

# SPX Corporation

## Investor Presentation

March 2022



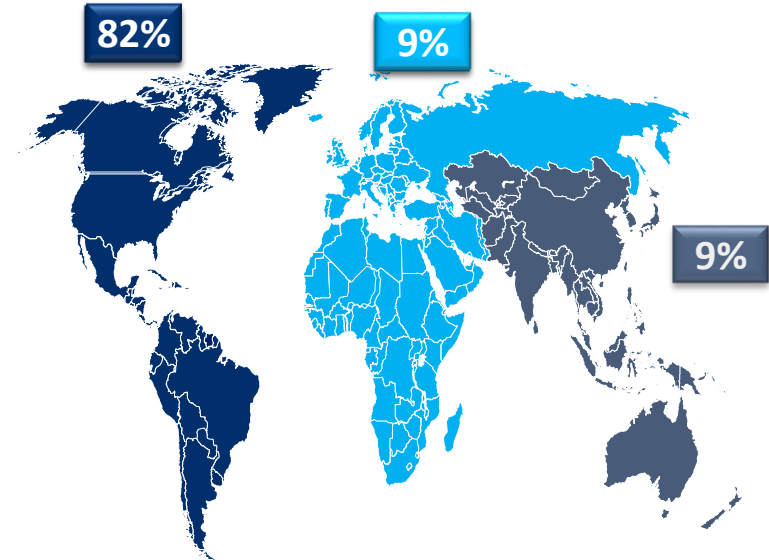
# SPX Corporation Overview

# Company Overview



- ❑ Headquartered in Charlotte, NC
- ❑ Focused, market-leading platforms:
  - ✓ HVAC
  - ✓ Detection & Measurement
- ❑ ~\$1.4b Revenue in 2022E
- ❑ ~3,100 employees
- ❑ NYSE Ticker: **SPXC**

2021 Revenue by Region



SPX is a Leading Supplier of HVAC and Detection & Measurement Products and Technologies;  
The Majority of Revenue is Generated by North American Sales

# Attractiveness of SPX for Long-Term Holders



## Attractive Core

Well positioned key platforms in growth markets

## Growth

Favorable long-term secular trends and business mix;  
growth initiatives in early innings

## Cash Flow

Strong free cash flow conversion of adjusted net income\*

## Business System

Consistent repeatable process to drive improvement

## Capital Deployment

Substantial available capital and liquidity

Well Positioned to Continue Growth Journey

\*Non-GAAP financial measure

# Strong Product Offerings and Attractive Market Dynamics



## HVAC

- ✓ Cooling towers
- ✓ Engineered air quality
- ✓ Refrigeration
- ✓ Process cooling
- ✓ Boilers
- ✓ Electrical heating

## DETECTION & MEASUREMENT

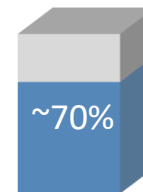
- ✓ Location & inspection
- ✓ Transportation
- ✓ Communication technologies
- ✓ Aids-to-navigation

2021  
ADJUSTED  
REVENUE EBITDA MARGIN\*

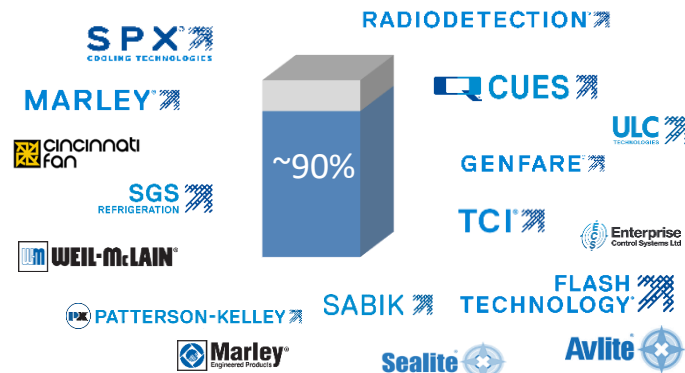
**\$752m mid-teens**

**\$467m low-20s**

## 2021 REVENUE FROM REPLACEMENT SALES†



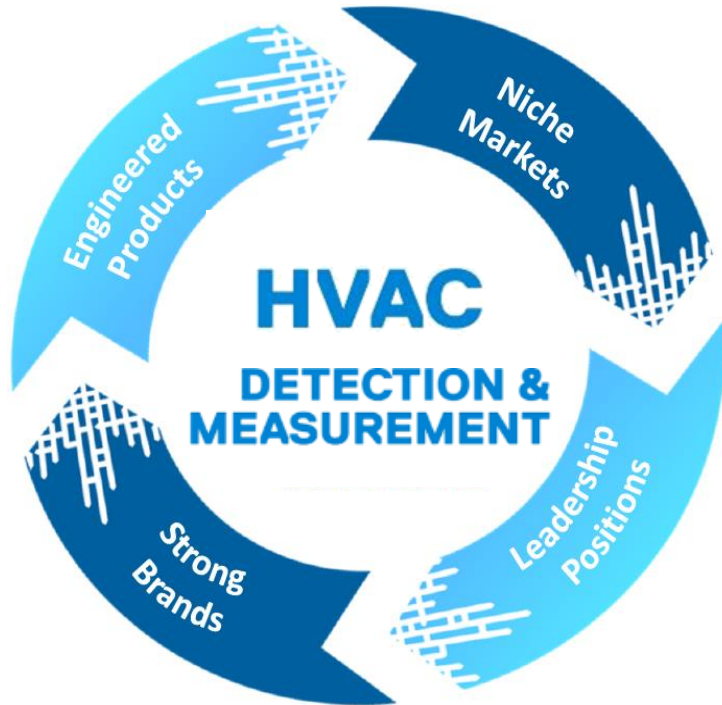
## 2021 REVENUE FROM #1 OR #2 MARKET POSITION†



\*Non-GAAP financial measure.

