



Q1 2024 Earnings Presentation

MAY 2, 2024

Safe Harbor Statement

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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, President & Chief Executive Officer

Executive Summary

- **Strong execution in Q1**
 - » Substantial earnings growth and significant increase in margins
- **Momentum continues**
 - » Robust demand in key markets and acquisitions performing well
- **Raising 2024 guidance**
 - » Adjusted EBITDA¹ +30% y/y at midpoint; Adjusted EPS¹ +23% y/y at midpoint

¹ Adjusted results are non-GAAP measures. Reconciliations of historical non-GAAP measures to US GAAP financial measures are included in the Appendix to this presentation. Reconciliations of non-GAAP guidance measures to US GAAP financial measures are not practicable and accordingly are not included in the Appendix to this presentation.

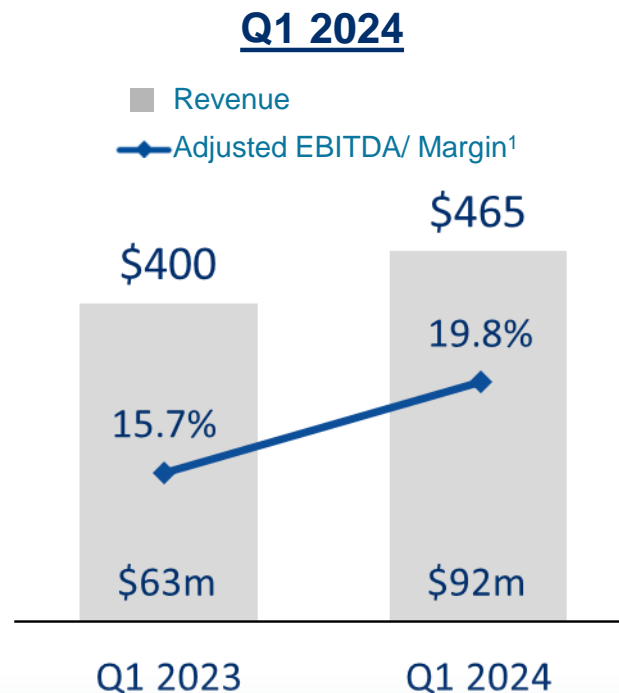
Strong Start to 2024

Q1 2024 Results Summary

(\$ in millions)

- **Revenue growth** of 16.4%
 - » HVAC acquisitions
 - » D&M organic¹ growth
- **Adjusted EBITDA¹ growth** of 47%
 - » 410 bps of margin¹ expansion
 - » Increase driven by both segments

¹ Adjusted results are non-GAAP measures. Reconciliations of historical non-GAAP measures to US GAAP financial measures are included in the Appendix to this presentation.



Significant Year-on-Year Growth

Value Creation Framework



¹ Adjusted results are non-GAAP measures. Reconciliations of non-GAAP future measures to US GAAP financial measures are not practicable and accordingly are not included in the Appendix to this presentation.

Q1 2024 Financial Review

Mark A. Carano, Chief Financial Officer

Adjusted Earnings Per Share

	<u>Q1 2023</u>	<u>Q1 2024</u>
GAAP EPS from continuing operations	\$0.84	\$1.05
Amortization	\$0.10	\$0.24
Acquisition-related	\$0.03	\$0.08
Non-service pension & other ¹	(\$0.04)	(\$0.12)
Adj EPS from continuing operations	\$0.93	\$1.25

¹ Q1 2024 includes the removal of certain favorable discrete tax items.

Q1 2024 Adjusted EPS of \$1.25

Q1 2024 Results

(\$ in millions)

Q1 Revenue:

