



# 2009 Baird Industrial Conference

where a sound approach meets new challenges

GLOBAL INFRASTRUCTURE X PROCESS EQUIPMENT X DIAGNOSTIC TOOLS

**SPX**

# Forward-Looking Statements



- Certain statements contained in this presentation that are not historical facts, including any statements as to future market conditions, results of operations and financial projections, are forward-looking statements and are thus prospective. These forward-looking statements are subject to risks, uncertainties and other factors which could cause actual results to differ materially from future results expressed or implied by such forward-looking statements.
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- This presentation includes non-GAAP financial measures. A copy of this presentation, including a reconciliation of the non-GAAP financial measures with the most comparable measures calculated and presented in accordance with GAAP, is available on our website at [www.spx.com](http://www.spx.com).

# SPX<sup>®</sup>

WHERE IDEAS MEET INDUSTRY



global infrastructure  
power & energy



X process equipment  
food & beverage



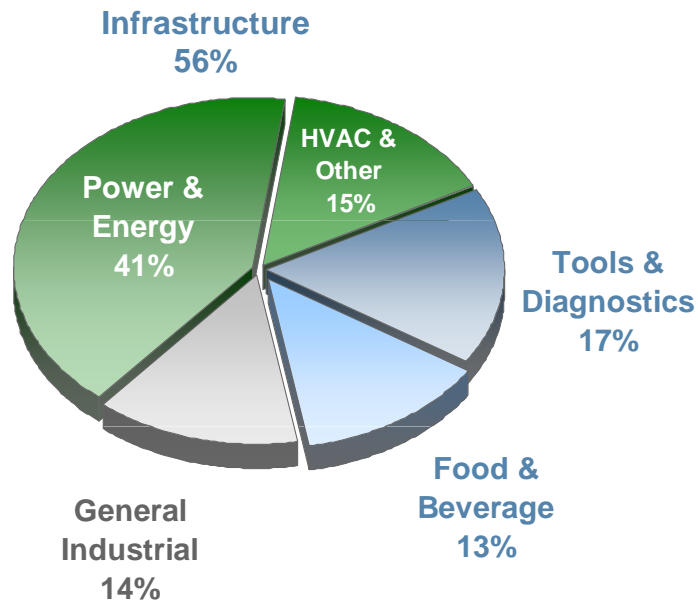
X diagnostic tools  
vehicle service



(1) 2009E of October 28, 2009

**Global, Multi-Industrial Manufacturer of Engineered Solutions;  
Operations in Over 40 Countries, 2009E Revenue of ~\$5b**

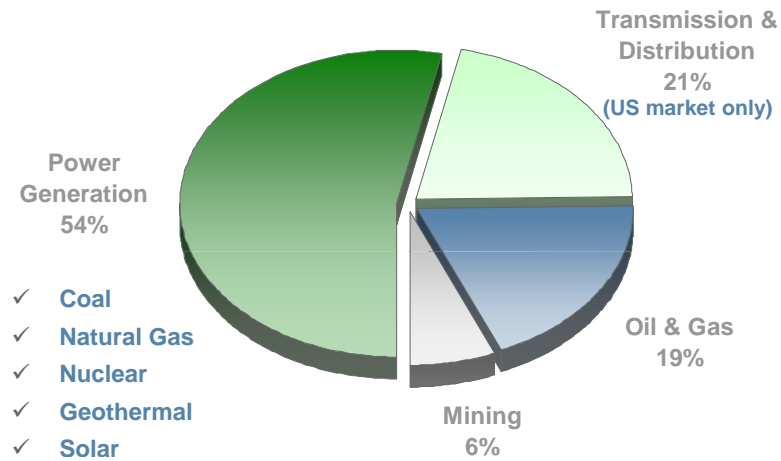
## 2008 Revenue by End Market



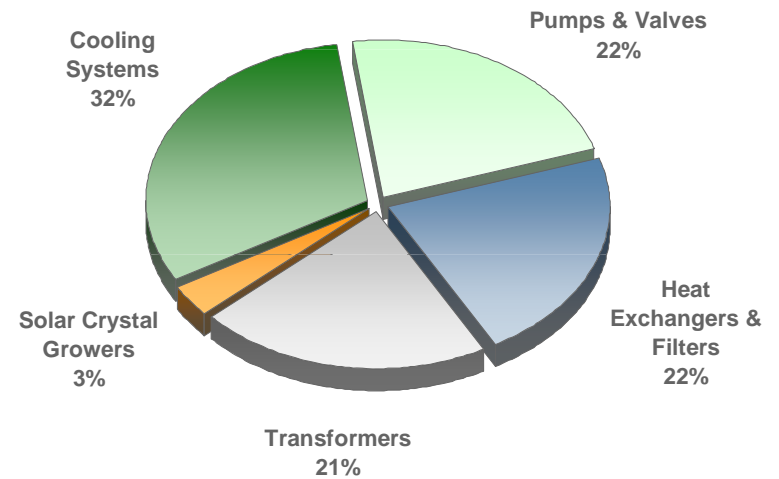
- Growing world population
- Advancement of developing countries
- Replacement of aged infrastructure
- Government regulations
- Environmental awareness

**85% of 2008 Revenues in 3 Strategic End Markets;  
Positive, Long-Term Fundamental Demand Drivers**

## 2008 Power & Energy Revenue by Market



## 2008 Power & Energy Revenue by Product



Moisture Separator Reheater



Heat Exchangers



Cooling Systems



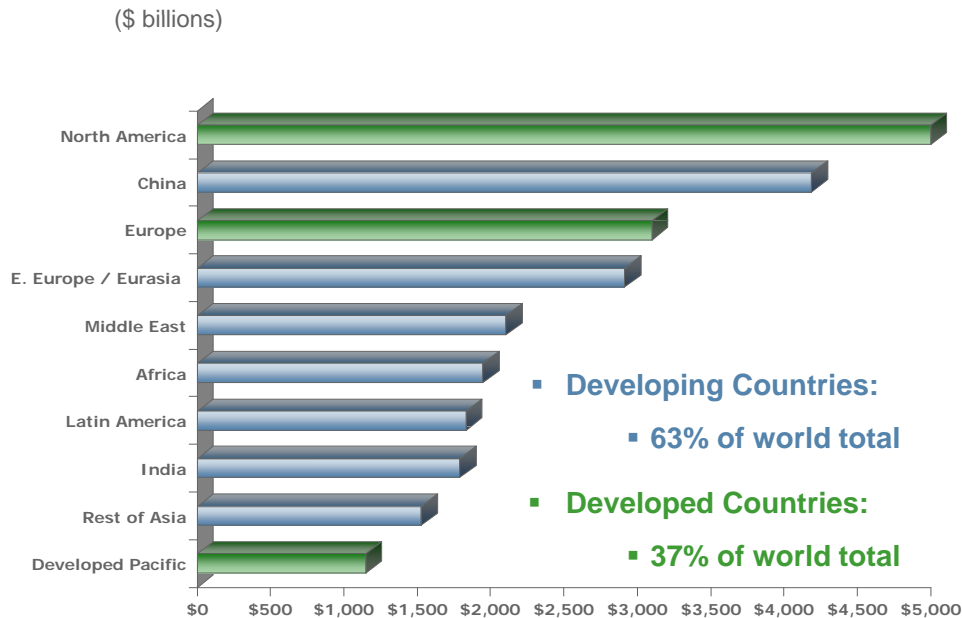
Pumps and Valves



Note: Data from continuing operations

**Diverse Technology Offerings Provide Efficient Solutions for Customers and Responds to Many Environmental Challenges**

## Cumulative Energy-Supply Infrastructure Investment by Region, 2007 - 2030



## Key Market Drivers

- Advancement of developing economies in Asia and South Africa
- Aging US and Western European infrastructure
- Demand for higher efficiency products
- Stricter regulatory environment
- Increasing project size

Source: WEO 2008 Copyright OECD/IEA, 2008; Table 2.4, page 88, as modified by SPX Corporation

**\$26 Trillion Estimated to be Spent on Energy Infrastructure From 2007 Through 2030**

# Indian Joint Venture with Thermax, Ltd.



51%



- Complementary products
- Leading power market expertise
- Technology leaders
- Focus on environmental solutions
- Pre-existing relationship