†Based on management estimates.

Note: Weil-McLain is a division of The Marley-Wylain Company, LLC



## Organic Growth

- New products
- Channel expansion
- Adjacent markets

## Inorganic Growth

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

## SPX Business System

- Policy deployment
- Operational excellence
- Due diligence/integration

## Culture & Values

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

## Revenue & Margin Enhancement - Tools & Drivers

### Product Innovation



### Technology



### M&A



### Channel



### Continuous Improvement



## ...In What We Make...

*Our products enable*



Lower Emissions



Safety



Clean Water



Connectivity



Clean Energy

## ...And How We Make It...



Core Values



Diversity & Inclusion



Engagement



Continuous Improvement



Minimize Waste

# E

- Drive energy efficient HVAC solutions
- Keep water and gas lines safe and clean
- Recycle heat exchange media
- Issue annual sustainability report

# S

- Enable mobility in underserved communities
- Protect lives in construction & aviation
- Engage & develop employees
- Support & engage our communities

# G

- Independent & diverse Board (~44% female)
- Alignment with stakeholder interests
- Culture of integrity and compliance
- Responsible & ethical supply base



# Well-Positioned for Infrastructure Spending



- ✓ Water & Wastewater
- ✓ General Construction (heavy civil, housing)
- ✓ Public Transit
- ✓ Renewables (wind)
- ✓ Telecom (5G), Airports, Ports
- ✓ Institutional (K-12, gov't, healthcare)
- ✓ Infrastructure-centric R&D