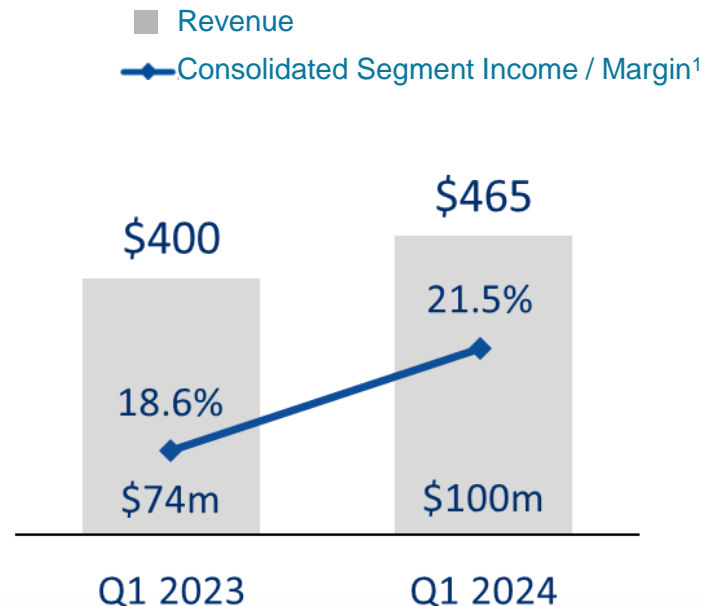
- 16.4% year-over-year increase:
 - » **2.3% organic¹** increase due to higher D&M sales
 - » **14.0% acquisition** impact (within HVAC)
 - » **0.1% currency** impact

Q1 Consolidated Segment Income / Margin¹:

- Both HVAC and D&M drove increases
 - » Consolidated Segment Income¹ +\$25.4m y/y
 - » Margin¹: +290 bps y/y

¹ Adjusted results are non-GAAP measures. Reconciliations of historical non-GAAP measures to US GAAP financial measures are included in the Appendix to this presentation.

Q1 2024



Segment Income¹ and Margin¹ Growth Driven by Both Segments

HVAC Q1 2024 Results

(\$ in millions)

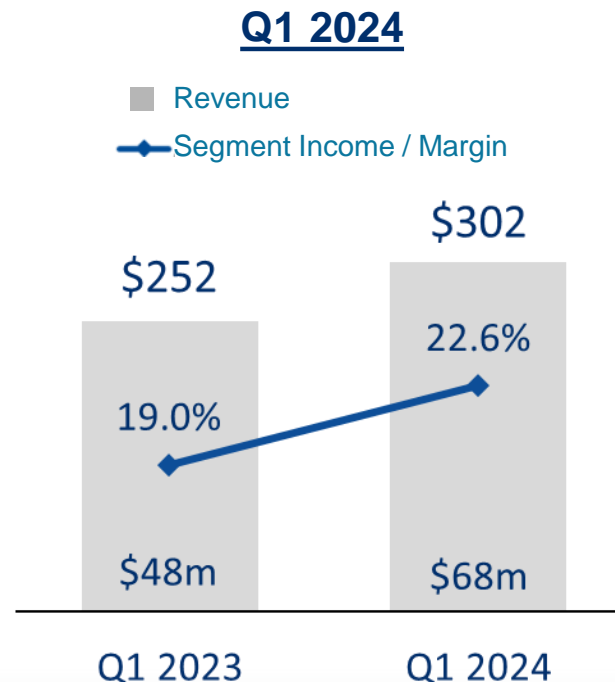
Q1 Revenue:

- 20.2% year-over-year increase:
 - » **-1.9% organic¹ decrease** due to lower Heating sales, partially offset by modest growth in Cooling sales
 - » **22.2% acquisition** impact (TAMCO, ASPEQ & Ingénia)
 - » **-0.1% currency** impact

Q1 Segment Income / Margin:

- Cooling and, to a lesser degree, Heating drove:
 - » Segment Income: +\$20.7m y/y
 - » Margin: +360 bps
- Favorable sales mix

¹ Non-GAAP measure. Reconciliations of historical non-GAAP measures to US GAAP financial measures are included in the Appendix to this presentation.



Continued Strong Demand and Operational Execution

Detection & Measurement Q1 2024 Results

(\$ in millions)

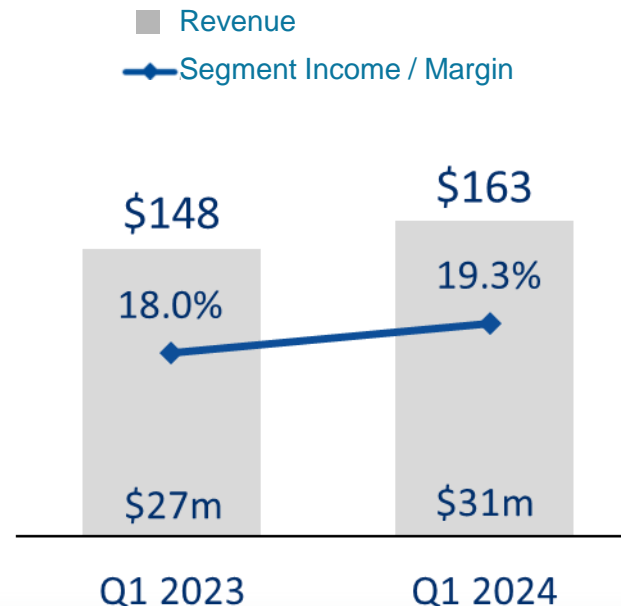
Q1 Revenue:

- 9.9% year-over-year increase:
 - » **9.6% organic**¹ increase due primarily to higher CommTech sales and project timing
 - » **0.3% currency** impact

Q1 Segment Income / Margin:

- Operating leverage from higher revenue drove:
 - » Segment Income: +\$4.7m y/y
 - » Margin: +130 bps y/y

Q1 2024



¹ Non-GAAP measure. Reconciliations of historical non-GAAP measures to US GAAP financial measures are included in the Appendix to this presentation.

Favorable Project Timing

Financial Position & Guidance

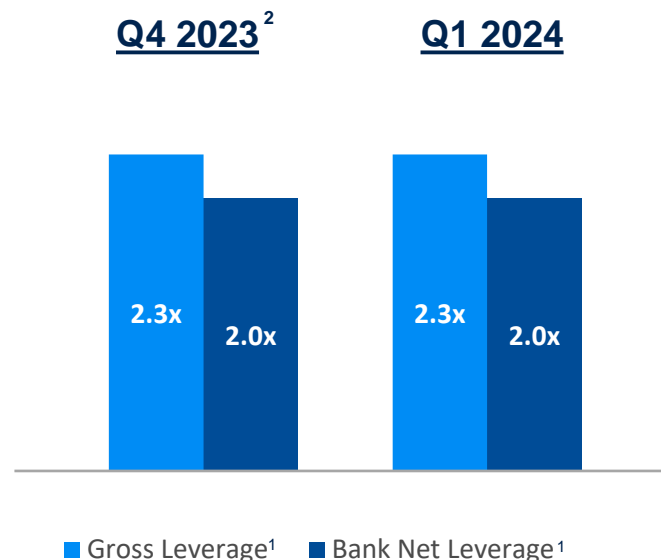
Mark A. Carano, Chief Financial Officer



Financial Position Update

(\$ in millions)

	Q4 2023	Q1 2024
Short-term debt	\$18	\$317
Current maturities of long-term debt	17	21
Long-term debt	523	517
Total Debt	\$558	\$855
Less: Cash on hand ³	(104)	(106)
Net Debt	\$454	\$749



¹ Calculated as provided for in SPX Technologies' credit facility agreement.

² Includes acquisition of Ingénia on a pro forma basis

³ Includes cash related to discontinued operations of \$5.5m in Q4 2023 and \$5.0m in Q1 2024.

Anticipate Net Leverage¹ at Lower End of Target Range of 1.5-2.5x by Year-End

2024 Guidance¹ Update

	Total SPX	HVAC	Detection & Measurement
Revenue	\$1.965-\$2.025B	\$1,360-\$1,400m	\$605-\$625m
<i>Prior</i>	<i>\$1.93-\$2.00B</i>	<i>\$1,325-\$1,375m</i>	<i>\$605-\$625m</i>
Segment Income Margin¹	21.6%-22.6%	22.25%-23.25%	20.0%-21.0%
<i>Prior</i>	<i>21.0%-22.0%</i>	<i>21.25%-22.25%</i>	<i>20.0%-21.0%</i>
Adj. EBITDA¹	\$390-\$420m	Well-positioned to achieve updated full-year guidance	
<i>Prior</i>	<i>\$375-\$405m</i>		
Adj. EBITDA Margin¹	19.8%-20.7%		
<i>Prior</i>	<i>19.5%-20.25%</i>		
Adj. EPS¹	\$5.15-\$5.40		
<i>Prior</i>	<i>\$4.85-\$5.15</i>		

¹ Reconciliations of non-GAAP guidance measures to US GAAP financial measures are not practicable and accordingly are not included in the Appendix to this presentation.

