



Q3 2024 Earnings Presentation

OCTOBER 30, 2024

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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. Non-GAAP guidance measures are calculated in a manner consistent with the non-GAAP historical financial measures included in 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 Q3 results**
 - » Solid revenue growth and substantial increases in key profit measures
- **Significant Y/Y margin expansion**
 - » Increases in both segments
- **Continued progress on value-creation initiatives**
 - » Key wins in sustainability and continuous improvement
- **Healthy M&A pipeline**

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. Non-GAAP guidance measures are calculated on the same basis as respective historical measures included in this presentation.

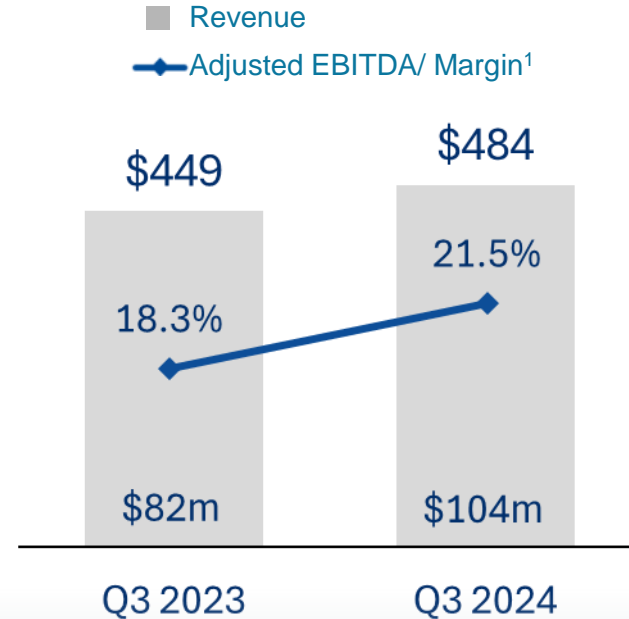
**Well-Positioned to Achieve FY'24 Guidance:
Growth of 35% in Adjusted EBITDA¹ and 28% in Adjusted EPS¹**

Q3 2024 Results Summary

(\$ in millions)

- **Revenue growth of 7.8%**
 - » Strong performance in HVAC Cooling
- **Adjusted EBITDA¹ growth of 27.0%**
 - » 320 bps of margin¹ expansion with increases in both segments

Third Quarter



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.

Solid Year-on-Year Growth with Significant Margin Expansion

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. Such future measures are calculated on the same basis as the respective historical measures included in this presentation.

Q3 2024 Financial Review

Mark A. Carano, Chief Financial Officer

Adjusted Earnings Per Share

	<u>Q3 2023</u>	<u>Q3 2024</u>
GAAP EPS from continuing operations	\$0.76	\$1.08
Amortization	\$0.24	\$0.26
Acquisition-related	\$0.05	\$0.03
Non-service pension & other	\$0.01	\$0.02
Adj EPS¹ from continuing operations	\$1.06	\$1.39

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.

Q3 2024 Adjusted EPS¹ of \$1.39

Q3 2024 Results

(\$ in millions)

Q3 Revenue:

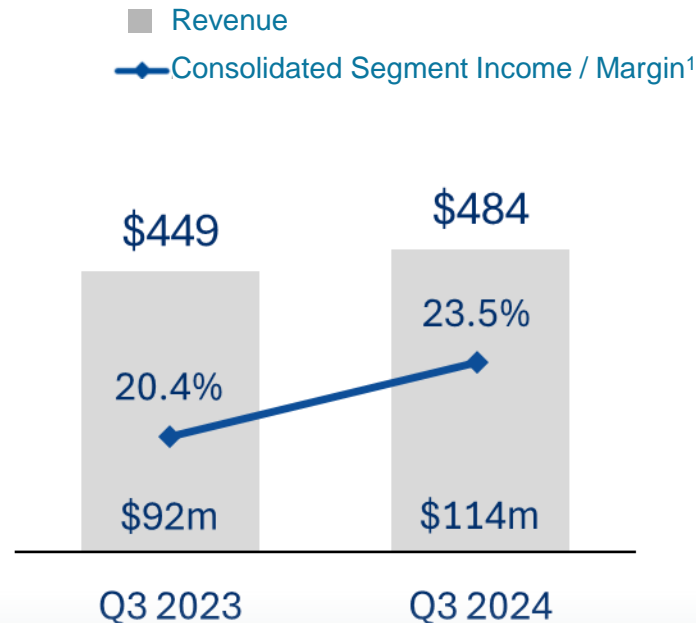
- 7.8% year-over-year increase:
 - » 3.0% organic¹ increase driven by HVAC
 - » 4.4% acquisition impact
 - » 0.4% currency impact

