

SPX Technologies

Q3 2022

Earnings Presentation

November 3, 2022





- Certain statements contained in this presentation that are not historical facts, including any statements as to future market conditions, results of operations, products introductions, and financial projections, are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, and are subject to safe harbor created thereby. These forward-looking statements are subject to risks, uncertainties, and other factors which could cause actual results to differ materially from future express or implied results. 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. Forward-looking statements are based on the company's existing operations and complement of businesses, which are subject to change.
- Particular risks facing SPX include risks relating to economic, business and other risks stemming from changes in the economy, including changes resulting from the impact of the COVID-19 pandemic and governmental and other actions taken in response, including labor constraints and supply-chain disruptions; the uncertainty of claims resolution with respect to the large power projects in South Africa, as well as claims with respect to environmental and other contingent liabilities; cyclical changes and specific industry events in the company's markets; economic impacts from continued or escalating geopolitical tensions; changes in anticipated capital investment and maintenance expenditures by customers; availability, limitations or cost increases of raw materials and/or commodities that cannot be recovered in product pricing; the impact of competition on profit margins and the company's ability to maintain or increase market share; inadequate performance by third-party suppliers and subcontractors for outsourced products, components and services; cyber-security risks; risks with respect to the protection of intellectual property, including with respect to the company's digitalization initiatives; the impact of overruns, inflation and the incurrence of delays with respect to long-term fixed-price contracts; defects or errors in current or planned products; domestic economic, political, legal, accounting and business developments adversely affecting the company's business, including regulatory changes; changes in worldwide economic conditions; uncertainties with respect to the company's ability to identify acceptable acquisition targets; uncertainties surrounding timing and successful completion of any announced acquisition or disposition transactions, including with respect to integrating acquisitions and achieving cost savings or other benefits from acquisitions; the impact of retained liabilities of disposed businesses; potential labor disputes; and extreme weather conditions and natural and other disasters. More information regarding such risks can be found in SPX's most recent Annual Report on Form 10-K and other SEC filings.
- 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 law.
- 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

Executive Summary - Q3 2022

- ❑ Strong 3Q results
 - ✓ Solid performances in HVAC and D&M

- ❑ Reducing complexity / legacy exposure
 - ✓ Completed Corporate Reorganization
 - ✓ Divested all asbestos liabilities and assets

- ❑ Demand outlook remains healthy
 - ✓ Organically, orders up 21% and backlog up 39%

- ❑ Raising full-year 2022 Adjusted EPS guidance

Well-Positioned to Continue Value Creation Journey

Q3 2022 Results Summary



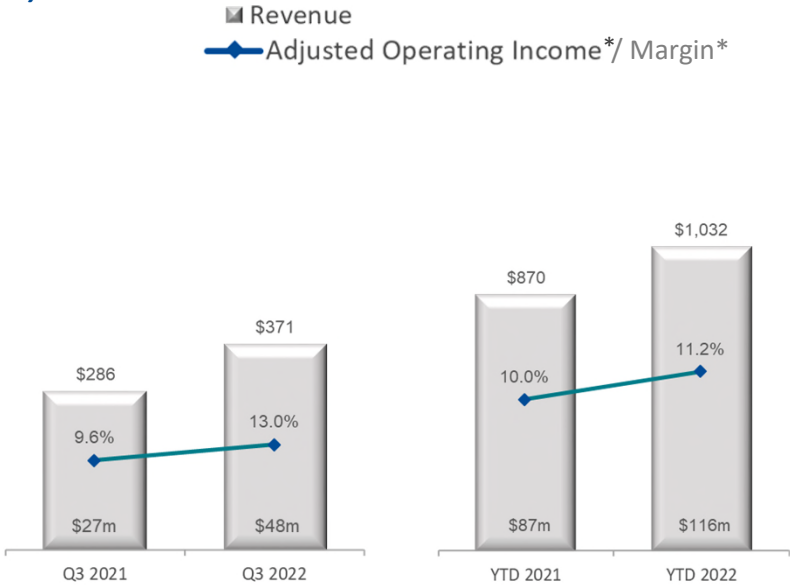
- ❑ Strong organic revenue growth (~19%)
 - ✓ HVAC and Detection & Measurement

- ❑ Solid contribution from acquisitions
 - ✓ Cincinnati Fan, ECS and ITL

- ❑ Robust profit and margin growth
 - ✓ 76% growth in Adj. Operating Income*
 - ✓ 340 bps margin* expansion

Q3 2022

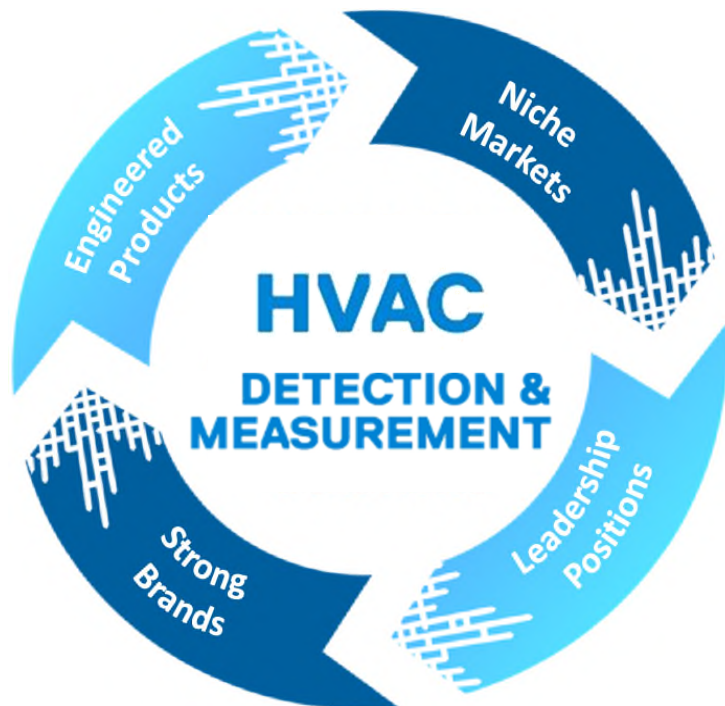
(\$ millions)



On Track for Strong Full-Year Results

*Adjusted results are non-GAAP financial measures. Reconciliations from US GAAP financial measures are available in the Appendix of the presentation.