End Market Review & Closing Comments

Gene Lowe, President & Chief Executive Officer

HVAC

Cooling

- Strong demand trends continue
- Stable supply chain

Heating

- Decarbonization driving commercial & industrial demand
- Hydronics stable

DETECTION & MEASUREMENT

Project Oriented

- Overall project demand healthy
- Infrastructure spending on horizon

Run-Rate

- Flat global demand with regional variation

Continued Strength in Key Markets

Executive Summary

- Strong Q1 results
- Robust demand and operating momentum
- Updated guidance implies 30% Adjusted EBITDA¹ growth at midpoint
- Attractive acquisition pipeline

¹ Reconciliations of non-GAAP guidance measures to US GAAP financial measures are not practicable and accordingly are not included in the Appendix to this presentation.

Well-Positioned to Continue Value-Creation Journey

Appendix

Modeling Considerations – Full-Year 2024

Metric	Considerations
Corporate expense	\$50.0-52.0m
Long-term incentive comp	\$14.5-15.5m
Restructuring costs	~\$1m
Interest cost	\$43.0-47.0m
Other income/(expense), and Non-service pension benefit/(expense)	~\$3m
Tax rate	24.0%-26.0%
Capex	~\$40m
Cash cost of pension + OPEB	~\$10-11m
Depreciation	~\$28-29m
Amortization	~\$66m
Share count	46.90-47.10m
Currency effect	Topline sensitivity to USD-GBP and USD-CAD rates

GAAP Reconciliation Results by Quarter

(\$ in millions)

	2023					2024
	Q1	Q2	Q3	Q4	FY	Q1
Consolidated segment income ¹	\$ 74.4	\$ 84.4	\$ 91.6	\$ 102.8	\$ 353.2	\$ 99.8
Corporate expense	(14.6)	(16.6)	(13.0)	(14.2)	(58.4)	(13.9)
Acquisition-related and other costs	(0.6)	(1.5)	(2.9)	(0.8)	(5.8)	(2.6)
Long-term incentive compensation expense	(3.1)	(3.5)	(3.4)	(3.4)	(13.4)	(3.3)
Amortization of intangible assets	(6.3)	(11.5)	(14.6)	(11.5)	(43.9)	(14.8)
Special charges, net	-	-	-	(0.8)	(0.8)	(0.6)
Other operating expense, net	-	-	-	(9.0)	(9.0)	-
Operating income	49.8	51.3	57.7	63.1	221.9	64.6
Other income (expense), net	2.5	-	(0.2)	(12.4)	(10.1)	(4.0)
Interest expense, net	(1.9)	(5.2)	(9.4)	(9.0)	(25.5)	(9.5)
Income from continuing operations before income taxes	50.4	46.1	48.1	41.7	186.3	51.1
Income tax provision	(11.3)	(7.8)	(12.4)	(10.1)	(41.6)	(1.9)
Income from continuing operations	39.1	38.3	35.7	31.6	144.7	49.2
Income (loss) on disposition of discontinued operations, net of tax	3.7	(2.3)	(56.1)	(0.1)	(54.8)	(0.2)
Income (loss) from discontinued operations, net of tax	3.7	(2.3)	(56.1)	(0.1)	(54.8)	(0.2)
Net income (loss)	\$ 42.8	\$ 36.0	\$ (20.4)	\$ 31.5	\$ 89.9	\$ 49.0

¹Consolidated segment income margin for a period is calculated by dividing consolidated segment income for the period by revenue for the period.

Segment Results

(\$ in millions)

HVAC	2023					2024
	Q1	Q2	Q3	Q4	FY	Q1
Revenue	\$251.6	\$269.0	\$289.2	\$312.5	\$1,122.3	\$302.4
Segment income	\$47.7	\$55.2	\$58.3	\$73.2	\$234.4	\$68.4
	<i>19%</i>	<i>21%</i>	<i>20%</i>	<i>23%</i>	<i>21%</i>	<i>23%</i>

Detection and Measurement	2023					2024
	Q1	Q2	Q3	Q4	FY	Q1
Revenue	\$148.2	\$154.3	\$159.5	\$156.9	\$618.9	\$162.8
Segment income	\$26.7	\$29.2	\$33.3	\$29.6	\$118.8	\$31.4
	<i>18%</i>	<i>19%</i>	<i>21%</i>	<i>19%</i>	<i>19%</i>	<i>19%</i>

Q1 2024 Revenue by Major product lines

(\$ in millions)