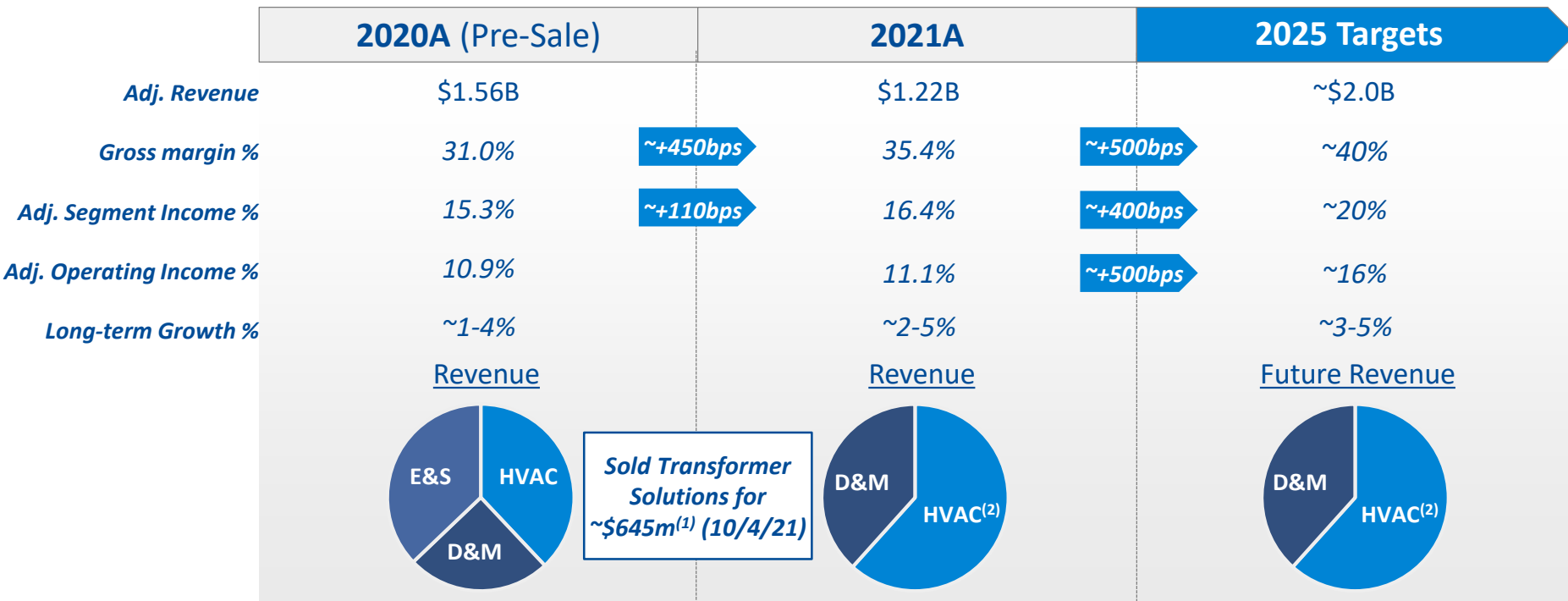


## RADIODETECTION



# SPX 2025

# SPX Strategic Portfolio Transformation Continues

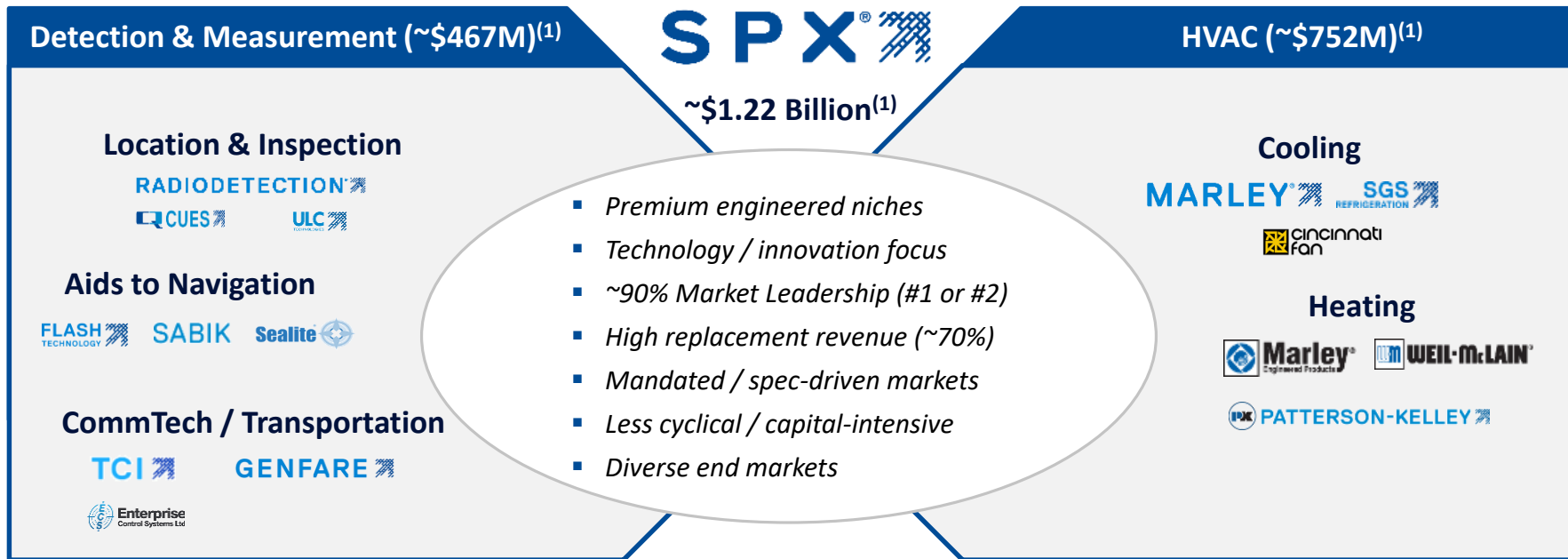


1) After-tax proceeds of ~\$540 million.

2) Process Cooling included in HVAC segment revenue post-sale.

Note: 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.

Focused Platforms with Higher Margin and Growth Opportunities



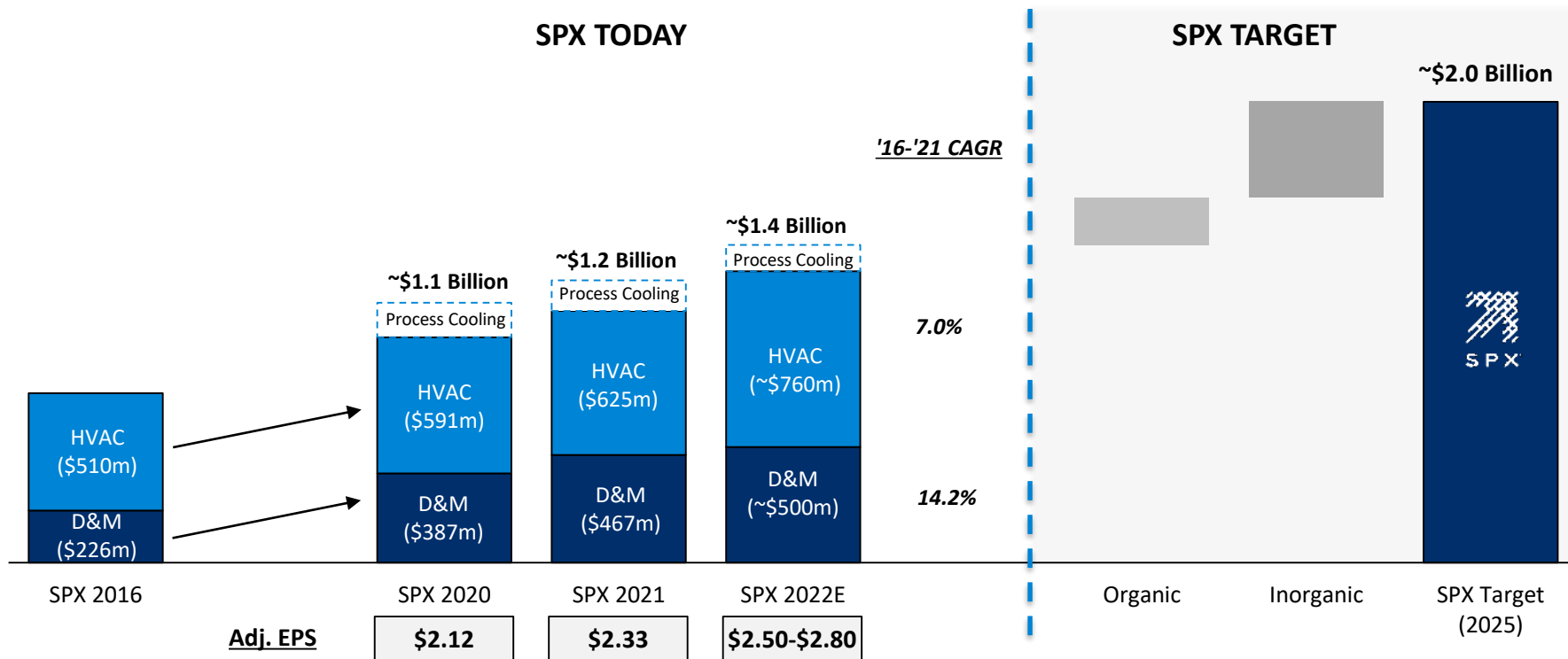
1) 2021 results

**Simplified, Higher-Return Portfolio**

# SPX Long-Term Targets - Revenue



## SPX TODAY



\*Current Guide

Note: Following the sale of Transformer Solutions, Process Cooling is reported as part of HVAC segment. Process Cooling is not included in '16-'22 HVAC CAGR calculation above.