Q3 Consolidated Segment Income / Margin¹:

- HVAC was primary driver
 - » Consolidated Segment Income¹ +\$22.2m y/y
 - » Margin¹: +310 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.

Third Quarter



Strong Growth in Consolidated Segment Income¹ and Margin¹

HVAC Q3 2024 Results

(\$ in millions)

Q3 Revenue:

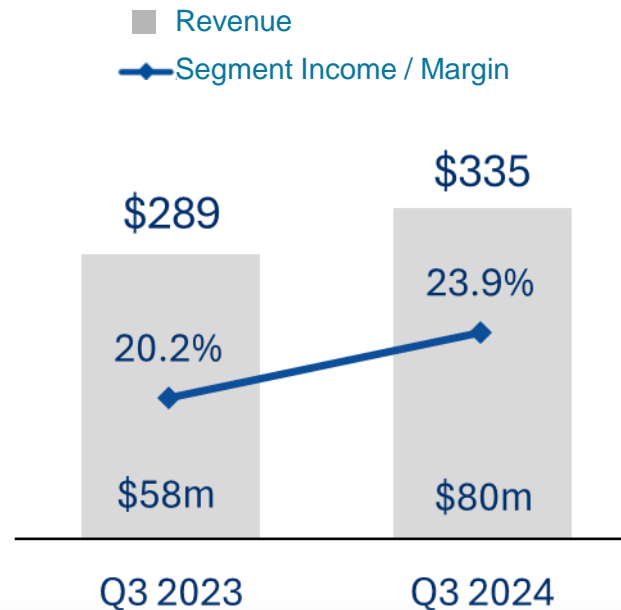
- 15.9% year-over-year increase:
 - » 9.0% organic¹ increase due to higher Cooling sales
 - » 6.8% acquisition impact (Ingénia)
 - » 0.1% currency impact

Q3 Segment Income / Margin:

- Cooling was key driver of:
 - » Segment Income: +\$21.7m y/y
 - » Margin: +370 bps y/y
- Operating leverage and acquisition of Ingénia drove increases

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

Third Quarter



Continued Strong Cooling Demand and Operational Execution

Detection & Measurement Q3 2024 Results

(\$ in millions)

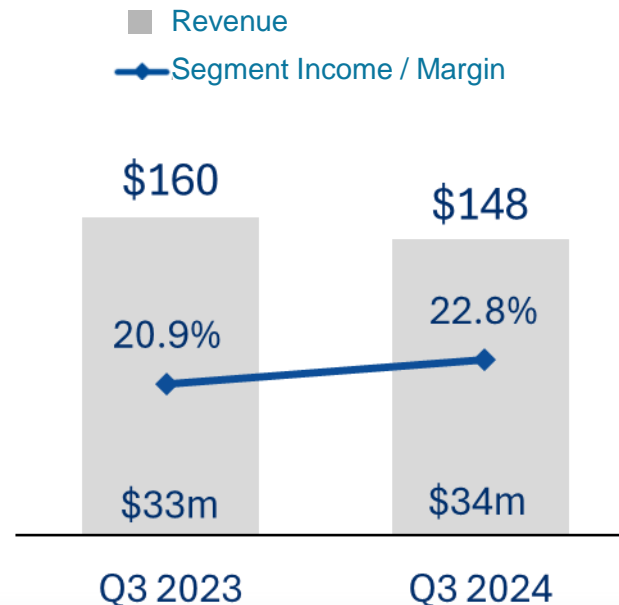
Q3 Revenue:

- -7.0% year-over-year decrease:
 - » -7.8% **organic**¹ decrease due primarily to project timing
 - » **0.8%** **currency** impact

Q3 Segment Income / Margin:

- More favorable mix and continuous improvement initiatives drove:
 - » Segment Income: +\$0.5m y/y
 - » Margin: +190 bps y/y

