

Q1 2016 Earnings Presentation



SPX

May 5, 2016

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- 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 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. 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.
- "Core" and "Base Power" results in this presentation exclude the results of the South African projects.

Introductory Comments

Gene Lowe

May 5, 2016



Quarter Highlights



Performance and Accomplishments

- Core Segment Income up +30% over the prior year
- Strong margin expansion in HVAC and Detection & Measurement segments and Transformers business
- Completion of Dry Cooling sale (approximately \$48 million sale price)
- Engaged BNP Paribas to pursue the sale of our European-based power generation business

Note: Core results exclude the results of the South African projects. Reconciliations from US GAAP measures are available in the Appendix of the presentation.

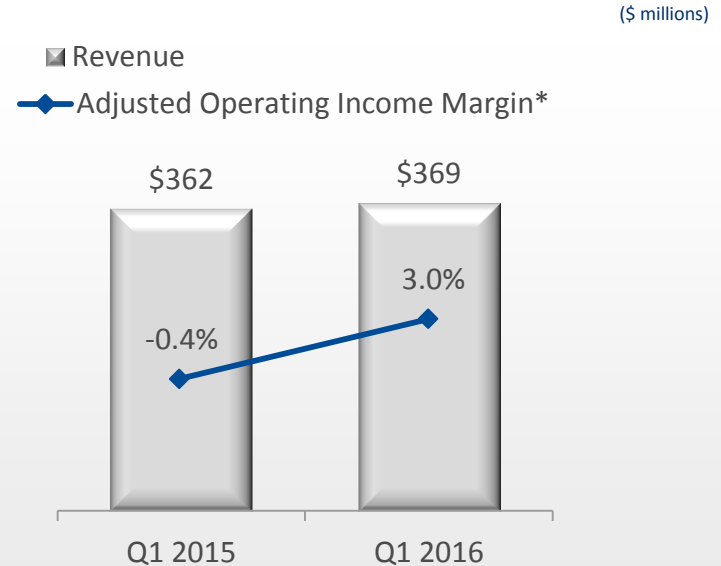
On Track to Meet Full-Year Targets

Core Q1 2016 Results



Year-over-Year Analysis

- Solid organic growth in HVAC segment and margin expansion for both Heating and Cooling
- Strong revenue and segment income performance in Detection & Measurement segment
- Solid margin performance in Transformers business; margin improvement target on track
- Reduced restructuring and long-term incentive compensation expenses



Note: Core results exclude the results of the South African projects.

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

Adjusted EPS* of \$0.09

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

**Substantial
Growth
in Earnings and
Cash Flow**

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

Expanding in Attractive Markets While Reducing Exposure to Lower Return Markets

Segment/Business	Commentary
HVAC	<ul style="list-style-type: none">➤ Cooling: Solid on strength of commercial market➤ Heating: Muted by warm winter; operational efficiencies driving segment income growth
Detection & Measurement	<ul style="list-style-type: none">➤ Demand for run-rate products remains steady➤ Robust frontlog activity; timing of certain projects shifting to 2H 2016
Transformers Business	<ul style="list-style-type: none">➤ Stable lead times and pricing➤ Steady demand profile
Power Generation Business	<ul style="list-style-type: none">➤ Challenged markets, particularly in Europe➤ Focused on repositioning the business

Well Positioned in Mixed Market Environment

Q1 Financial Review

Scott Sproule

May 5, 2016



Earnings Per Share



Q1 2016 Adjusted EPS

GAAP EPS from Continuing Operations	\$0.34
Gain on Sale of Dry Cooling business	(\$0.41)
South African Projects	\$0.08
Non-Cash Intangible Impairment	\$0.06
Non-Service Pension Items	\$0.02
Adjusted EPS	\$0.09

Adjusted results exclude:

- Gain on sale of Dry Cooling business
- Non-service pension adjustment (legacy plans)
- Non-cash intangible impairment in Power Generation