Focused, Strategic Path to Long-term Targets

# Segment Overview

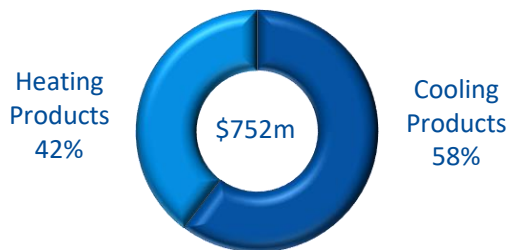
- HVAC
- Detection & Measurement

# HVAC

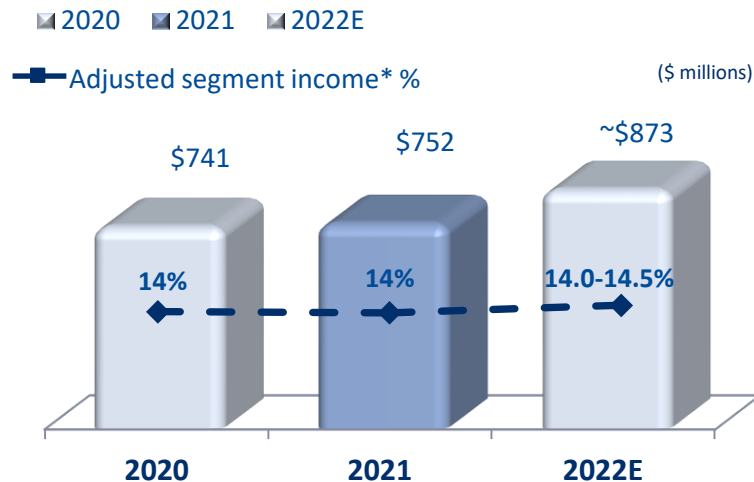
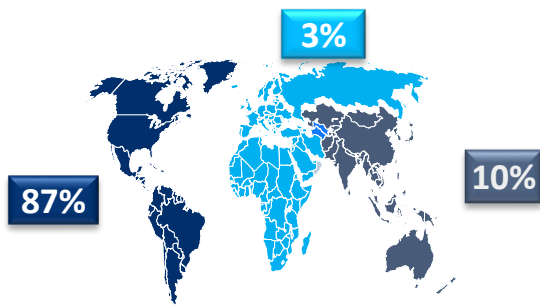
# HVAC Segment Overview



## 2021 Revenue by Product



## 2021 Revenue by Geography



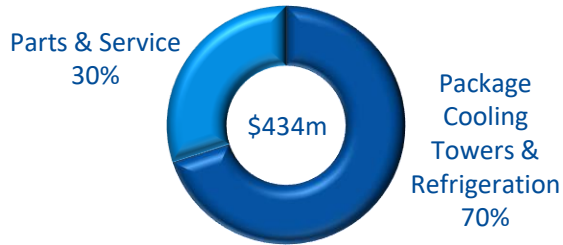
	2020	2021	2022E
Gross Margin%	31%	32%	-
Segment EBITDA*	\$114	\$116	-

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

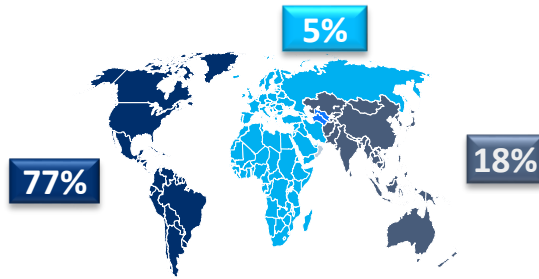
Strong Product Brands and Leading Market Positions Across HVAC Heating and Cooling Product Portfolio



## 2021 Revenue by Product



## 2021 Revenue by Geography



- ❑ Cooling products used in non-residential, commercial construction, engineered air quality, process cooling and refrigeration applications
- ❑ Well-recognized product brands: Marley, Recold, SGS, and Cincinnati Fan
- ❑ Well-established sales channel including reps and distributors
- ❑ Demand generally follows construction trends (e.g., Dodge)
- ❑ Approximately 50% replacement sales
- ❑ Growing component and aftermarket opportunities

Strong Product Brands and Leading Market Positions Across Cooling Product Portfolio

# Cooling Product Examples

## Marley MD Everest Tower

- ✓ Suitable for larger applications
- ✓ 85% more cooling capacity than any other pre-assembled tower
- ✓ Installed 80% faster than field erected



## Marley MH Element Fluid Cooler

- ✓ Industrial and process cooling
- ✓ High performance copper coils
- ✓ Most efficient system in its class



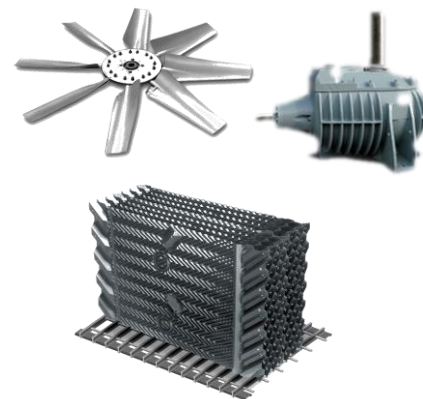
## Engineered Air Quality

- ✓ Customized fans and blowers
- ✓ Critical fume exhaust systems
- ✓ Specialized high temperature fans



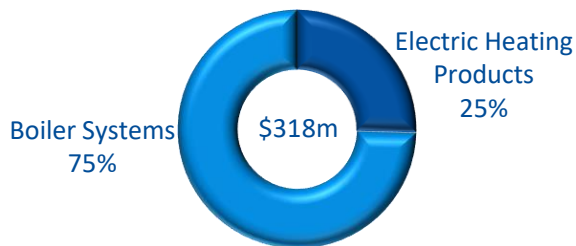
## High-Value Components

- ✓ Gearboxes, motors, drives
- ✓ Fans and cylinders
- ✓ Heat Transfer Media



Strong Product Portfolio and Brands with Opportunities for Expansion

## 2021 Revenue by Product



## 2021 Revenue by Geography



- ❑ North American businesses with strong brands
- ❑ Large installed base / established spec position
- ❑ Products used in residential and non-residential markets and sold primarily through distributors
- ❑ Demand for boiler systems is seasonal:
  - ✓ Concentrated in the fourth quarter
- ❑ High level of replacement revenues

