

SPX Technologies

Q4 2022

Earnings Presentation

February 23, 2023



- ❑ Certain statements contained in this presentation that are not historical facts, including any statements as to future market conditions, results of operations, products introductions, and financial projections, are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, and are subject to safe harbor created thereby. 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. Forward-looking statements 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 economic, business and other risks stemming from changes in the economy, including changes resulting from the impact of the COVID-19 pandemic and governmental and other actions taken in response, including labor constraints and supply-chain disruptions; the uncertainty of claims resolution with respect to the large power projects in South Africa, as well as claims with respect to environmental and other contingent liabilities; cyclical changes and specific industry events in the company's markets; economic impacts from continued or escalating geopolitical tensions; changes in anticipated capital investment and maintenance expenditures by customers; availability, limitations or cost increases of raw materials and/or commodities that cannot be recovered in product pricing; the impact of competition on profit margins and the company's ability to maintain or increase market share; inadequate performance by third-party suppliers and subcontractors for outsourced products, components and services; cyber-security risks; risks with respect to the protection of intellectual property, including with respect to the company's digitalization initiatives; the impact of overruns, inflation and the incurrence of delays with respect to long-term fixed-price contracts; defects or errors in current or planned products; domestic economic, political, legal, accounting and business developments adversely affecting the company's business, including regulatory changes; changes in worldwide economic conditions; uncertainties with respect to the company's ability to identify acceptable acquisition targets; uncertainties surrounding timing and successful completion of any announced acquisition or disposition transactions, including with respect to integrating acquisitions and achieving cost savings or other benefits from acquisitions; the impact of retained liabilities of disposed businesses; potential labor disputes; and extreme weather conditions and natural and other disasters. More information regarding such risks can be found in SPX's most recent 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 law.
- ❑ This presentation includes non-GAAP financial measures. Reconciliations of historical non-GAAP financial measures with the most comparable measures calculated and presented in accordance with GAAP are available in the appendix to this presentation. 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.

Introductory Comments

Gene Lowe

- ❑ Very strong close to 2022
 - ✓ Solid performances in HVAC and D&M

- ❑ Significant progress on multiple key initiatives in 2022
 - ✓ Digital, Continuous Improvement, ESG, and legacy liability reduction

- ❑ Strong balance sheet and inorganic pipeline

- ❑ 2023 guidance ~10% Adjusted EPS* growth
 - ✓ Stable demand and historically high backlog

Well-Positioned to Continue Value Creation Journey

*Adjusted results are non-GAAP financial measures. Reconciliations from US GAAP financial measures are available in the Appendix of the presentation.

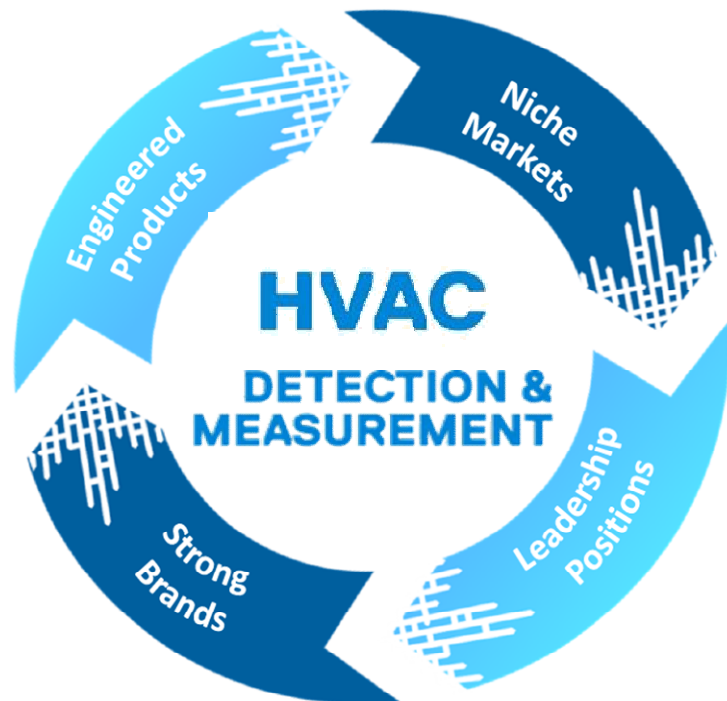
Q4 2022 Results Summary

- ❑ Strong organic revenue growth (18%+)
 - ✓ HVAC and Detection & Measurement
- ❑ Acquisitions performed well
 - ✓ Cincinnati Fan and ITL
- ❑ Robust profit and margin growth
 - ✓ 48% growth in Adj. Operating Income*
 - ✓ 290 bps margin* expansion



Strong And Balanced Performance

*Adjusted results are non-GAAP financial measures. Reconciliations from US GAAP financial measures are available in the Appendix of the presentation.



Organic Growth

- New products
- Channel expansion
- Adjacent markets

Inorganic Growth

- Strategic platform focus
- Significant capital to deploy
- Large target pipeline

SPX Business System

- Digital initiatives
- Continuous Improvement
- Sustainability

Culture & Values

- Integrity
- Results/accountability
- Diversity & Inclusion
- Employee development

ESG Commitments

Committed to GHG intensity reduction of 30% by 2030*

Enhanced D&I disclosures
(more demographic details at various levels of company)



190 of 500

Favorable ESG Story; Momentum on Journey Plan

*Reduction of scope 1 and scope 2 greenhouse gas emissions as a percent of revenue, using 2019 as the baseline.