Q1 Adjusted EPS of \$0.09

Core Q1 2016 Results



Year-over-Year Analysis

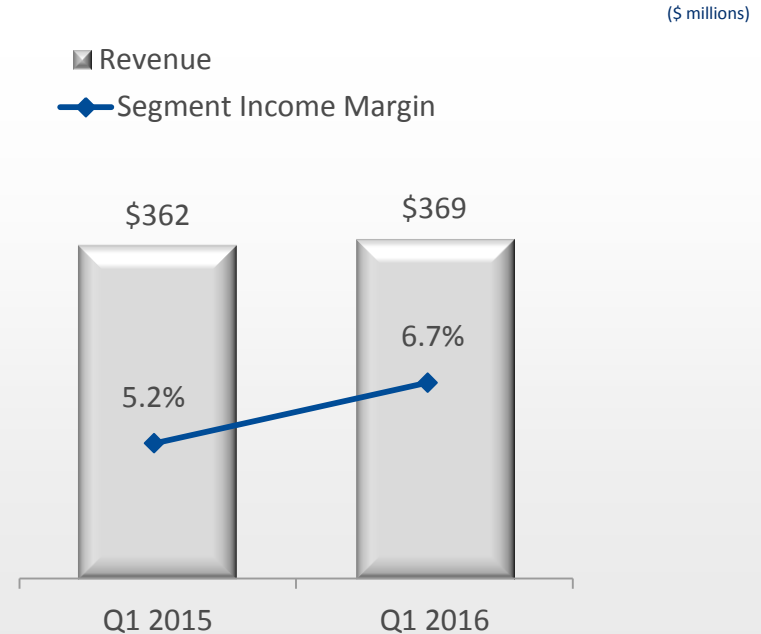
Q1 Revenue:

- +1.8% year-over-year improvement:
 - +2.8% organic growth, with increases in all three segments
 - (1.0%) currency impact

Q1 Segment Income and Margin:

- \$6.0m increase in Segment Income and 150 basis points of margin improvement
- Year-over-year improvements in HVAC and Detection & Measurement segments and Transformers business, partially offset by continued challenges in power generation

Note: Core results exclude the results of the South African projects. Reconciliations from US GAAP measures are available in the Appendix of the presentation.



Margin Expansion Across Growth Platforms

HVAC Q1 2016 Results



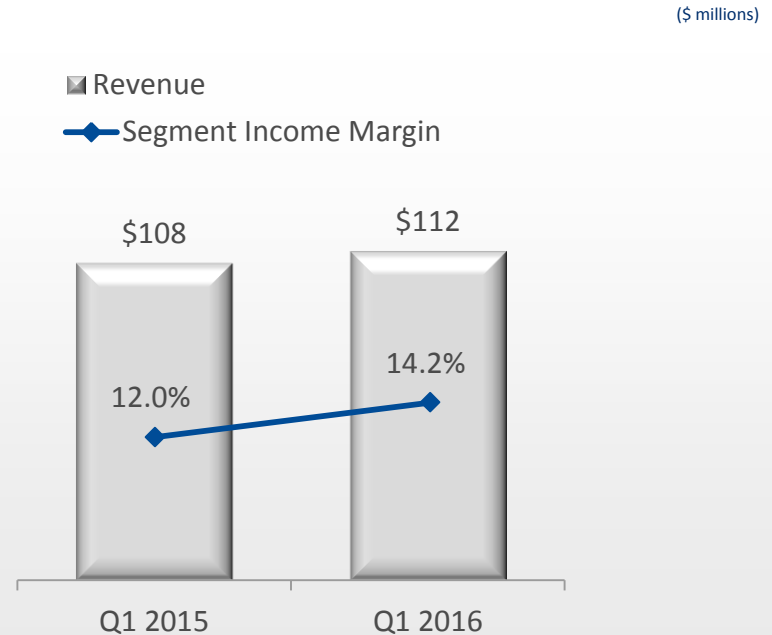
Year-over-Year Analysis

Q1 Revenue:

- +3.6% year-over-year improvement:
 - +4.3% organic growth primarily driven by higher sales of cooling products
 - (0.7%) currency impact

Q1 Segment Income and Margin:

- \$3.0m increase in Segment Income
- 220 basis points of margin improvement due to higher sales and greater operational efficiencies