Strong Product Brands and Leading Market Positions in North America;  
Financial Performance Seasonally Strong in Second Half

# Heating Product Examples

## Residential Boilers

- ✓ High efficiency natural gas
- ✓ Standard cast iron
- ✓ Unique hybrid design
- ✓ Gas combi boilers



## Commercial Boilers

- ✓ High efficiency natural gas
- ✓ Standard cast iron



## Electrical Heating Products



Digital wall heaters

Wash-down, corrosion resistant heaters

Trench heaters

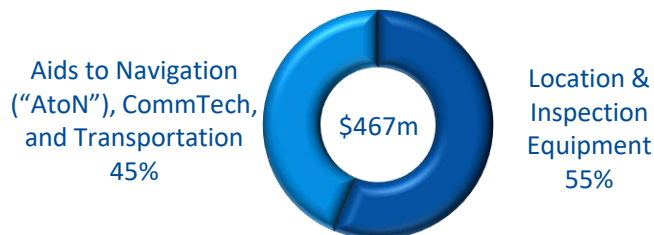
Broad Product Offering of Heating Solutions for Residential and Commercial Applications

Note: Weil-McLain is a division of the Marley-Wylain Company, LLC.

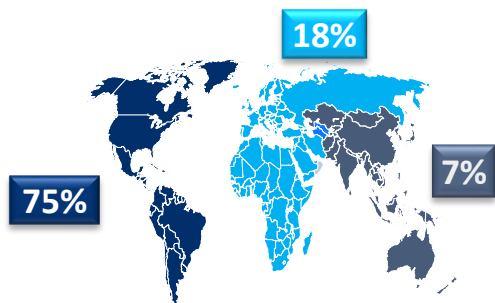
# Detection & Measurement

# Detection & Measurement Segment Overview

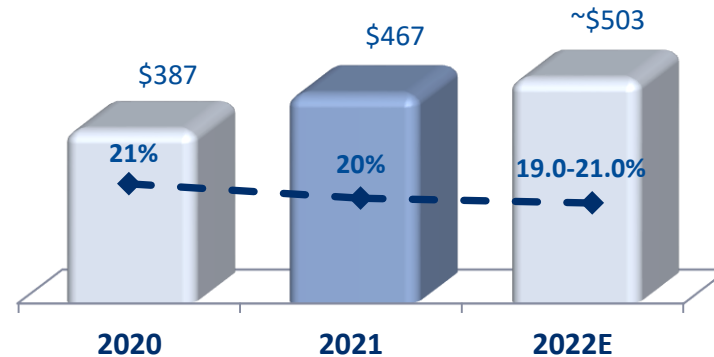
## 2021 Revenue by Product



## 2021 Revenue by Geography



■ 2020 ■ 2021 ■ 2022E  
 — Adjusted segment income\* % (\$ millions)

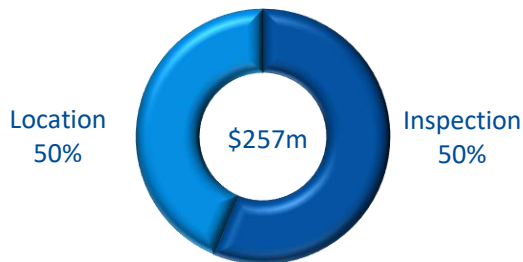


	2020	2021	2022E
Gross Margin%	44%	44%	-
Segment EBITDA*	\$85	\$99	-

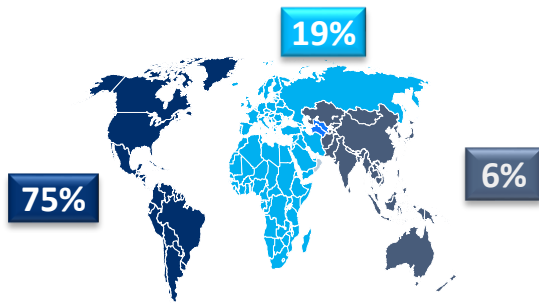
\*Non-GAAP financial measure. Reconciliations from US GAAP historical financial measures are available in the Appendix of the presentation.

Attractive Platform for Growth Investments; Long-Term Targets Include  
 2% to 6% Annual Organic Revenue Growth

## 2021 Revenue by Product



## 2021 Revenue by Geography



- ❑ A leading global supplier of location & inspection equipment for underground infrastructure
- ❑ Global distribution / established channels
- ❑ Integrated hardware and software solutions
- ❑ Leading technology competencies (data analytics, robotics, AI)
- ❑ Key demand drivers:
  - ✓ Global infrastructure growth
  - ✓ Construction growth
  - ✓ Health & safety legislation

Leading Global Supplier of Equipment to Locate and Inspect Buried Utility Cables & Pipes

# Location & Inspection - Key Products

## Location Equipment



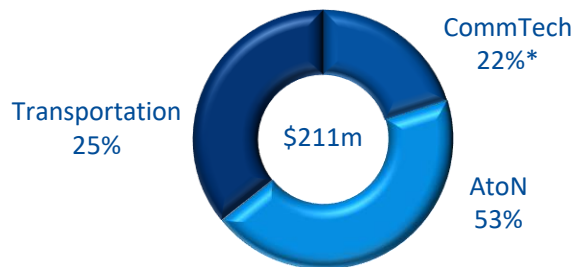
## Inspection Equipment



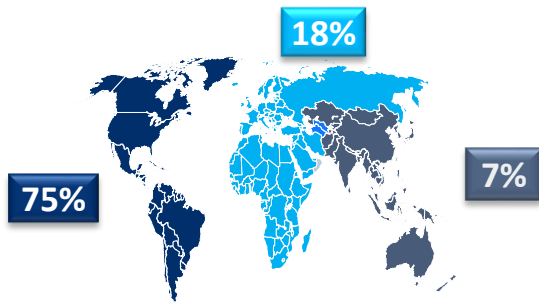
Full Lifecycle Infrastructure Solutions Provider for Location & Inspection Markets