Third Quarter



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

Mix and Continuous Improvement Drove Strong Margin Performance

Financial Position & Guidance

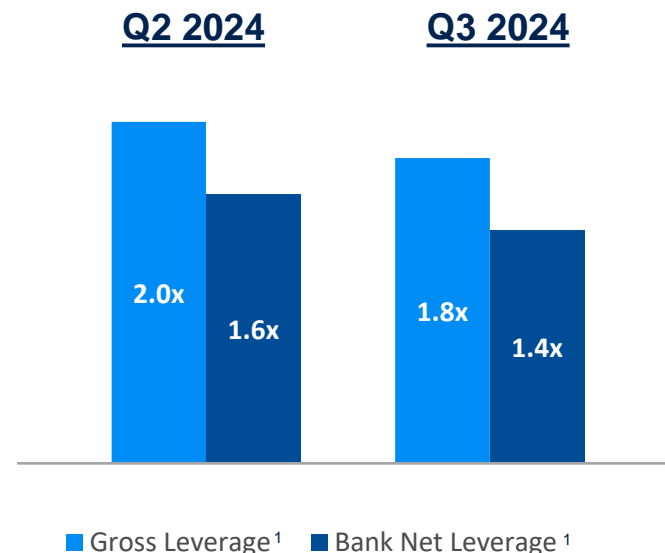
Mark A. Carano, Chief Financial Officer



Financial Position Update

(\$ in millions)

	Q2 2024	Q3 2024
Short-term debt	\$256	\$49
Current maturities of long-term debt	24	24
Long-term debt	510	665
Total Debt	\$790	\$738
Less: Cash on hand ²	(133)	(129)
Net Debt	\$657	\$608



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

² Includes cash related to discontinued operations of \$4.9m in Q2 2024 and \$4.6m in Q3 2024.

Targeting Net Leverage¹ Well Below Low End of Target Range of 1.5-2.5x

2024 Guidance¹ Update

	Total SPX	HVAC	Detection & Measurement
Revenue	\$1.970-\$2.000b	\$1,365-\$1,385m	\$605-\$615m
<i>Prior</i>	<i>\$1.970-\$2.020b</i>	<i>\$1,365-\$1,405m</i>	<i>\$605-\$615m</i>
Segment Income Margin¹	22.6%-23.2%	23.25%-23.75%	21.25%-22.00%
<i>Prior</i>	<i>22.3%-23.3%</i>	<i>23.00%-24.00%</i>	<i>20.75%-21.75%</i>

Adj. EBITDA¹	\$410-\$430m
<i>Prior</i>	<i>\$410-\$430m</i>
Adj. EBITDA Margin¹	20.8%-21.5%
<i>Prior</i>	<i>20.8%-21.3%</i>
Adj. EPS¹	\$5.45-\$5.60
<i>Prior</i>	<i>\$5.45-\$5.60</i>

Well-positioned to
achieve full-year
guidance

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. Non-GAAP guidance measures are calculated on the same basis as the respective historical measures included in this presentation.

End Market Review & Closing Comments

Gene Lowe, President & Chief Executive Officer

HVAC

Cooling

- Strong demand trends continue
- Multiple areas of strength

Heating

- Late start to winter heating shipments

DETECTION & MEASUREMENT

Project Oriented

- Overall project demand healthy
- Infrastructure spending on horizon

Run-Rate

- Mixed global demand with regional variation

Key Market Strength Supports Guidance

Executive Summary

- Strong Q3 results
- Significant margin expansion in both segments
- Well-positioned to achieve full-year guidance
- Attractive, active acquisition pipeline

