

**Making Progress Against Value Creation Strategies;  
Reducing Risk and Complexity in Power Segment**

- **De-scoped our construction activities on final 3 units** of the Kusile Air Cooled Condensers (“ACC”)
  - Will maintain a technical support role
  - Remain responsible for construction activities on the first 3 units
  
- Structurally reduces risk profile
  - Eliminates at least three years of construction activities
  - Resolves most of the material outstanding issues between the parties, including our sub-contractor
  - Adjusts the timeline to completion of the project
  
- Financial impact included as part of the \$95m charge (~\$71m, net of minority interest) taken in Q3 2015

**Structurally Reduces Risk Profile of the South African Projects**

# Kusile Air Cooled Condenser (“ACC”)



Driving to Completion of the First 3 Units

# Sale of Global Dry Cooling\* Business



- Agreement to sell Dry Cooling business to Paharpur Cooling Towers Limited (a leading cooling solution provider with global operations, headquartered in India)
- Expected to be finalized in 1H 2016
- Purchase price is ~\$48m pretax – subject to adjustments for working capital
- ~10% of the Power Segment's revenues
- Sale proceeds will be deployed in accordance with our stated capital allocation policy

\*SPX will retain its global Wet Cooling business

**Represents Our Commitment to Shareholders to Optimize Capital Utilization**

# Segment Overview

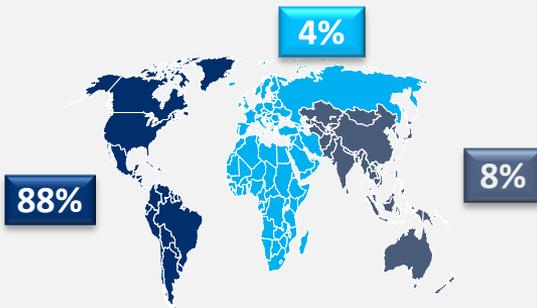


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## 2014 Revenue by Product



## 2014 Revenue by Geography



## HVAC Segment Overview

- A leading North American supplier of package cooling products, boiler systems and electric comfort heating products
- Well-recognized product brands and large installed base:
  - Provides steady replacement activity each year
- Products sold through distributors and direct to customers:
  - Often specified in construction designs
- Strong new product development and innovation programs
- Sales are primarily book and ship, or short cycle, in nature

**Strong Product Brands and Leading Market Positions  
Across HVAC Heating and Cooling Product Portfolio**

## 2014 Revenue Breakdown



## 2014 Revenue by Geography



- Cooling products used in non-residential, commercial construction, process cooling and refrigeration applications
- Well-recognized product brands: Marley and Recold
- Well-established sales channel including reps and distributors
- Demand generally follows construction trends (e.g., Dodge Index)
- Key growth opportunities:
  - ❑ Expand in adjacent markets
  - ❑ New product development
  - ❑ Channel expansion
  - ❑ Geographic expansion

**Strong Product Brands and Leading Market Positions  
Across Cooling Product Portfolio**



**Over 90 Years of Experience Engineering and Manufacturing Cooling Towers;  
Marley Sets a High Standard for Efficiency and Quality**

- North American businesses with strong brands
- Products used in residential and non-residential markets and sold primarily through distributors
- End customers concentrated in the Northeast and Midwest
- Demand for boiler systems is seasonal:
  - Concentrated in the second half
  - Sensitive to heating season degree days
- Key organic growth opportunities:
  - Product portfolio expansion
  - Sales channel management