## 2021 Revenue by Product



## 2021 Revenue by Geography



- ❑ **CommTech** : A leading global supplier of spectrum monitoring, communication intelligence and geolocation technologies
- ❑ **Aids to Navigation**: Global Leader in terrestrial obstruction lighting, marine aids-to-navigation, and airfield ground lighting solutions
- ❑ **Transportation**: North American farebox leader with growing software solution
- ❑ Key demand drivers:
  - ✓ Global growth of wireless usage
  - ✓ Increased spectrum provisioning and monitoring
  - ✓ Anti-terrorism and defense spending
  - ✓ Compliance with government & industry regulations
  - ✓ Infrastructure funding
  - ✓ Urbanization

AtoN, CommTech, and Transportation Platforms are Leaders in Niche End Markets

\*Spectrum Monitoring Solutions and Communications Intelligence products

# Aids to Navigation - Key End Markets

## Terrestrial Obstruction Lighting



## Marine Obstruction Lighting



## Airfield Ground Lighting



Global Leader with Full Product Range

## Spectrum Monitoring (SMS)



## Communications Intelligence



Spectrum monitoring leader with expanding COMINT presence

# Transportation - Next Generation Fare Collection



Fare Collection Suite of Products Integrated with Back-End Support;  
We Believe This is the New Industry Standard

# Financial Performance & Capital Allocation

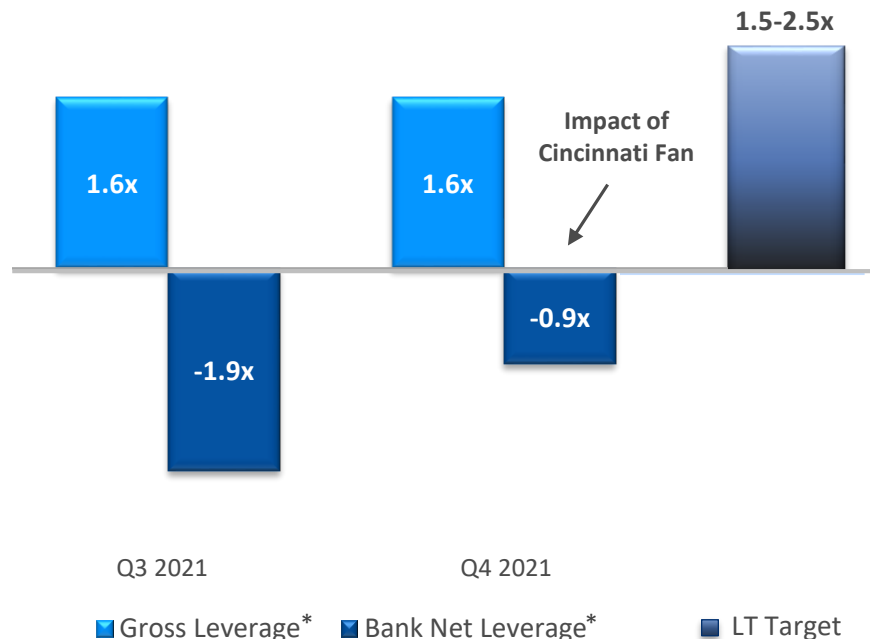
Methodology	Expected Outcome
1) Utilize strategic planning process to evaluate future revenue and earnings growth	<ul style="list-style-type: none"><li>▪ Quantify projected future cash flows and estimate total company valuation</li></ul>
2) Maintain target capital structure	<ul style="list-style-type: none"><li>▪ Net Debt to EBITDA<sup>(1)</sup> target range: 1.5x to 2.5x</li></ul>
3) Invest available capital in highest, risk-adjusted, return opportunities	<ul style="list-style-type: none"><li>▪ Cost reduction initiatives</li><li>▪ Organic business development</li><li>▪ Bolt-on acquisitions</li><li>▪ Return of capital to shareholders</li></ul>

<sup>(1)</sup> Net Debt and EBITDA as defined in SPX Corporation's credit agreement

# Financial Position - Capital Structure & Liquidity Update



(\$millions)	Q3 2021	Q4 2021
Short-term debt	\$2	\$2
Current maturities of long-term debt	12	13
Long-term debt	234	231
<b>Total Debt</b>	<b>\$248</b>	<b>\$246</b>
Less: Cash on hand	(560)	(396)
<b>Net Debt</b>	<b>\$(312)</b>	<b>\$(150)</b>



Balance Sheet Remains Solid; Well-Positioned for Growth Initiatives

\*Gross Debt, Cash, and Bank Ebitda as defined by SPX's credit facility agreement in calculation.