Segment Income and Margin Growth in Both Heating and Cooling

Detection & Measurement Q1 2016 Results



Year-over-Year Analysis

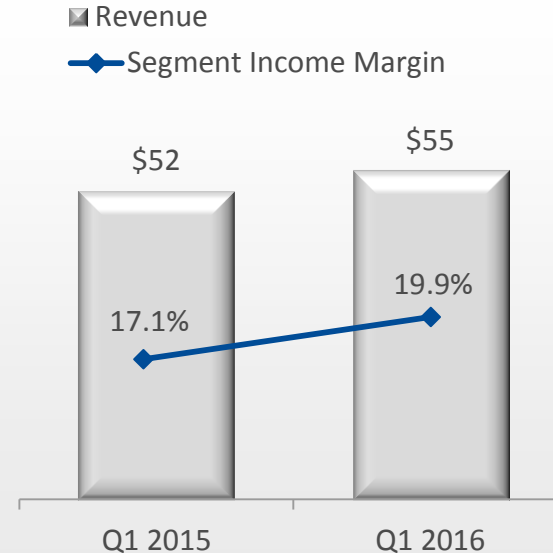
(\$ millions)

Q1 Revenue:

- +6.7% year-over-year growth:
 - +7.9% organic growth with contributions from multiple product lines within the segment
 - (1.2%) currency impact

Q1 Segment Income and Margin:

- \$2.1m increase in Segment Income
- 280 basis points of margin improvement due to higher revenues and product mix



Approximately 8% Organic Revenue Growth and 280 Points of Margin Improvement

Base Power Q1 2016 Results

Year-over-Year Analysis

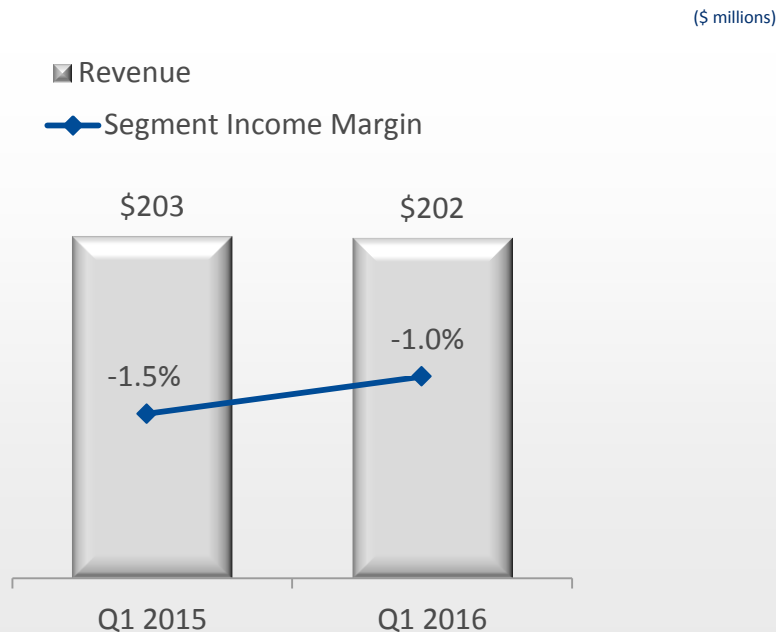
Q1 Revenue:

- Performance approximately flat:
 - +0.6% organic increase, with transformers sales growth largely offset by a challenging environment in power generation
 - (1.0%) currency impact

Q1 Loss and Margin:

- \$0.9m decrease in loss
- 50 basis points of margin improvement
 - Transformers business on-track to meet full year margin expansion target

Note: Base Power results exclude the results of the South African projects. Reconciliations from US GAAP measures are available in the Appendix of the presentation.