Using technology to help our customers become safer, more efficient, and sustainable



Driving Customer Value Through Focus on Technology

Q4 Financial Review

Mark Carano

Adjusted Earnings Per Share



	<u>Q4 2021</u>	<u>Q4 2022</u>	<u>FY 2021</u>	<u>FY 2022</u>
GAAP EPS from continuing operations	\$0.10	(\$0.55)	\$1.27	\$0.43
Amortization	\$0.09	\$0.09	\$0.36	\$0.46
Acquisition-related	(\$0.09)	\$0.02	\$0.00	\$0.06
Asbestos-related	\$0.74	\$1.65	\$0.78	\$2.03
Non-service pension & other*	\$0.04	(\$0.04)	(\$0.08)	\$0.12
Adj EPS from continuing operations	\$0.88	\$1.17	\$2.33	\$3.10

Q4 2022 Adjusted EPS of \$1.17

Note: Adjusted results are non-GAAP financial measures. Reconciliations from US GAAP financial measures are available in the Appendix of the presentation.

*Primarily reflects non-cash change in fair value equity security, certain tax discrete items, and non-cash asset impairment charges.

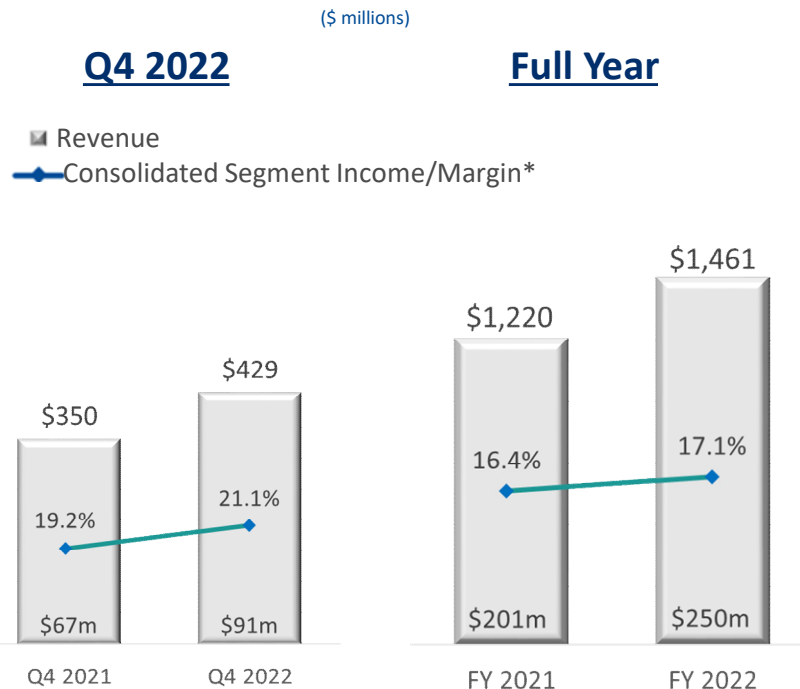
Q4 2022 Results

Q4 Revenue:

- 22.7% year-over-year increase:
 - ✓ **18.4% organic** increase with broad strength in HVAC and Detection & Measurement
 - ✓ **6.3% acquisition** impact (Cincinnati Fan and ITL)
 - ✓ **-2.0% currency** impact

Q4 Consolidated Segment Income* and Margin*:

- \$23.2m increase in Consolidated Segment Income* driven by both HVAC and D&M
- 190 bps increase in margin* driven largely by higher production volume in HVAC



Strong Organic and Acquisition-Driven Growth

*Consolidated segment income and margin as shown above are non-GAAP financial measures, and represent the summation of our HVAC and D&M segments. Reconciliations from US GAAP financial measures are available in the Appendix of the presentation.

HVAC Q4 2022 Results

Q4 Revenue:

- ❑ 29.5% year-over-year Increase:
 - ✓ **21.1% organic** increase driven by growth in both Heating and Cooling
 - ✓ **9.4% acquisition** impact (*Cincinnati Fan*)
 - ✓ **-1.0% currency** impact

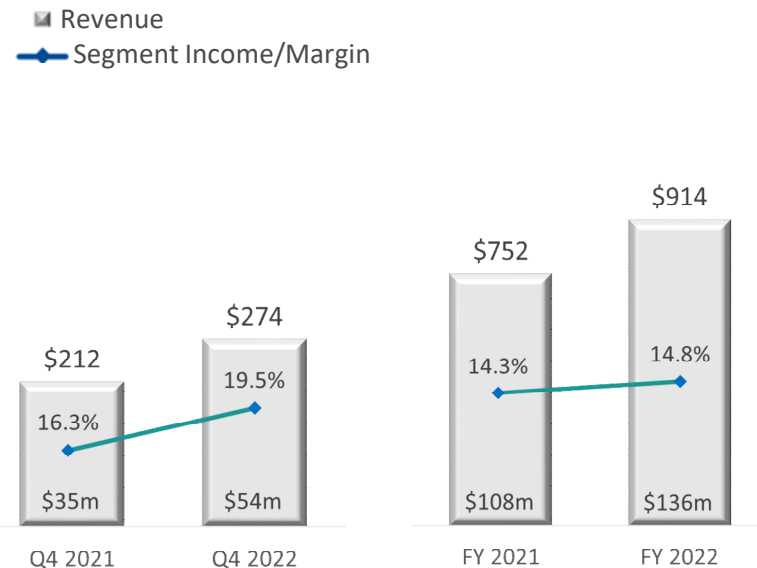
Q4 Segment Income and Margin:

- ❑ \$19.0m increase in Segment Income
- ❑ 320 bps increase in margin due to higher Cooling volumes and favorable acquisition (*Cincinnati Fan*) performance

(\$ millions)