49%



A Leading Indian Supplier of Energy and Environmental Equipment

- Annual Revenue: ~\$680m
- Based in India



A Leading Global Supplier of Emission Abatement and Heat Transfer Technologies

## SPX Products Included in the Joint Venture



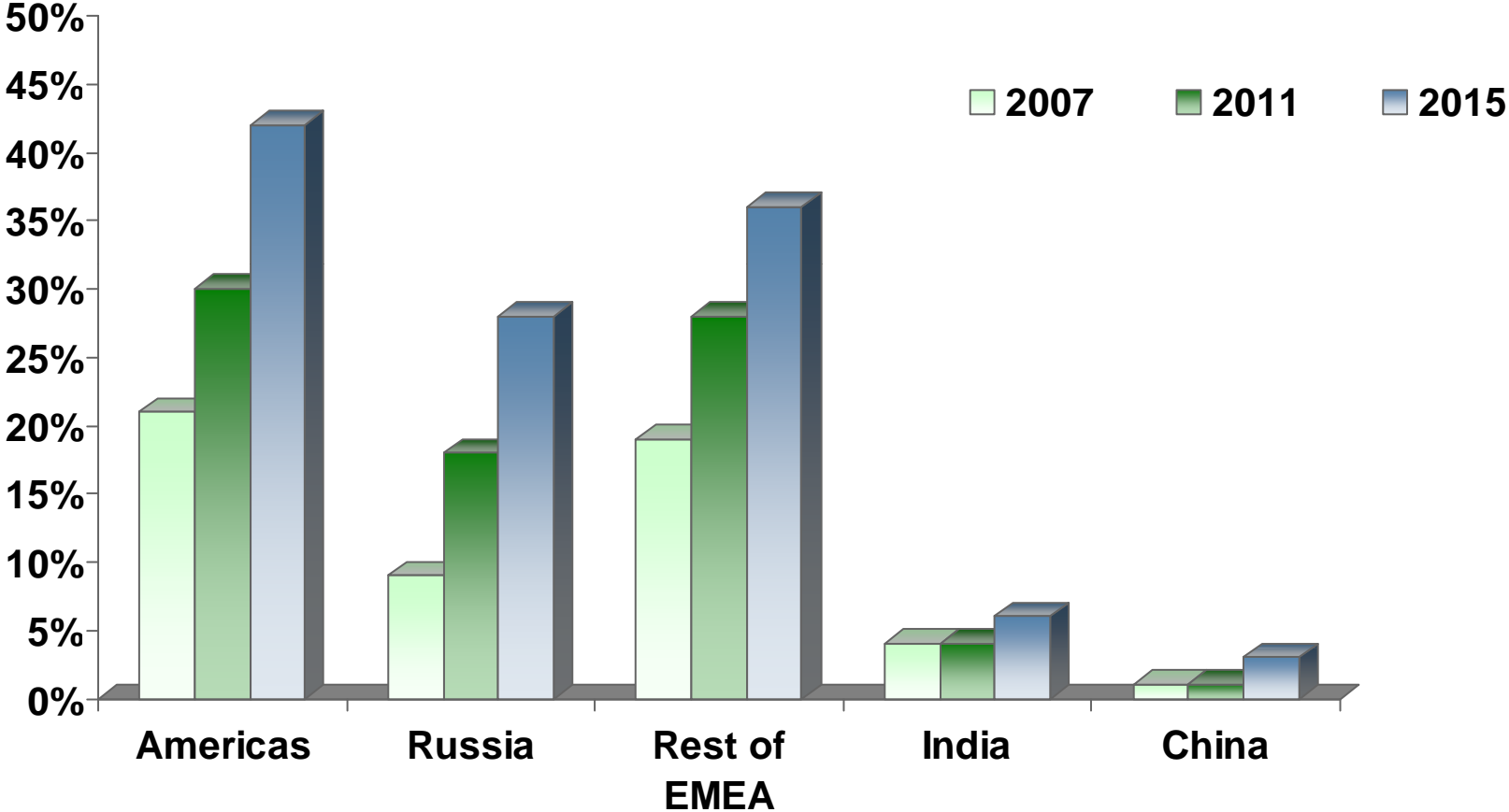
*Electrostatic precipitator (ESP)*



*Regenerative preheater – gas/gas*

**Joint Venture With Thermax Increases SPX's Exposure to the India Power Market**

### Percent of Installed Capacity (GW) Reaching 40 Years of Age by Year

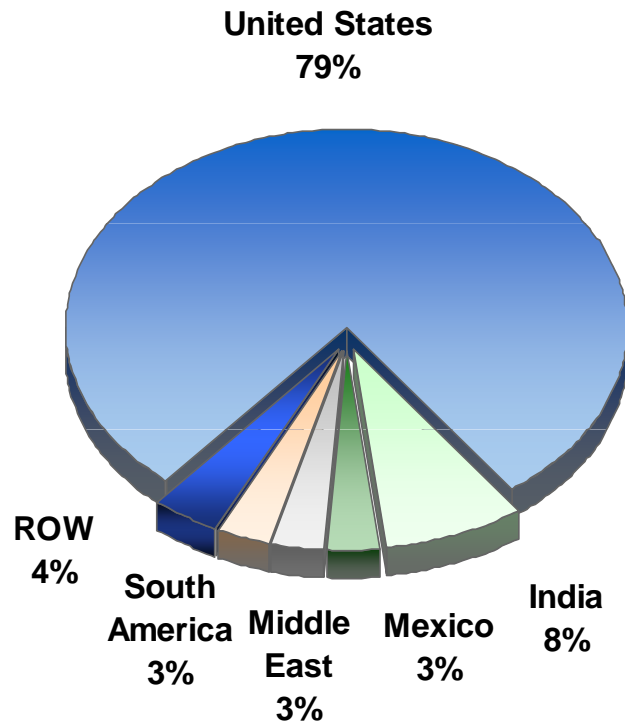


Source: Platts Global Power Database January 2008; Limited to SPX addressable markets

The Aging of Existing Infrastructure Provides an Attractive Opportunity for Retrofit and Rebuild



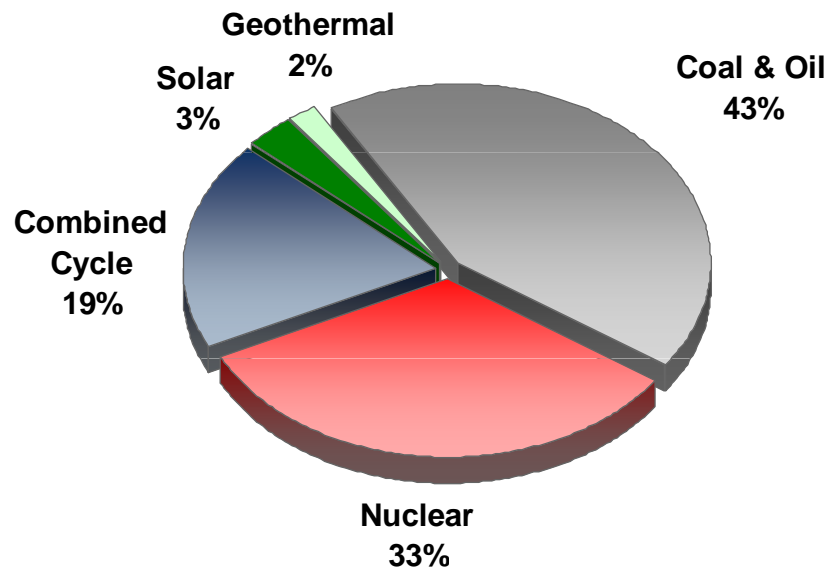
## Sales by Region



- 2009E Revenue: ~\$125m
- Based in Tulsa, Oklahoma
- A market leading supplier in North America of heat transfer technology into the power generation industry
- Primary products include condensers and feedwater heaters
- Installed base of more than 10,000 units