Well-Positioned to Continue Value-Creation Journey

Appendix

Modeling Considerations – Full-Year 2024

Metric	Considerations
Corporate expense	\$48.0-50.0m
Long-term incentive comp	\$14.0-15.5m
Restructuring costs	\$1.0-2.0m
Interest cost	\$44.0-46.0m
Other income/(expense), and Non-service pension benefit/(expense)	\$0.0-2.5m
Tax rate	24.0%-25.0%
Capex	~\$40m
Cash cost of pension + OPEB	\$10-11m
Depreciation	~\$28m
Amortization	~\$66m
Share count	47.1-47.3m
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	Q2	Q3	YTD
Consolidated segment income ¹	\$ 74.4	\$ 84.4	\$ 91.6	\$ 102.8	\$ 353.2	\$ 99.8	\$ 117.6	\$ 113.8	331.2
Corporate expense	(14.6)	(16.6)	(13.0)	(14.2)	(58.4)	(13.9)	(12.0)	(12.4)	(38.3)
Acquisition-related and other costs	(0.6)	(1.5)	(2.9)	(0.8)	(5.8)	(2.6)	(2.3)	(1.4)	(6.3)
Long-term incentive compensation expense	(3.1)	(3.5)	(3.4)	(3.4)	(13.4)	(3.3)	(3.7)	(4.0)	(11.0)
Amortization of intangible assets	(6.3)	(11.5)	(14.6)	(11.5)	(43.9)	(14.8)	(16.8)	(16.6)	(48.2)
Special charges, net	-	-	-	(0.8)	(0.8)	(0.6)	0.2	(0.5)	(0.9)
Other operating expense, net	-	-	-	(9.0)	(9.0)	-	(8.4)	-	(8.4)
Operating income	49.8	51.3	57.7	63.1	221.9	64.6	74.6	78.9	218.1
Other income (expense), net	2.5	-	(0.2)	(12.4)	(10.1)	(4.0)	(1.7)	(1.4)	(7.1)
Interest expense, net	(1.9)	(5.2)	(9.4)	(9.0)	(25.5)	(9.5)	(12.5)	(11.5)	(33.5)
Income from continuing operations before income taxes	50.4	46.1	48.1	41.7	186.3	51.1	60.4	66.0	177.5
Income tax provision	(11.3)	(7.8)	(12.4)	(10.1)	(41.6)	(1.9)	(15.2)	(15.1)	(32.2)
Income from continuing operations	39.1	38.3	35.7	31.6	144.7	49.2	45.2	50.9	145.3
Income (loss) on disposition of discontinued operations, net of tax	3.7	(2.3)	(56.1)	(0.1)	(54.8)	(0.2)	(1.0)	(0.7)	(1.9)
Income (loss) from discontinued operations, net of tax	3.7	(2.3)	(56.1)	(0.1)	(54.8)	(0.2)	(1.0)	(0.7)	(1.9)
Net income (loss)	\$ 42.8	\$ 36.0	\$ (20.4)	\$ 31.5	\$ 89.9	\$ 49.0	\$ 44.2	\$ 50.2	\$ 143.4

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

2024			
Q1	Q2	Q3	YTD
\$302.4	\$356.5	\$335.3	\$994.2
\$68.4	\$83.7	\$80.0	\$232.1
<i>23%</i>	<i>23%</i>	<i>24%</i>	<i>23%</i>

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

2024			
Q1	Q2	Q3	YTD
\$162.8	\$144.8	\$148.4	\$456.0
\$31.4	\$33.9	\$33.8	\$99.1
<i>19%</i>	<i>23%</i>	<i>23%</i>	<i>22%</i>

Q3 2024 Revenue by Major product lines

(\$ in millions)

Three months ended September 28, 2024

Reportable Segments	HVAC	Detection and Measurement	Total
Major product lines			
Package and process cooling equipment and services, and engineered air movement solutions	\$ 217.7	\$ —	\$ 217.7
Boilers, electrical heating, and ventilation	117.6	—	117.6
Underground locators, inspection and rehabilitation equipment, and robotic systems	—	64.7	64.7
Communication technologies, aids to navigation, and transportation systems	—	83.7	83.7
	\$ 335.3	\$ 148.4	\$ 483.7
Timing of Revenue Recognition			
Revenues recognized at a point in time	\$ 314.9	\$ 117.5	\$ 432.4
Revenues recognized over time	20.4	30.9	51.3
	\$ 335.3	\$ 148.4	\$ 483.7

Q3 2023 Revenue by Major product lines

(\$ in millions)

