

Q2 2018 Earnings Presentation



SPX

August 2, 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.
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- 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. A reconciliation of the non-GAAP financial measures with the most comparable measures calculated and presented in accordance with GAAP is available in the appendices of this presentation and our applicable SEC filings. 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 "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 have excluded 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.

Introductory Comments

Gene Lowe

August 2, 2018



Performance and Accomplishments

- Closed on CUES acquisition in early June and increased 2018 Adjusted EPS* by ~\$0.10
- Overall solid first half as we manage higher input costs and tariff impact
- Substantial completion of Engineered Solutions reshaping with planned wind-down of Heat Transfer
- Strong performance from HVAC and Detection & Measurement
- Balance sheet and liquidity positioned for additional capital allocation

*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.

Reaffirming Guidance Range of Adjusted EPS* of \$2.15-\$2.25

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

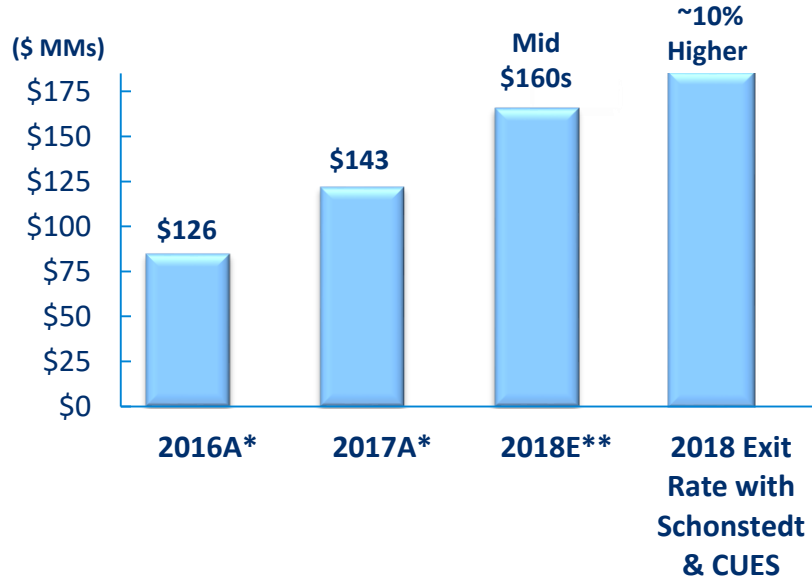


*Purchase price, net of cash and securities acquired, divided by 2017 EBITDA plus expected synergies over a 3-year period.

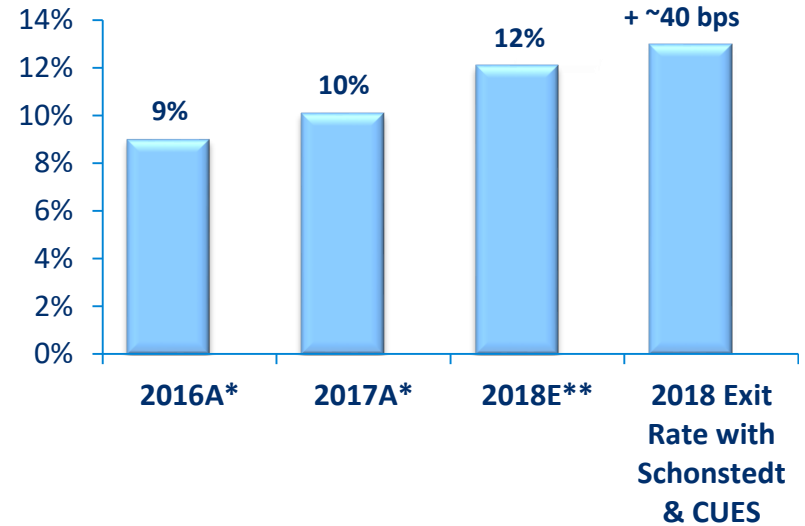
2016-2018 SPX Adjusted EBITDA Performance



Adjusted EBITDA



Adjusted EBITDA Margin %



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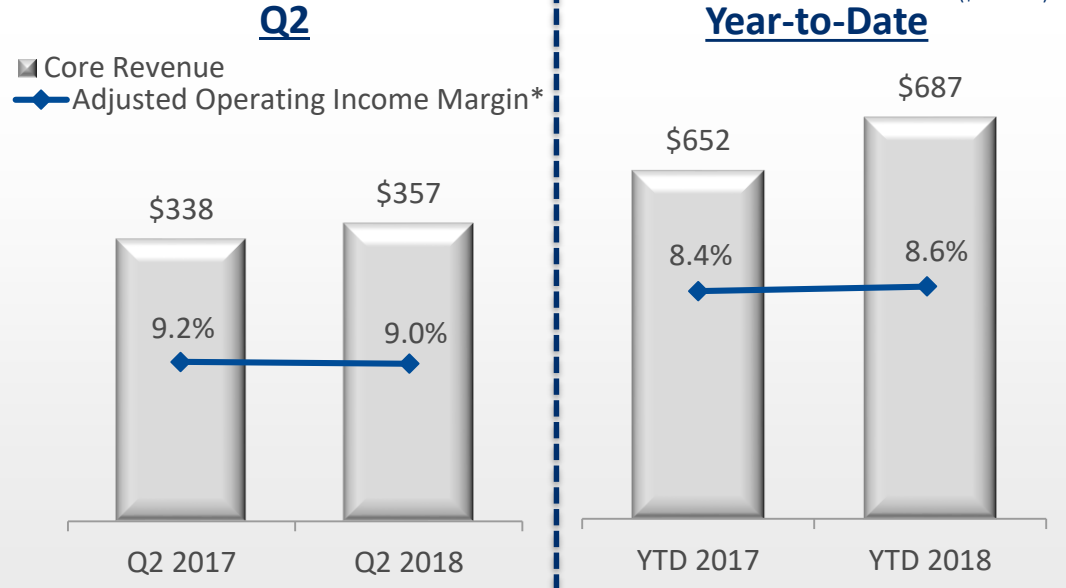
Continuous Delivery of Value Creation Since Spin