Q4 2022

Full Year



Strong Organic Growth Driven by Both Heating and Cooling

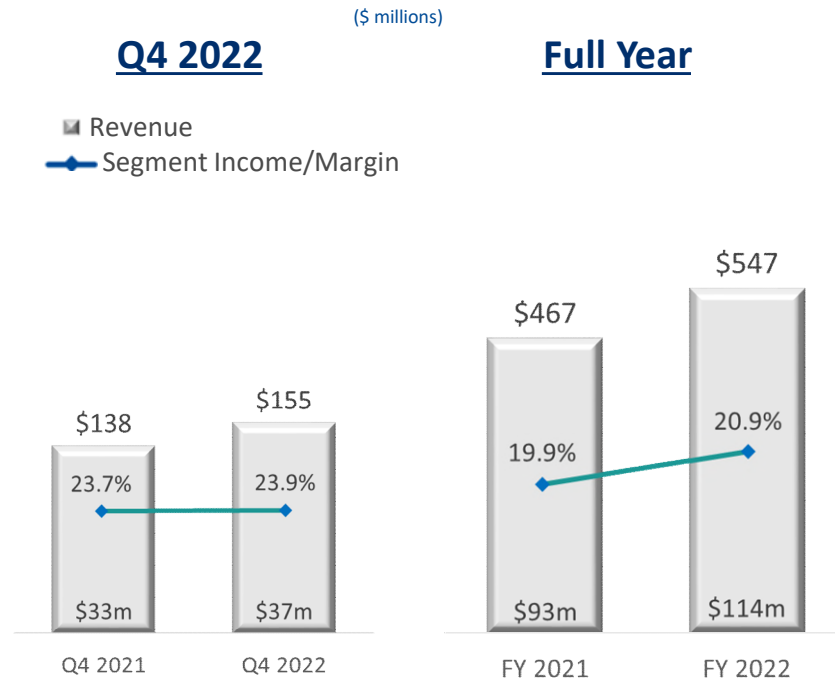
Detection & Measurement Q4 2022 Results

Q4 Revenue:

- ❑ 12.2% year-over-year increase:
 - ✓ **14.4% organic** increase with broad strength across segment
 - ✓ **1.5% acquisition** impact (*ITL*)
 - ✓ **-3.7% currency** impact

Q4 Segment Income and Margin:

- ❑ \$4.2m increase in Segment Income
- ❑ 20 bps increase in margin due primarily to higher project sales, including at ECS



Strong Results, Including Robust Project Sales

Financial Position and Liquidity Review

Mark Carano

Financial Position - Capital Structure & Liquidity Update

(\$ millions)

(\$millions)	Q3 2022	Q4 2022
Short-term debt	\$2	\$2
Current maturities of long-term debt	0	2
Long-term debt	245	243
Total Debt	\$247	\$247
Less: Cash on hand **	(187)	(157)
Net Debt	\$60	\$90

Includes impact of asbestos divestiture



Well-Positioned to Continue Growth Initiatives

* Calculated as provided in SPX's credit facility agreement.

** Includes cash related to discontinued operations of ~\$4m in Q3'22 and ~\$9m in Q4'22.



	Revenue	Segment Income Margin
HVAC	<ul style="list-style-type: none"> ▪ \$935-\$955m <i>2022 Actual \$914m</i> 	<ul style="list-style-type: none"> ▪ 15.25%-16.0% <i>2022 Actual 14.8%</i>
Detection & Measurement	<ul style="list-style-type: none"> ▪ \$565-\$585m <i>2022 Actual \$547m</i> 	<ul style="list-style-type: none"> ▪ 20.5%-21.5% <i>2022 Actual 20.9%</i>
Total SPX	<ul style="list-style-type: none"> ▪ \$1.50-1.54b <i>2022 Actual \$1.46b</i> 	<ul style="list-style-type: none"> ▪ 17.0%-18.0% <i>2022 Actual 17.1%</i>

Adj. Operating Income* of \$200-\$217m, ~13.0%-14.0% margin*
(2022 Actual 12.8%); Adj. EPS of \$3.30-\$3.55*

*Adjusted results and consolidated segment income margin are non-GAAP financial measures. Reconciliations of guidance measures to US GAAP financial measures are not predictable and accordingly are not included in the Appendix of the presentation.

End Market Overview and Closing Remarks

Gene Lowe

Market	Comments
	<ul style="list-style-type: none">❑ Cooling:<ul style="list-style-type: none">- Overall solid demand in Americas- Labor constraints moderating❑ Heating:<ul style="list-style-type: none">- Stable orders / No material cancellations- Production constraint challenges easing
	<ul style="list-style-type: none">❑ Run-rate:<ul style="list-style-type: none">- Broad strength in Location & Inspection (regional variances)- Infrastructure spending opportunities❑ Project-oriented:<ul style="list-style-type: none">- Strong backlog- Favorable bookings trends/opportunities

Continued Broad-Based Demand Strength

- ❑ Very strong close to 2022
- ❑ Progressing on key initiatives
- ❑ 2023 guidance ~ 10% Adjusted EPS* growth
- ❑ Well-positioned for continued growth

Progressing Towards “SPX 2025” Targets

*Adjusted results are non-GAAP financial measures. Reconciliations from US GAAP financial measures are available in the Appendix of the presentation.