Acquisition Provides Platform for Growth in the Americas

## Bookings by End Market



Steam Surface Condenser



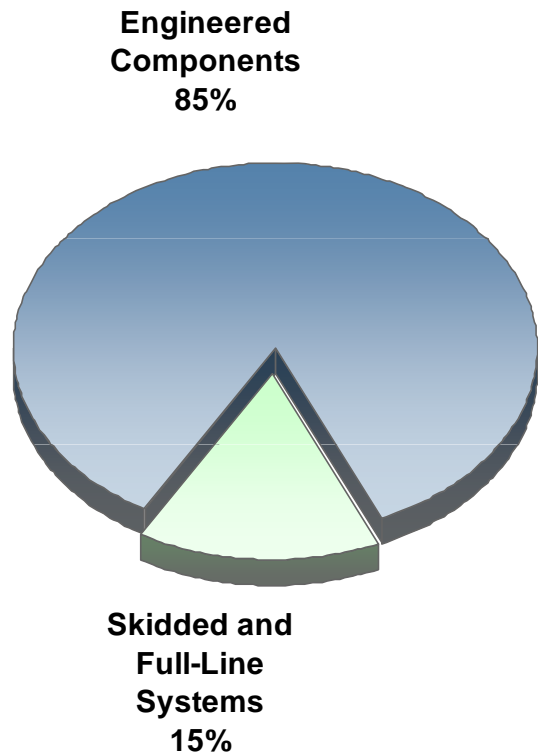
Feedwater Heater

Yuba Products are Applied Across Many Sources of Power Generation

# Process Equipment Overview



## 2008 Revenue by Product



**Pumps**



*Process Valves*



*Regulating Valves*



*Butterfly Valves*



**Homogenizers**



**Mixers**



**Compressors**



**Heat Exchangers**

Note: Data from continuing operations

**Diverse Offering of Branded, Custom-Engineered Processing Solutions**



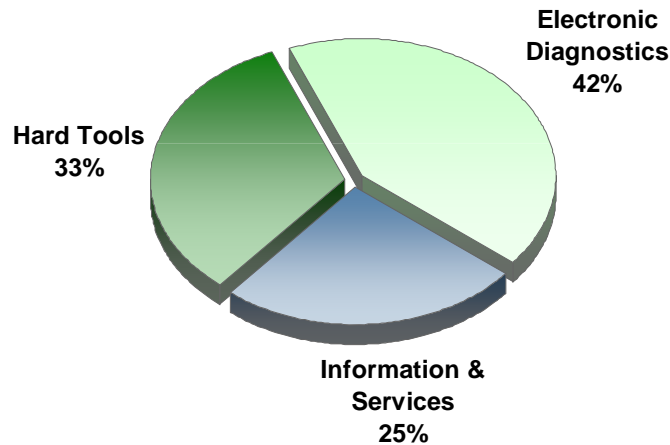
Unilever



- Production of value added or higher quality products
- Enhanced hygienic standards and regulatory controls
- Energy efficiency and waste reduction
- Economic expansion in developing regions
- New plant production

Global Customer Base Including Many Leading Food and Beverage Manufacturers;  
Regulated Market that is Generally Stable and Less Cyclical

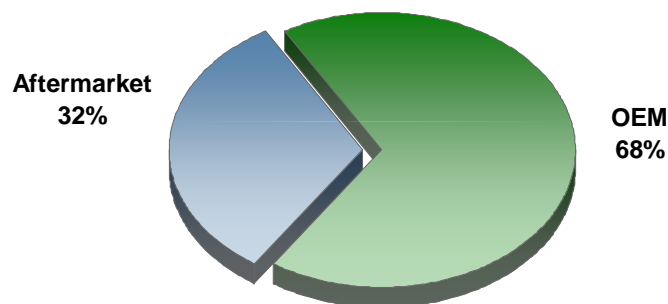
## 2008 Revenue by Product



## Key Market Drivers:

- New model introductions
- Increasing electronic complexity of vehicles
- Environmental regulations
- OEM outsourcing initiatives

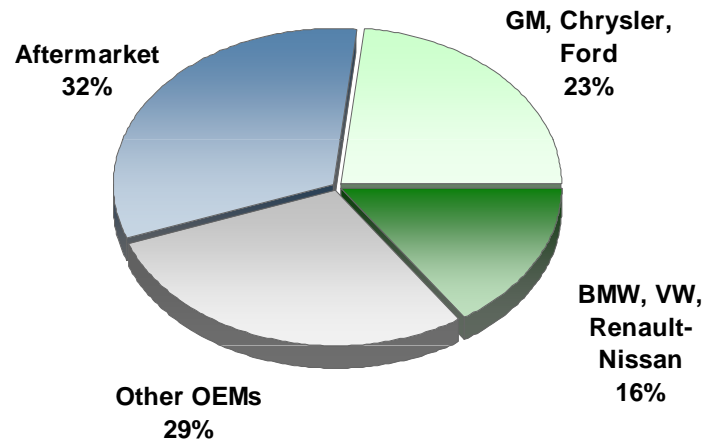
## 2008 Revenue by Market



Note: Data from Service Solutions business unit

**New Model Introductions and Increased Vehicle Complexity Drive Growth Opportunities for Diagnostic Platforms and Service Offerings**

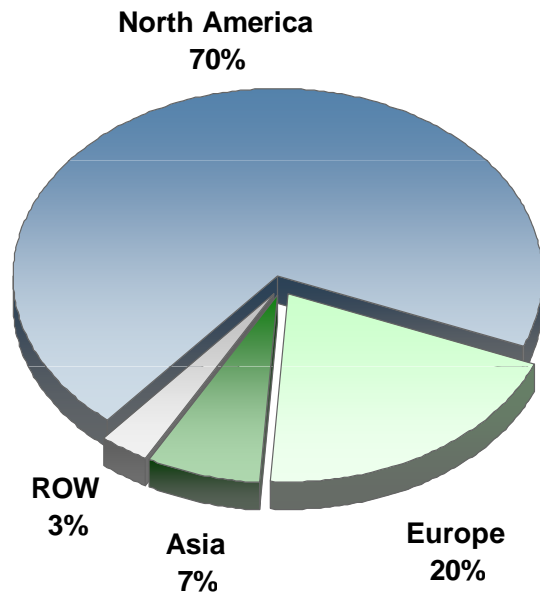
## 2008 Revenue by Customer



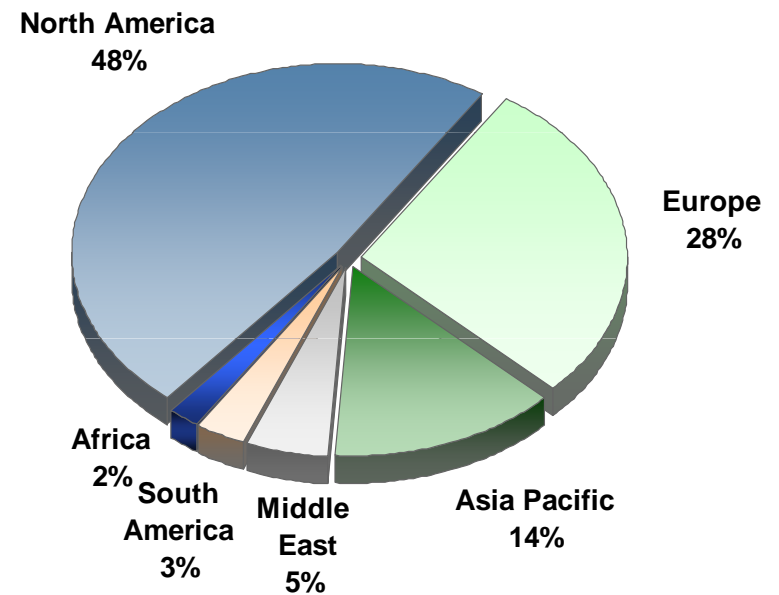
Note: Customer data for Service Solutions business unit

**Detroit 3 Expected to be Only 15% of 2009E Test & Measurement Revenue; Increasing Presence with Leading European and Asian OEM's**