## 2014 Revenue Breakdown



**Strong Product Brands and Leading Market Positions in North America**

## Residential Boilers

- ✓ Standard cast iron
- ✓ High efficiency
- ✓ Natural gas and oil



## Commercial Boilers

- ✓ Standard cast iron
- ✓ High efficiency
- ✓ Natural gas and oil



## Electrical Heating Products



Wash-down, corrosion resistant heaters

Digital wall heaters



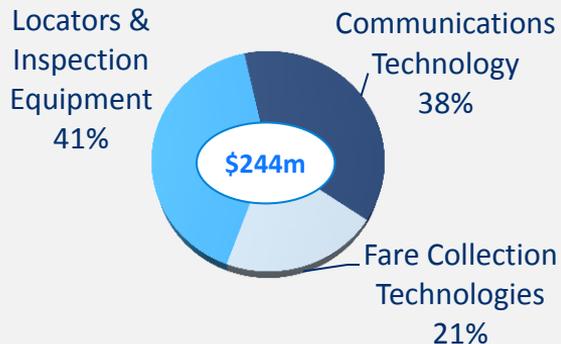
Aluminum convection heaters



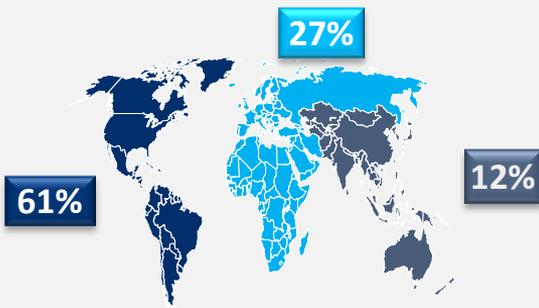
**Broad Product Offering of Heating Solutions for Residential and Light Commercial Applications**

# Detection & Measurement Segment Overview

### 2014 Revenue by Product



### 2014 Revenue by Geography



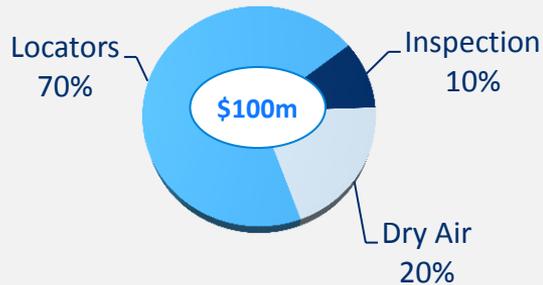
### Detection & Measurement Segment Overview

- Technology intensive product portfolio
- Strong new product development and innovation programs
- Leading positions in niche markets
- Attractive margin and cash flow profile
- Sales primarily short cycle in nature:
  - Timing of medium-sized orders can cause variability in quarterly financial comparisons

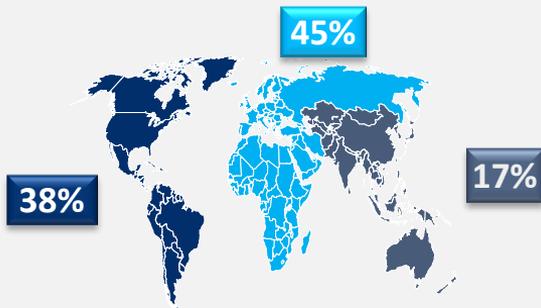
**Technology Intensive Product Portfolio  
With Leading Positions in Niche Markets**

# Locators & Inspection Equipment

### 2014 Revenue by Product



### 2014 Revenue by Geography

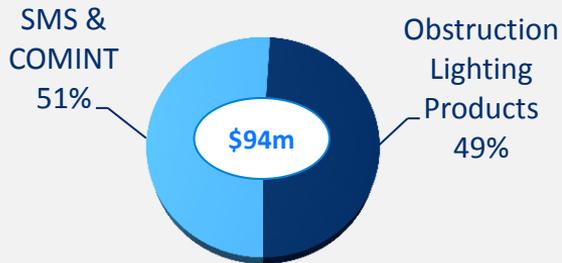


- Based in the U.K., a leading global supplier of underground pipe and conduit locators and inspection equipment
- Continuous new product enhancements and loyal customer base
- ~7% revenue CAGR from 2010-2014
- Key demand drivers:
  - Global infrastructure growth
  - Construction growth
  - Telecommunications growth

