

S P X

November 2018

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- 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 and complement of businesses, which are subject to change.
- Particular risks facing SPX include risks relating to market specific cycles and weather related fluctuations; economic, business and other risks stemming from changes in the economy; legal and regulatory risks; cost of raw materials; pricing pressures; our reliance on U.S. revenues and international operations; our 2015 spin-off transaction; the effectiveness, success, and timing of restructuring plans; our ability to manage changes and measure and estimate the expected revenue and cost associated with our power projects in South Africa; pension funding requirements; liabilities retained in connection with dispositions, and integration of acquisitions. More information regarding such risks can be found in SPX's Annual Report on Form 10-K and other SEC filings.
- Statements in this presentation are only as of the time made, and SPX disclaims any responsibility to update or revise such statements except as required by regulatory authorities.
- This presentation includes non-GAAP financial measures. Reconciliation of the non-GAAP financial measures with the most comparable measures calculated and presented in accordance with GAAP is available in the appendix to this presentation and in our applicable SEC filings, which are available on our website. We believe that these non-GAAP measures are useful to investors in evaluating our operating performance and our management of business from period to period.
- We have not reconciled non-GAAP financial measures guidance to their nearest GAAP equivalents because we do not provide guidance for items that we do not consider indicative of our on-going performance and that are out of our control and/or cannot be reasonably predicted. Accordingly, a reconciliation of the non-GAAP financial measure guidance to the corresponding GAAP financial measures is not available without unreasonable effort.
- "Core" and "Engineered Solutions (Core)" results in this presentation are non-GAAP financial measures that exclude the results of the South African projects and Heat Transfer operations. We exclude the Heat Transfer business in addition to the South African projects in anticipation of reporting Heat Transfer business as a discontinued operation upon completion of the wind down, which we expect to be by the end of Q1 2019.

Gene Lowe
President and CEO



Scott Sproule
VP, CFO and
Treasurer



SPX Corporation Overview

November 2018

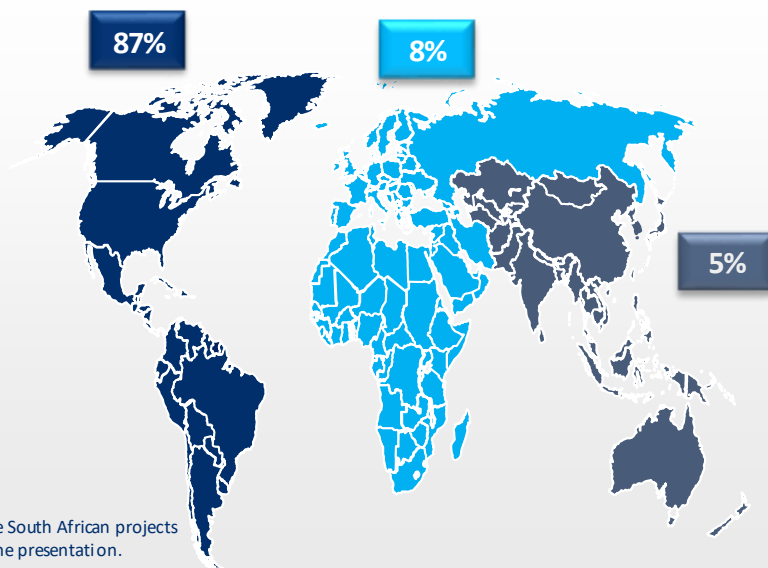


Company Overview

SPX Corporation

- Headquartered in Charlotte, NC
- A leading supplier of:
 - HVAC products,
 - Detection & Measurement technologies, and
 - Engineered Solutions
- ~\$1.4b Core Revenue* in 2017
- ~5,000 employees
- NYSE Ticker: **SPXC**

2017 Core Revenue* by Region



*Non-GAAP financial measure. Note: Core results are non-GAAP financial measures that exclude the results of the South African projects and Heat Transfer operations. Reconciliations from US GAAP financial measures are available in the Appendix of the presentation.

**SPX is a Leading Supplier of HVAC, Detection & Measurement and Engineered Solutions;
Almost 90% of Revenue is Generated by Sales into North America**

Executive Highlights

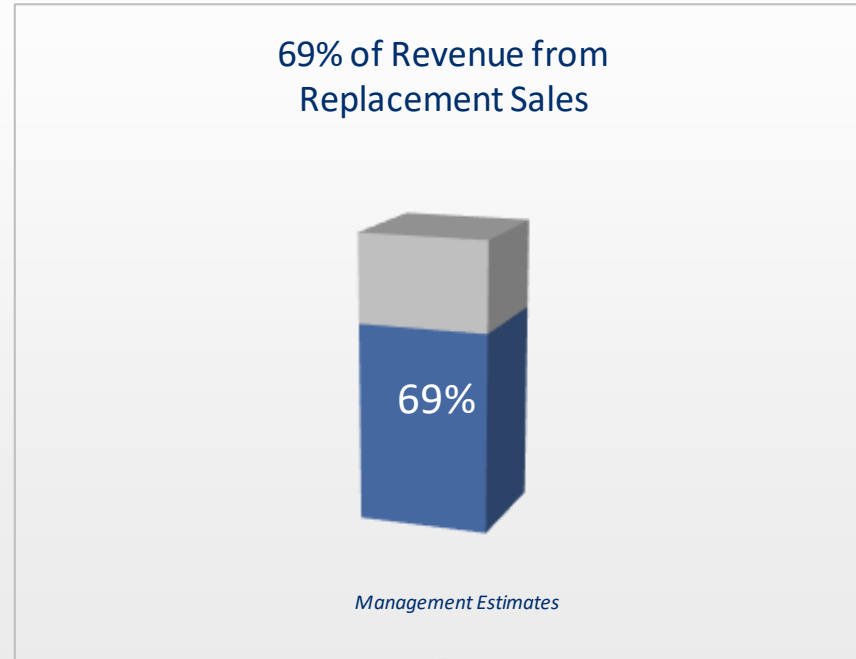
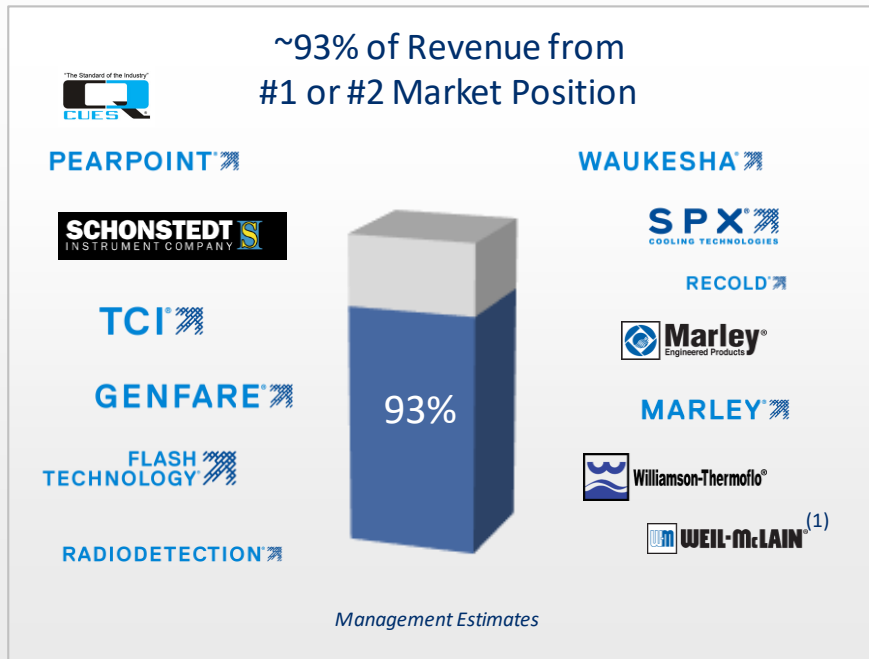
- Well-positioned to invest for sustainable double digit earnings growth
- Solid FCF* conversion more than 110% of Core net income
- >\$400M remaining available capital to deploy through 2020
- Solid platform to expand (products, markets, channels)
- Completed two proprietary acquisitions YTD 2018

*Non-GAAP financial measure. Note: Core results are non-GAAP financial measures that exclude the results of the South African projects and Heat Transfer operations. Reconciliations from US GAAP financial measures are available in the Appendix of the presentation.

Continuing to Execute on Plan for Significant Value Creation

Strong Brands and Attractive Market Dynamics

2017 Core Revenue* ~\$1.4B



*Non-GAAP financial measure. **Note:** Core results are non-GAAP financial measures that exclude the results of the South African projects and Heat Transfer operations. Reconciliations from US GAAP financial measures are available in the Appendix of the presentation.