Reportable Segments	Three months ended March 30, 2024		
	HVAC	Detection and Measurement	Total
Major product lines			
Package and process cooling equipment and services, and engineered air movement solutions	\$ 187.8	\$ —	\$ 187.8
Boilers, electrical heating, and ventilation	114.6	—	114.6
Underground locators, inspection and rehabilitation equipment, and robotic systems	—	61.0	61.0
Communication technologies, aids to navigation, and transportation systems	—	101.8	101.8
	<u>\$ 302.4</u>	<u>\$ 162.8</u>	<u>\$ 465.2</u>

Q1 2023 Revenue by Major product lines

(\$ in millions)

Reportable Segments	Three months ended April 1, 2023		
	HVAC	Detection and Measurement	Total
Major product lines			
Package and process cooling equipment and services, and engineered air movement solutions	\$ 158.3	\$ —	\$ 158.3
Boilers, electrical heating, and ventilation	93.3	—	93.3
Underground locators, inspection and rehabilitation equipment, and robotic systems	—	65.9	65.9
Communication technologies, aids to navigation, and transportation systems	—	82.3	82.3
	<u>\$ 251.6</u>	<u>\$ 148.2</u>	<u>\$ 399.8</u>

Q1 2024 U.S. GAAP to Adjusted EPS Reconciliation

(\$ in millions, except per share)

	GAAP	Adjustments	Adjusted
Segment income	\$ 99.8	\$ —	\$ 99.8
Corporate expense ⁽¹⁾	(13.9)	2.4	(11.5)
Acquisition-related costs ⁽²⁾	(2.6)	2.6	—
Long-term incentive compensation expense	(3.3)	—	(3.3)
Amortization of intangible assets ⁽³⁾	(14.8)	14.8	—
Special charges, net	(0.6)	—	(0.6)
Operating income	64.6	19.8	84.4
Other income (expense), net ⁽⁴⁾	(4.0)	5.4	1.4
Interest expense, net	(9.5)	—	(9.5)
Income from continuing operations before income taxes	51.1	25.2	76.3
Income tax provision ⁽⁵⁾	(1.9)	(16.0)	(17.9)
Income from continuing operations	49.2	9.2	58.4
Diluted shares outstanding	46.683		46.683
Earnings per share from continuing operations	\$ 1.05		\$ 1.25

⁽¹⁾ Adjustment represents the removal of certain acquisition and strategic/transformation related costs (\$2.4).

⁽²⁾ Adjustment represents the removal of (i) integration costs of \$1.7 and (ii) an inventory step-up charge related to the Ingénia acquisition of \$0.9 within the HVAC reportable segment.

⁽³⁾ Adjustment represents the removal of amortization expense associated with acquired intangible assets of \$10.5 and \$4.3 within the HVAC and Detection & Measurement reportable segments, respectively.

⁽⁴⁾ Adjustment represents the removal of (i) a loss on an equity security associated with a fair value adjustment (\$4.2) and (ii) non-service pension and postretirement charges (\$1.2).

⁽⁵⁾ Adjustment represents the tax impact of items (1) through (4) and the removal of certain discrete income tax items that are considered non-recurring.

Q1 2023 U.S. GAAP to Adjusted EPS Reconciliation

(\$ in millions, except per share)

	GAAP	Adjustments	Adjusted
Segment income	\$ 74.4	\$ —	\$ 74.4
Corporate expense ⁽¹⁾	(14.6)	1.6	(13.0)
Acquisition-related costs ⁽²⁾	(0.6)	0.6	—
Long-term incentive compensation expense	(3.1)	—	(3.1)
Amortization of intangible assets ⁽³⁾	(6.3)	6.3	—
Operating income	49.8	8.5	58.3
Other income, net ⁽⁴⁾	2.5	(2.5)	—
Interest expense, net	(1.9)	—	(1.9)
Income from continuing operations before income taxes	50.4	6.0	56.4
Income tax provision ⁽⁵⁾	(11.3)	(2.0)	(13.3)
Income from continuing operations	39.1	4.0	43.1
Diluted shares outstanding	46.402		46.402
Earnings per share from continuing operations	\$ 0.84		\$ 0.93

⁽¹⁾ Adjustment represents the removal of acquisition and strategic/transformation related expenses (\$1.5) and a reclassification of transition services income (\$0.1) from “Other Income, net.”

⁽²⁾ Adjustment represents the removal of integration costs of \$0.4 and \$0.2 within the Detection & Measurement and HVAC reportable segments, respectively

⁽³⁾ Adjustment represents the removal of amortization expense associated with acquired intangible assets of \$4.3 and \$2.0 within the Detection & Measurement and HVAC reportable segments, respectively.