## 2004 SPX Revenue by Geography



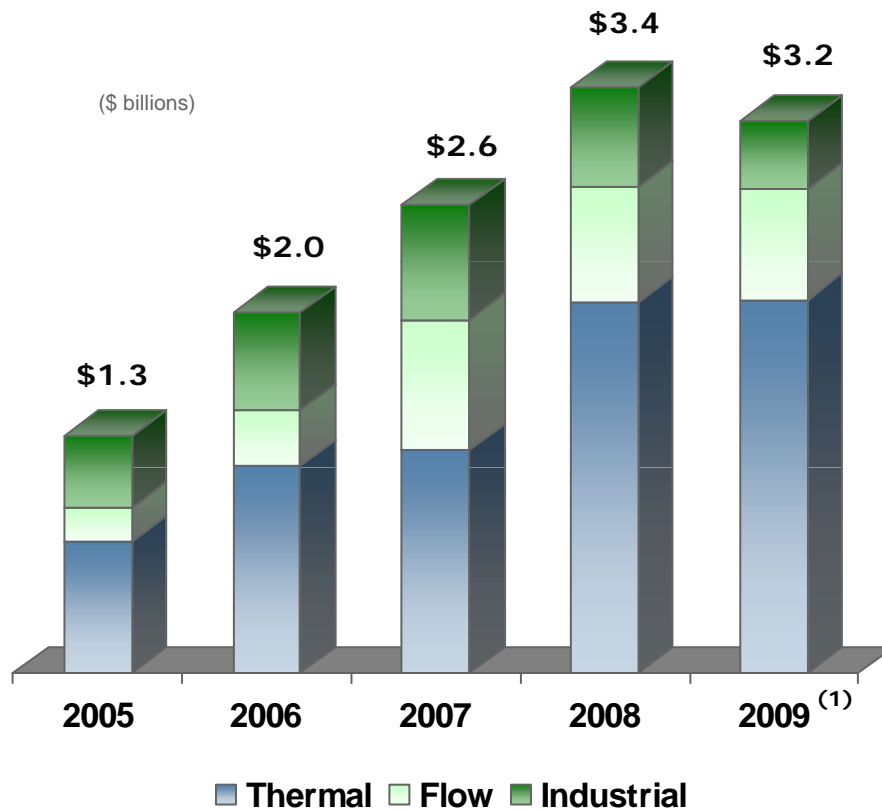
## 2008 SPX Revenue by Geography



Note: Data from continuing operations

**Continued International Expansion;  
52% of 2008 Revenue Outside North America**

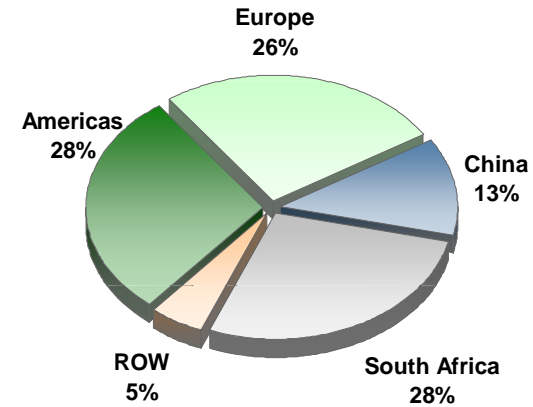
## Year-End Backlog



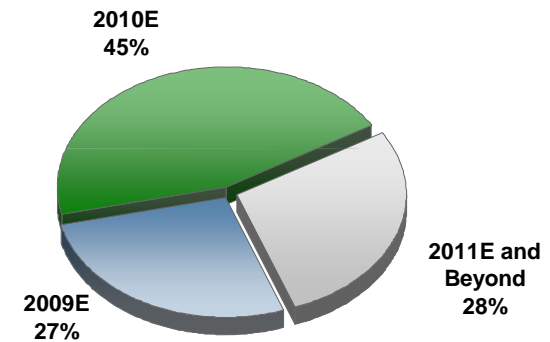
<sup>(1)</sup> Backlog as of September 26, 2009

Note: Data from continuing operations; Test and Measurement's backlog is immaterial and not reported publicly

## Backlog by Geography (1)



## Backlog Aging (1)



**\$1.5b of Backlog Expected to be Converted to Revenue in 2010**





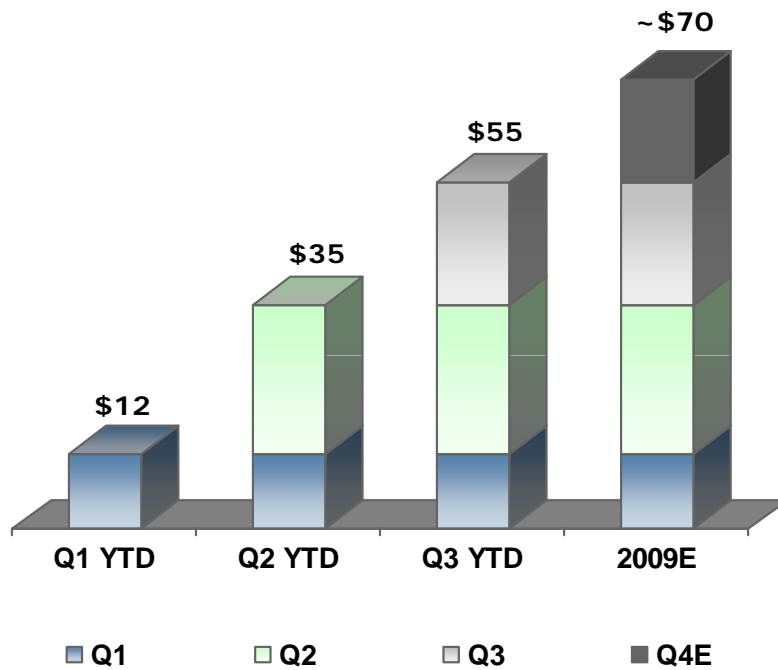
- SPX to supply critical components on two 4.8GW coal-fired mega-projects:
  - Medupi
  - Kusile
- Hitachi and Alstom are SPX's direct customers
- 4 to 5 year construction projects
- Production progressing as expected:
  - Collected cash deposits of ~\$120m
  - 2009E revenue: ~\$70m
  - 2010E revenue: ~\$200m

\*Kusile contract only

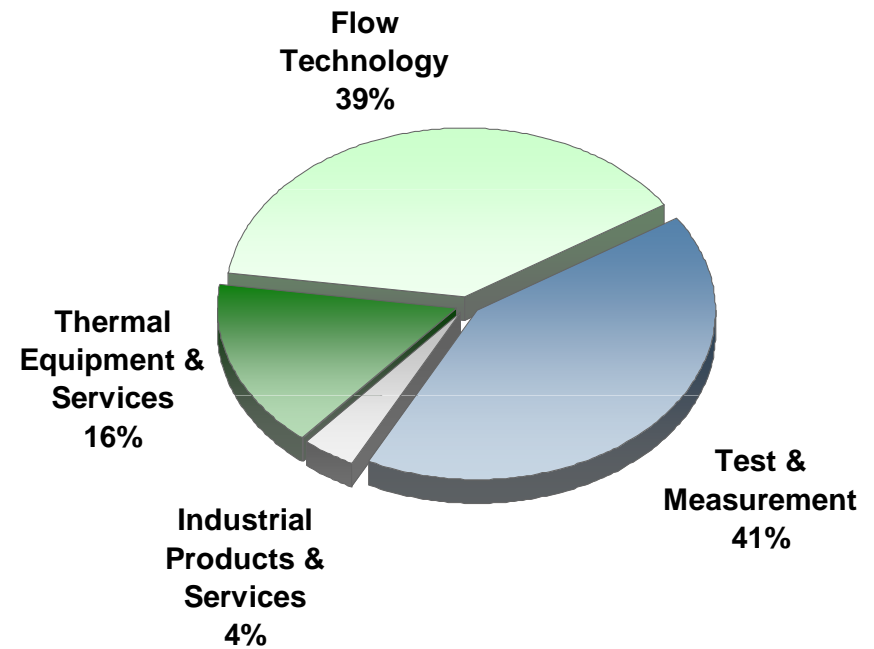
**Ending Q3 Backlog for South Africa Power Projects Valued at \$880m**

(\$ millions)