⁽¹⁾ Weil-McLain, a division of The Marley-Wylain Company

Key Product Offerings and Financial Profile by Segment

HVAC

- ✓ Package cooling units
- ✓ Fluid coolers
- ✓ Residential and Non-Residential Boilers
- ✓ Electrical heating products

2017:

- \$511m revenue
- Segment income margin 15%

DETECTION & MEASUREMENT

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

2017:

- \$260m revenue
- Segment income margin 24%

ENGINEERED SOLUTIONS

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

2017:

- \$625m Adjusted revenue*
- Adjusted income margin* 7%

*Non-GAAP financial measure. Excludes the results of the South African projects. Reconciliations from US GAAP financial measures are available in the Appendix of the presentation.



Transformation of SPX (Adjusted) – 2015 Through 2017

\$ Ms (except per share data)	2015 ¹	2017 ²
Adjusted revenue*	\$1,692	\$1,397
% Power generation end markets	>30%	<10%
Adjusted segment income* %	8.0%	13.1%
Adjusted operating income* %	3.7%	8.6%
South African projects (Status)	3 of 5 scopes remaining	1 of 5 scopes remaining
FCF conversion	Nominal	118%
Debt/EBITDA ³	2.5x	1.5x
Expected liquidity to deploy	\$200 by 2018	>\$400 through 2020
Stock price (end of year)	\$9.33	\$31.39

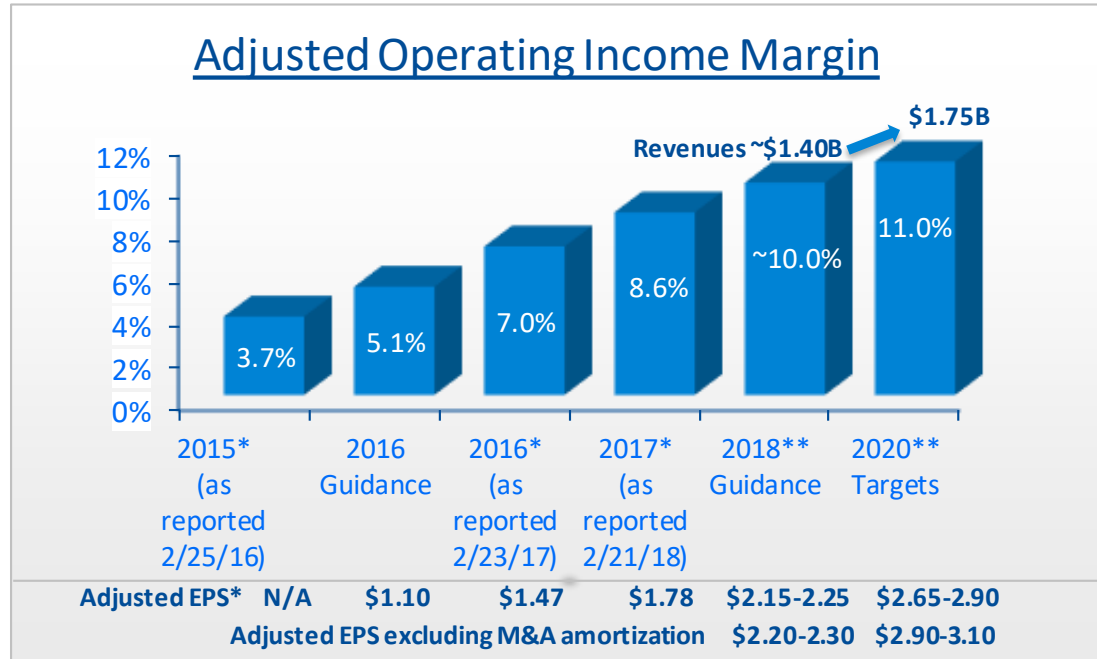
* Non-GAAP financial measure. Excludes the results of the South African projects

1) Non-GAAP financial measure. Reconciliations from US GAAP financial measures are available in the applicable earnings release on 2/25/2016.

2) Non-GAAP financial measure. Reconciliations from US GAAP financial measures are available in the applicable earnings release on 2/15/2018.

3) Calculated as defined by SPX's credit facility agreement.

SPX Margin Transformation



*Non-GAAP financial measure. Reconciliations from US GAAP financial measures are available in the applicable earnings release.

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Actions Taken Since Spin Have Significantly Strengthened SPX's Financial Profile

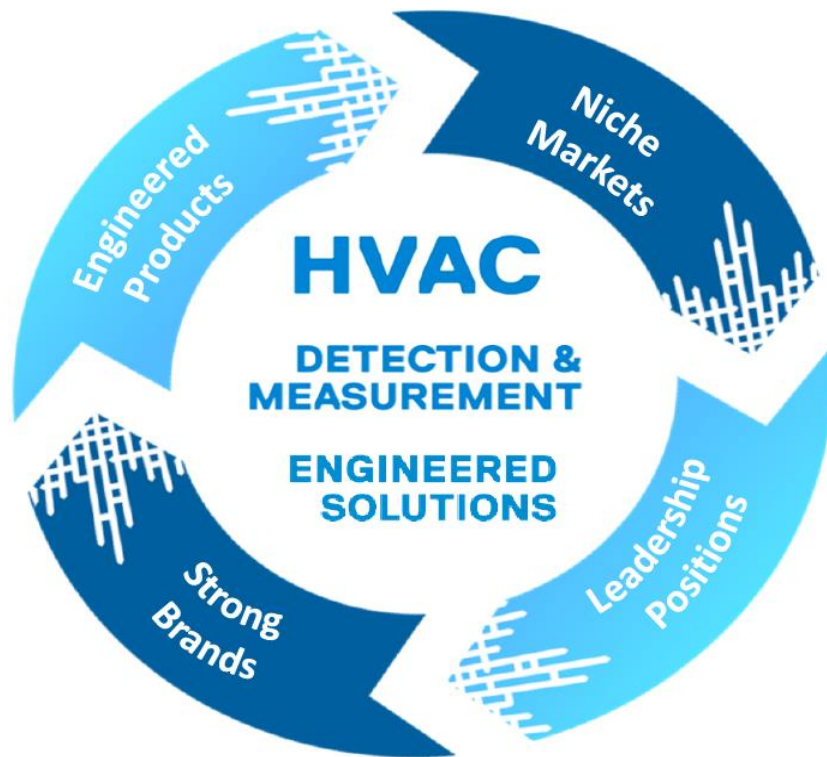
Updated Value Creation Roadmap

Organic Growth

- New products
- New channels
- Adjacent markets

Inorganic Growth

- Focus in HVAC and D&M
- Significant capital to deploy
- Large target pipeline



SPX Business System

- Policy deployment
- Operational excellence
- Due diligence/integration

Culture & Values

- Leadership development
- Results/accountability
- Integrity

Segment Overview

November 2018



HVAC



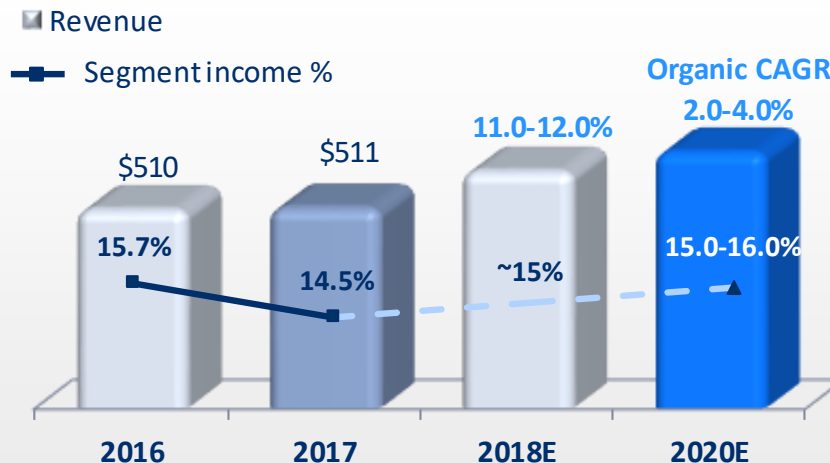
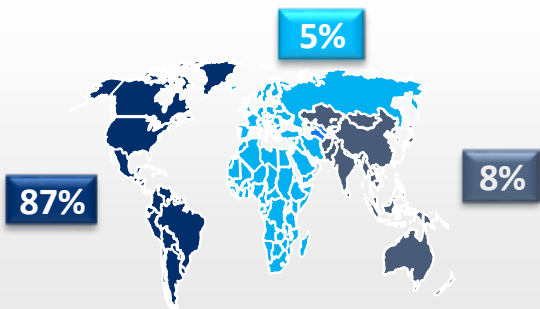
HVAC Segment Overview



2017 Revenue by Product



2017 Revenue by Geography



(\$ millions)

	2016	2017	2018E
Segment GM%	34%	32%	31-32%
Segment EBITDA*	\$86	\$80	+ ~16%

*Non-GAAP financial measure. Reconciliations from US GAAP financial measures are available in the Appendix of the presentation.