## Qualitative

- ❑ Focused on building existing platforms
  - ✓ Existing markets or close adjacencies
- ❑ Engineered products
- ❑ Attractive growth opportunities
  - ✓ Secular growth drivers
  - ✓ Fragmented market with consolidation opportunities
- ❑ Differentiated offering through technology, brand or channel

## Quantitative

- ❑ Revenue transaction size \$20-\$200 million (primary focus); opportunistically consider larger targets
- ❑ Cash ROIC  $\geq$  double digits 3-5 yrs
- ❑ Accretive to adjusted EPS in year 1, GAAP EPS in year 2



# Building Strategic Platforms

# SPX Business Value Model



## Disciplined Business System

**Strategic Organic Sales Growth**  
(Innovation, Product Mgmt.)

**Continuous Improvement**  
(Lean, 80/20)

**Talent Development**  
(360 Leadership)

**Digital**  
(Software, Productivity)

## Strategic Acquisition Approach

*SPX has acquired  
~\$360M of revenue  
in ~4 years*



**Average EV/EBITDA Multiple Paid:**

Pre-Synergy  
~10.5x

Post-Synergy  
~8.5x

## Superior Performance

**Organic / Inorganic  
Revenue Growth**

**Margin Expansion**

**Cash Flow Generation**

Established Model for Sustainable Growth

# Building Strategic Platforms - Location & Inspection



RADIODETECTION SCHONSTEDT SENSORS & SOFTWARE

CUES

ULC   
TECHNOLOGIES

Location Equipment

Inspection Equipment

\$~100m

\$~10m

\$~10m\*

\$~100m

\$~40m\*

Location & Inspection Equipment

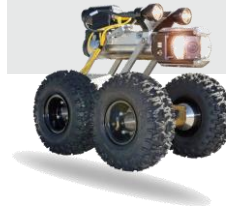
Specialized Ferrous Locators

GPR Location Equipment

Water & Waste Water Pipeline Inspection Equipment

Gas Utility Pipeline Inspection & Remediation

**Transformed ~\$100m  
Locator Business into  
~\$260m Full Life Cycle  
Infrastructure Solutions  
Provider**



Accelerating Momentum with Broad Range of Opportunities

\*Approximate annualized run-rate revenue at time of acquisition for Sensors & Software and ULC. Historical run-rate revenue for others.

# Building Strategic Platforms - Aids to Navigation



**FLASH TECHNOLOGY**

\$~40-60m

Terrestrial  
Obstruction Lighting



**SABIK MARINE**

\$~25-30m\*

Marine Obstruction  
Lighting



**Sealite**  **Avlite** 

\$~30-40m\*

Airfield Ground and  
Marine Obstruction  
Lighting



Transformed ~\$40-60m  
Obstruction Lighting  
Business into ~\$130m  
Global Leader in Aids to  
Navigation Solutions

Global Leader with Full Product Range

\*Approximate annualized run-rate revenue at time of acquisition for Sabik and Sealite. Historical run-rate revenue for Flash.

**TCI**

~\$40-60m

Spectrum Monitoring  
and COMINT Solutions



**Enterprise**  
Control Systems Ltd

~\$14m\*

Tactical Data Links and  
RF Countermeasures



**Broad Provider of  
Spectrum Monitoring  
and COMINT Solutions**

Significant Runway to Grow Presence in COMINT

\* Approximate annualized run-rate revenue at time of acquisition for ECS. Historical run-rate revenue for TCI.

# Building Strategic Platforms - HVAC Cooling



MARLEY

\$~430m

Leading Position in  
Packaged Cooling and  
Field Erected Towers



SGS  
REFRIGERATION

\$~15m\*

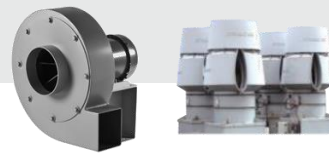
Industrial  
Refrigeration Products



cincinnati  
fan

\$~60-70m\*

Custom fans, blowers,  
and critical exhaust  
systems



Strengthened Industrial  
Refrigeration Solutions  
and Accelerated  
Growth Strategy in  
Engineered Air Quality

Opportunity for Expansion into Adjacent Cooling Markets

\*Approximate annualized run-rate revenue at time of acquisition for SGS and Cincinnati Fan



~\$180-200m

Leading Position in Residential Boilers



~\$40m\*

High-efficiency Commercial Boilers



**Accelerated Growth Strategy in Commercial High Efficiency Boilers**

Opportunity for Core Consolidation / Product Add-Ons

\* Approximate annualized run-rate revenue at time of acquisition for Patterson-Kelley.

# Executive Summary



- ❑ Balanced business portfolio with attractive and diverse end market drivers
- ❑ Strong balance sheet, significant capital availability, and cash generation
- ❑ Effective business system and continued focus on growth accelerators, including inorganic opportunities

Significant Value Creation Opportunity

# Appendix

	Revenue	Segment Income Margin
<b>HVAC</b>	<ul style="list-style-type: none"> <li>▪ \$855-\$890m <i>(\$752m in 2021)</i></li> </ul>	<ul style="list-style-type: none"> <li>▪ 14.0-14.5% <i>(14.3% in 2021)</i></li> </ul>
<b>Detection &amp; Measurement</b>	<ul style="list-style-type: none"> <li>▪ \$485-\$520m <i>(\$467m in 2021)</i></li> </ul>	<ul style="list-style-type: none"> <li>▪ 19.0%-21.0% <i>(19.9% in 2021)</i></li> </ul>
<b>Total SPX Adjusted</b>	<ul style="list-style-type: none"> <li>▪ \$1.34-\$1.41B <i>(\$1.22B in 2021)</i></li> </ul>	<ul style="list-style-type: none"> <li>▪ 16%-17% <i>(16.4% in 2021)</i></li> </ul>

**Adjusted Operating Income in a Range of \$150-170 Million (11%-12% margin);  
Adjusted EPS in a Range of \$2.50-2.80\* (+\$0.11 with Debt Pay-Down)**

Note: 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.