**Growth and Strong Execution in Transformers Business,
Offset by Challenging Environment in Power Generation Business**

Financial Position & Guidance

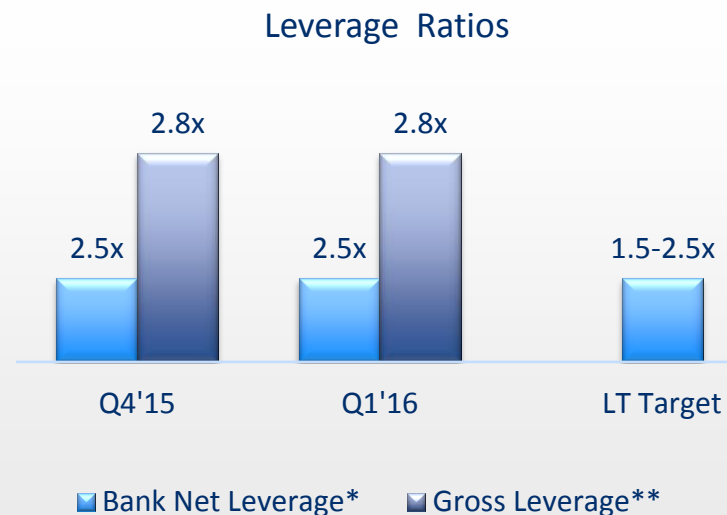
Scott Sproule

May 5, 2016



Capital Structure Update

(\$ millions)	Q1 2016
Short-term debt	\$38
Current maturities of long-term debt	14
Long-term debt	338
Gross Debt	\$390
Less: Cash on hand	(98)
Net Debt	\$292



*Calculated as defined by SPX's credit facility agreement. Net debt subtracts cash in excess of \$50 million.

** Uses gross debt and LTM EBITDA as defined by SPX's credit facility agreement.

Net Leverage Within Target Range

Reaffirming 2016 Core Guidance

	Revenue	Segment Income Margin
HVAC	<ul style="list-style-type: none"> Towards the lower-end of LT annual growth targets of 2-4% 	<ul style="list-style-type: none"> Flat (favorable margin project in 3Q'15 affects comparisons)
Detection & Measurement	<ul style="list-style-type: none"> In-line with LT annual growth targets of 2-6% 	<ul style="list-style-type: none"> At least 100 bps increase driven by commercial efforts in fare collection systems
Base Power	<ul style="list-style-type: none"> Transformer revenues up modestly Decline in base power revenues Sale of Dry Cooling (completed in Q1) 	<ul style="list-style-type: none"> At least 50 bps improvement in transformers Reduced overhead in base power
Total SPX Core	<ul style="list-style-type: none"> \$1.5-1.7 billion (decline due to lower revenues in Power Generation, the sale of Dry Cooling and FX headwinds) 	<ul style="list-style-type: none"> 9-10% with improvements across all segments

Note: Core results exclude the results of the South African projects.

**Core Operating Income Range of \$80 million to \$100 million;
Core EPS Range of \$0.95-1.25**

Executive Summary

Gene Lowe

May 5, 2016



- **Q1 2016 Recap:** Solid margin improvement in growth platforms – HVAC, Detection & Measurement and Transformers business
- **Value Creation Accomplishments:** Closed sale of Dry Cooling; Pursuing sale of European-based Power Generation business
- **Market Conditions:** Well positioned in mixed market environment
- **Maintaining 2016 Outlook:** Core Operating Income of \$80-100 million; Core EPS of \$0.95-1.25

Note: Core results exclude the results of the South African projects.

On Track to Meet Full-Year Targets; Continuing Progress on Value Creation Goals

Questions

May 5, 2016



2016 Modeling Considerations



Metric	Commentary/Assumptions
Corporate costs	~\$40M
Long-term incentive comp	\$13-15M
Restructuring costs	~\$5M
Interest cost	\$13-14M
Tax rate	35-40%, jurisdictionally sensitive
Capex	\$18-20M
Cash cost of pension + OPEB	~\$16M ongoing cash cost
D&A	\$30-32M, mostly in COGS
Share count	42-43M
FCF Conversion	~100% of Core Net Income (i.e., ex South African projects)