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

Strategic Growth Initiatives



New Product Development

- Commercialize NC Everest (Cooling)
- Grow Evergreen (high-efficiency boiler)



Adjacent Markets

- Expand refrigeration – Evaporative Condenser; LS Fluid Cooler
- Grow combi-boilers (Aquabalance™)



Channel Development

- Expand geographic and vertical market channels
- Execute multi-level sales activities
 - End user, architect/engineer, mechanical contractor

Operational Excellence

- Drive strategic sourcing, productivity initiatives



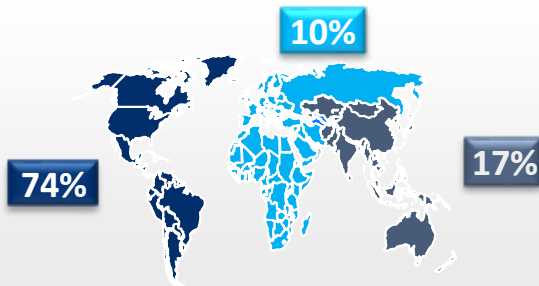
Several Attractive Opportunities to Expand and Grow HVAC Platform

Cooling Products Overview

2017 Revenue Breakdown



2017 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)
- Approximately 50% replacement sales

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

Cooling Product Examples

Marley NC Cooling Tower

- ✓ High efficiency
- ✓ Low drift rates
- ✓ Quiet by design
- ✓ Long-life construction



Recold Fluid Cooler

- ✓ High performance design
- ✓ Low cost of ownership



Strong Product Portfolio of Cooling Technologies with Opportunity for Expansion

Marley MD Everest Tower

- ✓ Launched in Early 2018 for larger applications
- ✓ 85% more cooling capacity than any other pre-assembled tower
- ✓ Installation 80% faster than field erected cooling towers



Marley LW Fluid Cooler

- ✓ Launched in Q4 2016
- ✓ High efficiency, low height fluid cooler
- ✓ Awarded first order in Q4 2016



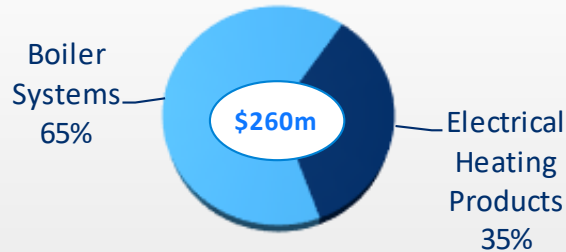
Evaporative Condenser

- ✓ Launched in 2015
- ✓ Adjacent product and market (refrigeration)



Strong Brand Identity and Well Established Channel Support a Broader NPI Impact

2017 Revenue Breakdown



- North American businesses with strong brands
- Products used in residential and non-residential markets and sold primarily through distributors
- Demand for boiler systems is seasonal:
 - Concentrated in the fourth quarter
- Approximately 80% replacement revenues

**Strong Product Brands and Leading Market Positions in North America;
Financial Performance Seasonally Strong in Second Half**

Heating Product Examples

Residential Boilers

- ✓ High efficiency natural gas
- ✓ Standard cast iron
- ✓ Unique hybrid design
- ✓ Gas Combi boilers



Commercial Boilers

- ✓ High efficiency natural gas
- ✓ Standard cast iron



Electrical Heating Products

Digital wall heaters



Wash-down, corrosion resistant heaters



Aluminum convection heaters

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

Growth Oriented Initiatives

New Product Development:

- Evergreen® floor standing/wall mount modulating condensing boiler, launched in Q3 2015:
 - ❑ **95% efficiency** meets Department of Energy regulations and achieves **Energy Star** rating to maximize customer rebates
 - ❑ Sizes cover residential and light commercial applications
 - ❑ 2016 Dealer Design Awards (DDA) Gold winner
- High-growth market segment

⁽¹⁾ Weil-McLain, a division of The Marley-Wylain Company

Weil-McLain⁽¹⁾ Evergreen® Condensing Boiler



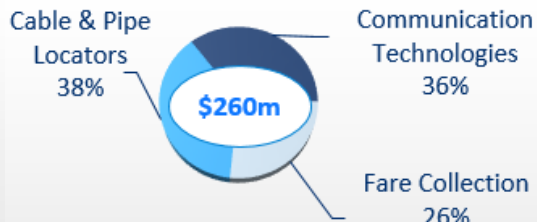
Award Winning New High Efficiency Product Launch



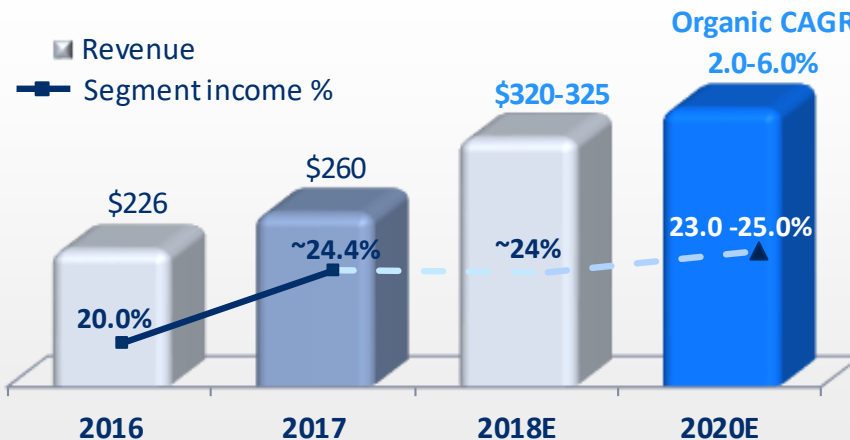
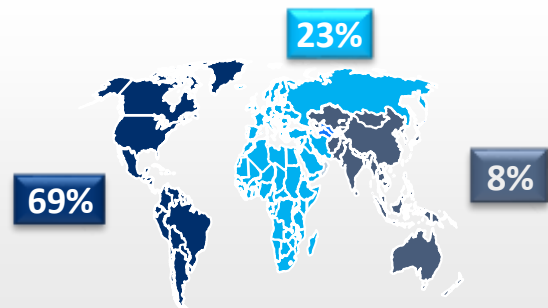
Detection & Measurement

Detection & Measurement Segment Overview

2017 Revenue by Product



2017 Revenue by Geography



(\$ millions)

	2016	2017	2018E
Segment GM%	46%	46%	+50 bps
Segment EBITDA*	\$49	\$67	Mid-\$80's

*Non-GAAP financial measure. Reconciliations from US GAAP financial measures are available in the Appendix of the presentation.

**Attractive Platform for Growth Investments; Long-Term Targets
Include 2% to 6% Annual Organic Revenue Growth**

Strategic Growth Initiatives

New Product Development

- Scale new GPS-enabled locator
- Grow fare-collection solutions platform

Adjacent Markets

- Build out geographic and vertical channels
- New LED Red lighting solution

Upgrade Installed Base

- Aged bus fleet (fare collection)
- Communication technologies infrastructure

Operational Excellence

- Drive productivity and sourcing initiatives
- Internet of Things (IOT)



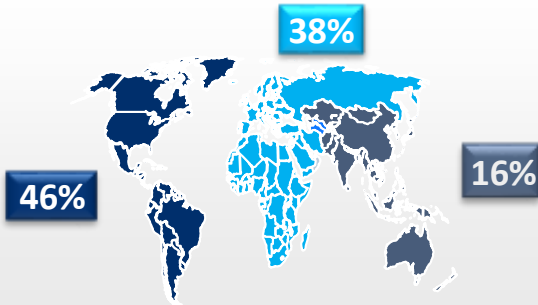
Several Attractive Opportunities to Expand and Grow Detection & Measurement Platform

Radiodetection Overview

2017 Revenue by Product



2017 Revenue by Geography



- Based in the U.K., a leading global supplier of underground cable and pipe locators, and inspection equipment
- Continuous new product enhancement and loyal customer base
- Key demand drivers:
 - ❑ Global infrastructure growth
 - ❑ Construction growth
 - ❑ Health & Safety Legislation



Radiodetection is a Leading Global Supplier of Equipment to Locate and Inspect Buried Cables & Pipes

Radiodetection – Key New Products

Pipeline Mapper



Cable Avoidance



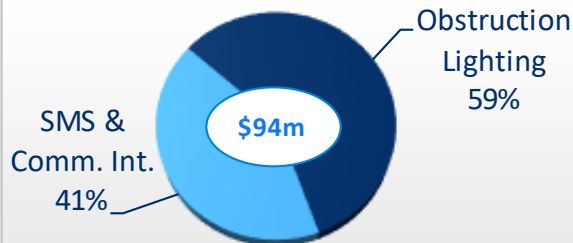
Video Inspection



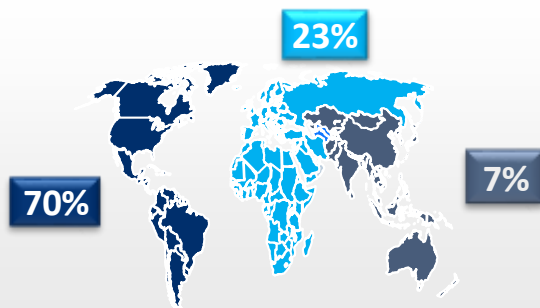
New Product Introduction Continues to Drive Radiodetection's Performance