Core Q2 2018 Results



Year-over-Year Analysis

- Strong performances in HVAC and Detection & Measurement partially offset by lower margins in Engineered Solutions
 - Adjusted operating income* increase of \$1.1 million
 - 20 basis points of Adjusted operating income margin* decrease



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. Reconciliations from US GAAP financial measures are available in the Appendix of the presentation.

Adjusted EPS* of \$0.53

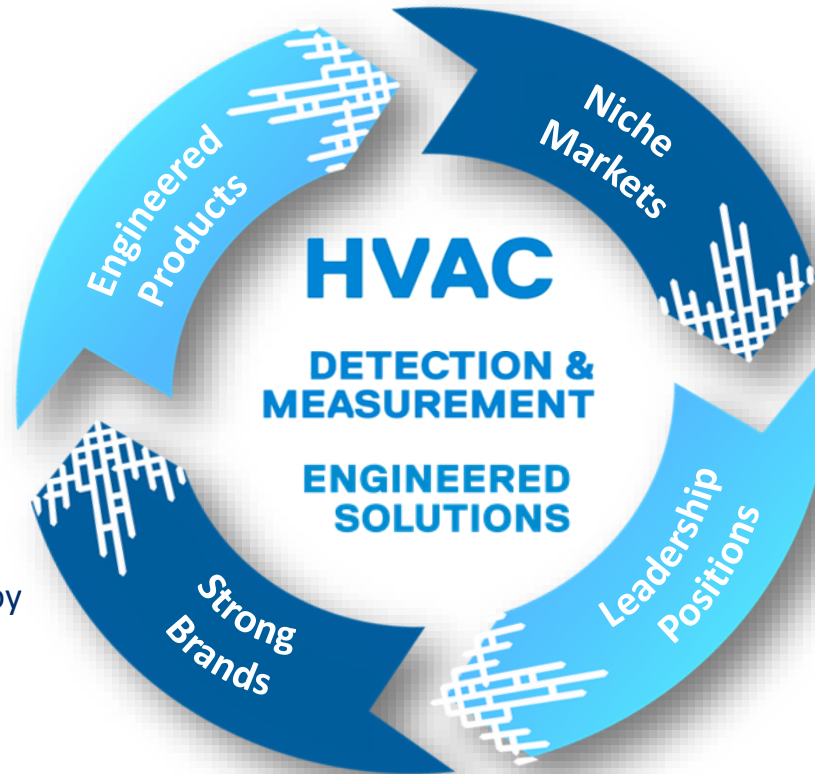
Value Creation Roadmap

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

Q2 Financial Review

Scott Sproule

August 2, 2018



Earnings Per Share



Q2 2018 Adjusted EPS

	<u>Q2 2018</u>	<u>Q2 2017</u>
GAAP EPS from continuing operations	\$0.44	(\$0.19)
South African projects	\$0.04	\$0.61
Heat Transfer	(\$0.02)	(\$0.01)
Acquisition costs	\$0.06	N/A
Non-service pension items	\$0.01	\$0.02
Adjusted EPS from continuing operations	\$0.53	\$0.43

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

Q2 Adjusted EPS* of \$0.53 vs \$0.43 in Prior Year

Core Q2 2018 Results



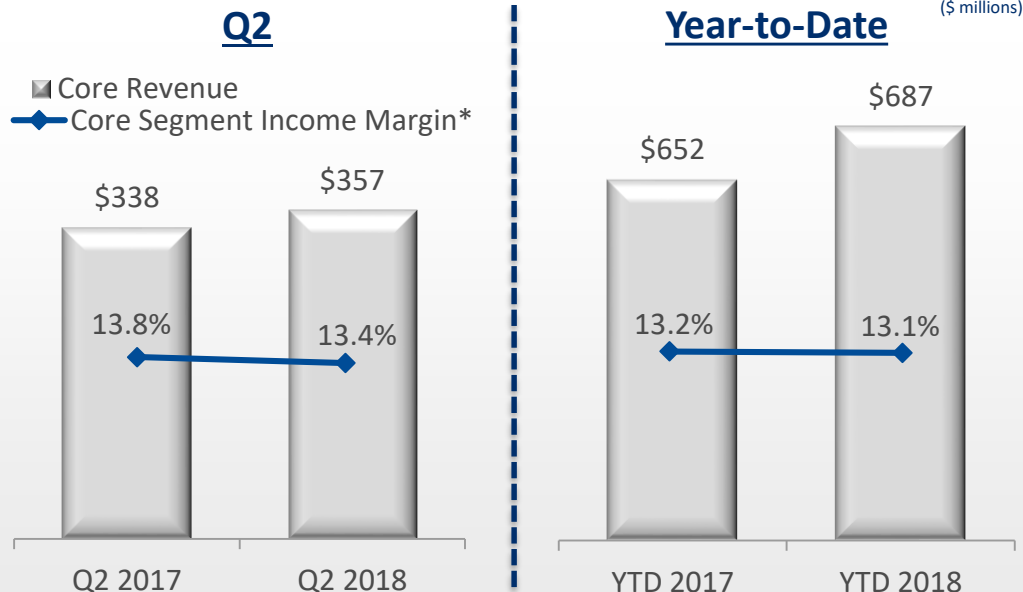
Year-over-Year Analysis

Q2 Core Revenue:

- 5.6% year-over-year increase:
 - 2.8% acquisition impact
 - 2.5% increase, primarily due to higher HVAC and Detection & Measurement revenues, partially offset by a reduction in Engineered Solutions revenue
 - 0.3% currency impact

Q2 Core Segment Income and Margin:

- \$0.9 increase in Core segment income
- Core segment income margin declined 40 basis points due to Engineered Solutions performance and more favorable sales mix in prior year for Detection & Measurement



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

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Continued Strong Performances in HVAC and Detection & Measurement

HVAC Q2 2018 Results



Year-over-Year Analysis

Q2 Revenue:

- 16.1% year-over-year increase:
 - 15.6% organic increase* primarily driven by strong cooling product volumes
 - 0.5% currency impact

Q2 Segment Income and Margin:

- \$3.1m increase in segment income
- Segment margins increased 40 basis points due to operating leverage on revenue growth



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Strong Revenue and Segment Income Growth

Detection & Measurement Q2 2018 Results



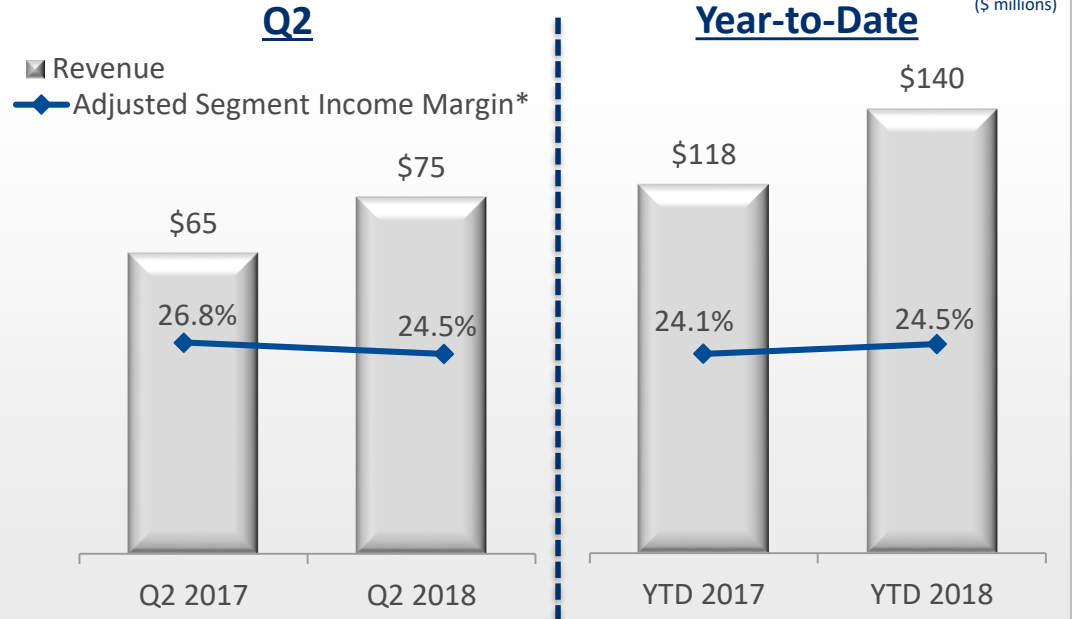
Year-over-Year Analysis

Q2 Revenue:

- 15.7% year-over-year increase:
 - 14.9% impact of Schonstedt and CUES acquisitions
 - 0.8% currency impact (primarily UK pound)
 - Flat organic revenue*

Q2 Segment Income* and Margin:

- \$1m increase in segment income driven primarily by acquisitions
- Margin decrease of 230 basis points due to more favorable sales mix in year-ago period and amortization associated with recent acquisitions