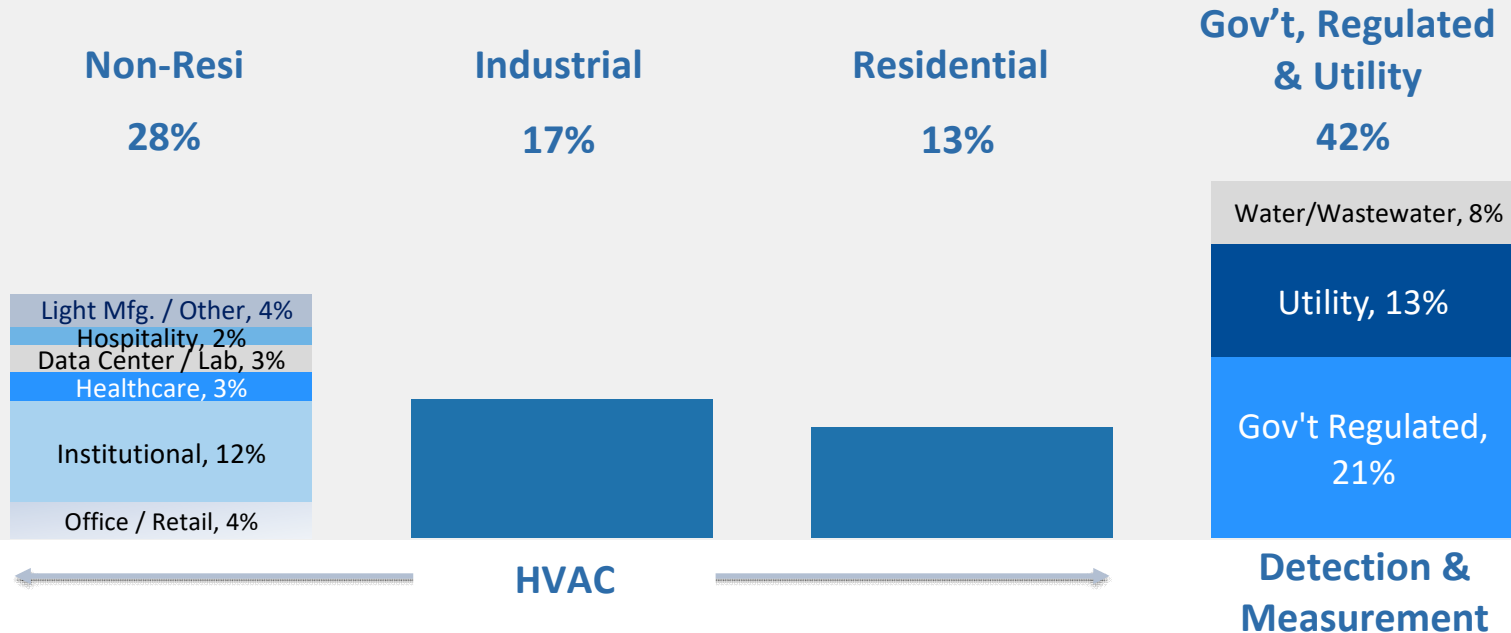
Appendix

Modeling Considerations - Full Year 2023

Metric	Considerations
Corporate expense	\$44-46.5m
Long-term incentive comp	\$13-14m
Restructuring costs	\$1m
Interest cost	~\$7m
Other income/(expense), and Non-service pension benefit/(expense)	\$6.5-8m
Tax rate	23.5-24.5%
Capex	~\$25m
Cash cost of pension + OPEB	\$10-11m
D&A	~\$44-46m
Share count	~46.3-46.6m
Currency effect	Topline sensitivity to USD-GBP rate