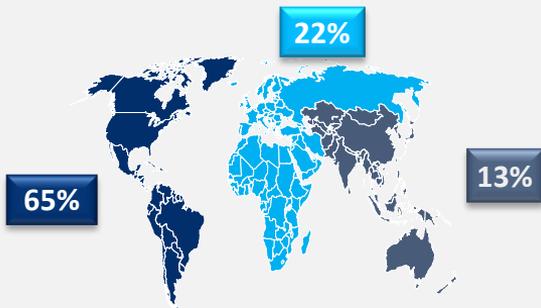


**Leading Global Supplier of  
Underground Pipe and Conduit Detection Equipment**

## 2014 Revenue by Product



## 2014 Revenue by Geography



- A leading global supplier of spectrum monitoring (SMS) and communications intelligence (COMINT) systems
- A leading North American supplier of obstruction lighting products
- Key demand drivers:
  - Global growth of wireless usage
  - Increased spectrum provisioning and monitoring
  - Anti-terrorism and drug interdiction efforts
  - Maintenance and replacement of installed base

Leading Brands and Technologies

## Spectrum Monitoring (SMS)



## Communications Intelligence (COMINT)



**From Borders to Battlefields and From Urban Landscapes to Wide Open Spaces,  
Our Products Empower Customers to Monitor, Analyze and Manage the RF Spectrum**

## Flash Lighting Systems



## Flash Lighting Systems



We Provide High-Quality LED and Xenon Lighting Systems for a Variety of Tower Applications

# Fare Collection Technologies

- A leading North American supplier in fare collection:
  - \$51m of revenue in 2014
  - Historical market position concentrated on fare box installations
- Rapidly evolving technology in the market has driven a transformation in our business:
  - Evolved from “fare box supplier” to “fare collection system provider”
  - Invested in software, product development, program management and marketing
  - Strategic relationships with larger public infrastructure system integrators
- New product introductions have expanded product offering to include:
  - ✓ Mobile ticketing
  - ✓ Cloud-based data hosting
  - ✓ Remote ticket validator
  - ✓ Point-of-sale delivery systems



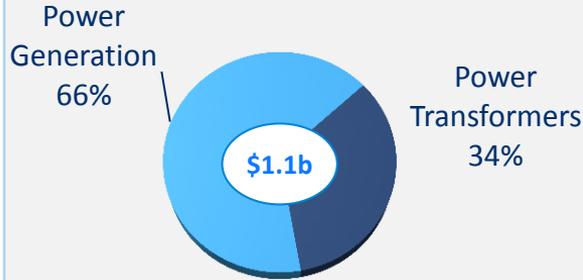
**A Leading North American Supplier of Fare Collection Technologies**

# Next Generation Fare Collection System

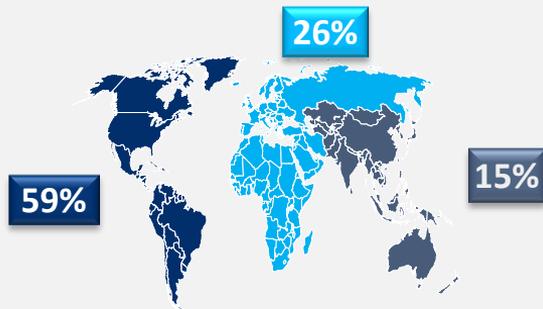


**Fast Fare Suite of Products Integrated With Back-End Support;  
We Believe This is The New Industry Standard**

## 2014 Revenue by Product



## 2014 Revenue by Geography



## Power Segment Overview

- A leading global supplier of cooling technologies, heat exchangers and pollution control systems
- A leading North American supplier of power transformers
- Large installed base and strong brand recognition
- Over 250 patents
- The majority of revenue is long-cycle in nature

\*Excludes the impact of the South African projects

**Driving Margin Improvement in Transformers  
Focused on Reducing Cost, Risk and Complexity in PowerGen**

- Leading supplier of cooling systems, large scale heat exchangers and pollution control systems
- Highly engineered products
- Equipment and technological solutions for several types of power generation plants
- Large installed base with recurring service opportunities
- Focused on specific strategic actions to significantly reduce our cost base and improve operational efficiency