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

**Solid Overall Performance;
First Partial Quarter of CUES Results**

Engineered Solutions (Core) Q2 2018 Results



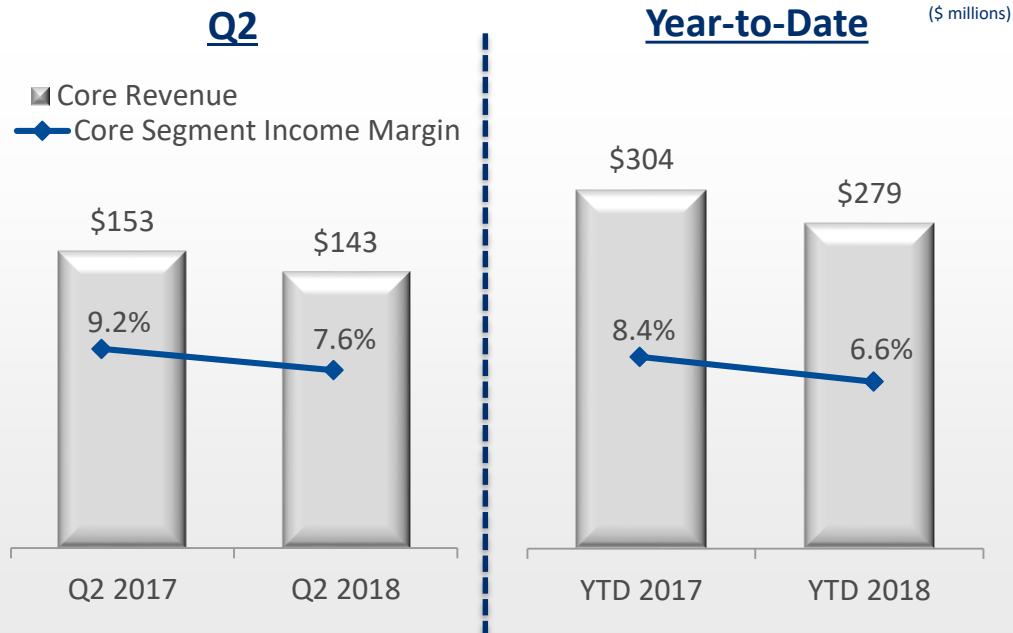
Year-over-Year Analysis

Q2 Core Revenue:

- (7.0%) year-over-year decline
 - Driven by business model shift in Process Cooling

Q2 Core Segment Income and Margin:

- \$3.2m decline in Core segment income and 160 basis points of Core segment income margin decline due primarily to sales mix and higher net input costs in Transformers



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

On Track for ~8% Core Segment Income Margin for Full-Year 2018

Financial Position & Liquidity Review

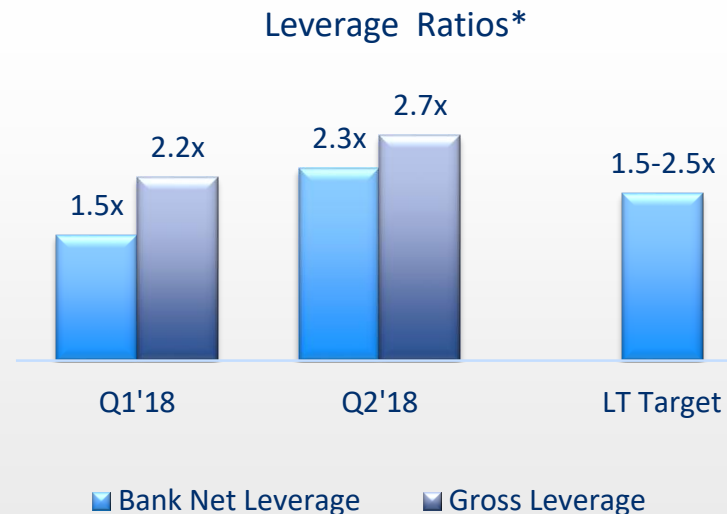
Scott Sproule

August 2, 2018



Capital Structure Update

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



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

**Anticipating Year-End Net Leverage Toward
Lower end of Target Range of 1.5-2.5x**

2018 Core Guidance (Changes in Bold)

	Revenue	Segment Income Margin
HVAC	<ul style="list-style-type: none"> ▪ 7.0-8.0% organic growth*, or ~\$550 million (vs 2-4% prior) 	<ul style="list-style-type: none"> ▪ ~15.5%
Detection & Measurement	<ul style="list-style-type: none"> ▪ In a range of \$325-335 million 	<ul style="list-style-type: none"> ▪ 22.5-23.5%
Engineered Solutions (Core)*	<ul style="list-style-type: none"> ▪ In a range of \$550-560 million 	<ul style="list-style-type: none"> ▪ ~8% (vs 8.0-8.5% prior)
Total SPX Core*	<ul style="list-style-type: none"> ▪ ~\$1.40 billion 	<ul style="list-style-type: none"> ▪ 14.0-14.5%

*Non-GAAP financial measure.

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Adjusted Operating Income Margin* of ~10%;
Adjusted EPS* Guidance \$2.15-\$2.25

Market Outlook & Executive Summary

Gene Lowe

August 2, 2018



Market	Comments
HVAC	<ul style="list-style-type: none">➤ Cooling: Commercial and Institutional market trends remain solid➤ Heating: Favorable preseason signals and strong run rate orders
Detection & Measurement	<ul style="list-style-type: none">➤ Project and run-rate markets remains strong➤ Positive market and customer reception to CUES acquisition
Transformers	<ul style="list-style-type: none">➤ Key utility customer activity and bookings remain steady➤ Market pricing remains competitive
Process Cooling	<ul style="list-style-type: none">➤ Customer demand for component offerings continues to be strong➤ Anticipate revenue growth to resume during 2019

Core Market Conditions Remain Solid

- Strong overall YTD performance – reaffirming recently increased Core guidance
- Balance sheet and liquidity remain solid
- Strengthening competitive position through prudent capital allocation
- Executing on plans to drive sustainable double-digit earnings growth