## 2009 Restructuring Expense



## 2009E Restructuring Expense by Segment



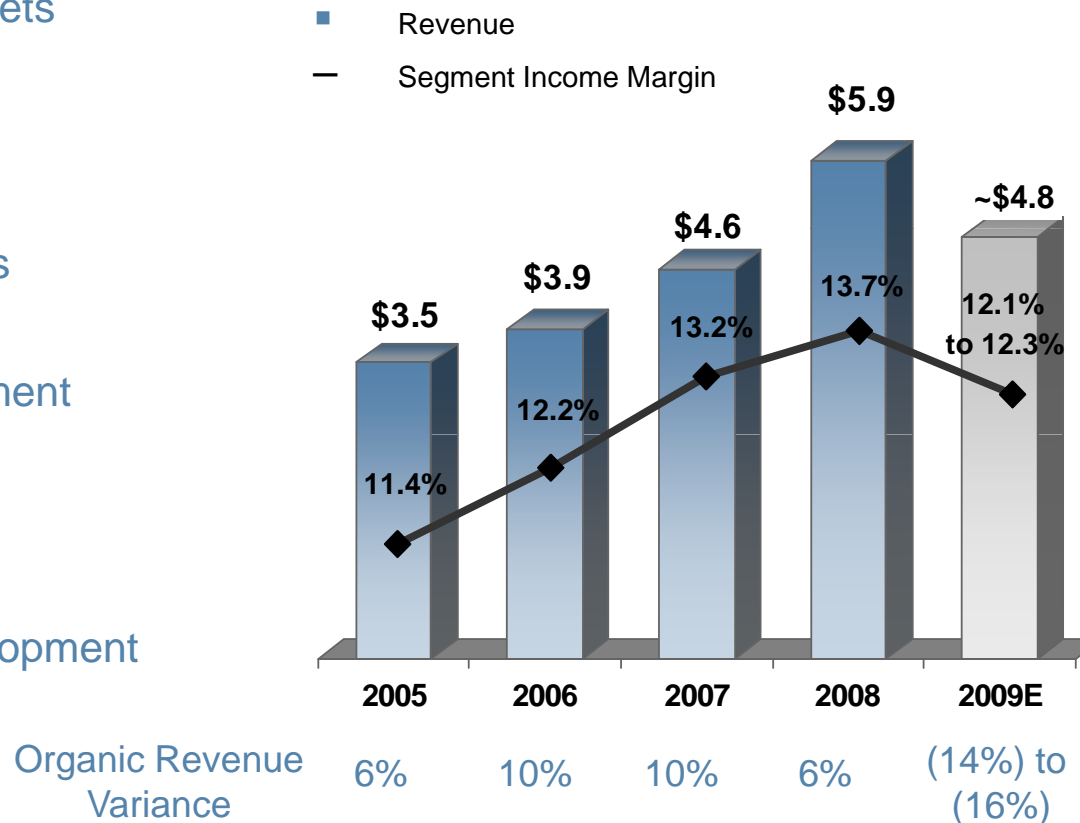
**~\$70m of Restructuring Expense Targeted in 2009**

## Operating Initiatives:

- ✓ Emerging and developing markets
- ✓ New product development
- ✓ Continuous Lean improvements
- ✓ Efficient supply-chain management
- ✓ IT infrastructure improvement
- ✓ Organizational and talent development

## Revenue & Segment Income Margins

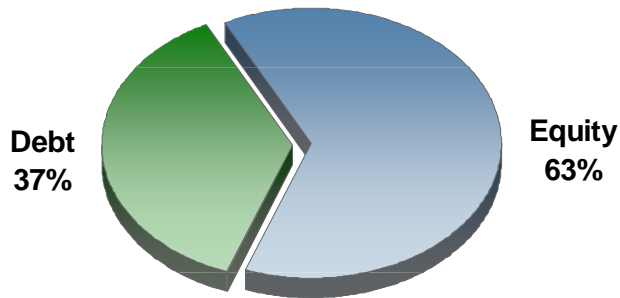
(\$ billions)



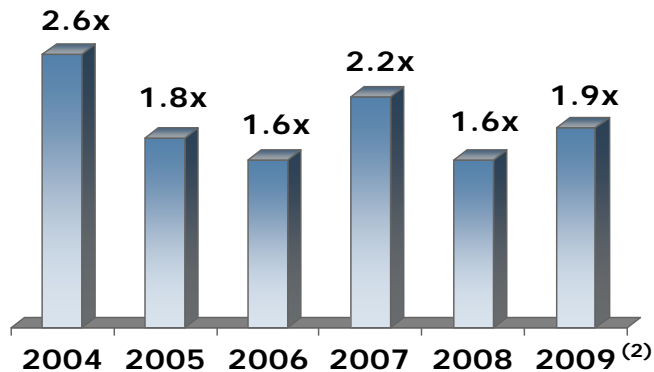
Note: Data from continuing operations; 2009E as of October 28, 2009

**Strategic Transformation and Operating Initiatives Contributed To Revenue Growth and Margin Improvement Through 2008**

## September 26, 2009 Capital Structure



## Gross Debt to EBITDA <sup>(1)</sup>



<sup>(1)</sup> Gross Debt to EBITDA as defined in the credit facility

<sup>(2)</sup> 2009 as of September 26, 2009

- Recapitalized in 2005
- Refinanced \$2b global credit facility in 2007:
  - \$600m revolver
  - \$750m term loan
  - \$950m guarantee facility
  - 2012 maturity
- Issued \$500m senior notes in 2007:
  - 2014 maturity
- Minimal debt payments required until 2012

**Solid Financial Position**

## Gross Debt to EBITDA <sup>(1)</sup>

> 2.0x

< 2.0x

## Excess Capital Usage

- Debt reduction

- Strategic acquisitions

- Share repurchases

<sup>(1)</sup> Consolidated leverage ratios; Net and Gross Debt to EBITDA as defined in the credit facility

**Target Gross Leverage Range: 1.5x to 2.0x**

# Acquisitions Since 2005



## Power Infrastructure



## Process Equipment



## Diagnostic Tools

Johnson Controls  
European Diagnostics

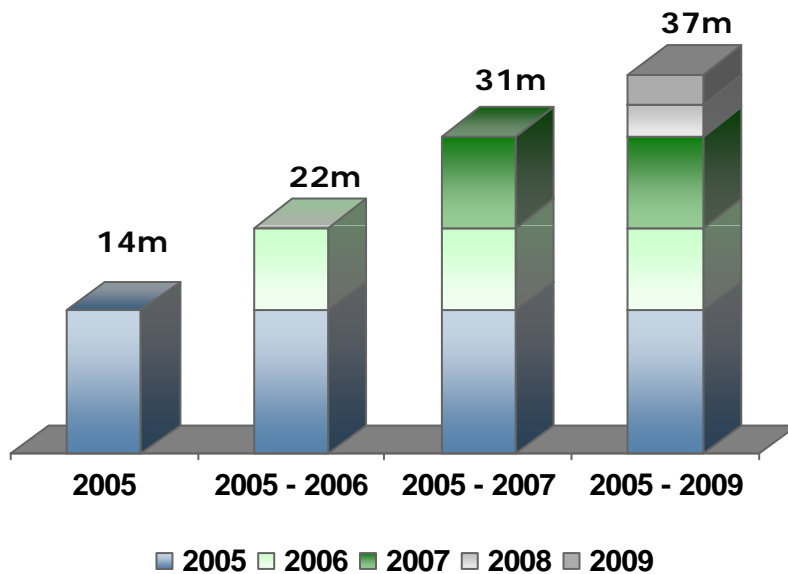


- Acquisition criteria:
  - ✓ Strategic to three core end markets
  - ✓ Accretive to earnings within the first 12 months
  - ✓ Generate returns above SPX's cost of capital within a short time frame

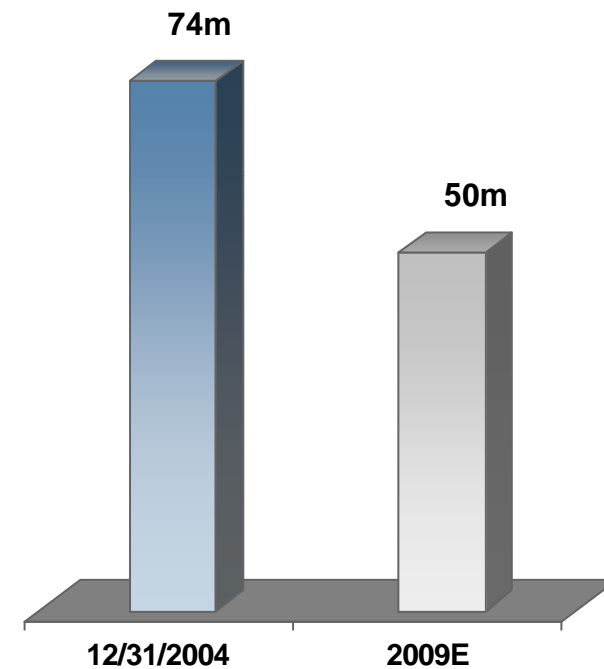
**Disciplined Acquisitions Strategic to Core End Markets**