Communication Technologies Overview

2017 Revenue by Product



2017 Revenue by Geography



- **TCI** : A leading global supplier of spectrum monitoring, communication intelligence and geolocation technology
- **Flash Technology**: 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
 - ❑ Compliance with government & industry regulations
 - ❑ Approximately two-thirds of sales are replacements

TCI and Flash Technology are Leaders in Their Respective Markets

SMS & Communications Intelligence



Flash Lighting Systems



**Our Communication Technologies Solutions are Adapting to
Serve Evolving and Complex Customer Needs**

- A leading North American supplier in fare collection:
 - Historical market position concentrated on fare box installations
- Rapidly evolving technology in the market has driven a transformation in our business:
 - Evolved from “farebox 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



Genfare is a Leading North American Supplier in Fare Collection

Genfare Products: Next Generation Fare Collection



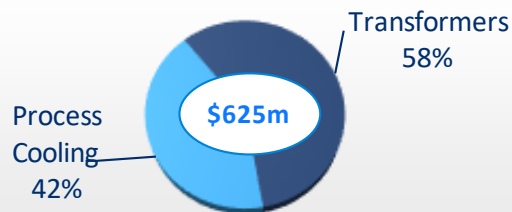
**Fare Collection Suite of Products Integrated with Back-End Support;
We Believe This is The New Industry Standard**

Engineered Solutions

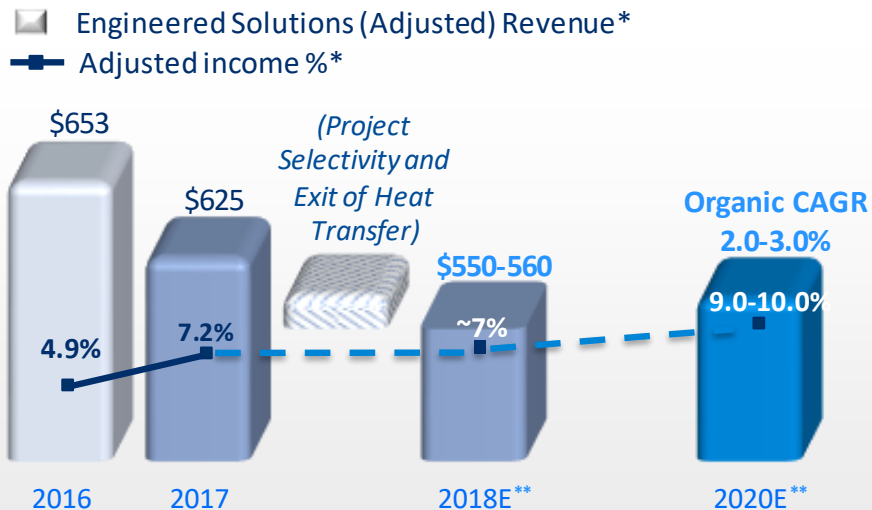


Engineered Solutions (Adjusted*) Segment Overview

2017 Adjusted Revenue by Product



2017 Revenue by Geography



Segment GM%*	16%	17%	16-17%
Segment EBITDA*	\$47	\$58	~\$50

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**Large Installed Base, Strong Product Offering and Brands;
Well-Positioned to Achieve Margin Improvement**

Strategic Growth Initiatives

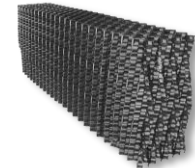
New Product Development

- Broaden component offerings
- Commercialize proprietary load tap changer (LTC)



Evolve Business Model

- Expand service and components
- More selective on process cooling projects



Expand Market Presence

- Large voltage/EHV transformers
- Supply to OEM customers



Operational Excellence

- Continue operational excellence initiatives
- Strategic sourcing, productivity and Lean

Several Attractive Opportunities to Grow Profitability of Segment

Transformer Business

- SPX is a leading supplier of power transformers into North America with strong brand equity
- Customers include:
 - Public and private electric utilities
 - Independent power producers
 - Large industrial sites
- Two primary manufacturing locations:
 - Waukesha, WI
 - Goldsboro, NC
- Service and Components center in Dallas, TX



A Leading North American Supplier of Power Transformers

Transformers Overview - North American Market

- Demand largely driven by replacement of aging installed base:
 - Average age of installed base is ~40 years
- Electricity demand has been flat over the past decade, however new T&D construction continues driving demand for power transformers:
 - Utility-scale solar and wind grid connections
 - New capacity of natural gas power plants
 - Grid reliability initiatives: Transmission projects, spare units
- Regulatory standards have influence on customer spending habits:
 - Energy Policy Act of 2005
 - FERC Electric Reliability Standards (2007 and Order 1000)
 - American Reinvestment and Recovery Act of 2009



Replacement Transformers Expected to be Primary Demand Driver

Transformer Product and Service Examples

Transformer Service



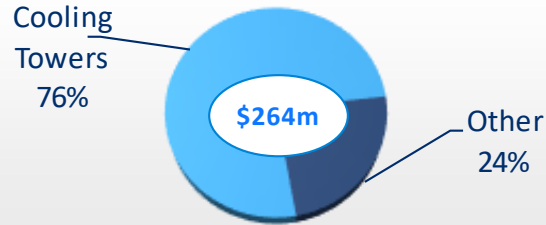
Large Power (High Voltage) Transformer



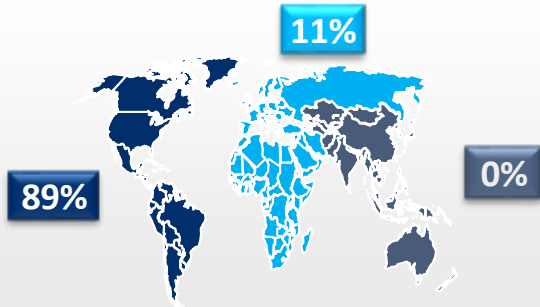
Leading North American Supplier of Medium Power Transformers

Process Cooling Overview

2017 Revenue by Product



2017 Revenue by Geography



- Based in the U.S., a leading global manufacturer of cooling towers and parts & components
- Continuous new product enhancements and exceptional quality equipment for more than a century
- Large installed base in U.S. and abroad
- Growing component and aftermarket opportunities
- Greater selectivity in projects



Repositioning Business for Greater Aftermarket Opportunities

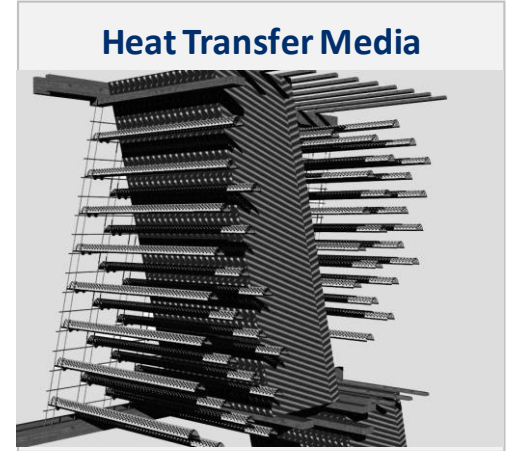
Gear Reducer



Air Flow Components



Heat Transfer Media



**Aftermarket Service and Components is Focus
Area of New Product Initiatives**

Financial Position & Capital Allocation

November 2018



Capital Allocation Discipline

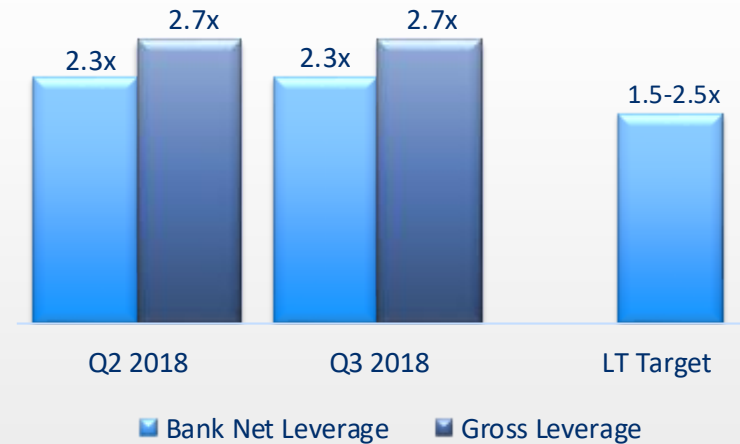
Methodology	Expected Outcome
1) Utilize strategic planning process to evaluate future revenue and earnings growth	<ul style="list-style-type: none"> ▪ Quantify projected future cash flows and estimate total company valuation
2) Maintain target capital structure	<ul style="list-style-type: none"> ▪ Net Debt to EBITDA⁽¹⁾ target range: 1.5x to 2.5x
3) Invest available capital in highest, risk-adjusted, return opportunities	<ul style="list-style-type: none"> ▪ Cost reduction initiatives ▪ Organic business development ▪ Bolt-on acquisitions ▪ Return of capital to shareholders