Value Creation Framework



Organic Growth

- New products
- Channel expansion
- Adjacent markets

Inorganic Growth

- Strategic platform focus
- Significant capital to deploy
- Large target pipeline

SPX Business System

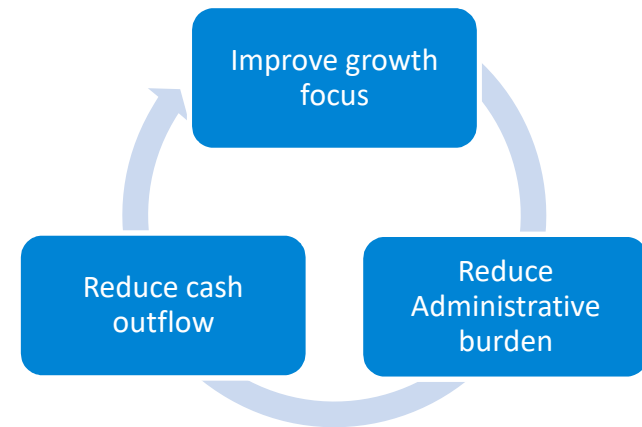
- Digital initiatives
- Continuous Improvement
- Due diligence/integration

Culture & Values

- Integrity
- Results/accountability
- Diversity & Inclusion
- Employee development

Divestiture of Asbestos Assets & Liabilities

- ❑ Strengthens and simplifies enterprise
- ❑ \$139m contribution
- ❑ Annual EPS accretion of \$0.08-\$0.10
 - 100% cash conversion
- ❑ Eliminates cash settlements
- ❑ Frees up resources for growth focus



Reducing Legacy Exposure / Improving Operational Efficiency

* Management estimate based on avoided cash settlements, legal fees and redeployment of administrative overhead.



Q3 Financial Review

Mike Reilly

Adjusted Earnings Per Share



	<u>Q3 2021</u>	<u>Q3 2022</u>
GAAP EPS from continuing operations	\$0.30	\$0.27
Amortization	\$0.09	\$0.11
Acquisition/Transaction-related	\$0.08	(\$0.01)
Non-service pension ¹	\$0.00	\$0.05
Asbestos related ²	\$0.00	\$0.27
Other ³	<u>(\$0.03)</u>	<u>\$0.12</u>
Adj EPS from continuing operations⁴	\$0.44	\$0.81

Q3 2022 Adjusted EPS* of \$0.81

¹ Reflects the impact of non-cash mark-to-market pension adjustments.

² Reflects charge associated with legacy asbestos liability matters.

³ Primarily reflects non-cash change in fair value of equity security and removal of long-term incentive compensation forfeitures.

⁴ Adjusted results are non-GAAP financial measures. Reconciliations from US GAAP financial measures are available in the Appendix of the presentation.

Adjusted Q3 2022 Results



Q3 Adjusted Results:

- 29.7% year-over-year increase:
 - ✓ **19.2% organic** increase with contributions from all platforms
 - ✓ **12.4% acquisition** impact (Cincinnati Fan, ECS and ITL)
 - ✓ **-1.9% currency** impact from stronger USD

Q3 Adjusted Segment Income* and Margin*:

- \$21.7m increase in Adjusted Segment Income* driven by both HVAC and D&M
- 250 bps increase in margin* driven largely by D&M project revenue, and higher production volume in HVAC



Strong Organic and Acquisition-Driven Growth

*Adjusted results are non-GAAP financial measures. Reconciliations from US GAAP financial measures are available in the Appendix of the presentation.

Summary Q3 2022 Adjusted Segment Results



	Q3 2022	
Segment	Y/Y % Change in Revenue	Y/Y Change in Adjusted Segment Income Margin*
HVAC	27.0%	130 bps
Detection & Measurement	34.1%	420 bps
Total SPX	29.7%	+250 bps
Organic	19.2%	
Acquisitions	12.4%	
Currency	-1.9%	

*Adjusted results are non-GAAP financial measures. Reconciliations from US GAAP financial measures are available in the Appendix of the presentation.

HVAC Q3 2022 Results



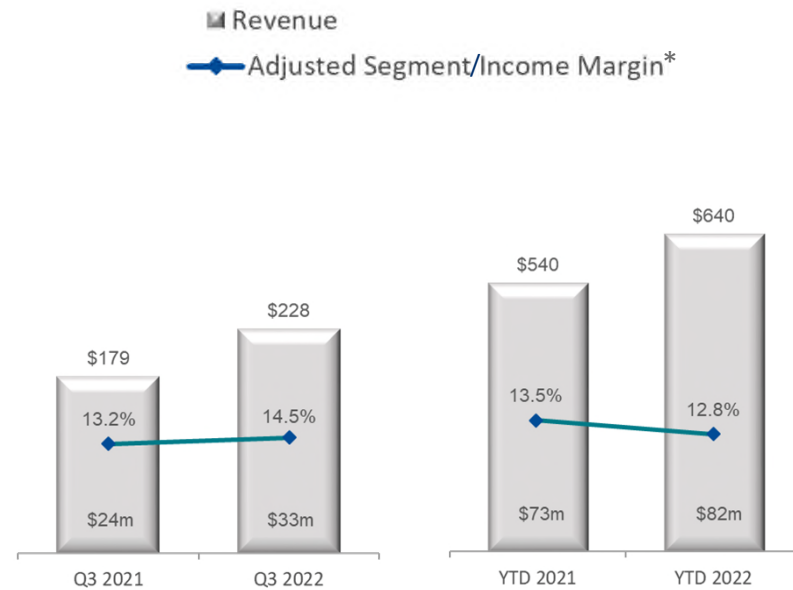
Q3 Revenue:

- 27.0% year-over-year Increase:
 - ✓ **16.3% organic** increase driven by growth in both Heating and Cooling
 - ✓ **11.3% acquisition** impact (*Cincinnati Fan*)
 - ✓ **-0.6% currency** impact (*Strong USD*)

Q3 Adjusted Segment Income* and Margin*:

- \$9.5m increase in Adjusted Segment Income*
- 130 bps increase in margin* due to higher Heating volumes