Hybrid Cooling (ClearSky)



**We Provide Highly Engineered Products that Serve Several Types of Power Generation Plants**

- SPX is a leading supplier of power transformers into North America with strong brand equity
  - Locations: Waukesha, WI and Goldsboro, NC
- Demand largely driven by replacement of aging installed base:
  - Average age of installed base is ~40 years
- Recent end market trends:
  - Replacement demand has been strong
  - Market pricing remains competitive with stable lead times
- Commercial initiatives:
  - Marketing new, value engineered transformer design
  - Focusing on the market segments that best leverage our manufacturing and engineering value



**Our Focus is on Creating Higher Margins through Operational Efficiencies and Commercial Initiatives**

# South Africa



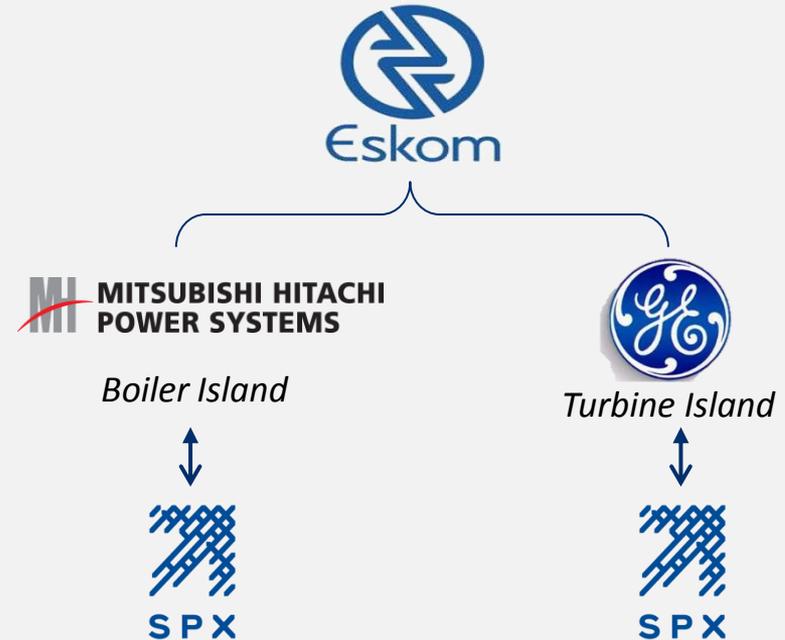
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# South African Projects Overview



## Medupi and Kusile Power Stations

- Medupi and Kusile are the two mega-projects:
  - **Twelve 800 mega-watt coal-fired plants (six at each project site)**
- Eskom is a state-owned South African utility
- Alstom and Mitsubishi Hitachi are the primary contractors
- The final unit is expected to be commercially operational around 2021
- Four primary phases: manufacturing, construction, commissioning and warranty



**These Two Power Stations Expected to Add ~10 GW of Power Capacity When Completed**

# Capital Allocation Overview



January 2016

Methodology	Expected Outcome
<p>1) Utilize strategic planning process to evaluate future revenue and earnings growth</p>	<ul style="list-style-type: none"> <li>Quantify projected future cash flows and estimate total company valuation</li> </ul>
<p>2) Maintain target capital structure</p>	<ul style="list-style-type: none"> <li><b>Gross Debt to EBITDA<sup>(1)</sup> target range: <u>1.5x to 2.5x</u></b></li> </ul>
<p>3) Invest available capital in highest, risk-adjusted, return opportunities:</p> <ul style="list-style-type: none"> <li><b>ROIC &amp; EVA models continue to drive allocation decision-making</b></li> </ul>	<ul style="list-style-type: none"> <li>Cost reduction initiatives</li> <li>Organic business development</li> <li>Bolt-on acquisitions (HVAC and Detection &amp; Measurement)</li> <li>Return of capital to shareholders</li> </ul>

<sup>(1)</sup> Gross Debt and EBITDA as defined in SPX Corporation's credit facility

**Thank You**



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