⁽¹⁾ Net Debt and EBITDA as defined in SPX Corporation's credit agreement

Capital Structure



Leverage Ratios*

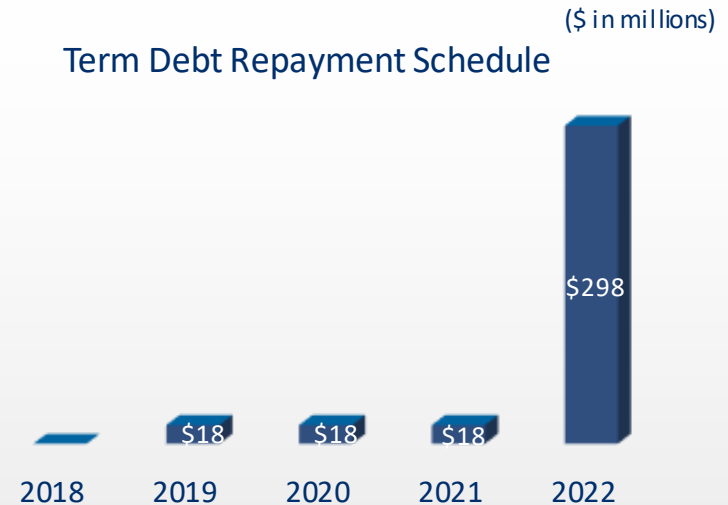


(\$millions)

	Q2 2018	Q3 2018
Short-term debt	\$124.1	\$113.1
Current maturities of long-term debt	9.2	9.3
Long-term debt	340.6	340.6
Total Debt	\$473.9	\$463.0
Less: Cash on hand	(66.7)	(61.9)
Net Debt	\$407.2	\$401.1

* Calculated as defined by SPX's credit facility agreement.

- Targeting at least 110% Core Free Cash Flow* Conversion
- Substantial capital available after addressing bank debt and South African Project obligations
- Projecting >\$400 million of capacity for capital allocation through 2020
 - ❑ Growth investments in Core businesses
 - ❑ Active M&A pipeline
 - ❑ Return of capital to shareholders



Note: Core results are non-GAAP financial measures that exclude the results of the South African projects and Heat Transfer operations.

*Non-GAAP financial measure. Reconciliation to its nearest US GAAP financial measure is available elsewhere in the Appendix of the presentation.

SPX Acquisition Approach

Qualitative	Quantitative
<ul style="list-style-type: none">▪ Focused on building existing platforms<ul style="list-style-type: none">▫ Existing markets or close adjacencies▪ Engineered products▪ Attractive growth opportunities<ul style="list-style-type: none">▫ Secular growth drivers▫ Fragmented market with consolidation opportunities▪ Differentiated offering through technology, brand or channel	<ul style="list-style-type: none">▪ Revenue transaction size \$20-\$100 million (primary focus); opportunistically consider larger targets▪ Cash ROIC \geq double digits 3-5 yrs▪ Accretive to adjusted EPS in year 1, GAAP EPS in year 2

Strategic Impact of Acquisitions



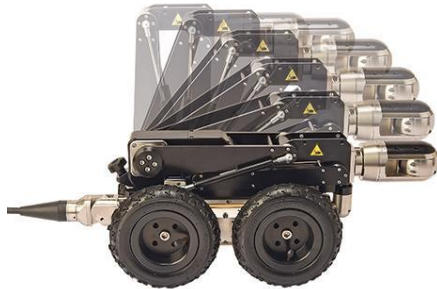
Radiodetection Global Leader in Locators



Schonsted Market Leading Magnetometer Products



Strengthens Global Leadership in Location Equipment



Radiodetection Inspection Equipment



CUES Market Leading Inspection Equipment



Global Leader in Inspection Equipment

Schonstedt Overview



Company Profile

2017 Sales: \$9M

Purchase multiple*: <7x post-synergies

Description: Manufacturer of magnetic locator products used for locating underground utilities and other buried objects.

Acquisition Rationale:

- Strengthens Detection & Measurement
- Highly complementary locator technology
- Market leader
- Attractive growth profile



XTpc Pipe and Cable Locator



Rex Multi-Frequency
Pipe & Cable Locator



GA-92XTd
Magnetic
Locator

*Purchase price, net cash acquired, divided by 2017 EBITDA plus expected synergies over a 3-year period.

CUES Overview



Company Profile

2017 Sales: ~\$86M

Purchase multiple*: <10x post-synergies

Description: Leading manufacturer of inspection and rehabilitation equipment.

Acquisition Rationale:

- Strengthens Detection & Measurement
- Significantly increases presence in inspection market
- Market leading product portfolio
- Attractive growth profile

CUES Digital Universal Camera



"The Standard of the Industry"



Mobile Inspection Units

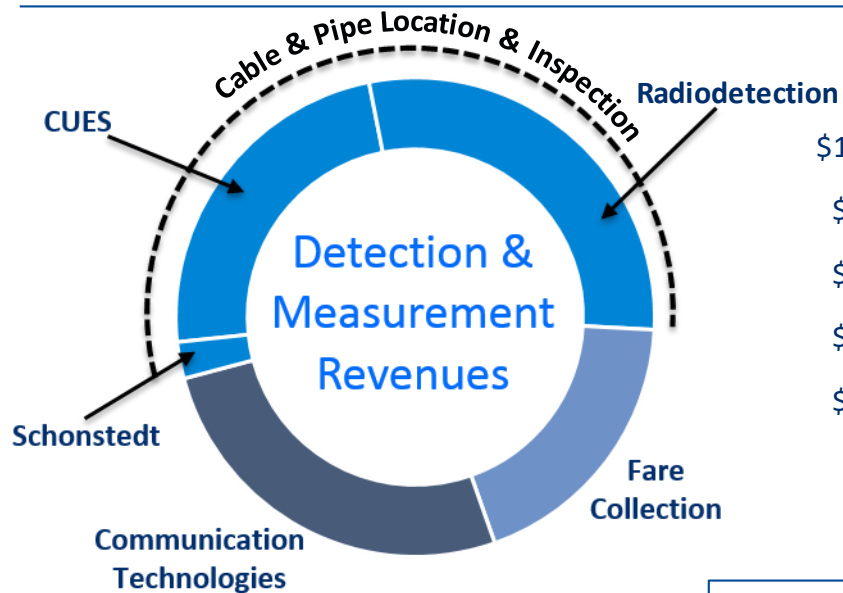


CUES SPiDER Scanner

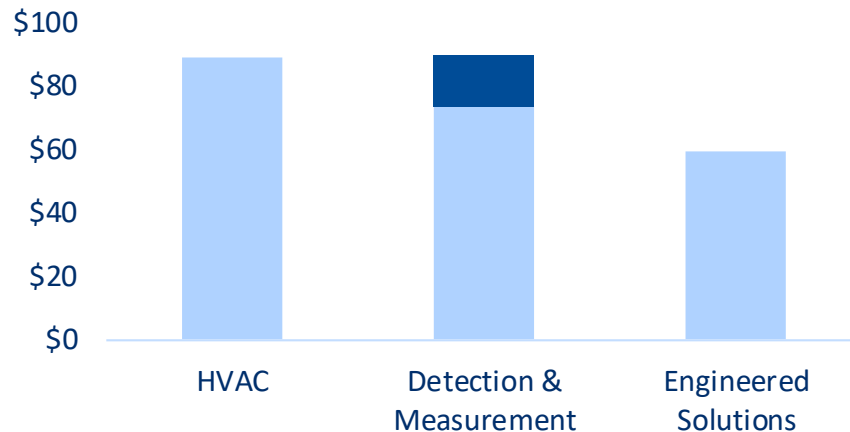


*Purchase price, net cash acquired, divided by 2017 EBITDA plus expected synergies over a 3-year period.

Impact of Acquisitions on Segments – 2018 Pro Forma*



Segment EBITDA (Core)**



Segment	EBITDA Margin
HVAC	~16%
Detection & Measurement	~25%
Engineered Solutions	~9%

Note: Core results are non-GAAP financial measures that exclude the results of the South African projects and Heat Transfer operations. *Based on 2018 midpoint guidance as if owned beginning 01/01/18.