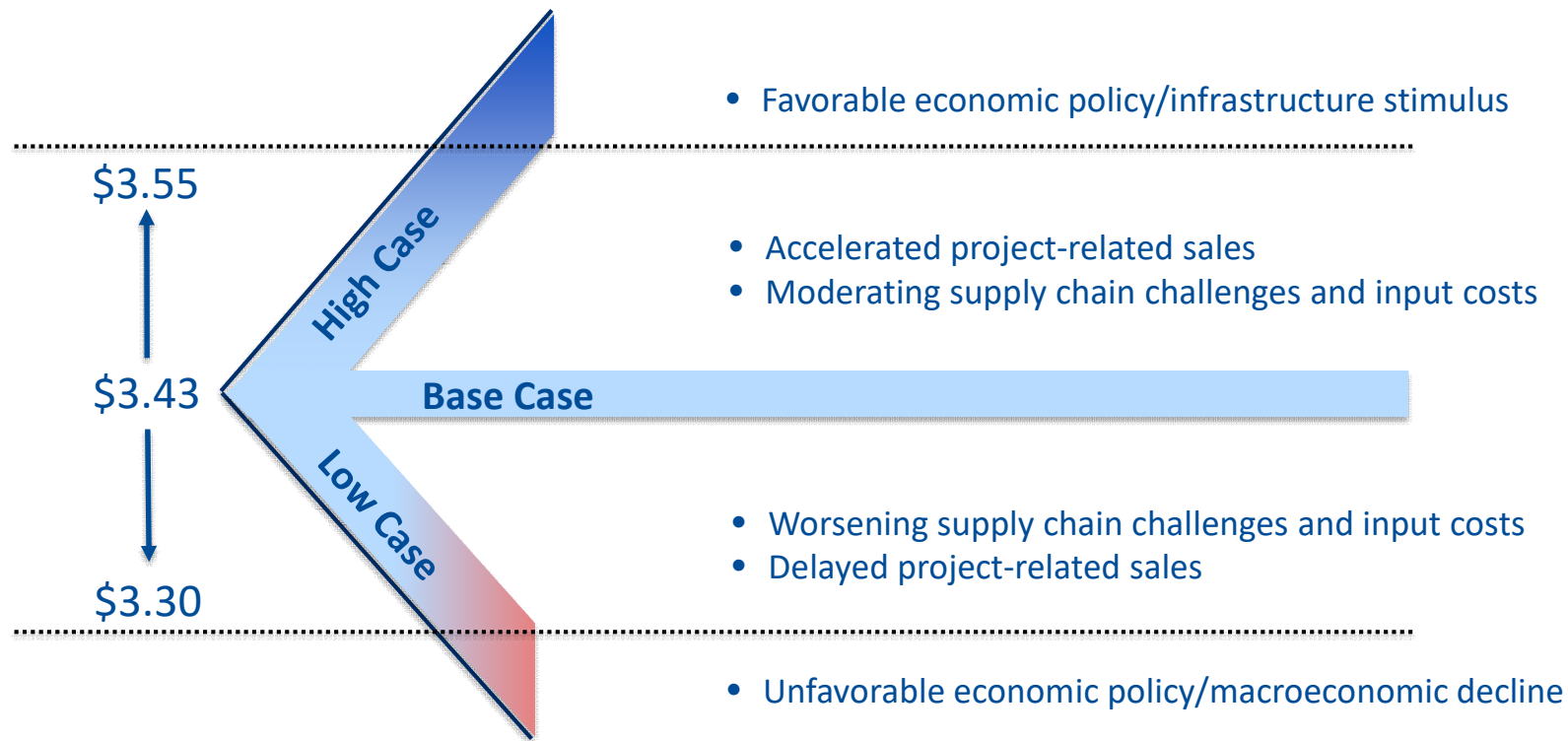
End Market Exposure

~\$1.46 Billion*
(~2/3 Replacement Revenue)



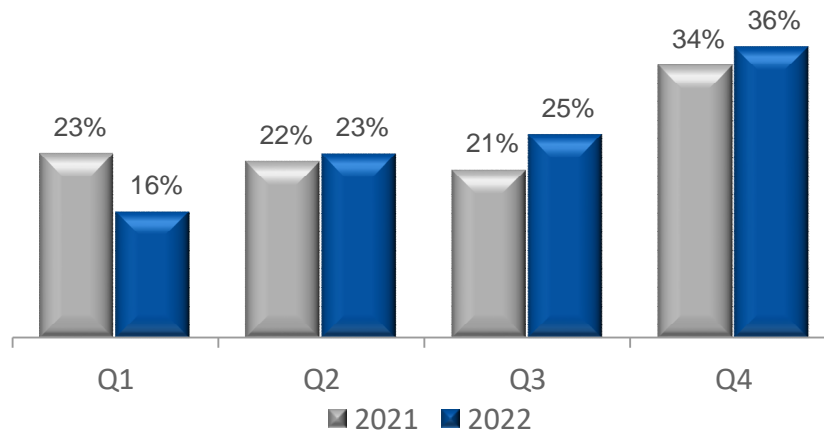
* 2022 revenue. Breakdowns based on Management estimates

2023 Adjusted EPS Guidance - Key Drivers



Note: Adjusted results are non-GAAP financial measures. Reconciliations of guidance measures to US GAAP financial measures are not practicable and accordingly are not included in this Appendix.

Segment Income Phasing and Reconciliations



GAAP Reconciliation Results by Quarter



(\$ millions)

	2021					2022				
	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY
Segment income	\$ 47.0	\$ 44.7	\$ 41.6	\$ 67.3	\$ 200.6	\$ 39.6	\$ 56.1	\$ 63.4	\$ 90.5	\$ 249.6
Corporate expense	(14.4)	(13.6)	(11.9)	(20.6)	(60.5)	(16.6)	(16.4)	(17.2)	(18.4)	(68.6)
Acquisition related and other costs	(0.7)	(0.9)	(3.2)	(0.3)	(5.1)	(0.1)	(0.9)	(0.1)	(0.8)	(1.9)
Long-term incentive compensation expense	(2.7)	(3.3)	(3.4)	(3.4)	(12.8)	(3.1)	(2.5)	(2.1)	(3.2)	(10.9)
Intangible amortization	(4.0)	(6.5)	(5.5)	(5.6)	(21.6)	(9.3)	(7.1)	(6.7)	(5.4)	(28.5)
Impairment of goodwill and intangible assets	-	-	(24.3)	(5.7)	(30.0)	-	-	-	(13.4)	(13.4)
Special charges, net	(0.2)	(0.6)	0.1	(0.3)	(1.0)	-	(0.1)	-	(0.3)	(0.4)
Other operating income (expense), net	-	(2.7)	24.3	(17.5)	4.1	0.9	(1.9)	-	(73.9)	(74.9)
Operating income (loss)	25.0	17.1	17.7	13.9	73.7	11.4	27.2	37.3	(24.9)	51.0
Other income (expense), net	7.4	6.4	3.8	(8.6)	9.0	6.5	(1.7)	(24.6)	4.6	(15.2)
Interest expense, net	(4.1)	(3.2)	(3.4)	(1.9)	(12.6)	(2.3)	(2.0)	(1.6)	(1.7)	(7.6)
Loss on amendment/refinancing of senior credit agreement	-	(0.2)	-	-	(0.2)	-	-	(1.1)	-	(1.1)
Income (loss) from continuing operations before income taxes	28.3	20.1	18.1	3.4	69.9	15.6	23.5	10.0	(22.0)	27.1
Income tax (provision) benefit	(5.3)	(2.4)	(4.2)	1.0	(10.9)	(2.6)	(4.4)	2.5	(2.8)	(7.3)
Income (loss) from continuing operations	23.0	17.7	13.9	4.4	59.0	13.0	19.1	12.5	(24.8)	19.8
Income (loss) from discontinued operations, net of tax	4.6	40.1	(35.3)	(3.7)	5.7	-	-	-	-	-
Income (loss) on disposition of discontinued operations, net of tax	(0.8)	4.1	351.7	5.7	360.7	(1.6)	(6.1)	(9.4)	(2.5)	(19.6)
Income (loss) from discontinued operations, net of tax	3.8	44.2	316.4	2.0	366.4	(1.6)	(6.1)	(9.4)	(2.5)	(19.6)
Net income (loss)	\$ 26.8	\$ 61.9	\$ 330.3	\$ 6.4	\$ 425.4	\$ 11.4	\$ 13.0	\$ 3.1	\$ (27.3)	\$ 0.2