Q3 2022



Strong Organic Growth Driven by Both Heating and Cooling

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

Detection & Measurement Q3 2022 Results



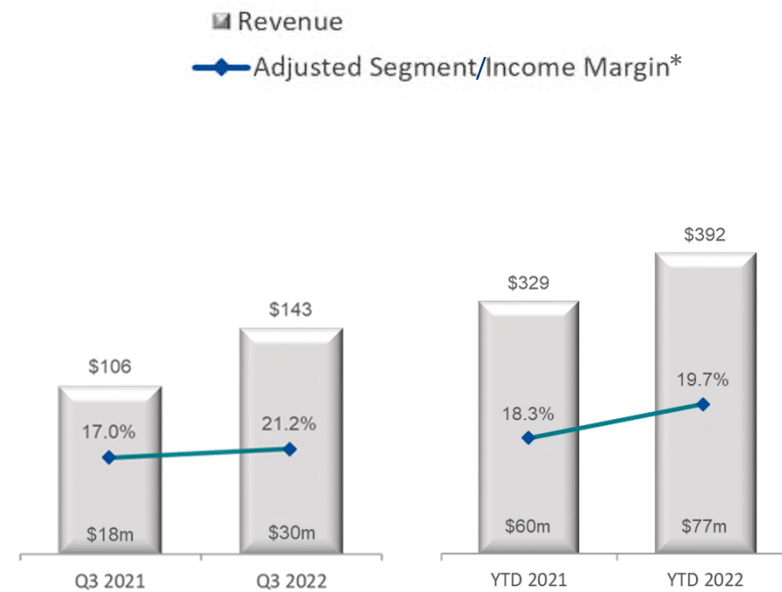
Q3 Revenue:

- 34.1% year-over-year increase:
 - ✓ **24.0% organic** increase with growth across all platforms
 - ✓ **14.4% acquisition** impact (*ECS and ITL*)
 - ✓ **-4.3% currency** impact from stronger USD

Q3 Adjusted Segment Income* and Margin*:

- \$12.2m increase in Adjusted Segment Income*
- 420 bps increase in margin due primarily to higher project sales, including ECS

Q3 2022



Strong Results Including Robust Project Sales

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



Financial Position and Liquidity Review

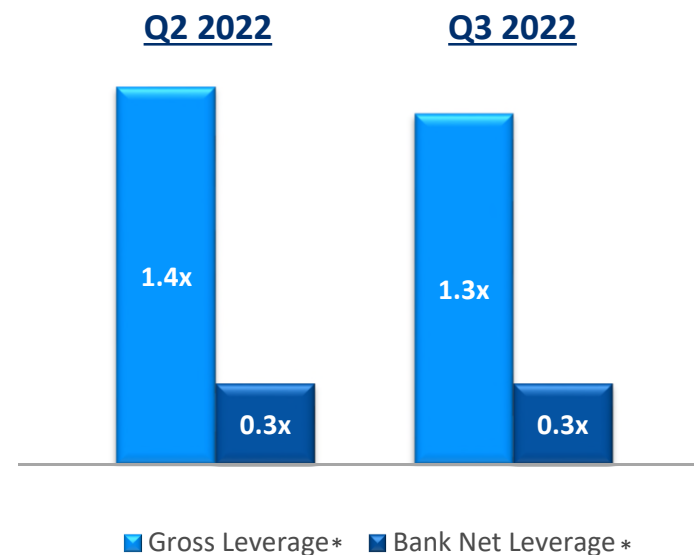
Mike Reilly

Financial Position - Capital Structure & Liquidity Update



(\$ millions)

(\$millions)	Q2 2022	Q3 2022
Short-term debt	\$2	\$2
Current maturities of long-term debt	13	0
Long-term debt	225	245
Total Debt	\$240	\$247
Less: Cash on hand **	(193)	(187)
Net Debt	\$47	\$60



Well-Positioned to Continue Growth Initiatives

* Calculated as provided in SPX's credit facility agreement. Pro-forma for asbestos divestiture which occurred on 11/1/2022, bank net leverage for 3Q'22 0.9x Divestiture

** Includes cash related to discontinued operations of ~\$5m in Q2'22 and ~\$4m in Q3'22.

2022 Guidance (Updates in Bold)



	Revenue	Segment Income Margin
HVAC	<ul style="list-style-type: none"> ▪ \$900-\$920m (+\$13m) (<i>\$885-\$910m prior</i>) 	<ul style="list-style-type: none"> ▪ ~14.0% (<i>14.0% prior</i>)
Detection & Measurement	<ul style="list-style-type: none"> ▪ \$525-\$545m (+\$5m) (<i>\$520-\$540m prior</i>) 	<ul style="list-style-type: none"> ▪ 20.0%-21.0% (<i>19.0-21.0% prior</i>)
Total SPX Adjusted	<ul style="list-style-type: none"> ▪ \$1.43-\$1.47 (+\$18m) (<i>\$1.41-\$1.45B prior</i>) 	<ul style="list-style-type: none"> ▪ ~16.5% (<i>16.0% prior</i>)

Adj. Operating Income* of **\$170-180m**, **~12.0% margin*** (*prior 11.5%-12%*);
Adj. EPS* of **\$2.85-2.95** (+\$0.13)

*Adjusted results are non-GAAP financial measures. Reconciliations of guidance measures to US GAAP financial measures are not predictable and accordingly are not included in the Appendix of the presentation.



End Market Overview and Closing Remarks

Gene Lowe

Market Commentary



Market	Comments
	<ul style="list-style-type: none">❑ Cooling:<ul style="list-style-type: none">- Continued solid demand in Americas / Asia- Labor constraints moderating❑ Heating:<ul style="list-style-type: none">- Demand remains healthy / No material order cancellations- Production constraint challenges easing
	<ul style="list-style-type: none">❑ Run-rate:<ul style="list-style-type: none">- Broad strength in Location & Inspection- Regional variances (European demand for locators flattening)❑ Project-oriented:<ul style="list-style-type: none">- Strong bookings activity- CommTech/Transportation orders delivering in Q4'22/2023

Continued Broad-Based Demand Strength

Executive Summary



- ❑ Strong Q3 results
- ❑ Eliminated legacy asbestos exposure
- ❑ Increasing full-year 2022 guidance
- ❑ Remain well-positioned for growth