Core Revenue & Segment Income Reconciliation



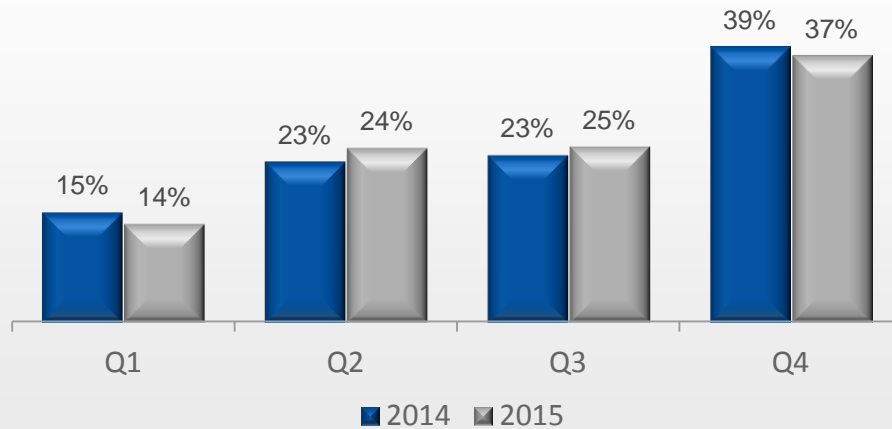
(\$ millions)

	Q1 2016			Q1 2015		
	GAAP	SA Projects	Core	GAAP	SA Projects	Core
Revenue						
HVAC	111.6		111.6	107.7		107.7
D&M	55.4		55.4	51.9		51.9
Power	222.3	(20.5)	201.8	216.7	(14.0)	202.7
Total SPX	\$389.3	(\$20.5)	\$368.8	\$376.3	(\$14.0)	\$362.3
Segment Income						
HVAC	15.9		15.9	12.9		12.9
D&M	11.0		11.0	8.9		8.9
Power	(5.5)	3.4	(2.1)	(11.4)	8.4	(3.0)
Total SPX	\$21.4	\$3.4	\$24.8	\$10.4	\$8.4	\$18.8

Core Segment Income Phasing



(\$ millions)



	Q1 2014	Q2 2014	Q3 2014	Q4 2014
GAAP	25.6	30.5	38.0	35.5
Less: South African Projects	(0.4)	6.3	0.3	27.7
Core	\$25.2	\$36.8	\$38.3	\$63.2
<i>% of total</i>	<i>15%</i>	<i>23%</i>	<i>23%</i>	<i>39%</i>

	Q1 2015	Q2 2015	Q3 2015	Q4 2015
GAAP	10.4	24.8	(64.7)	45.2
Less: South African Projects	8.4	8.3	98.2	5.6
Core	\$18.8	\$33.1	\$33.5	\$50.8
<i>% of total</i>	<i>14%</i>	<i>24%</i>	<i>25%</i>	<i>37%</i>

Note: Core results exclude the results of the South African projects.

Core Revenue and Segment Income Phasing



(\$ millions)

	2015			
	Q1	Q2	Q3	Q4
Revenue				
HVAC	107.7	118.4	142.7	160.4
D&M	51.9	58.2	55.9	66.3
Base Power	202.7	256.3	211.9	259.5
Core SPX	\$362.3	\$432.9	\$410.5	\$486.2
Segment Income				
HVAC	12.9	13.0	23.5	30.8
D&M	8.9	10.2	8.3	18.6
Base Power	(3.0)	9.9	1.7	1.4
Core SPX	\$18.8	\$33.1	\$33.5	\$50.8

Note: Core & Base Power results exclude the results of the South African projects.

Q1 2016 GAAP to Adjusted Earnings Per Share Reconciliation



	GAAP	Adjustments	Adjusted	Commentary	(\$ millions)
Segment income	\$ 21.4	\$ 3.4	\$ 24.8	Excludes South African projects	
Corporate expenses	(10.9)		(10.9)		
Pension and postretirement expense	(1.0)	1.1	0.1	Includes only ongoing service costs/credits	
Long-term incentive compensation expense	(2.8)		(2.8)		
Impairment of intangible assets	(4.0)	4.0	-		
Special charges, net	(0.3)		(0.3)		
Gain on sale of dry cooling business	17.9	(17.9)	-		
Operating income	20.3	(9.4)	10.9		
Other income (expense), net	0.8	(0.2)	0.6	Excludes FX losses related to South African projects	
Interest expense, net	(3.3)		(3.3)		
Equity earnings in joint ventures	0.4		0.4		
Income before income taxes	18.2	(9.6)	8.6		
Income tax provision	(3.5)	(1.2)	(4.7)	Minimal tax impact from gain on sale of Dry Cooling business	
Net income (loss) from continuing operations	14.7	(10.8)	3.9		
Less: Net income attributable to NCI	0.6	(0.6)	-	Excludes impact from South African projects	
Net income (loss) from continuing operations attributable to SPX Corporation	\$ 14.1	\$ (11.4)	\$ 3.9		
Shares outstanding - diluted	41.553		41.553		
Earnings per share from continuing operations	\$ 0.34		\$ 0.09		