Reportable Segments	Three months ended September 30, 2023		
	HVAC	Detection and Measurement	Total
Major product lines			
Package and process cooling equipment and services, and engineered air movement solutions	\$ 170.8	\$ —	\$ 170.8
Boilers, electrical heating, and ventilation	118.4	—	118.4
Underground locators, inspection and rehabilitation equipment, and robotic systems	—	65.9	65.9
Communication technologies, aids to navigation, and transportation systems	—	93.6	93.6
	<u>\$ 289.2</u>	<u>\$ 159.5</u>	<u>\$ 448.7</u>
Timing of Revenue Recognition			
Revenues recognized at a point in time	\$ 271.3	\$ 130.7	\$ 402.0
Revenues recognized over time	17.9	28.8	46.7
	<u>\$ 289.2</u>	<u>\$ 159.5</u>	<u>\$ 448.7</u>

Q3 2024 U.S. GAAP to Adjusted EPS Reconciliation

(\$ in millions, except per share values)

	GAAP	Adjustments	Adjusted
Segment income	\$ 113.8	\$ —	\$ 113.8
Corporate expense ⁽¹⁾	(12.4)	0.6	(11.8)
Acquisition-related costs ⁽²⁾	(1.4)	1.4	—
Long-term incentive compensation expense	(4.0)	—	(4.0)
Amortization of intangible assets ⁽³⁾	(16.6)	16.6	—
Special charges, net	(0.5)	—	(0.5)
Operating income	78.9	18.6	97.5
Other expense, net ⁽⁴⁾	(1.4)	1.0	(0.4)
Interest expense, net	(11.5)	—	(11.5)
Income from continuing operations before income taxes	66.0	19.6	85.6
Income tax provision ⁽⁵⁾	(15.1)	(4.6)	(19.7)
Income from continuing operations	50.9	15.0	65.9
Diluted shares outstanding	47.265		47.265
Earnings per share from continuing operations	\$ 1.08		\$ 1.39

⁽¹⁾ Adjustment represents the removal of certain acquisition and strategic/transformation related costs (\$0.6).

⁽²⁾ Adjustment represents the removal of integration costs of \$1.4 within the HVAC reportable segment.

⁽³⁾ Adjustment represents the removal of amortization expense associated with acquired intangible assets of \$12.3 and \$4.3 within the HVAC and Detection & Measurement reportable segments, respectively.

⁽⁴⁾ Adjustment represents the removal of non-service pension and postretirement charges of \$1.0.

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

Q3 2023 U.S. GAAP to Adjusted EPS Reconciliation

(\$ in millions, except per share values)

	GAAP	Adjustments	Adjusted
Segment income	\$ 91.6	\$ —	\$ 91.6
Corporate expense ⁽¹⁾	(13.0)	0.6	(12.4)
Acquisition-related and other costs ⁽²⁾	(2.9)	2.9	—
Long-term incentive compensation expense	(3.4)	—	(3.4)
Amortization of intangible assets ⁽³⁾	(14.6)	14.6	—
Operating income	57.7	18.1	75.8
Other income (expense), net ⁽⁴⁾	(0.2)	1.2	1.0
Interest expense, net	(9.4)	—	(9.4)
Income from continuing operations before income taxes	48.1	19.3	67.4
Income tax provision ⁽⁵⁾	(12.4)	(5.6)	(18.0)
Income from continuing operations	35.7	13.7	49.4
Diluted shares outstanding	46.751		46.751
Earnings per share from continuing operations	\$ 0.76		\$ 1.06

⁽¹⁾ Adjustment represents the removal of certain acquisition and strategic/transformation related expenses of \$0.5 and a reclassification of transition services income of \$0.1 from “Other income (expense), net.”

⁽²⁾ Adjustment represents the removal of (i) an inventory step-up charge of \$2.5 related to the ASPEQ acquisition and (ii) integration costs of \$0.4 within the HVAC reportable segment.

⁽³⁾ Adjustment represents the removal of amortization expense associated with acquired intangible assets of \$4.3 and \$10.3 within the Detection & Measurement and HVAC reportable segments, respectively.

⁽⁴⁾ Adjustment represents the removal of (i) non-service pension and postretirement charges of \$1.2, (ii) the reclassification of income related to a transition services agreement (\$0.1) to “Corporate expense,” and (iii) the removal of a charge related to the Asbestos Portfolio Sale of \$0.1.