Progressing Towards “SPX 2025” Targets

Questions

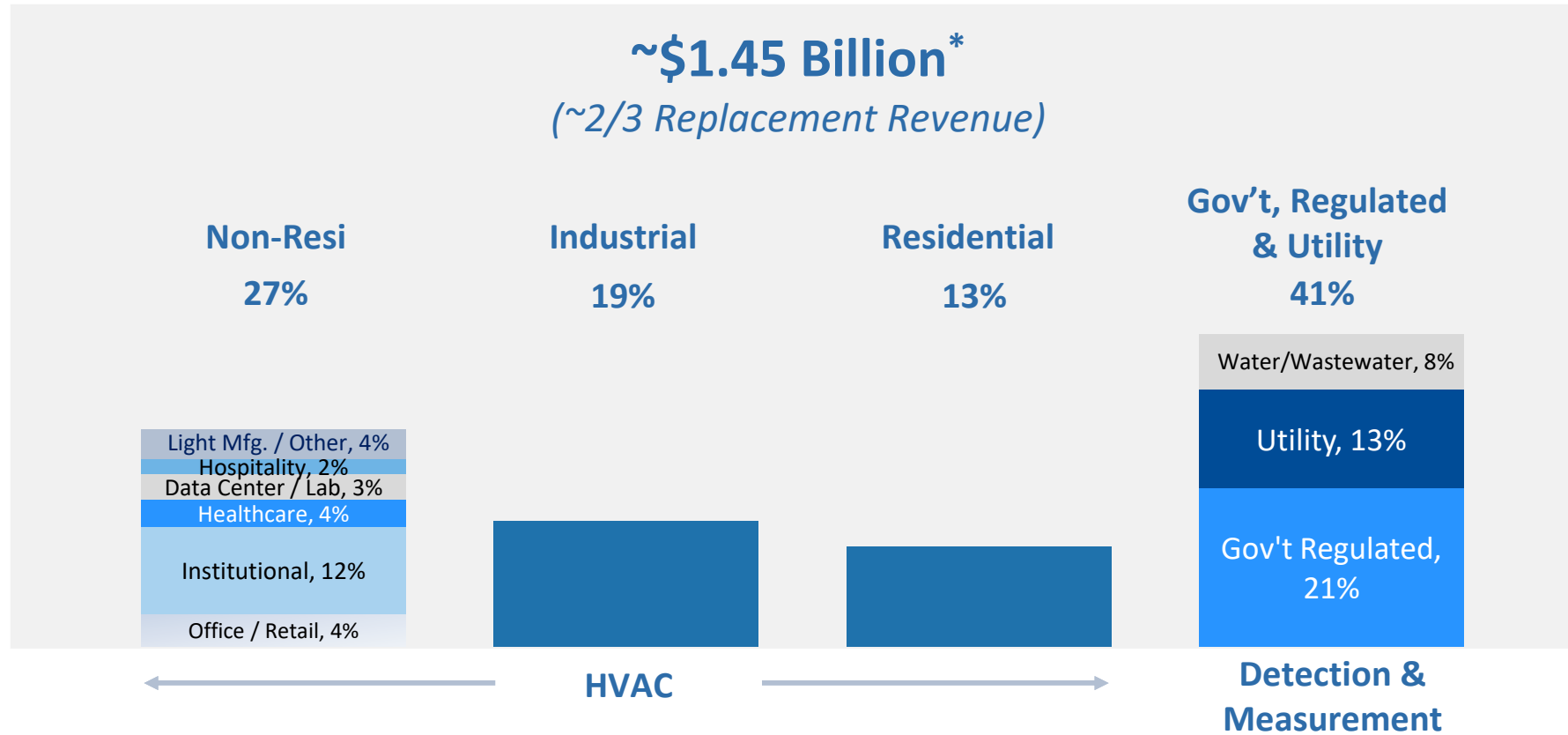
Appendix

Modeling Considerations - Full Year 2022



Metric	Considerations
Corporate expense	\$49-51m
Long-term incentive comp	\$11.5-12.5m
Restructuring costs	\$1m
Interest cost	~\$8m
Other income/(expense), and Non-service pension benefit/(expense)	\$5-6m
Tax rate	21-22%
Capex	\$13-15m
Cash cost of pension + OPEB	\$12-13m
D&A	\$48m
Share count	~46.5m
Currency effect	Topline sensitivity to USD-GBP rate