## Cumulative Share Repurchases

Total cumulative cost: ~\$2b



## Dilutive Common Shares Outstanding



Note: 2009E as of October 28, 2009

**Repurchased ~37m Shares or 50% of the Ending 2004 Share Count**



## Executive Summary



- Operating execution
  
- Maintain financial position and liquidity:
  - ~\$1b of available liquidity projected at year end 2009
  - Minimal debt repayment requirements in 2009 and 2010
  
- Positioning SPX for recovery:
  - Short-cycle businesses showing signs of stabilization
  - Late-cycle businesses recovery likely to lag broader economy
  - Restructuring expected to improve efficiency and flexibility
  - Focused on executing long-term strategy

**Continue to Focus on Executing Long-Term Strategy;  
Positioning SPX for Recovery**



## Appendix

## Flow Technology



## Thermal Equipment & Services



## Test & Measurement



## Industrial Products & Services

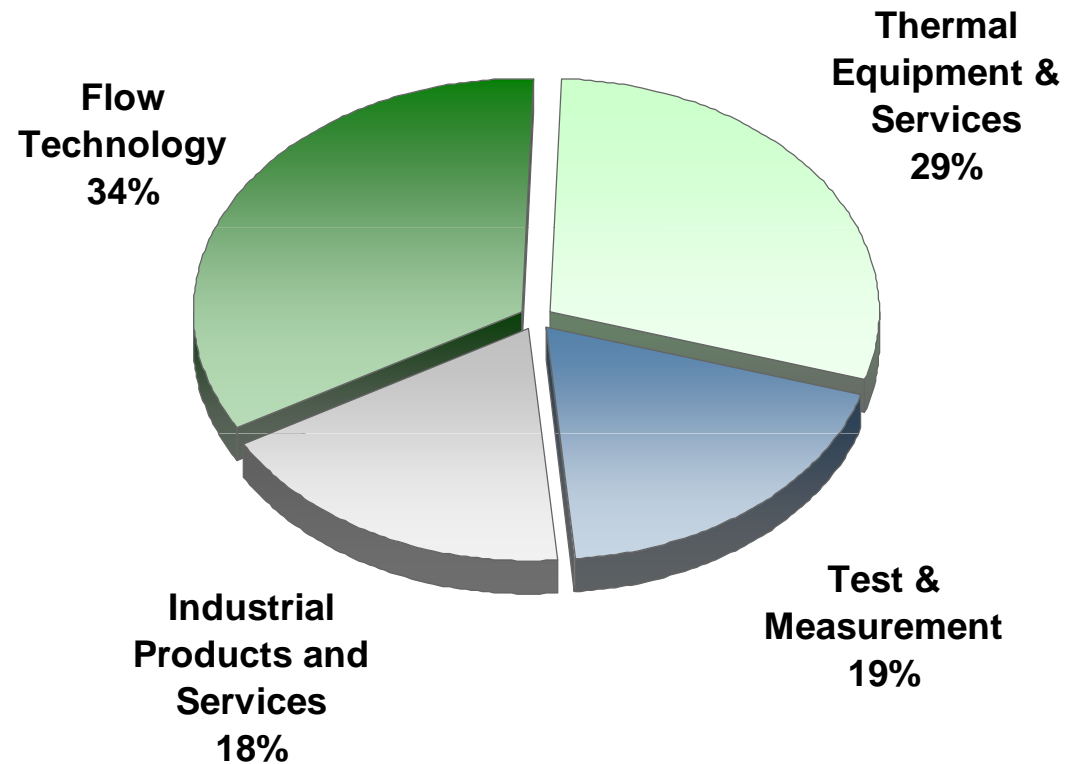


### End Markets Served

- **Food & beverage**
- Power generation
- General industrial
- Chemical
- Oil & gas
- Air dehydration
- **Power generation**
- HVAC
- General industrial
- **Vehicle tools & diagnostics**
- Telecom
- Transportation
- **Power transmission & distribution**
- Solar power generation
- General industrial
- Aerospace
- Broadcast