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

Questions

August 2, 2018

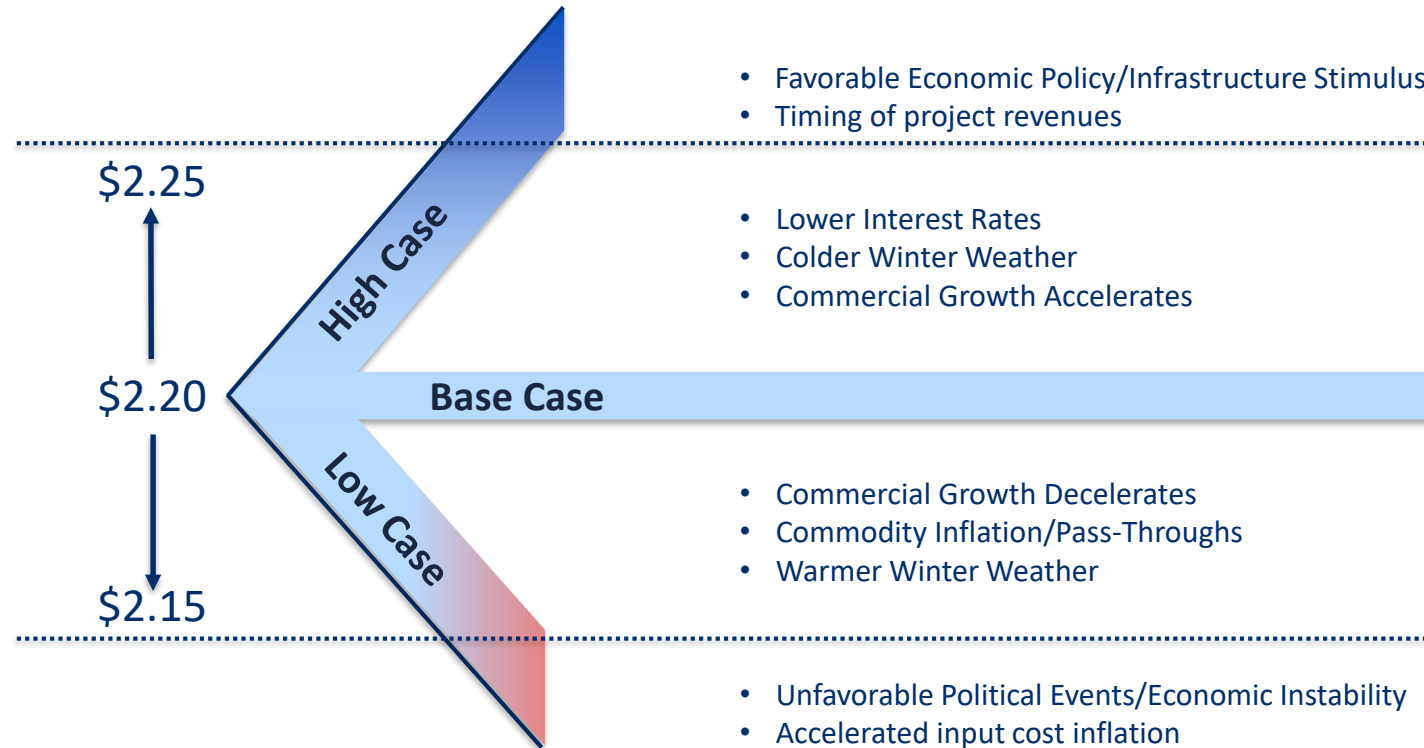


Appendix

August 2, 2018



2018 Adjusted EPS* Guidance - Key Drivers

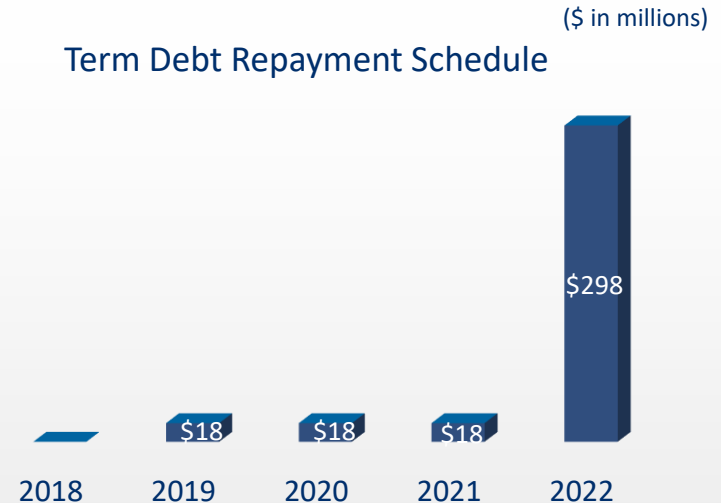


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- Core Free Cash Flow* generation of \$12M during second quarter
- Targeting 110% Core Free Cash Flow* Conversion
- Projecting \$400 million of capacity for capital allocation through 2020
 - ❑ Growth investments in Core businesses
 - ❑ Active M&A pipeline
 - ❑ Return of capital to shareholders



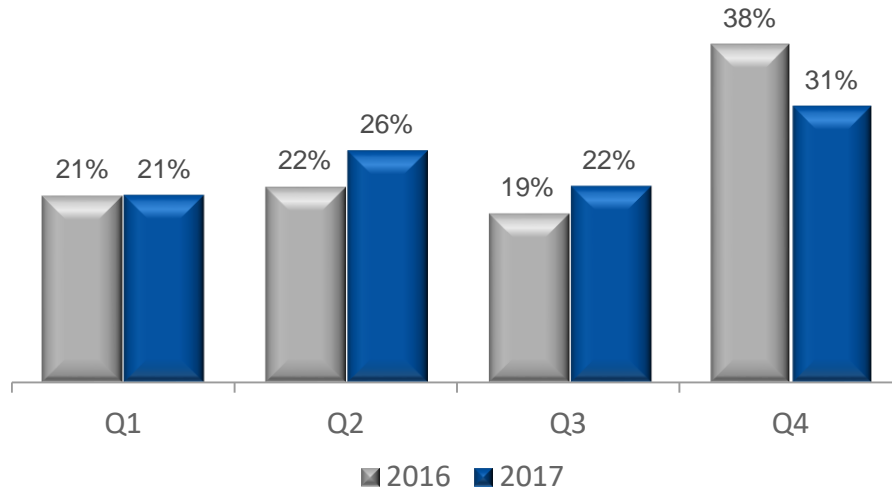
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Core Segment Income Phasing