End Market Exposure



* 2022E revenue. Breakdowns based on Management estimates

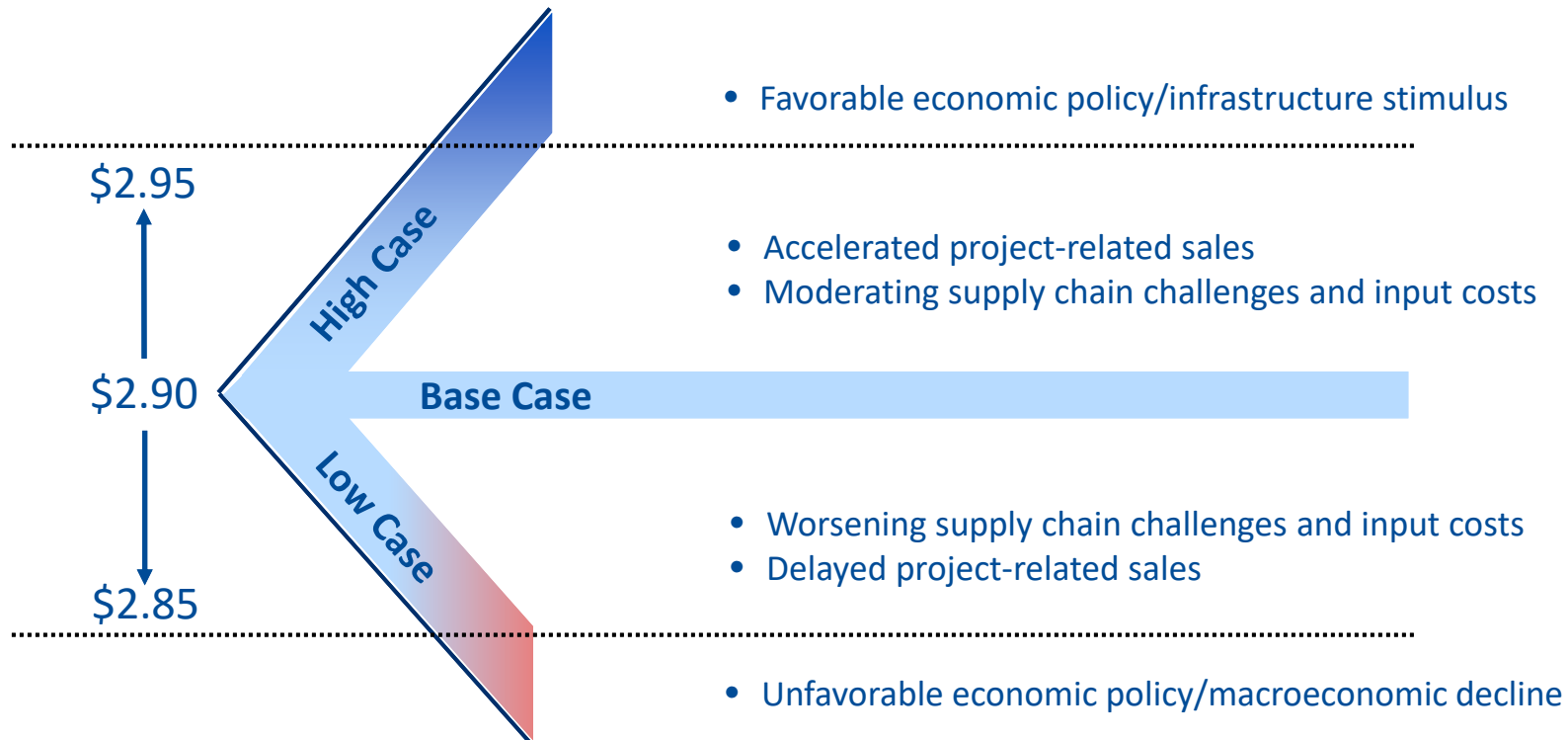
Acquisition History



Business	Date	Segment	Platform	Revenue*
Schonstedt	03/01/2018	D&M	Location & Inspection	~\$10m
Cues	06/07/2018	D&M	Location & Inspection	~\$100m
Sabik	02/01/2019	D&M	AtoN	~\$25m-\$30m
SGS Refrigeration	07/08/2019	HVAC	Cooling HVAC	~\$15m
Patterson-Kelley	11/13/2019	HVAC	Heating HVAC	~\$40m
ULC	09/02/2020	D&M	Location & Inspection	~\$40m
Sensors & Software	11/12/2020	D&M	Location & Inspection	~\$10m
Sealite	04/19/2021	D&M	AtoN	~\$30m-\$40m
ECS	08/03/2021	D&M	CommTech	~\$14m
Cincinnati Fan	12/16/2021	HVAC	Cooling HVAC	~\$60m-\$70m
ITL	04/11/2022	D&M	AtoN	~\$18m

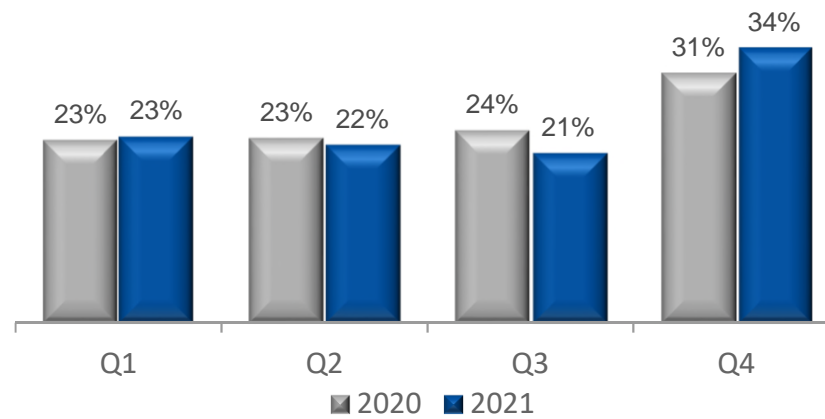
*Revenues are approximate at date of acquisition

2022 Adjusted EPS Guidance - Key Drivers



Note: Adjusted results are non-GAAP financial measures. Reconciliations of guidance measures to US GAAP financial measures are not practicable and accordingly are not included in this Appendix.

Adjusted Segment Income Phasing and Reconciliations



GAAP Reconciliation Results by Quarter



(\$ millions)

	2021					2022			
	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	YTD
Segment income	\$ 42.3	\$ 37.3	\$ 32.9	\$ 61.4	\$ 173.9	\$ 30.2	\$ 48.1	\$ 56.6	\$ 134.9
Corporate expense	(14.4)	(13.6)	(11.9)	(20.6)	(60.5)	(16.6)	(16.4)	(17.2)	(50.2)
Long-term incentive compensation expense	(2.7)	(3.3)	(3.4)	(3.4)	(12.8)	(3.1)	(2.5)	(2.1)	(7.7)
Impairment of goodwill and intangible assets	—	—	(24.3)	(5.7)	(30.0)	—	—	—	—
Special charges, net	(0.2)	(0.6)	0.1	(0.3)	(1.0)	—	(0.1)	—	(0.1)
Other operating income (expense), net	—	(2.7)	24.3	(17.5)	4.1	0.9	(1.9)	—	(1.0)
Operating income	25.0	17.1	17.7	13.9	73.7	11.4	27.2	37.3	75.9
Other income (expense), net	7.4	6.4	3.8	(8.6)	9.0	6.5	(1.7)	(24.6)	(19.8)
Interest expense, net	(4.1)	(3.2)	(3.4)	(1.9)	(12.6)	(2.3)	(2.0)	(1.6)	(5.9)
Loss on amendment/refinancing of senior credit agreement	—	(0.2)	—	—	(0.2)	—	—	(1.1)	(1.1)
Income from continuing operations before income taxes	28.3	20.1	18.1	3.4	69.9	15.6	23.5	10.0	49.1
Income tax (provision) benefit	(5.3)	(2.4)	(4.2)	1.0	(10.9)	(2.6)	(4.4)	2.5	(4.5)
Income from continuing operations	23.0	17.7	13.9	4.4	59.0	13.0	19.1	12.5	44.6
Income (loss) from discontinued operations, net of tax	4.6	40.1	(35.3)	(3.7)	5.7	—	—	—	—
Income (loss) on disposition of discontinued operations, net of tax	(0.8)	4.1	351.7	5.7	360.7	(1.6)	(6.1)	(9.4)	(17.1)
Income (loss) from discontinued operations, net of tax	3.8	44.2	316.4	2.0	366.4	(1.6)	(6.1)	(9.4)	(17.1)
Net income	\$ 26.8	\$ 61.9	\$ 330.3	\$ 6.4	\$ 425.4	\$ 11.4	\$ 13.0	\$ 3.1	\$ 27.5