**Financial Results Reported in Four Segments**

## 2008 Revenue by Segment



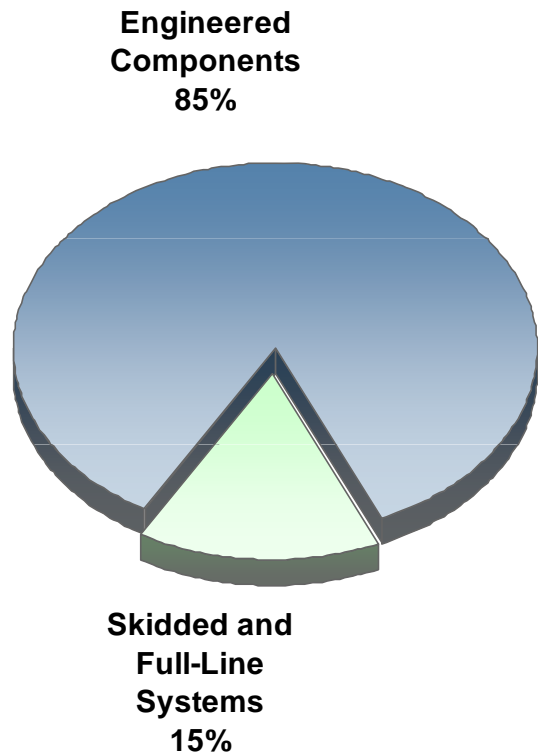
Note: Data from continuing operations

**Flow Technology Contributed 34% of Consolidated Revenue in 2008**

# Flow Technology Product Overview



## 2008 Revenue by Product



**Pumps**



**Valves**



**Homogenizers**



**Mixers**



**Compressors**

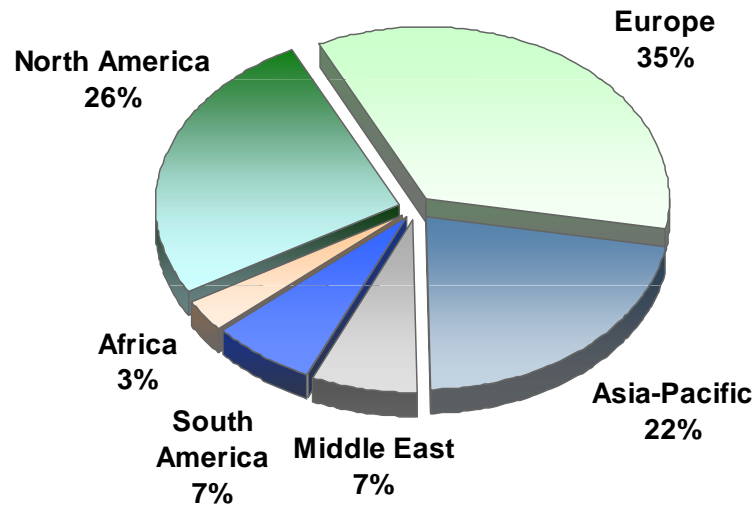


**Heat Exchangers**

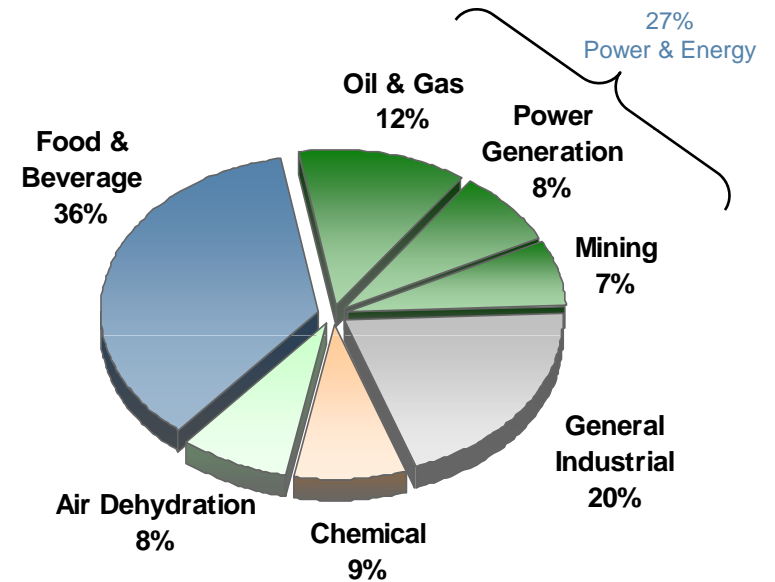
Note: Data from continuing operations

**Diverse Offering of Branded, Custom-Engineered Processing Solutions**

## 2008 Revenue by Geography



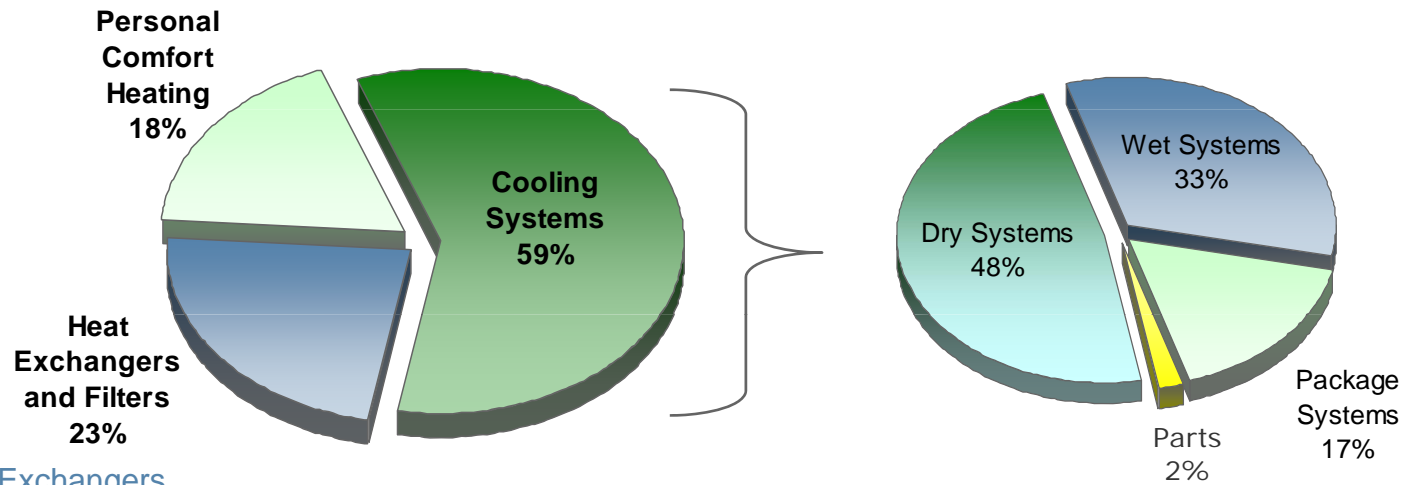
## 2008 Revenue by End Market



Note: Data from continuing operations

**Significant Global Presence;  
Food & Beverage is Primary End Market**

## 2008 Revenue by Product



Stationary Heat Exchangers



Rotating Heat Exchangers



Wet Cooling System



Dry Cooling System



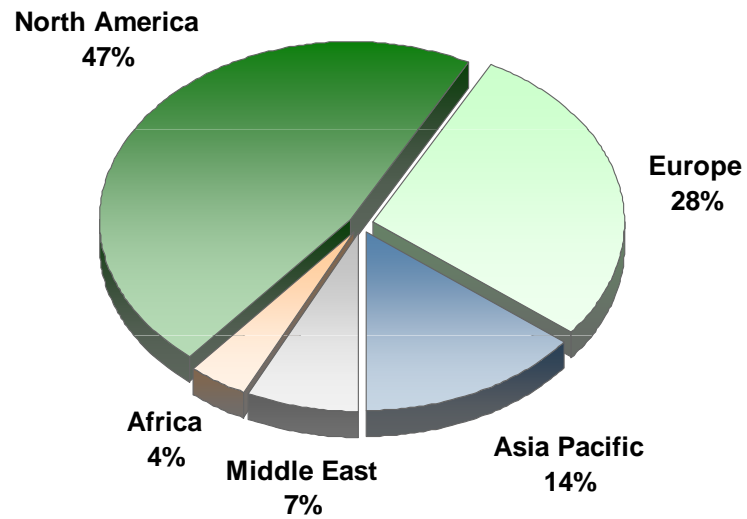
Note: Data from continuing operations

**A Leading Global Provider of Cooling Systems  
And Heat Exchange Technologies**

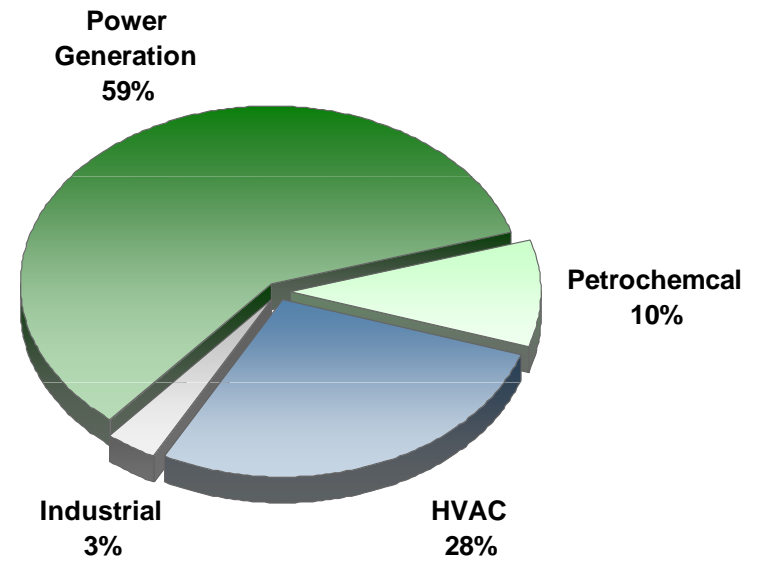
# Thermal Revenue Breakdown



### 2008 Revenue by Geography



### 2008 Revenue by End Market



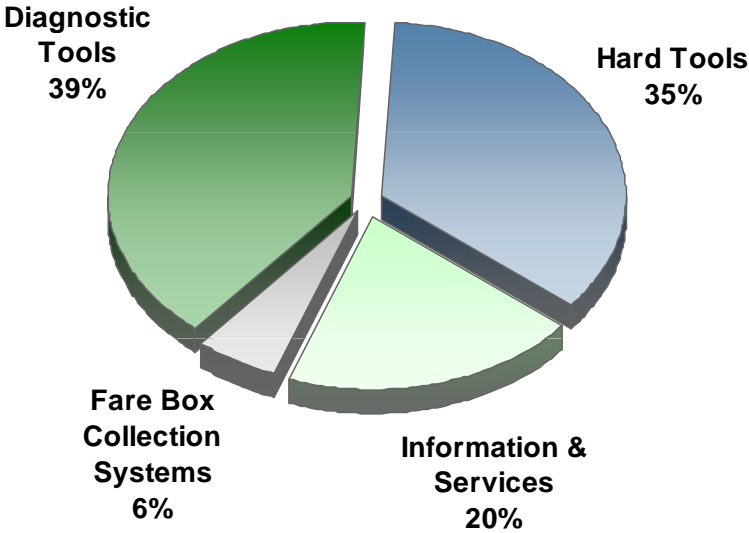
Note: Data from continuing operations

**Significant Global Presence;  
Power Generation is Largest End Market**



# Test & Measurement Product Overview

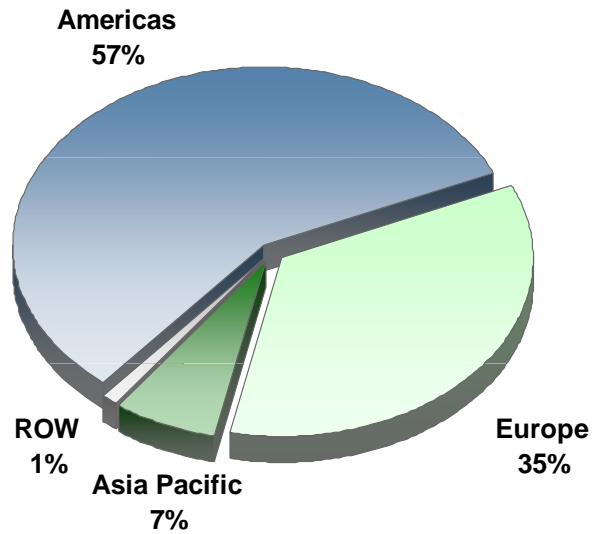
## 2008 Revenue by Product



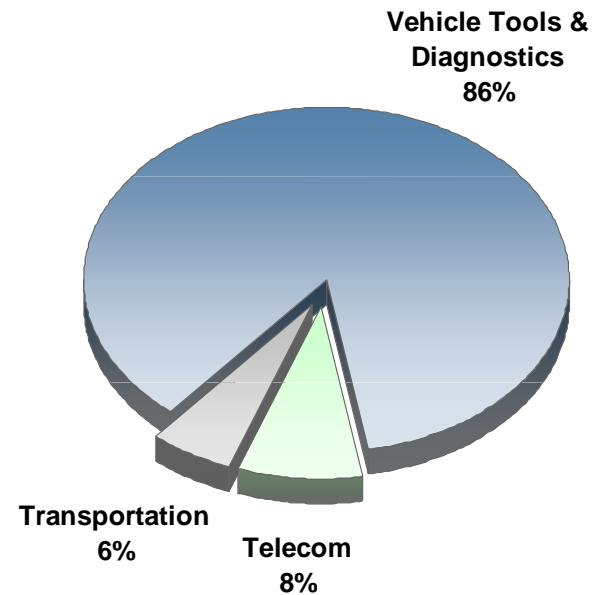
Note: Data from continuing operations

Providing Process Solutions to Global, Diverse Markets

### 2008 Revenue by Geography



### 2008 Revenue by End Market

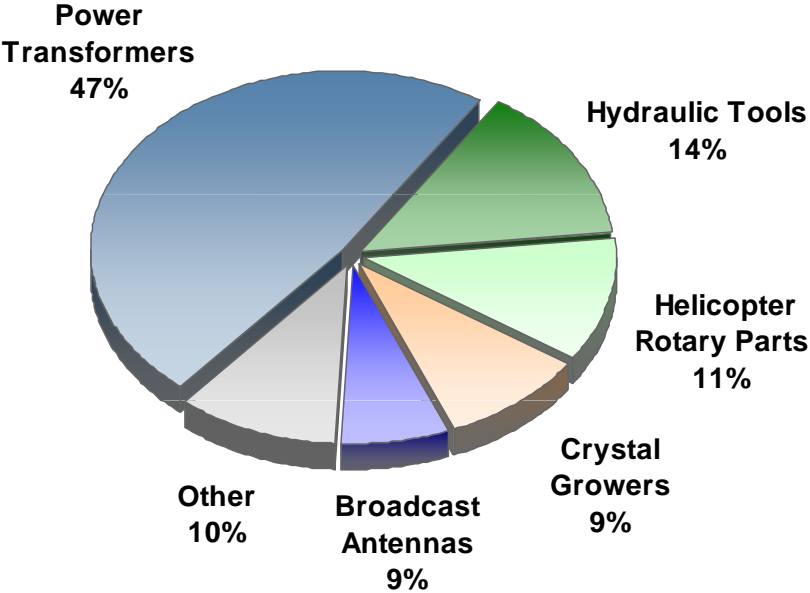


Note: Data from continuing operations

**Leading Global Provider of Essential Tools and Diagnostic Systems for New Vehicle Platforms**

# Industrial Products Overview

## 2008 Revenue by Product



Note: Data from continuing operations

Power Transformers



Hydraulic Tools



Aerospace Components

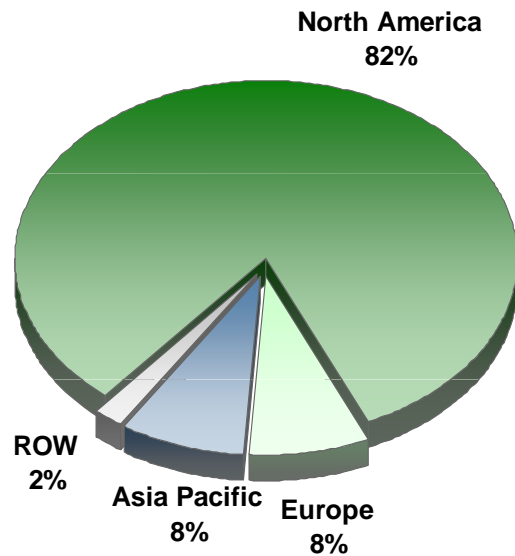


Broadcast Antennas