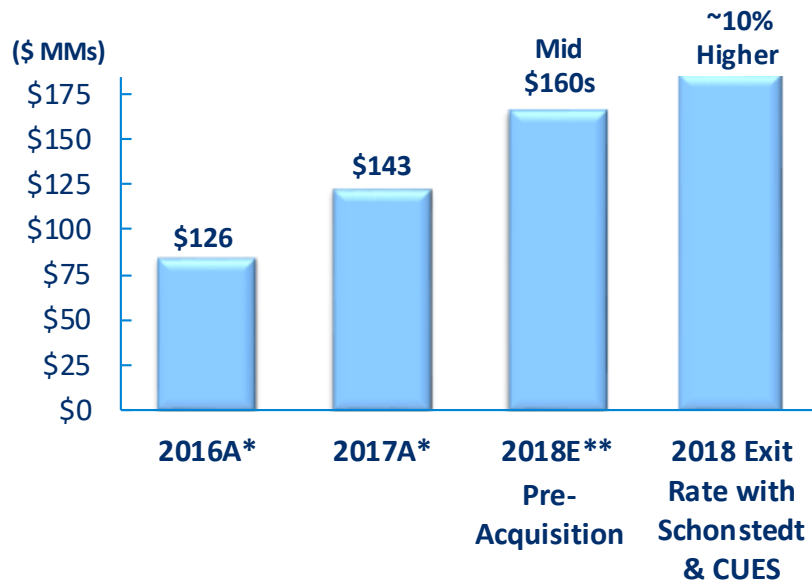
**Represents, respectively, segment income for the HVAC segment, Engineered Solutions (Core) segment income for the Engineered Solutions segment, and Detection & Measurement adjusted segment income for the Detection & Measurement segment, in each case adjusted to add back the segment's depreciation and amortization expense, with EBITDA margin representing such amount, divided by, respectively by segment revenues for the HVAC segment, Engineered Solutions (Core) revenues for the Engineered Solutions segment, and Detection & Measurement revenues for the Detection & Measurement segment, on a pro forma basis for the acquisitions.

Detection & Measurement Becoming Most Profitable Segment

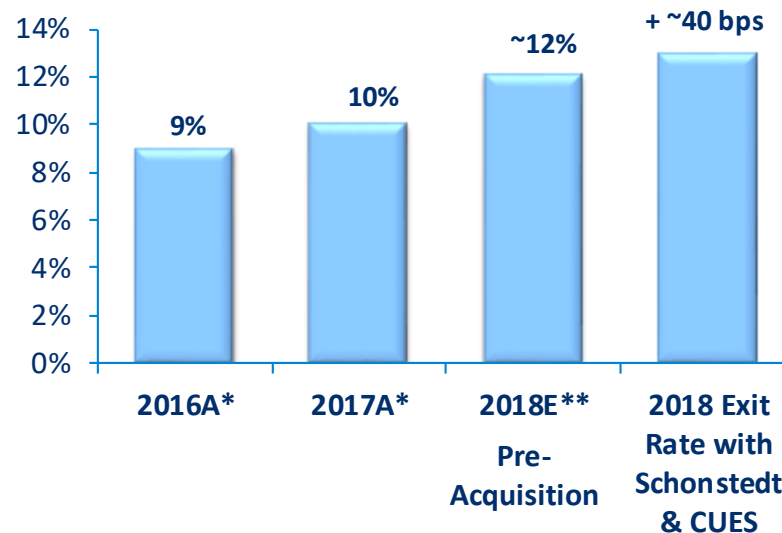


2016-2018 SPX Adjusted EBITDA Performance

Adjusted EBITDA



Adjusted EBITDA Margin %



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Continuous Delivery of Value Creation Since Spin

Financial Targets

November 2018



Long-Term Financial Targets (all targets are Non-GAAP financial measures)

2020 Financial Targets

- \$1.7 - \$1.8B Core Revenue
- 10.5-11.5% Adjusted Operating Income Margin
- \$2.65 - \$2.90 Adjusted EPS
- \$2.90 - \$3.10 Adjusted EPS excluding M&A amortization
- 100-110% FCF Conversion of Adjusted Net Income

Note: Core results are non-GAAP financial measures that exclude the results of the South African projects and Heat Transfer operations.

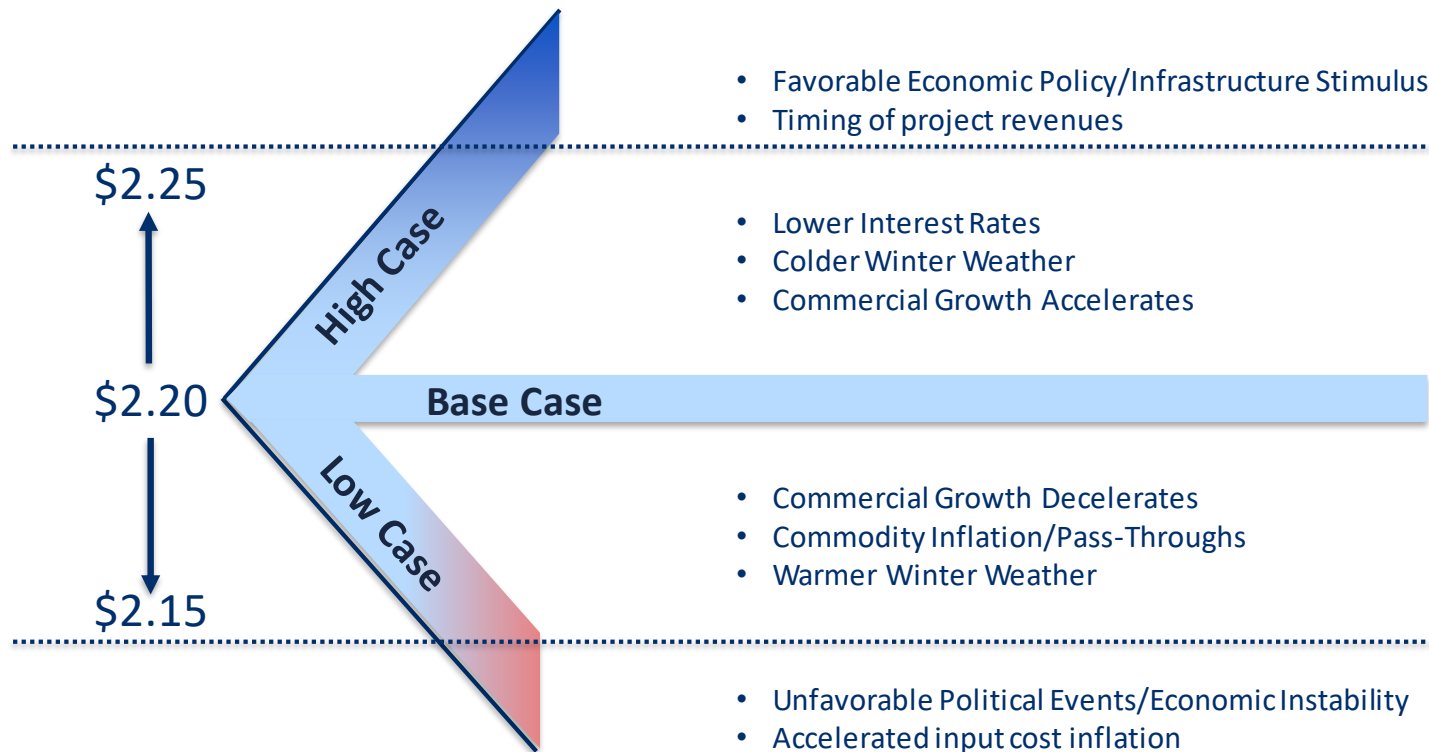
>\$400M of Capital Available to Deploy Through 2020; Clear Line of Sight to Sustainable Double Digit Adjusted EPS Growth

Appendix

November 2018



2018 Adjusted EPS* Guidance - Key Drivers



*Non-GAAP financial measure.