Adjusted SPX 2021 Results by Quarter



(\$ millions)

	Q1	Q2	Q3	Q4	2021
HVAC segment income	\$ 23.0	\$ 26.6	\$ 23.6	\$ 34.5	\$ 107.7
Detection & Measurement segment income	24.0	18.1	18.0	32.8	92.9
Consolidated segment income	<u>\$ 47.0</u>	<u>\$ 44.7</u>	<u>\$ 41.6</u>	<u>\$ 67.3</u>	<u>\$ 200.6</u>
Operating income from continuing operations	\$ 25.0	\$ 17.1	\$ 17.7	\$ 13.9	\$ 73.7
Exclude: "Other" operating adjustments ⁽¹⁾	5.6	11.6	9.7	34.5	61.4
Adjusted operating income	<u>\$ 30.6</u>	<u>\$ 28.7</u>	<u>\$ 27.4</u>	<u>\$ 48.4</u>	<u>\$ 135.1</u>
Net income from continuing operations	\$ 23.0	\$ 17.7	\$ 13.9	\$ 4.4	\$ 59.0
Exclude: "Other" income adjustments ⁽²⁾	(0.2)	6.1	6.8	36.5	49.2
Adjusted net income	<u>\$ 22.8</u>	<u>\$ 23.8</u>	<u>\$ 20.7</u>	<u>\$ 40.9</u>	<u>\$ 108.2</u>
Adjusted EPS	\$0.49	\$0.51	\$0.44	\$0.88	\$2.33

⁽¹⁾ Excludes amortization expense associated with acquired intangible assets, acquisition-related costs (including inventory step-up charges), asset impairment charges, costs associated with our Transformers Solutions and South Africa businesses that could not be allocated to discontinued operations for U.S. GAAP purposes, revisions of liabilities associated with contingent consideration on acquisitions, and charges resulting from changes in estimates associated with asbestos product liability matters. In addition, includes a reclassification of transition services income from "Other non-operating income/expense".

⁽²⁾ Excludes items noted above, gains on an equity security associated with a fair value adjustments, non-service pension items, and the tax impacts of these items, as well as certain discrete tax items.

Adjusted SPX 2022 Results by Quarter



(\$ millions)

	Q1	Q2	Q3	Q4	2022
HVAC segment income	\$ 20.6	\$ 28.3	\$ 33.1	\$ 53.5	\$ 135.5
Detection & Measurement segment income	19.0	27.8	30.3	37.0	114.1
Consolidated segment income	\$ 39.6	\$ 56.1	\$ 63.4	\$ 90.5	\$ 249.6
Operating income (loss) from continuing operations	\$ 11.4	\$ 27.2	\$ 37.3	\$ (24.9)	\$ 51.0
Exclude: "Other" operating adjustments ⁽¹⁾	13.7	15.0	11.0	96.7	136.4
Adjusted operating income	\$ 25.1	\$ 42.2	\$ 48.3	\$ 71.8	\$ 187.4
Net income (loss) from continuing operations	\$ 13.0	\$ 19.1	\$ 12.5	\$ (24.8)	\$ 19.8
Exclude: "Other" income adjustments ⁽²⁾	5.8	13.9	25.0	78.8	123.5
Adjusted net income	\$ 18.8	\$ 33.0	\$ 37.5	\$ 54.0	\$ 143.3
Adjusted EPS	\$0.40	\$0.71	\$0.81	\$1.17	\$3.10

⁽¹⁾ Excludes amortization expense associated with acquired intangible assets, acquisition-related costs (including inventory step-up charges), asset impairment charges, costs associated with our South Africa business that could not be allocated to discontinued operations for U.S. GAAP purposes, revisions of liabilities associated with contingent consideration on acquisitions, and charges resulting from changes in estimates associated with asbestos product liability matters. In addition, includes a reclassification of transition services income from "Other non-operating income/expense".

⁽²⁾ Excludes items noted above, gains and losses on an equity security associated with a fair value adjustments, non-service pension items, and the tax impacts of these items, as well as certain discrete tax items.

HVAC Segment Results - 2021-2022



(\$ millions)

	Q1	Q2	Q3	Q4	2021
Revenue	\$175.6	\$185.4	\$179.3	\$211.8	\$752.1
Segment income	\$23.0	\$26.6	\$23.6	\$34.5	\$107.7
	<i>13%</i>	<i>14%</i>	<i>13%</i>	<i>16%</i>	<i>14%</i>

	Q1	Q2	Q3	Q4	2022
Revenue	\$193.1	\$218.7	\$227.8	\$274.2	\$913.8
Segment income	\$20.6	\$28.3	\$33.1	\$53.5	\$135.5
	<i>11%</i>	<i>13%</i>	<i>15%</i>	<i>20%</i>	<i>15%</i>

Detection & Measurement Segment Results - 2021-2022



(\$ millions)

	Q1	Q2	Q3	Q4	2021
Revenue	\$111.6	\$111.2	\$106.4	\$138.2	\$467.4
Segment income	\$24.0	\$18.1	\$18.0	\$32.8	\$92.9
	22%	16%	17%	24%	20%