(\$ millions)



	Q1 2017	Q2 2017	Q3 2017	Q4 2017
GAAP	34.3	20.7	45.4	24.5
Exclude: South African Projects	(4.4)	(26.6)	(4.2)	(32.8)
Exclude: Heat Transfer	(0.4)	0.4	(0.3)	0.7
Exclude: Contract Settlement	-	-	10.2	-
Core	39.1	46.9	\$39.7	56.6
<i>% of full-year</i>	<i>21%</i>	<i>26%</i>	<i>22%</i>	<i>31%</i>

	Q1 2016	Q2 2016	Q3 2016	Q4 2016
GAAP	29.8	32.2	26.0	54.8
Exclude: South African Projects	(3.4)	(2.9)	(3.5)	(4.7)
Exclude: Heat Transfer	(1.5)	(1.5)	(2.0)	(0.9)
Core	\$34.7	\$36.6	\$31.5	\$60.4
<i>% of full-year</i>	<i>21%</i>	<i>22%</i>	<i>19%</i>	<i>37%</i>

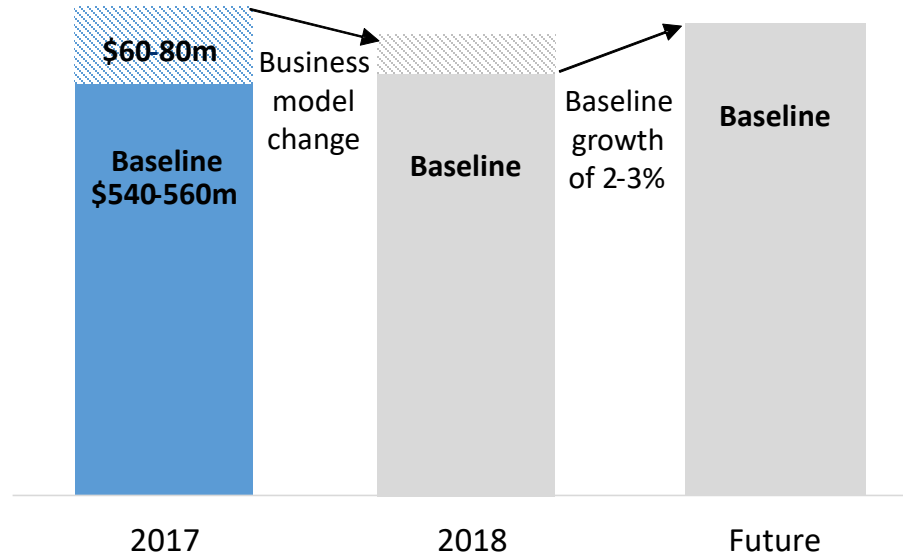
Note: Core results are non-GAAP financial measures that exclude the results of the South African projects and Heat Transfer operations. Additionally, Q3 2017 Core segment income also excludes a gain related to contract settlement within our Engineered Solutions segment.

2018 Modeling Considerations



Metric	Commentary/Assumptions
Corporate costs	Low \$40Ms
Long-term incentive comp	\$16-17M
Restructuring costs	\$1-2M
Interest cost	\$19-20M, including \$2.5M related to acquisition financing
Equity earnings, other	\$2M
Tax rate	22%-23% effective rate 2H 2018; maintaining long-term modelling rate of 23%
Capex	\$12-14M
Cash cost of pension + OPEB	Approximately \$18M: ongoing cash cost approximately \$16M
D&A	Approximately \$30M, mostly in COGS, including \$3M of acquisition-related amortization
Share count	Approximately 45M
FCF Conversion	Targeting 110% of Adjusted Net Income (i.e., ex South African projects)
Currency effect	Topline sensitivity to USD-GBP rate

Engineered Solutions Business Model Shift – Pro Forma Revenues



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

Growth to Resume in 2019

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

(\$ millions, except per share values)

	<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, except per share values)

	<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.

Q2 2018 GAAP to Adjusted Earnings Per Share U.S. GAAP Reconciliation



	<u>GAAP</u>	<u>Adjustments</u>	<u>Adjusted</u>	
Segment income ⁽¹⁾	\$ 41.0	\$ 6.7	\$ 47.7	(\$ millions, except per share values)
Corporate expense ⁽²⁾	(12.5)	1.4	(11.1)	
Long-term incentive compensation expense	(4.2)	—	(4.2)	
Special charges, net ⁽³⁾	<u>(1.6)</u>	<u>1.4</u>	<u>(0.2)</u>	
Operating income	22.7	9.5	32.2	
Other income, net ⁽⁴⁾	2.2	0.5	2.7	
Interest expense, net	<u>(4.8)</u>	<u>—</u>	<u>(4.8)</u>	
Income from continuing operations before income taxes	20.1	10.0	30.1	
Income tax provision ⁽⁵⁾	<u>(0.4)</u>	<u>(5.9)</u>	<u>(6.3)</u>	
Income from continuing operations	19.7	4.1	23.8	
Dilutive shares outstanding	44.723		44.723	
Earnings per share from continuing operations	\$ 0.44		\$ 0.53	

⁽¹⁾ Adjustment represents the removal of operating losses associated with the South African projects and Heat Transfer, and the inventory step-up charge and backlog amortization related to the Cues acquisition.

⁽²⁾ Adjustment represents removal of acquisition related expenses incurred during the period.

⁽³⁾ Adjustment represents removal of restructuring charges associated with the South African projects and Heat Transfer.