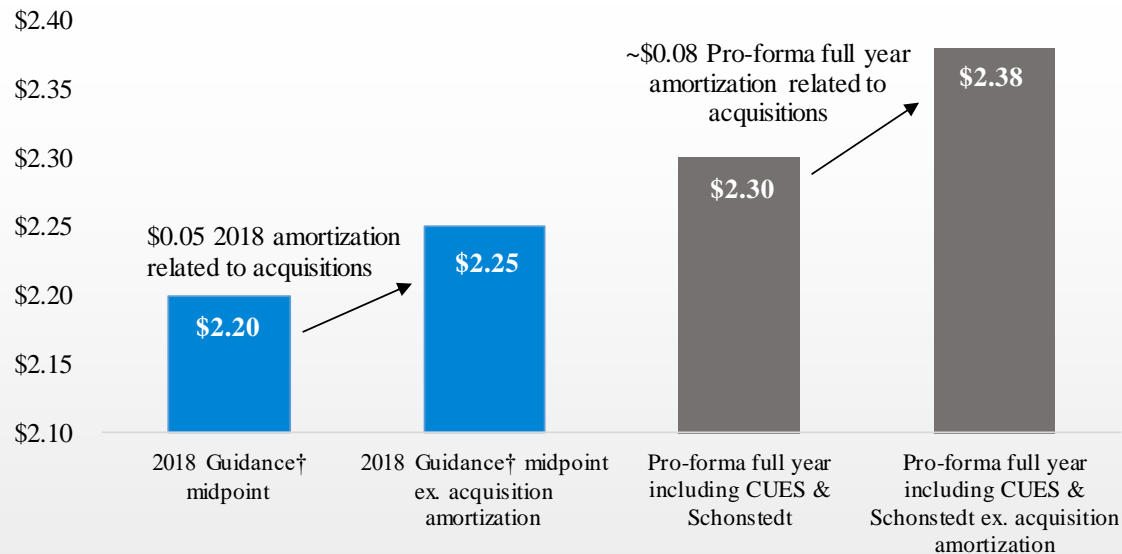
Note: Core results are non-GAAP financial measures that exclude the results of the South African projects and Heat Transfer operations.

We have not reconciled non-GAAP financial measures guidance to their nearest GAAP equivalents because we do not provide guidance for items that we do not consider indicative of our on-going performance and that are out of our control and/or cannot be reasonably predicted. Accordingly, a reconciliation of the non-GAAP financial measure guidance to the corresponding GAAP financial measures is not available without unreasonable effort.

2018 Modeling Considerations

Metric	Commentary/Assumptions
Corporate costs	\$42-44M
Long-term incentive comp	\$16M
Restructuring costs	\$1M
Interest cost	\$20M, including \$2.5M related to acquisition financing
Equity earnings, other	\$2-3M
Tax rate	21% effective rate for 2018, including 1% of favorable items
Capex	\$12-14M
Cash cost of pension + OPEB	Approximately \$18M: ongoing cash cost approximately \$16M
D&A	Approximately \$28M, mostly in COGS, including \$3M of acquisition-related amortization
Share count	Approximately 45M
FCF Conversion	At least 110% of Adjusted Net Income (i.e., ex South African projects)
Currency effect	Topline sensitivity to USD-GBP rate

2018/Full Year Adjusted EPS* Excluding Acquisition Amortization



*Non-GAAP financial measure. We have not reconciled non-GAAP financial measures guidance to their nearest GAAP equivalents because we do not provide guidance for items that we do not consider indicative of our on-going performance and that are out of our control and/or cannot be reasonably predicted. Accordingly, a reconciliation of the non-GAAP financial measure guidance to the corresponding GAAP financial measures is not available without unreasonable effort.

†2018 EPS Guidance includes financing costs of \$0.04 related to the CUES acquisition

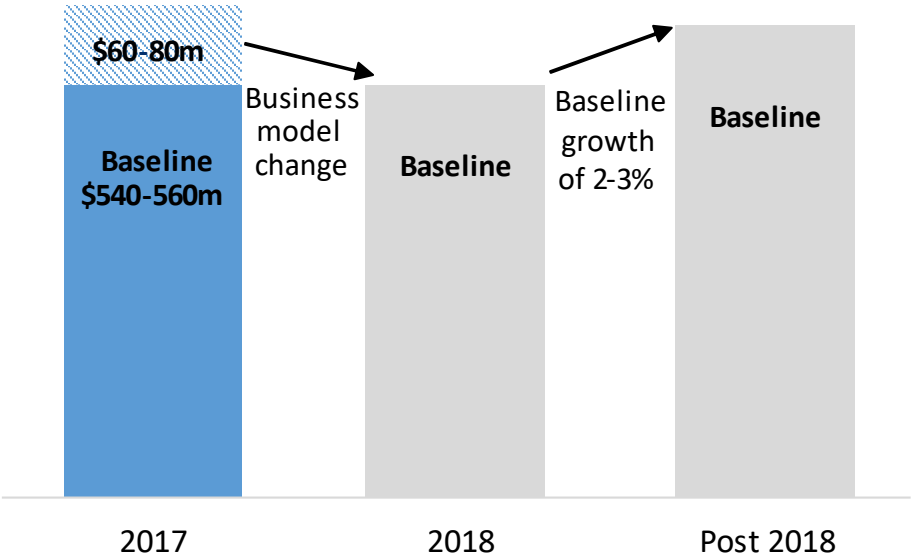
Organic Segment Financial Targets (Adjusted*)



(\$ millions)	HVAC	Detection & Measurement	Engineered Solutions (Adjusted)	SPX Total (Adjusted)
2017 Revenue	\$511	\$260	\$625	\$1,397
Long-term Modeling Target Organic Revenue* CAGR	+2% to +4%	+2% to +6%	+2% to +3%	+2% to +3%
Business Model Change	-	-	~(5%)	~(2%)
Total Revenue Growth	+2% to +4%	+2% to +6%	(2%) to (3%)	Flat to +1%
2017 Segment Income %	14.5%	24.4%	7.2%	13.1%
Long-term Modeling Target Segment Income %	15% to 16%	23% to 25%	9% to 10%	~15%

*Non-GAAP financial measure. Reconciliations from US GAAP financial measures are available below in this Appendix. We have not reconciled non-GAAP financial measures guidance to their nearest GAAP equivalents because we do not provide guidance for items that we do not consider indicative of our on-going performance and that are out of our control and/or cannot be reasonably predicted. Accordingly, a reconciliation of the non-GAAP financial measure guidance to the corresponding GAAP financial measures is not available without unreasonable effort.

Engineered Solutions Business Model Shift – Pro Forma Revenues



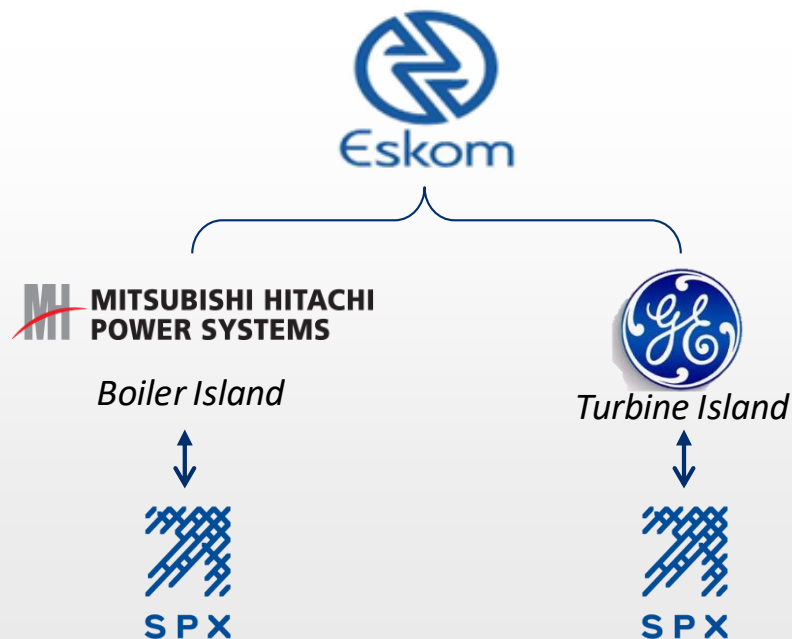
Note: Pro Forma for illustrative purposes only. Based on management estimates.