	Q1	Q2	Q3	Q4	2022
Revenue	\$114.0	\$135.3	\$142.7	\$155.1	\$547.1
Segment income	\$19.0	\$27.8	\$30.3	\$37.0	\$114.1
	17%	21%	21%	24%	21%

Q4 2022 U.S. GAAP to Adjusted EPS Reconciliation



	GAAP	Adjustments	Adjusted
Segment income	\$ 90.5	\$ —	\$ 90.5
Corporate expense ⁽¹⁾	(18.4)	2.9	(15.5)
Acquisition related costs ⁽²⁾	(0.8)	0.8	—
Long-term incentive compensation expense	(3.2)	—	(3.2)
Amortization of intangible assets ⁽³⁾	(5.4)	5.4	—
Impairment of goodwill and intangible assets ⁽⁴⁾	(13.4)	13.4	—
Special charges, net ⁽⁵⁾	(0.3)	0.3	—
Other operating expense ⁽⁶⁾	(73.9)	73.9	—
Operating income (loss)	(24.9)	96.7	71.8
Other income (expense), net ⁽⁷⁾	4.6	(7.7)	(3.1)
Interest expense, net	(1.7)	—	(1.7)
Income (loss) from continuing operations before income taxes	(22.0)	89.0	67.0
Income tax provision ⁽⁸⁾	(2.8)	(10.2)	(13.0)
Income (loss) from continuing operations	(24.8)	78.8	54.0
Diluted shares outstanding	45,236		46,311
Earnings (loss) per share from continuing operations	\$ (0.55)		\$ 1.17

(\$ millions)

⁽¹⁾ Adjustment represents the removal of acquisition and strategic/transformation related expenses (\$2.2), costs associated with our South Africa business that could not be allocated to discontinued operations for U.S. GAAP purposes (\$0.2), as well as a reclassification of transition services income (\$0.5) from "Other income (expense), net."

⁽²⁾ Adjustment represents the removal of integration costs of \$0.4 and \$0.4 within the HVAC and Detection & Measurement reportable segments, respectively.

⁽³⁾ Adjustment represents the removal of amortization expense associated with acquired intangible assets of \$1.2 and \$4.2 within the HVAC and Detection & Measurement reportable segments, respectively.

⁽⁴⁾ Adjustment represents the removal of non-cash charges related to the impairment of goodwill and intangible assets.

⁽⁵⁾ Adjustment represents the removal of a non-cash asset write-down associated with acquisition integration activities.

⁽⁶⁾ Adjustment represents the removal of the loss related to the Asbestos Portfolio Sale.

⁽⁷⁾ Adjustment represents the removal of non-service pension and postretirement gains (\$7.2), and the reclassification of income related to a transition services agreement (\$0.5) to "Corporate expense."

⁽⁸⁾ Adjustment represents the tax impact of items (1) through (7) above and the removal of certain discrete income tax benefits that are considered non-recurring.

Q4 2021 U.S. GAAP to Adjusted EPS Reconciliation



	GAAP	Adjustments	Adjusted
Segment income	\$ 67.3	\$ —	\$ 67.3
Corporate expense ⁽¹⁾	(20.6)	5.2	(15.4)
Acquisition related costs ⁽²⁾	(0.3)	0.3	—
Long-term incentive compensation expense	(3.4)	—	(3.4)
Amortization of intangible assets ⁽³⁾	(5.6)	5.6	—
Impairment of goodwill and intangible assets ⁽⁴⁾	(5.7)	5.7	—
Special charges, net ⁽⁵⁾	(0.3)	0.2	(0.1)
Other operating expense ⁽⁶⁾	(17.5)	17.5	—
Operating income	13.9	34.5	48.4
Other expense, net ⁽⁷⁾	(8.6)	6.9	(1.7)
Interest expense, net	(1.9)	—	(1.9)
Income from continuing operations before income taxes	3.4	41.4	44.8
Income tax (provision) benefit ⁽⁸⁾	1.0	(4.9)	(3.9)
Income from continuing operations	4.4	36.5	40.9
Diluted shares outstanding	46.705		46.705
Earnings per share from continuing operations	\$ 0.10		\$ 0.88

(\$ millions)

⁽¹⁾ Adjustment represents the removal of acquisition related expenses (\$2.0) and cost associated with our Transformer Solutions and South Africa businesses that could not be allocated to discontinued operations for U.S. GAAP purposes (\$2.3), as well as a reclassification of transition services income (\$0.9) from "Other expense, net."

⁽²⁾ Adjustment represents the removal of inventory step-up charges related to the ECS acquisition within the Detection & Measurement reportable segment of \$0.2 and Cincinnati Fan acquisition within the HVAC reportable segment of \$0.1.

⁽³⁾ Adjustment represents the removal of amortization expense associated with acquired intangible assets of \$1.4 and \$4.2 within the HVAC and Detection & Measurement reportable segments, respectively.

⁽⁴⁾ Adjustment represents the removal of non-cash charges related to the impairment of goodwill and intangible assets.

⁽⁵⁾ Adjustment represents the removal of restructuring charges associated with acquisition integration activities.

⁽⁶⁾ Adjustment represents the removal of charges related to asbestos product liability matters (\$23.6) and a net gain related to contingent consideration fair value adjustments (\$6.1).

⁽⁷⁾ Adjustment represents the removal of (i) charges related to asbestos product liability matters (\$21.0), (ii) non-service pension and postretirement gains (\$10.4), and (iii) a gain on equity security associated with a fair value adjustment (\$2.8), as well as the reclassification of income related to a transition services agreement (\$0.9) to "Corporate expense."

⁽⁸⁾ Adjustment primarily represents the tax impact of items (1) through (7) above and the removal of certain discrete income tax charges that are considered non-recurring.