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

U.S. GAAP to Adjusted Operating Income Reconciliation

(\$ in millions)

	Three months ended		Nine months ended	
	September 28, 2024	September 30, 2023	September 28, 2024	September 30, 2023
Operating income	\$ 78.9	\$ 57.7	\$ 218.1	\$ 158.8
Include - TSA Income ⁽¹⁾	—	0.1	—	0.3
Exclude:				
Acquisition-related and other costs ⁽²⁾	(2.0)	(3.4)	(10.0)	(12.0)
Other operating expense, net ⁽³⁾	—	—	(8.4)	—
Amortization of acquired intangible assets	(16.6)	(14.6)	(48.2)	(32.4)
Adjusted operating income	\$ 97.5	\$ 75.8	\$ 284.7	\$ 203.5
as a percent of revenues	20.2 %	16.9 %	19.6 %	16.0 %

⁽¹⁾ Represents transition services income related to the Asbestos Portfolio Sale for the three and nine months ended September 30, 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 and nine months ended September 28, 2024, represents (i) certain acquisition and strategic/transformation related costs of \$0.6 and \$3.7, respectively, and (ii) integration costs of \$1.4 and \$4.5, respectively, and, for the nine month period, an inventory step-up charge related to the Ingénia acquisition of \$1.8. For the three and nine months ended September 30, 2023, represents (i) acquisition and strategic/transformation related costs of \$0.5 and \$7.0, respectively, (ii) integration costs of \$0.4 and \$1.4, respectively, and (iii) inventory step-up charges of \$2.5 and \$3.6, respectively, related to the ASPEQ acquisition.

⁽³⁾ For the nine months ended September 30, 2024, represents a charge of \$8.4 associated with a settlement with the seller of ULC regarding additional contingent consideration.

Adjusted EBITDA Reconciliation

(\$ in millions)

	Three months ended	
	September 28, 2024	September 30, 2023
Net income (loss)	\$ 50.2	\$ (20.4)
Exclude:		
Income tax provision	(15.1)	(12.4)
Interest expense, net	(11.5)	(9.4)
Amortization expense ⁽¹⁾	(16.8)	(14.6)
Depreciation expense	(6.7)	(5.1)
Loss from discontinued operations, net of tax	(0.7)	(56.1)
EBITDA	101.0	77.2
Exclude:		
Acquisition-related and other costs ⁽²⁾	(2.0)	(3.4)
Non-service pension and postretirement charges	(1.0)	(1.2)
Asbestos-related charges ⁽³⁾	—	(0.1)
Adjusted EBITDA	\$ 104.0	\$ 81.9
as a percent of revenues	21.5 %	18.3 %

⁽¹⁾ Represents amortization expense associated with acquired intangible assets recorded within “Intangible amortization” and amortization of capitalized software costs recorded within “Cost of products sold.”

⁽²⁾ For the three months ended September 28, 2024 and September 30, 2023, represents (i) certain acquisition and strategic/transformation related costs of \$0.6 and \$0.5, respectively, (ii) integration costs of \$1.4 and \$0.4, respectively, and, for the three months ended September 30, 2023 an inventory step-up charge of \$2.5 related to the ASPEQ acquisition within the HVAC reportable segment.

⁽³⁾ Adjustment represents the removal of charges related to the Asbestos Portfolio Sale.

Q3 2024 Non-GAAP Reconciliation – Organic Revenue

Three months ended September 28, 2024

	HVAC		Detection & Measurement		Consolidated	
Net Revenue Growth (Decline)	15.9	%	(7.0)	%	7.8	%
Exclude: Foreign Currency	0.1	%	0.8	%	0.4	%
Exclude: Acquisitions	6.8	%	-	%	4.4	%
Organic Revenue Growth (Decline)	9.0	%	(7.8)	%	3.0	%

Q3 2024 Adjusted Free Cash Flow Reconciliation

(\$ in millions)

	<u>Q3 2024</u>
Operating cash flow from continuing operations	\$ 77.0
Capital expenditures	<u>(7.9)</u>
Free cash flow from continuing operations	69.1
Adjustments ¹	<u>(7.9)</u>
Adjusted free cash flow from continuing operations	<u>\$ 61.2</u>

⁽¹⁾Adjustments represent the removal of (i) certain discrete income tax items that are considered non-recurring (\$9.6), (ii) cash payments associated with integration costs of \$1.1 within our HVAC reportable segment, and (iii) certain acquisition and strategic/transformation related costs of \$0.6.