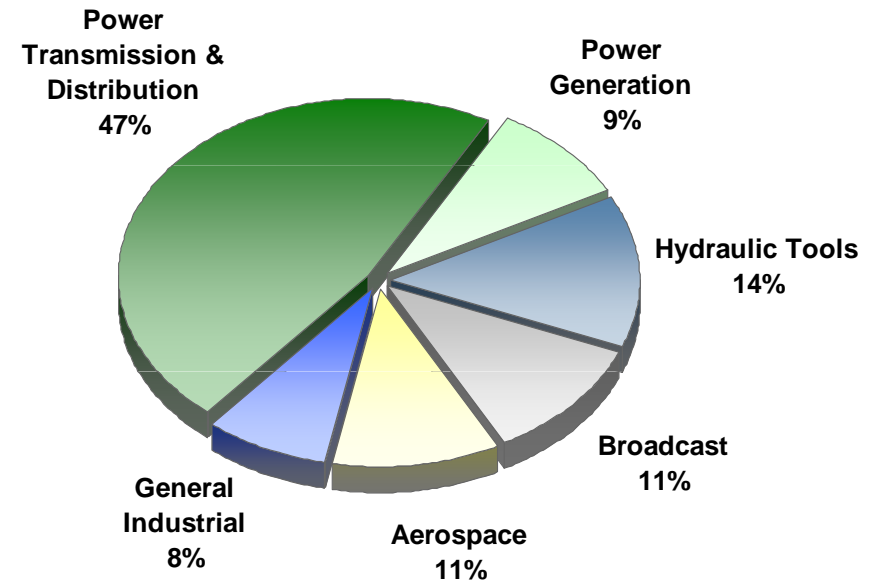


**Power Transformer Sales Represent 47% of Total Revenue**

### 2008 Revenue by Geography



### 2008 Revenue by End Market



Note: Data from continuing operations

**82% North American Revenue Base;  
Power and Energy Infrastructure is Most Significant End Market**

# Organic Revenue Growth Reconciliation



	<u>Net Revenue Growth/(Decline)</u>	<u>Acquisitions and Other</u>	<u>Foreign Currency</u>	<u>Organic Growth/(Decline)</u>
2005	6.2%	0.5%	0.0%	5.7%
2006	11.8%	1.4%	0.7%	9.7%
2007	15.7%	3.2%	2.7%	9.8%
2008	28.0%	20.3%	1.5%	6.2%

Note: Data from continuing operations

# Bank EBITDA Reconciliations



(\$ millions)	<u>2008</u>	<u>2009E</u>
<b>Revenues</b>	<b>\$5,856</b>	<b>\$4,825</b>
<b>Net Income</b>	<b>\$248</b>	<b>\$194</b>
Income tax provision (benefit)	153	97
Interest expense	116	84
<b>Income before interest and taxes</b>	<b>\$517</b>	<b>\$375</b>
Depreciation and intangible amortization expense	105	109
<b>EBITDA from continuing operations</b>	<b>\$621</b>	<b>\$484</b>
<b>Adjustments:</b>		
Amortization or write-off of intangibles and organizational costs	127	0
Non-cash compensation expense	42	28
Extraordinary non-cash charges	(22)	14
Extraordinary non-recurring cash charges	13	70
Excess of JV distributions over JV income	11	2
Loss (Gain) on disposition of assets	12	0
Pro Forma effect of acquisitions and divestitures	(1)	3
Other	0	(1)
<b>Bank LTM EBITDA from continuing operations</b>	<b>\$803</b>	<b>\$600</b>

Note: EBITDA as defined in the credit facility

# Debt Reconciliations



(\$ millions)	<u>12/31/2008</u>	<u>9/26/2009</u>
Short-term debt	\$ 113	\$ 45
Current maturities of long-term debt	76	76
Long-term debt	<u>1,155</u>	<u>1,125</u>
<b>Gross Debt</b>	<b>\$ 1,345</b>	<b>\$ 1,246</b>
Less: Purchase card program and extended A/P programs	<u>\$ (48)</u>	<u>\$ (24)</u>
<b>Adjusted Gross Debt</b>	<b>\$ 1,297</b>	<b>\$ 1,222</b>
Less: Cash in excess of \$50	<u>\$ (426)</u>	<u>\$ (388)</u>
<b>Adjusted Net Debt</b>	<b><u><u>\$ 871</u></u></b>	<b><u><u>\$ 834</u></u></b>

Note: Debt as defined in the credit facility

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