Adjusted SPX 2021 Results by Quarter



(\$ millions)

	Q1	Q2	Q3	Q4	2021
Segment Income	\$ 42.3	\$ 37.3	\$ 32.9	\$ 61.4	\$ 173.9
Exclude: One time acquisition related costs	0.7	0.9	3.3	0.3	5.2
Exclude: Intangible amortization	4.0	6.5	5.5	5.6	21.6
Adjusted Segment Income	<u>\$ 47.0</u>	<u>\$ 44.7</u>	<u>\$ 41.7</u>	<u>\$ 67.3</u>	<u>\$ 200.7</u>
Operating Income from Continuing Operations	\$ 25.0	\$ 17.1	\$ 17.7	\$ 13.9	\$ 73.7
Exclude: "Other" operating adjustments ⁽¹⁾	5.6	11.6	9.7	34.5	61.4
Adjusted Operating Income	<u>\$ 30.6</u>	<u>\$ 28.7</u>	<u>\$ 27.4</u>	<u>\$ 48.4</u>	<u>\$ 135.1</u>
Income from Continuing Operations	\$ 23.0	\$ 17.7	\$ 13.9	\$ 4.4	\$ 59.0
Exclude: "Other" income adjustments ⁽²⁾	(0.1)	6.2	6.8	36.5	49.4
Adjusted Net Income	<u>\$ 22.9</u>	<u>\$ 23.9</u>	<u>\$ 20.7</u>	<u>\$ 40.9</u>	<u>\$ 108.4</u>
Adjusted EPS	\$0.49	\$0.51	\$0.44	\$0.88	\$2.33

⁽¹⁾ Excludes acquisition-related costs and charges resulting from changes in estimates associated with asbestos product liability matters.

⁽²⁾ Excludes costs and charges noted above, gains from equity investment, and non-service pension items.

Adjusted SPX 2022 YTD Results by Quarter



(\$ millions)

	Q1	Q2	Q3	2022
Segment Income	\$ 30.2	\$ 48.1	\$ 56.6	\$ 134.9
Exclude: One time acquisition related costs	0.1	0.9	0.1	1.1
Exclude: Intangible amortization	9.3	7.1	6.7	23.1
Adjusted Segment Income	<u>\$ 39.6</u>	<u>\$ 56.1</u>	<u>\$ 63.4</u>	<u>\$ 159.1</u>
Operating Income from Continuing Operations	\$ 11.4	\$ 27.2	\$ 37.3	\$ 75.9
Exclude: "Other" operating adjustments ⁽¹⁾	13.7	15.0	11.0	39.7
Adjusted Operating Income	<u>\$ 25.1</u>	<u>\$ 42.2</u>	<u>\$ 48.3</u>	<u>\$ 115.6</u>
Income from Continuing Operations	\$ 13.0	\$ 19.1	\$ 24.7	\$ 56.8
Exclude: "Other" income adjustments ⁽²⁾	5.8	13.9	12.8	32.5
Adjusted Net Income	<u>\$ 18.8</u>	<u>\$ 33.0</u>	<u>\$ 37.5</u>	<u>\$ 89.3</u>
Adjusted EPS	\$0.40	\$0.71	\$0.81	\$1.93

⁽¹⁾ Excludes acquisition-related costs and charges resulting from changes in estimates associated with asbestos product liability matters.

⁽²⁾ Excludes costs and charges noted above, gains from equity investment, and non-service pension items.

HVAC Segment Results - 2021-2022



(\$ millions)

	2021					2022			
	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	9 Months
Revenue	\$175.6	\$185.4	\$179.3	\$211.8	\$752.1	\$193.1	\$218.7	\$227.8	\$639.6
GAAP Segment Income	22.3	25.9	23.0	33.0	104.2	15.2	25.6	30.9	71.7
Exclude: Acquisition related costs	-	-	-	0.1	0.1	-	-	-	-
Exclude: Intangible amortization	0.7	0.7	0.6	1.4	3.4	5.4	2.7	2.2	10.3
Adjusted Segment Income	\$23.0	\$26.6	\$23.6	\$34.5	\$107.7	\$20.6	\$28.3	\$33.1	\$82.0
	13%	14%	13%	16%	14%	11%	13%	15%	13%

D&M Segment Results - 2021-2022



(\$ millions)

	2021					2022			
	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	9 Months
Revenue	\$111.6	\$111.2	\$106.4	\$138.2	\$467.4	\$114.0	\$135.3	\$142.7	\$392.0
GAAP Segment Income	20.0	11.4	9.9	28.4	69.7	15.0	22.5	25.7	63.2
Exclude: Acquisition related costs	0.7	0.9	3.3	0.2	5.1	0.1	0.9	0.1	1.1
Exclude: Intangible amortization	3.3	5.8	4.9	4.2	18.2	3.9	4.4	4.5	12.8
Adjusted Segment Income	\$24.0	\$18.1	\$18.1	\$32.8	\$93.0	\$19.0	\$27.8	\$30.3	\$77.1
	22%	16%	17%	24%	20%	17%	21%	21%	20%

Q3 2022 U.S. GAAP to Adjusted EPS Reconciliation



	GAAP	Adjustments	Adjusted	
Segment income ⁽¹⁾	\$ 56.6	\$ 6.8	\$ 63.4	(\$ millions)
Corporate expense ⁽²⁾	(17.2)	5.0	(12.2)	
Long-term incentive compensation expense ⁽³⁾	(2.1)	(0.8)	(2.9)	
Special charges, net	—	—	—	
Other operating expense, net	—	—	—	
Operating income	37.3	11.0	48.3	
Other income (expense), net ⁽⁴⁾	(24.6)	26.4	1.8	
Interest expense, net	(1.6)	—	(1.6)	
Loss on amendment/refinancing of senior credit agreement ⁽⁵⁾	(1.1)	1.1	—	
Income from continuing operations before income taxes	10.0	38.5	48.5	
Income tax (provision) benefit ⁽⁶⁾	2.5	(13.5)	(11.0)	
Income from continuing operations	12.5	25.0	37.5	
Diluted shares outstanding	46.132		46.132	
Earnings per share from continuing operations	\$ 0.27		\$ 0.81	

⁽¹⁾ Adjustment represents the removal of (i) amortization expense associated with acquired intangible assets (\$6.7) and (ii) an inventory step-up charge (\$0.1) related to our ITL acquisition.