U.S. GAAP to Adjusted Operating Income Reconciliation



(\$ millions)

	Three months ended		Twelve months ended	
	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
Operating income (loss)	\$ (24.9)	\$ 13.9	\$ 51.0	\$ 73.7
Include - TSA Income ⁽¹⁾	0.5	0.9	2.9	0.9
Exclude:				
Acquisition related and other costs ⁽²⁾	(3.5)	(4.8)	(16.7)	(13.0)
Other operating income/expense ⁽³⁾	(73.9)	(17.5)	(74.9)	4.1
Amortization expense ⁽⁴⁾	(5.4)	(5.6)	(28.5)	(21.6)
Impairment of goodwill and intangible assets ⁽⁵⁾	(13.4)	(5.7)	(13.4)	(30.0)
Adjusted operating income	<u>\$ 71.8</u>	<u>\$ 48.4</u>	<u>\$ 187.4</u>	<u>\$ 135.1</u>
as a percent of revenues	16.7 %	13.8 %	12.8 %	11.1 %

⁽¹⁾ Represents transition services revenue related to the Transformer Solutions disposition. Amount recorded in non-operating (income) expense, net for U.S. GAAP purposes.

⁽²⁾ For the three and twelve months ended December 31, 2022, represents (i) costs incurred in connection with acquisitions and strategic/transformation initiatives of \$3.3 and \$15.6, respectively, inclusive of "special charges" of \$0.3, (ii) costs associated with our South Africa business that could not be allocated to discontinued operations for U.S. GAAP purposes of \$0.2 and \$0.8, respectively, (iii) inventory step-up charges related to our ITL acquisition of \$0.0 and \$1.1, respectively, and (iv) during the twelve months a gain of \$0.8 related to forfeitures of long-term incentive compensation. For the three and twelve months ended December 31, 2021, represents (i) costs incurred in connection with acquisitions of \$2.5 and \$8.1, respectively, including inventory step-up charges of \$0.3 and \$2.6, respectively, (ii) costs associated with our Transformer Solutions and South Africa businesses that could not be allocated to discontinued operations for U.S. GAAP purposes of \$2.3 and \$3.1, respectively, and (iii) non-cash impairment charges of \$0.0 and \$1.8, respectively.

⁽³⁾ For the three and twelve months ended December 31, 2022, represents (i) the loss of \$73.9 related to the Asbestos Portfolio Sale, (ii) asbestos-related charges of \$0.0 and \$2.3, respectively, partially offset by (iii) a gain during the twelve months of \$1.3 related to the revision of a liability associated with contingent consideration on a recent acquisition. For the three and twelve months ended December 31, 2021, represents (i) gains of \$6.1 and \$30.4, respectively, related to revisions of liabilities associated with contingent consideration on recent acquisitions, and (ii) asbestos-related charges of \$23.6 and \$26.3, respectively.

⁽⁴⁾ Represents amortization expense associated with acquired intangible assets.

⁽⁵⁾ Represents non-cash charges related to the impairment of goodwill and intangible assets.

Q4 2022 Non-GAAP Reconciliation - Organic Revenue



	Three months ended December 31, 2022		
	HVAC	Detection & Measurement	Consolidated
Net Revenue Growth	29.5 %	12.2 %	22.7 %
Exclude: Foreign Currency	(1.0)%	(3.7)%	(2.0)%
Exclude: Acquisitions	9.4 %	1.5 %	6.3 %
Organic Revenue Growth	21.1 %	14.4 %	18.4 %

Q4 2022 Debt Reconciliation



(\$ millions)

	<u>Q4 2022</u>
Short-term debt	\$ 1.8
Current maturities of long-term debt	2.0
Long-term debt	<u>243.0</u>
Gross debt	246.8
Plus: adjustment associated with credit agreement ⁽ⁱ⁾	(1.1)
Adjusted gross debt	245.7
Less: cash and equivalents	<u>(156.6)</u>
Adjusted net debt	<u>\$ 89.1</u>

⁽ⁱ⁾ Includes unamortized debt issuance costs associated with term loan of \$0.7, and excludes purchase card debt of \$1.8.

Note: Adjusted net debt as defined by SPX's current credit facility agreement.

Q4 2022 Adjusted EBITDA* Reconciliation



(\$ millions)

	<u>FY 2022</u>
Net Income	\$ 0.2
Income tax provision	7.3
Interest expense	<u>9.3</u>
Income before interest and taxes	16.8
Depreciation and amortization	<u>46.4</u>
EBITDA	63.2
Adjustments:	
Losses on disposition of assets outside the ordinary course of business	19.6
Impairments & other organizational costs	13.4
Non-cash compensation	18.7
Pension adjustments	(4.4)
Extraordinary non-recurring, non-cash charges, net	22.4
Extraordinary non-recurring cash charges, net	74.4
Material acquisition / disposition related fees, costs, or expenses, net	3.4
Pro forma effect of acquisitions and divestitures, and other	14.1
Adjusted EBITDA	<u>\$ 224.8</u>

* Adjusted EBITDA includes the pro-forma impact related to acquisitions closed during the last 12 months.

Note: Adjusted consolidated EBITDA as defined by SPX's current credit facility agreement.

Q4 2022 Adjusted Free Cash Flow Reconciliation



(\$ millions)

	<u>FY 2022</u>
Operating cash flow used in continuing operations	\$ (115.2)
Capital expenditures	<u>(15.9)</u>
Free cash flow used in continuing operations	(131.1)
Adjustments*	228.1
Adjusted free cash flow from continuing operations	<u><u>\$ 97.0</u></u>

* Adjustments align with our reconciliation of GAAP to Adjusted EPS