⁽⁴⁾ Adjustment represents removal of non-service pension and postretirement items and removal of foreign currency losses associated with the South African projects.

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

Q2 2017 GAAP to Adjusted Earnings Per Share Reconciliation



	<u>GAAP</u>	<u>Adjustments</u>	<u>Adjusted</u>
Segment income ⁽¹⁾	\$ 20.7	\$ 26.1	\$ 46.8
Corporate expense ⁽²⁾	(11.3)	(0.2)	(11.5)
Pension and postretirement expense	(0.1)	—	(0.1)
Long-term incentive compensation expense	(3.6)	—	(3.6)
Special charges, net	<u>(0.5)</u>	<u>—</u>	<u>(0.5)</u>
Operating income	5.2	25.9	31.1
Other expense, net ⁽³⁾	(3.2)	1.6	(1.6)
Interest expense, net ⁽⁴⁾	<u>(4.3)</u>	<u>0.3</u>	<u>(4.0)</u>
Income from continuing operations before income taxes	(2.3)	27.8	25.5
Income tax provision ⁽⁵⁾	<u>(6.0)</u>	<u>(0.6)</u>	<u>(6.6)</u>
Income from continuing operations	(8.3)	27.2	18.9
Dilutive shares outstanding	42.388		43.789
Earnings per share from continuing operations	\$ (0.19)		\$ 0.43

(\$ millions, except per share values)

⁽¹⁾ Adjustment represents the removal of the combined net operating losses associated with the South African projects and Heat Transfer.

⁽²⁾ Adjustment represents corporate costs allocated to Heat Transfer that will remain post wind-down.

⁽³⁾ Adjustment represents removal of non-service pension and postretirement items and removal of foreign currency losses associated with the South African projects.

⁽⁴⁾ Adjustment represents removal of interest expense incurred in connection with borrowings under a line of credit in South Africa.

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

Q2 2018 Adjusted Operating Income U.S. GAAP Reconciliation



(\$ millions)

	Three months ended		Six months ended	
	June 30, 2018	July 1, 2017	June 30, 2018	July 1, 2017
Operating income	\$ 22.7	\$ 5.2	\$ 42.0	\$ 24.3
Exclude:				
Losses from South African projects ⁽¹⁾	(3.9)	(26.6)	(9.8)	(31.0)
Income (loss) from Heat Transfer ⁽²⁾	(2.4)	0.7	(2.8)	0.6
One time acquisition related costs ⁽³⁾	(3.2)	—	(4.5)	—
Adjusted operating income	<u>\$ 32.2</u>	<u>\$ 31.1</u>	<u>\$ 59.1</u>	<u>\$ 54.7</u>
as a percent of Core revenues ⁽⁴⁾	9.0 %	9.2 %	8.6 %	8.4 %

⁽¹⁾ Represents removal of financial results for South African projects, inclusive of "special charges" of \$0.3 and \$1.9 recorded during the three and six months ended June 30, 2018, respectively.

⁽²⁾ Represents removal of Heat Transfer's financial results, inclusive of "special charges" of \$1.1 and professional fees included in "corporate expense" of \$0.2 during the three and six months ended June 30, 2018 and exclusive of corporate costs allocated to Heat Transfer that will remain post-wind down of \$0.2 for the three months ended June 30, 2018 and July 1, 2017, and \$0.4 for the six months ended June 30, 2018 and July 1, 2017.

⁽³⁾ Represents charges for the Cues acquisition during the three months ended June 30, 2018 associated with inventory step-up (\$1.6), backlog amortization (\$0.2), and transaction-related fees (\$1.4) and charges during the three months ended March 31, 2018 associated with the (i) Schonstedt acquisition (inventory step-up charges of \$0.3 and transaction-related fees \$0.7), and (ii) Cues transaction-related fees (\$0.3).

⁽⁴⁾ See "Results of Reportable Segments" for applicable percentages based on GAAP results.

Engineered Solutions Impact of ASC 606 Adoption



(\$ millions, except per share values)

	Three months ended June 30, 2018			Six months ended June 30, 2018		
	Reported	Effect of ASC 606 Adoption ⁽¹⁾	Under Prior Revenue Recognition Guidance	Reported	Effect of ASC 606 Adoption ⁽¹⁾	Under Prior Revenue Recognition Guidance
Revenues	\$ 379.2	\$ 1.8	\$ 381.0	\$ 731.1	\$ (19.6)	\$ 711.5
Net Income	23.0	(0.4)	22.6	35.4	(1.9)	33.5

⁽¹⁾ Effect of ASC 606 adoption related solely to our Engineered Solutions reportable segment.

Q2 2018 Organic Revenue U.S. GAAP Reconciliation



	<u>Three months ended June 30, 2018</u>	
	<u>HVAC</u>	<u>Detection & Measurement</u>
Net Revenue Growth	16.1 %	15.7 %
Exclude: Foreign Currency	0.5 %	0.8 %
Exclude: Acquisitions	— %	14.9 %
Organic Revenue Growth	<u>15.6 %</u>	<u>— %</u>