⁽²⁾ Adjustment represents the removal of acquisition and strategic/transformation related expenses (\$4.2), costs associated with our South Africa business that could not be allocated to discontinued operations for U.S. GAAP purposes (\$0.2), as well as a reclassification of transition services income (\$0.6) from "Other income (expense), net."

⁽³⁾ Adjustment represents the removal of a benefit of \$0.8 related to long-term incentive compensation forfeitures.

⁽⁴⁾ Adjustment represents the removal of (i) asbestos-related charges (\$16.5), (ii) a loss on an equity security associated with a fair value adjustment (\$7.4), and (iii) pension "mark-to-market" losses and non-service pension and postretirement charges (\$3.1), partially offset by (iv) the reclassification of income related to a transition services agreement (\$0.6) to "Corporate expense."

⁽⁵⁾ Adjustment represents the removal of a non-cash charge and certain expenses incurred in connection with an amendment to our senior credit agreement.

⁽⁶⁾ Adjustment represents the tax impact of items (1) through (5) above and removal of certain non-recurring income tax benefits.

Q3 2021 U.S. GAAP to Adjusted EPS Reconciliation



	GAAP	Adjustments	Adjusted
Segment income ⁽¹⁾	\$ 32.9	\$ 8.8	\$ 41.7
Corporate expense ⁽²⁾	(11.9)	0.9	(11.0)
Long-term incentive compensation expense	(3.4)	—	(3.4)
Impairment of goodwill and intangible assets ⁽³⁾	(24.3)	24.3	—
Special charges, net	0.1	—	0.1
Other operating income, net ⁽⁴⁾	24.3	(24.3)	—
Operating income	17.7	9.7	27.4
Other income, net ⁽⁵⁾	3.8	(2.4)	1.4
Interest expense, net ⁽⁶⁾	(3.4)	0.1	(3.3)
Income from continuing operations before income taxes	18.1	7.4	25.5
Income tax provision ⁽⁷⁾	(4.2)	(0.6)	(4.8)
Income from continuing operations	13.9	6.8	20.7
Diluted shares outstanding	46.650		46.650
Earnings per share from continuing operations	\$ 0.30		\$ 0.44

(\$ millions)

⁽¹⁾ Adjustment represents the removal of (i) amortization expense associated with acquired intangible assets (\$5.5), (ii) inventory step-up charges related to the ECS acquisition (\$0.7), (iii) integration costs (\$0.7), and (iv) a non-cash asset impairment charge (\$1.9).

⁽²⁾ Adjustment represents the removal of acquisition related expenses incurred during the period (\$0.7) and costs associated with our South Africa business that could not be allocated to discontinued operations for U.S. GAAP purposes (\$0.2).

⁽³⁾ Adjustment represents the removal of non-cash charges related to the impairment of certain goodwill and intangible assets.

⁽⁴⁾ Adjustment represents the removal of a gain (\$24.3) related to the revision of the liability associated with contingent consideration on a recent acquisition.

⁽⁵⁾ Adjustment represents the removal of (i) a gain on an equity security associated with a fair value adjustment (\$1.6), (ii) a gain on the sale of an equity security (\$0.4), and (iii) non-service pension and postretirement income (\$0.4).

⁽⁶⁾ Adjustment relates to the removal of amounts associated with the write-off of deferred finance costs in connection with a reduction of our foreign credit facilities primarily used to support our South Africa business.

⁽⁷⁾ Adjustment primarily represents the tax impact of items (1) through (6) above and the removal of certain non-recurring income tax charges.

U.S. GAAP to Adjusted Operating Income Reconciliation



(\$ millions)

	Three months ended		Nine months ended	
	October 1, 2022	October 2, 2021	October 1, 2022	October 2, 2021
Operating income	\$ 37.3	\$ 17.7	\$ 75.9	\$ 59.8
Include - TSA Income ⁽¹⁾	0.6	—	2.4	—
Exclude:				
Acquisition related and other costs ⁽²⁾	(3.7)	(4.2)	(13.2)	(8.2)
Impairment of goodwill and intangible assets ⁽³⁾	—	(24.3)	—	(24.3)
Other operating income/expense, net ⁽⁴⁾	—	24.3	(1.0)	21.6
Amortization expense ⁽⁵⁾	(6.7)	(5.5)	(23.1)	(16.0)
Adjusted operating income	<u>\$ 48.3</u>	<u>\$ 27.4</u>	<u>\$ 115.6</u>	<u>\$ 86.7</u>
as a percent of revenues	13.0 %	9.6 %	11.2 %	10.0 %

⁽¹⁾ Represents transition services income related to the Transformer Solutions disposition. Amount recorded in non-operating income for U.S. GAAP purposes.

⁽²⁾ For the three and nine months ended October 1, 2022, represents (i) cost incurred in connection with acquisitions and strategic/transformation initiatives (\$4.2 and \$12.3, respectively), (ii) costs associated with our South Africa business that could not be allocated to discontinued operations for U.S. GAAP purposes of \$0.2 and \$0.6, respectively, (iii) inventory step-up charges of \$0.1 and \$1.1, respectively, related to our ITL acquisition, and (iv) a benefit of \$0.8 related to forfeitures of long-term incentive compensation. For the three and nine months ended October 2, 2021, represents (i) inventory step-up charges of \$0.7 and \$2.3, respectively, (ii) costs associated with acquisition and integration efforts of \$1.4 and \$3.3, respectively, (iii) a non-cash asset impairment charge of \$1.9, and (iv) costs associated with our South Africa business that could not be allocated to discontinued operations for U.S. GAAP purposes of \$0.2 and \$0.7, respectively.

⁽³⁾ For the three and nine months ended October 2, 2021, represents the removal of non-cash charges related to the impairment of certain goodwill and intangible assets.

⁽⁴⁾ For the nine months ended October 1, 2022, represents asbestos-related charges of \$2.3, partially offset by a gain of \$1.3 related to the revision of a liability associated with contingent consideration on a recent acquisition. For the three months ended October 2, 2021, represents a gain of \$24.3 related to the revision of a liability associated with contingent consideration on a recent acquisition. For the nine months ended October 2, 2021, represents the \$24.3 gain mentioned above, partially offset by asbestos-related charges of \$2.7.