⁽⁴⁾ Adjustment represents the removal of (i) a gain on an equity security associated with a fair value adjustment (\$3.6), (ii) non-service pension and postretirement charges (\$1.2), as well as the reclassification of income related to a transition services agreement (\$0.1) to “Corporate expense.”

⁽⁵⁾ Adjustment represents the tax impact of items (1) through (4).

U.S. GAAP to Adjusted Operating Income Reconciliation

(\$ in millions)

	Three months ended	
	March 30, 2024	April 1, 2023
Operating income	\$ 64.6	\$ 49.8
Include - TSA Income ⁽¹⁾	—	0.1
Exclude:		
Acquisition-related and other costs ⁽²⁾	(5.0)	(2.1)
Amortization of acquired intangible assets	(14.8)	(6.3)
Adjusted operating income	\$ 84.4	\$ 58.3
as a percent of revenues	18.1 %	14.6 %

⁽¹⁾ Represents transition services income related to the Asbestos Portfolio Sale for the three months ended April 1, 2023. Amounts recorded in non-operating income for U.S. GAAP purposes. The Asbestos Portfolio Sale is described in the Company's most recent Form 10-K.

⁽²⁾ For the three months ended March 30, 2024, represents (i) certain acquisition and strategic/transformation related costs of \$2.4, (ii) integration costs of \$1.7, and (iii) inventory step-up charges of \$0.9 related to the Ingénia acquisition. For the three months ended April 1, 2023, represents (i) certain acquisition and strategic/transformation related costs of \$1.5 and (ii) integration costs of \$0.6.

Adjusted EBITDA Reconciliation

(\$ in millions)

	Three months ended	
	March 30, 2024	April 1, 2023
Net income	\$ 49.0	\$ 42.8
Exclude:		
Income tax provision	(1.9)	(11.3)
Interest expense, net	(9.5)	(1.9)
Amortization expense ⁽¹⁾	(14.8)	(6.3)
Depreciation expense	(6.2)	(4.4)
Gain (loss) from discontinued operations, net of tax	(0.2)	3.7
EBITDA	81.6	63.0
Exclude:		
Acquisition-related and other costs ⁽²⁾	(5.0)	(2.1)
Non-service pension and postretirement charges	(1.2)	(1.2)
Fair value adjustments on an equity security	(4.2)	3.6
Adjusted EBITDA	\$ 92.0	\$ 62.7
as a percent of revenues	19.8 %	15.7 %

⁽¹⁾ Represents amortization expense associated with acquired intangible assets recorded within “Intangible amortization.”

⁽²⁾ For the three months ended March 30, 2024 and April 1, 2023, adjustments represent the removal of acquisition and strategic/transformation related costs of \$2.4 and \$1.5, respectively, and for the three months ended March 30, 2024, the removal of (i) integration costs of \$1.7 within the HVAC reportable segment and (ii) an inventory step-up charge related to the Ingénia acquisition of \$0.9 within the HVAC reportable segment. For the three months ended April 1, 2023, adjustment also represents the removal of integration costs of \$0.4 and \$0.2 within the Detection & Measurement and HVAC reportable segments, respectively.

Q1 2024 Non-GAAP Reconciliation – Organic Revenue

	Three months ended March 30, 2024					
	HVAC		Detection & Measurement		Consolidated	
Net Revenue Growth	20.2	%	9.9	%	16.4	%
Exclude: Foreign Currency	(0.1)	%	0.3	%	0.1	%
Exclude: Acquisitions	22.2	%	-	%	14.0	%
Organic Revenue Growth (Decline)	(1.9)	%	9.6	%	2.3	%

Q1 2024 Adjusted Free Cash Flow Reconciliation

(\$ in millions)

	<u>Q1 2024</u>
Operating cash flow from continuing operations	\$ 10.7
Capital expenditures	<u>(9.9)</u>
Free cash flow from continuing operations	0.8
Adjustments ¹	<u>12.4</u>
Adjusted free cash flow from continuing operations	<u>\$ 13.2</u>

¹Adjustments represent the removal of acquisition and strategic/transformation related expenses of \$2.4m, the removal of a charge related to the resolution of a dispute with a former representative at one of our Detection & Measurement reportable segment businesses of \$9.0m, and certain integration costs of \$1.0m within our HVAC reportable segment.