Core Revenue and Segment Income U.S. GAAP Reconciliation



CONSOLIDATED SPX:	Three months ended		Six months ended	
	June 30, 2018	July 1, 2017	June 30, 2018	July 1, 2017
	Consolidated revenue	\$ 379.2	\$ 349.7	\$ 731.1
Exclude: South African projects	14.7	2.0	29.0	20.2
Exclude: Heat Transfer	\$ 7.4	\$ 9.4	\$ 15.4	\$ 18.1
Core revenue	<u>\$ 357.1</u>	<u>\$ 338.3</u>	<u>\$ 686.7</u>	<u>\$ 652.0</u>
Total segment income	\$ 41.0	\$ 20.7	\$ 78.0	\$ 55.0
Exclude: Losses from South African projects	(3.6)	(26.6)	(7.9)	(31.0)
Exclude: Income (losses) from Heat Transfer	(1.3)	0.5	(1.9)	0.2
Exclude: One time acquisition related costs ⁽¹⁾	(1.8)	—	(2.1)	—
Core segment income	<u>\$ 47.7</u>	<u>\$ 46.8</u>	<u>\$ 89.9</u>	<u>\$ 85.8</u>
as a percent of Core revenues ⁽²⁾	13.4 %	13.8 %	13.1 %	13.2 %
DETECTION & MEASUREMENT SEGMENT:				
Detection & Measurement Segment income	\$ 16.5	\$ 17.3	\$ 32.2	\$ 28.5
Exclude: One time acquisition related costs ⁽¹⁾	(1.8)	—	(2.1)	—
Detection & Measurement adjusted segment income	<u>\$ 18.3</u>	<u>\$ 17.3</u>	<u>\$ 34.3</u>	<u>\$ 28.5</u>
as a percent of Detection & Measurement revenues ⁽²⁾	24.5%	26.8%	24.5 %	24.1 %
ENGINEERED SOLUTIONS SEGMENT:				
Engineered Solutions revenue	\$ 164.9	\$ 164.9	\$ 323.5	\$ 341.8
Exclude: South African projects	14.7	2.0	29.0	20.2
Exclude: Heat Transfer	7.4	9.4	15.4	18.1
Engineered Solutions (Core) revenue	<u>\$ 142.8</u>	<u>\$ 153.5</u>	<u>\$ 279.1</u>	<u>\$ 303.5</u>
Engineered Solutions Segment income (loss)	\$ 6.0	\$ (12.0)	\$ 8.7	\$ (5.4)
Exclude: Losses from South African projects	(3.6)	(26.6)	(7.9)	(31.0)
Exclude: Income (losses) from Heat Transfer	(1.3)	0.5	(1.9)	0.2
Engineered Solutions (Core) income	<u>\$ 10.9</u>	<u>\$ 14.1</u>	<u>\$ 18.5</u>	<u>\$ 25.4</u>
as a percent of Engineered Solutions (Core) revenues ⁽²⁾	7.6 %	9.2 %	6.6 %	8.4 %

(1) Represents additional "Cost of products sold" and "Intangibles amortization" recorded during the three and six months ended June 30, 2018 related to the step-up of inventory (to fair value) and customer backlog amortization acquired in connection with the June 7, 2018 Cues acquisition. In addition, for the six months ended June 30, 2018, it includes the step-up of inventory (to fair value) for the Schonstedt acquisition on March 1, 2018.

(2) See "Results of Reportable Segments" for applicable percentages based on GAAP results.

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

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



(\$ millions)

	FY 2017	FY 2016
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 above

Debt Reconciliation



(\$ millions)

	Q2 2018
Short-term debt	\$ 124.1
Current maturities of long-term debt	9.2
Long-term debt ⁽¹⁾	340.6
Gross debt	473.9
Less: Purchase card program and extended payables	(3.0)
Adjusted gross debt	470.9
Less: Cash and equivalents	(66.7)
Adjusted net debt	\$ 404.2

1) Excludes unamortized debt issuance costs associated with term loan of \$2.1m.

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

Consolidated EBITDA Reconciliation



(\$ millions)

	<u>Q3 2017</u>	<u>Q4 2017</u>	<u>Q1 2018</u>	<u>Q2 2018</u>	<u>LTM</u>
Net income (loss) from continuing operations attributable to SPX Corporation common shareholders	\$ 22.0	\$ 60.0	\$ 12.4	\$ 23.0	
Income tax provision (benefit)	4.8	(61.9)	4.1	0.4	
Interest expense	<u>4.3</u>	<u>4.2</u>	<u>4.3</u>	<u>5.1</u>	
Income (loss) from continuing operations before interest and taxes	31.1	2.3	20.8	28.5	
Depreciation and amortization	<u>6.3</u>	<u>6.3</u>	<u>6.6</u>	<u>6.8</u>	
EBITDA	37.4	8.6	27.4	35.3	
Adjustments:					
Non-cash compensation	5.2	5.1	5.9	5.2	
Pension adjustments	(1.2)	5.3	(0.7)	(0.7)	
Extraordinary non-cash charges, (gains), net	(1.2)	10.4	(3.5)	(1.5)	
Extraordinary non-recurring cash charges, (gains), net	(8.0)	23.6	5.7	4.7	
Material acquisition/disposition related fees, costs, or expenses, (gains), net	-	-	1.1	(2.0)	
Pro forma effect of acquisitions and divestitures, and other	3.2	2.6	2.9	3.5	
Adjusted EBITDA	<u>\$ 35.4</u>	<u>\$ 55.6</u>	<u>\$ 38.9</u>	<u>\$ 44.5</u>	<u>\$ 174.4</u>

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

U.S. GAAP to Core Free Cash Flow from Continuing Operations



(\$ millions)

	<u>Q2 2018</u>
Net operating cash flow from continuing operations	\$ 3.1
Capital expenditures - continuing operations	(2.2)
Free cash flow from continuing operations	<u>0.9</u>
Adjustment for South African projects	10.7
Core free cash flow from continuing operations	<u>\$ 11.6</u>

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