⁽⁵⁾ Represents amortization expense associated with acquired intangible assets.

Q3 2022 Non-GAAP Reconciliation - Organic Revenue



	Three months ended October 1, 2022		
	HVAC	Detection & Measurement	Consolidated
Net Revenue Growth	27.0 %	34.1 %	29.7 %
Exclude: Foreign Currency	(0.6) %	(4.3) %	(1.9) %
Exclude: Acquisitions	11.3 %	14.4 %	12.4 %
Organic Revenue Growth	16.3 %	24.0 %	19.2 %



U.S. GAAP Adjusted Segment Income Reconciliation

(\$ millions)

CONSOLIDATED SPX:

	Three months ended		Nine months ended	
	October 1, 2022	October 2, 2021	October 1, 2022	October 2, 2021
Total segment income	\$ 56.6	\$ 32.9	\$ 134.9	\$ 112.5
Exclude: Acquisition related costs ⁽¹⁾	(0.1)	(3.3)	(1.1)	(4.9)
Exclude: Amortization expense ⁽²⁾	(6.7)	(5.5)	(23.1)	(16.0)
Adjusted segment income	<u>\$ 63.4</u>	<u>\$ 41.7</u>	<u>\$ 159.1</u>	<u>\$ 133.4</u>
as a percent of revenues	17.1 %	14.6 %	15.4 %	15.3 %

⁽¹⁾ Represents (i) additional "Cost of products sold" of \$0.1 and \$1.1 during the three and nine months ended October 1, 2022, respectively, and \$0.7 and \$2.3 during the three and nine months ended October 2, 2021, respectively, associated with the ITL acquisition (2022) and the ECS, Sealite, and Sensors and Software acquisitions (2021); (ii) a non-cash impairment charge of \$1.9 during the three and nine months ended October 2, 2021; and (iii) integration costs of \$0.7 during the three and nine months ended October 2, 2021 related to the Sealite acquisition.

⁽²⁾ Represents amortization expense associated with acquired intangible assets.

U.S. GAAP to Adjusted Segment Income Reconciliations



(\$ millions)

HVAC REPORTABLE SEGMENT:

	Three months ended	
	October 1, 2022	October 2, 2021
Segment income	\$ 30.9	\$ 23.0
Exclude: Amortization expense ⁽²⁾	(2.2)	(0.6)
Adjusted segment income	<u>\$ 33.1</u>	<u>\$ 23.6</u>
as a percent of segment revenues	14.5 %	13.2 %

DETECTION & MEASUREMENT REPORTABLE SEGMENT:

	Three months ended	
	October 1, 2022	October 2, 2021
Segment income	\$ 25.7	\$ 9.9
Exclude: Acquisition related costs ⁽¹⁾	(0.1)	(3.3)
Exclude: Amortization expense ⁽²⁾	(4.5)	(4.9)
Adjusted segment income	<u>\$ 30.3</u>	<u>\$ 18.1</u>
as a percent of segment revenues	21.2 %	17.0 %

⁽¹⁾ Represents (i) additional "Cost of products sold" of \$0.1 and \$1.1 during the three and nine months ended October 1, 2022, respectively, and \$0.7 and \$2.3 during the three and nine months ended October 2, 2021, respectively, associated with the ITL acquisition (2022) and the ECS, Sealite, and Sensors and Software acquisitions (2021); (ii) a non-cash impairment charge of \$1.9 during the three and nine months ended October 2, 2021; and (iii) integration costs of \$0.7 during the three and nine months ended October 2, 2021 related to the Sealite acquisition.

⁽²⁾ Represents amortization expense associated with acquired intangible assets.

Q3 2022 Debt Reconciliation



(\$ millions)

	<u>Q3 2022</u>
Short-term debt	\$ 1.9
Current maturities of long-term debt	0.4
Long-term debt	<u>244.6</u>
Gross debt	246.9
plus: other adjustment (1)	(1.2)
Adjusted gross debt	245.7
less: cash and equivalents (2)	<u>(186.7)</u>
Adjusted net debt	<u>\$ 59.0</u>

¹⁾ Includes unamortized debt issuance costs associated with term loan of \$0.7, and excludes purchase card debt of \$1.9.

²⁾ Excludes restricted cash of \$0.6.

Note: Adjusted net debt as provided in SPX's current credit facility agreement.

Q3 2022 Consolidated Adjusted EBITDA* Reconciliation



	Last 12 Months ended October 1, 2022	(\$ millions)
Net Income attributable to SPX Corporation common shareholders	\$ 33.9	
Income tax provision	3.5	
Interest expense	9.5	
Income before interest and taxes	46.9	
Depreciation and amortization	47.4	
EBITDA	94.3	
Adjustments:		
(Gains)/Losses on disposition of assets outside the ordinary course of business	15.1	
Impairments & other organizational costs	5.7	
Non-cash compensation	19.2	
Pension adjustments	(7.6)	
Extraordinary non-recurring, non-cash charges (gains), net	58.3	
Extraordinary non-recurring cash charges, net	1.3	
Material acquisition / disposition related fees, costs, or expenses, net	4.5	
Pro forma effect of acquisitions and divestitures, and other	3.5	
Adjusted EBITDA	\$ 194.3	

* Adjusted EBITDA includes pro-forma impact related to acquisitions closed during the last 12 months.

Note: Adjusted consolidated EBITDA as provided in SPX's current credit facility agreement. Amounts for the last 12 months is derived by adding the items for the nine months ended October 1, 2022 to the amounts for the fiscal year ended December 31, 2021 and subtracting the amounts for the nine months ended October 2, 2021.

Q3 2022 Adjusted Free Cash Flow Reconciliation



(\$ millions)

	<u>Q3 2022</u>
Operating cash flow from continuing operations	\$ (5.9)
Capital expenditures	<u>(4.0)</u>
Free cash flow from continuing operations	(9.9)
Adjustments*	7.9
Adjusted free cash flow from continuing operations	<u><u>\$ (2.0)</u></u>

* Adjustments align with our reconciliation of GAAP to Adjusted EPS; included in the Q3 '22 is \$7.0m cash usage for asbestos settlements which we have eliminated from our adj. free cash flow from continuing operations due to the recently announced divestiture of asbestos liabilities and assets.