Growth to Resume in 2019

South African Projects Overview

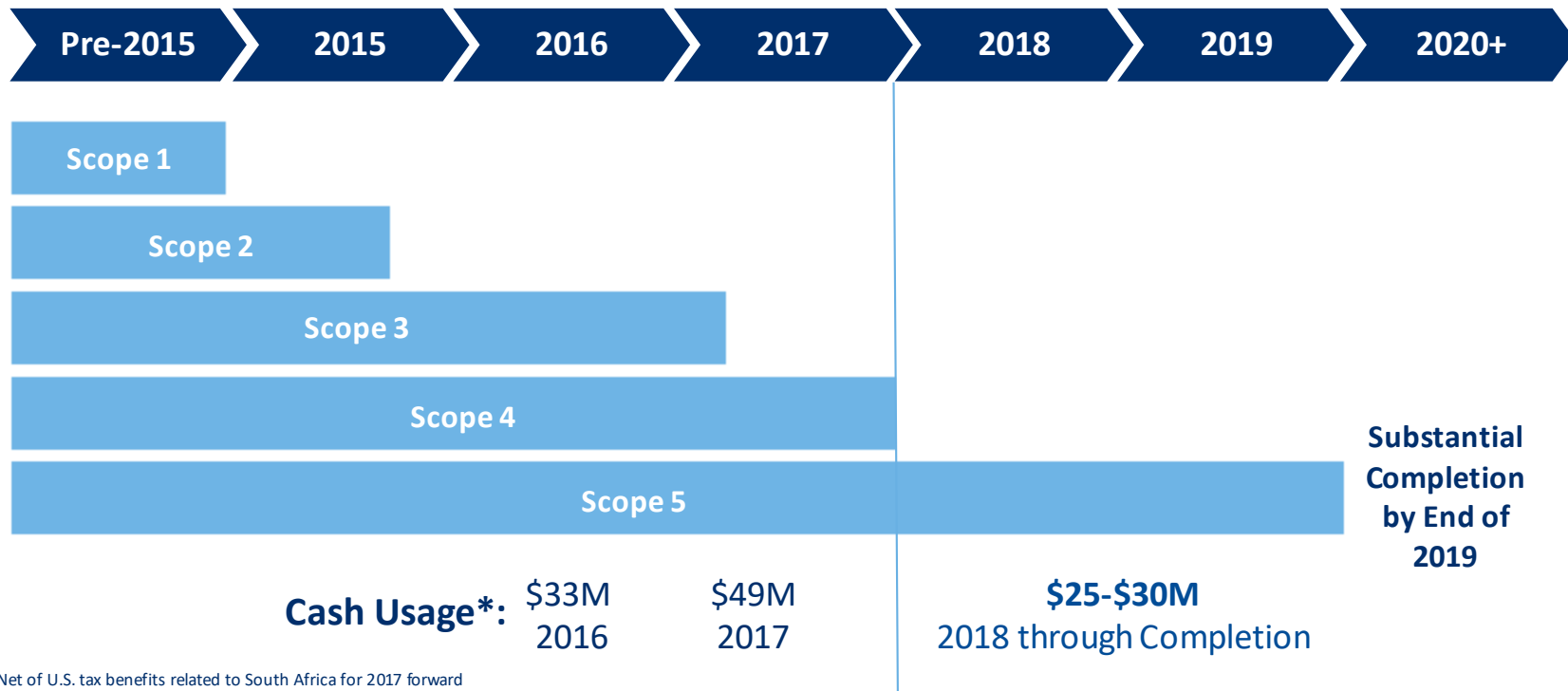
Medupi & Kusile Power Stations

- Two mega-projects sites:
 - Twelve 800 mega-watt coal-fired plants (six at each project site)
- Total project value of ~\$1.3B (>85% complete)
- Eskom is a state-owned South African utility
- GE/Alstom and Mitsubishi Hitachi are our customers
- One scope of work remaining (of five original scopes)



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

South African Projects Status



*Net of U.S. tax benefits related to South Africa for 2017 forward

Net Cash Usage Through Completion Expected to be Nominal Comprised of Quarters of Cash Outflows and Quarters of Cash Inflows

Full-Year Gross Margins to U.S. GAAP Reconciliation



Engineered Solutions segment

	<u>FYE 2017</u>	<u>FYE 2016</u>
Engineered Solutions gross profit	47.7	97.7
as a percent of revenues	7%	13%
Exclude: South African projects ⁽¹⁾	<u>(59.1)</u>	<u>(5.8)</u>
Engineered Solutions (Adjusted) Gross profit	<u>106.8</u>	<u>103.5</u>
as a percent of Adjusted revenues	17%	16%

⁽¹⁾ For the twelve months ended December 31, 2017, we made revisions to our estimates of expected revenues and costs on our large power projects in South Africa. As a result of these revisions, we reduced revenues for the projects during the twelve months ended December 31, 2017 by \$36.9, and increased the loss on the projects by \$52.8.

Full-Year EBITDA to U.S. GAAP Reconciliation

	<u>FYE 2017</u>	<u>FYE 2016</u>
HVAC Segment		
Segment income	\$ 74.1	\$ 80.2
Adjustments:		
Depreciation & amortization	5.5	5.3
HVAC Segment EBITDA	<u>\$ 79.6</u>	<u>\$ 85.5</u>
Detection & Measurement segment		
Segment income	\$ 63.4	\$ 45.3
Adjustments:		
Depreciation & amortization	4.0	3.4
Detection & Measurement Segment EBITDA	<u>\$ 67.4</u>	<u>\$ 48.7</u>
Engineered Solutions segment		
Segment Income	\$ (12.6)	\$ 17.3
Exclude: South African projects ⁽¹⁾	(68.0)	(14.5)
Exclude: Contract settlement gain	10.2	—
Engineered Solutions (Adjusted) income	\$ 45.2	\$ 31.8
Adjustments:		
Depreciation & amortization	12.5	15.2
Engineered Solutions (Adjusted) EBITDA	<u>\$ 57.7</u>	<u>\$ 47.0</u>

⁽¹⁾For the twelve months ended December 31, 2017, we made revisions to our estimates of expected revenues and costs on our large power projects in South Africa. As a result of these revisions, we reduced revenues for the projects during the twelve months ended December 31, 2017 by \$36.9, and increased the loss on the projects by \$52.8.

Full-Year Adjusted EBITDA to U.S. GAAP Reconciliation

(\$ millions)

	<u>FY 2017</u>	<u>FY 2016</u>
Consolidated revenue	\$ 1,425.8	\$ 1,472.3
Exclude: South African projects ⁽¹⁾	29.1	83.3
Adjusted revenues	<u>\$ 1,396.7</u>	<u>\$ 1,389.0</u>
Adjusted operating income ⁽¹⁾⁽²⁾	\$ 119.1	\$ 96.2
Adjustments:		
Depreciation & amortization	25.2	26.5
Other income/(expense)	(1.7)	2.8
Adjusted EBITDA	<u>\$ 142.6</u>	<u>\$ 125.5</u>
as a percent of Adjusted revenues	10.2%	9.0%

⁽¹⁾ For the twelve months ended December 17, 2017, we made revisions to our estimates of expected revenues and costs on our large power projects in South Africa. As a result of these revisions, we reduced revenues for the projects during the twelve months ended December 31, 2017 by \$36.9, and increased the loss on the projects by \$52.8.

⁽²⁾ For the adjusted operating income see full year 2017 and 2016 operating income tables below.

Engineered Solutions (Adjusted*) Segment Income to U.S. GAAP Reconciliation



ENGINEERED SOLUTIONS SEGMENT:

(as reported in \$ millions)

	<u>FY 2017</u>	<u>FY 2016</u>
Engineered Solutions revenue	\$ 654.5	\$ 736.4
Exclude: South African projects	29.1	83.3
Engineered Solutions (Adjusted) revenue	<u>\$ 625.4</u>	<u>\$ 653.1</u>
Engineered Solutions income	\$ (12.6)	\$ 17.3
Exclude: Losses from South African projects	(68.0)	(14.5)
Exclude: Contract settlement	10.2	—
Engineered Solutions (Adjusted) income	<u>\$ 45.2</u>	<u>\$ 31.8</u>
as a percent of Engineered Solutions (Adjusted) revenues	7.2%	4.9%

*Non-GAAP financial measure. Excludes the results of the South African projects. Additionally, 2017 Adjusted segment income also excludes a gain related to contract settlement within our Engineered Solutions segment.



Full-Year 2017 U.S. GAAP to Adjusted Operating Income

(\$ millions)

	<u>GAAP</u>	<u>Adjustments</u>	<u>Adjusted</u>
Segment income ⁽¹⁾	\$ 124.9	\$ 57.8	\$ 182.7
Corporate expense	(46.2)	—	(46.2)
Pension and postretirement (expense)	(0.3)	—	(0.3)
Long-term incentive compensation expense	(15.8)	—	(15.8)
Special charges, net ⁽²⁾	<u>(2.7)</u>	<u>1.4</u>	<u>(1.3)</u>
Operating income	59.9	59.2	119.1

⁽¹⁾ Adjustment represents the removal of operating losses associated with the South African projects, and a gain on contract settlement within our Engineered Solutions reportable segment.

⁽²⁾ Adjustment represents the removal of restructuring charges associated with the South African projects.

Full-Year 2016 U.S. GAAP to Adjusted Operating Income

(\$ millions)

	<u>GAAP</u>	<u>Adjustments</u>	<u>Adjusted</u>
Segment income ⁽¹⁾	\$ 142.8	\$ 14.5	\$ 157.3
Corporate expense	(41.7)	—	(41.7)
Pension and postretirement (expense)	(0.4)	—	(0.4)
Long-term incentive compensation expense	(13.7)	—	(13.7)
Special charges, net	(5.3)	—	(5.3)
Impairment of intangible assets ⁽²⁾	(30.1)	30.1	—
Gain on sale of dry cooling business ⁽³⁾	18.4	(18.4)	—
Operating income	<u>70.0</u>	<u>26.2</u>	<u>96.2</u>

⁽¹⁾ Adjustment represents the removal of operating losses associated with the South African projects.

⁽²⁾ Adjustment represents the removal of a non-cash impairment charge associated with our Heat Transfer business.

⁽³⁾ Adjustment represents the removal of gain on sale of dry cooling business.