Adjusted Operating Income Reconciliation



(\$ millions)

	Three months ended	
	April 2, 2016	March 28, 2015
Operating income (loss)	\$ 20.3	\$ (44.6)
Adjustments:		
South African projects	3.4	8.4
Non-service pension and postretirement items	1.1	(0.3)
Certain corporate expenses (1)	-	34.9
Gain on sale of Dry Cooling business	(17.9)	-
Non-cash impairment of intangible assets	4.0	-
Adjusted operating income (loss)	<u>\$ 10.9</u>	<u>\$ (1.6)</u>
as a percent of Core revenues	3.0%	-0.4%

(1) Represents an estimate of the corporate costs related to the support provided to SPX Flow. These costs were eliminated in connection with the spin-off.

Note: Core results exclude the results of the South African projects.

Q1 2016 Organic Revenue Reconciliation



	<u>HVAC</u>	<u>Detection & Measurement</u>	<u>Power</u>	<u>Consolidated</u>
Net Revenue Growth	3.6 %	6.7 %	2.6 %	3.5 %
Exclude: South African projects	%	- %	(3.0) %	(1.7) %
Core Revenue Growth (Decline)	<u>3.6 %</u>	<u>6.7 %</u>	<u>(0.4) %</u>	<u>1.8 %</u>
Foreign Currency	(0.7) %	(1.2) %	(1.0) %	(1.0) %
Organic Revenue Growth	<u>4.3 %</u>	<u>7.9 %</u>	<u>0.6 %</u>	<u>2.8 %</u>

Note: Core results exclude the results of the South African projects.

Debt Reconciliation



(\$ millions)

	<u>April 2, 2016</u>
Short-term debt	\$ 38.4
Current maturities of long-term debt	13.5
Long-term debt	<u>339.5</u>
Gross Debt	391.4
Less: Purchase card program and extended payables	<u>(4.1)</u>
Adjusted Gross Debt	387.3
Less: Cash in excess of \$50.0	(47.9)
Adjusted Net Debt	<u><u>\$ 339.4</u></u>

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

Consolidated EBITDA Reconciliation



	<u>Q2 2015*</u>	<u>2H 2015</u>	<u>Q1 2016</u>	<u>LTM</u>
Net income (loss) attributable to SPX Corporation common shareholders		\$ (114.5)	\$ 13.0	
Income tax provision		2.3	3.5	
Interest expense		<u>9.8</u>	<u>3.5</u>	
Income (loss) before interest and taxes		(102.4)	20.0	
Depreciation and amortization		<u>18.2</u>	<u>7.2</u>	
EBITDA		(84.2)	27.2	
Adjustments:				
Non-cash compensation		15.2	5.5	
Pension adjustments		17.6	1.1	
Extraordinary non-cash charges		94.4	4.0	
Extraordinary non-recurring cash charges		36.3	0.3	
Net (gains) and losses on disposition of assets outside of the ordinary course of business		4.3	(16.8)	
Pro forma effect of acquisitions and divestitures, and other		1.4	3.6	
Consolidated EBITDA	<u>\$ 28.4</u>	<u>\$ 85.0</u>	<u>\$ 24.9</u>	<u>\$ 138.3</u>

(\$ millions)

Note: Consolidated EBITDA as defined by SPX's current credit facility agreement

*Q2 2015 Consolidated EBITDA as specified in SPX's credit facility agreement

Free Cash Flow



(\$ millions)

	<u>Q1 2016</u>
Net cash used in continuing operations	\$ (60.9)
Capital expenditures - continuing operations	<u>(2.0)</u>
Free cash flow used in continuing operations	<u><u>\$ (62.9)</u></u>