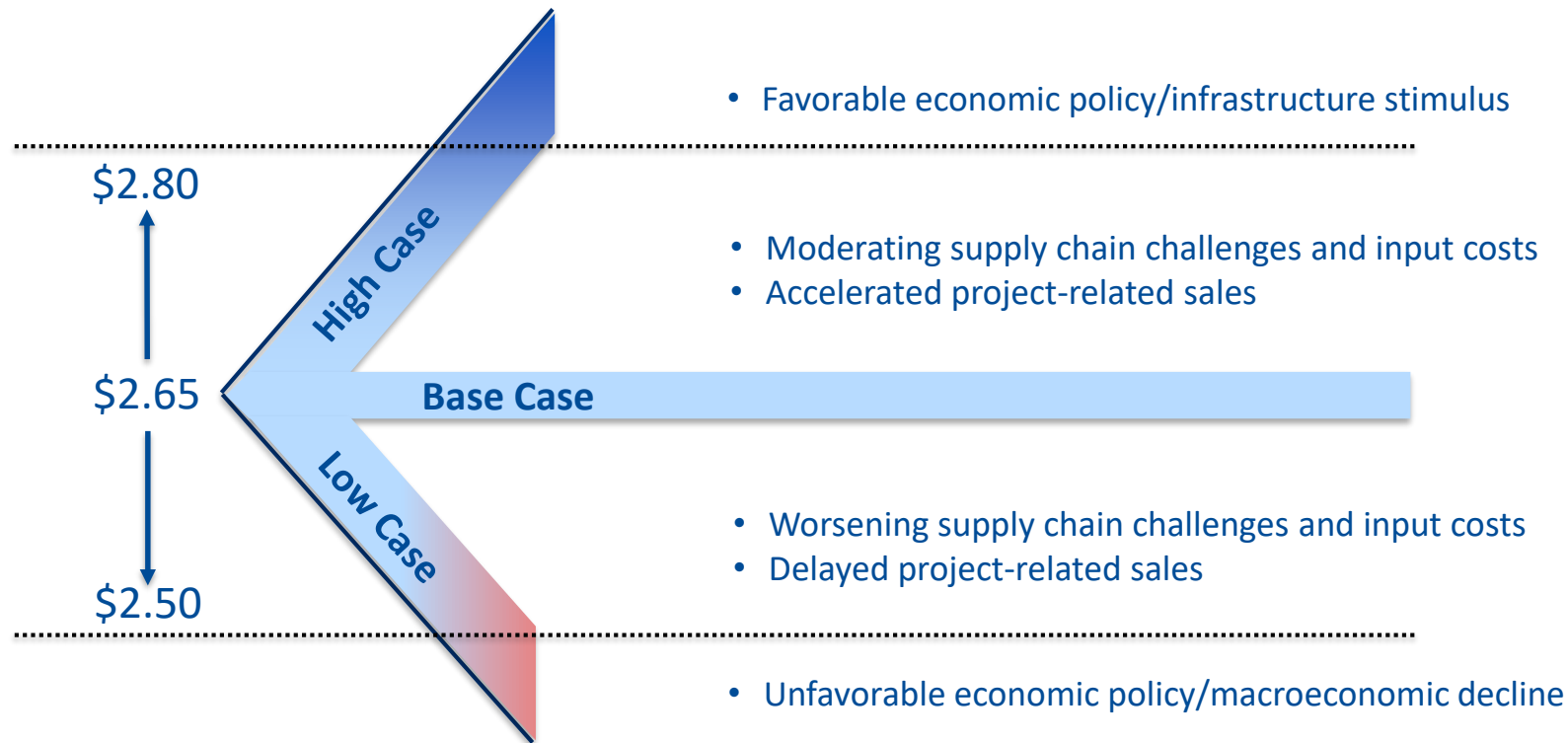
\* Prior to capital deployment. Management estimates that using Q4'21 cash balances to repay debt would increase the \$2.50-\$2.80 Adjusted EPS guidance range to \$2.61-2.91.

# Modeling Considerations - Full Year 2022



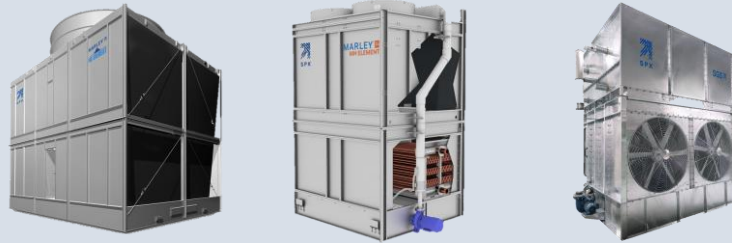
Metric	Considerations
Corporate expense	\$47-49m
Long-term incentive comp	\$13-15m
Restructuring costs	\$1m
Interest cost	\$7-9m
Other income/(expense), and Non-service pension benefit/(expense)	\$4-6m
Tax rate	20-22%
Capex	\$15-20m
Cash cost of pension + OPEB	\$12-13m
D&A	\$47-49m
Share count	47.0-47.2m
Currency effect	Topline sensitivity to USD-GBP rate

# 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.

## HVAC Cooling



## HVAC Heating



- ✓ Most efficient way of cooling
- ✓ Lower GHG intensiveness
- ✓ Lower lifecycle H2O use

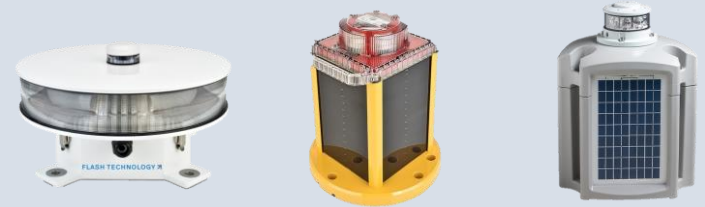
- ✓ Highest efficiency hydronics
- ✓ Broadest electrical heating suite

## Location & Inspection



- ✓ Safer infrastructure
- ✓ Cleaner water
- ✓ Minimize GHG leaks

## Aids-to-Navigation



- ✓ Safer air travel / shipping
- ✓ Minimize power need (LEDs)
- ✓ Solar PV integration

## CommTech



- ✓ Enabling next gen comms
- ✓ Safety from new threats
- ✓ Lower power use

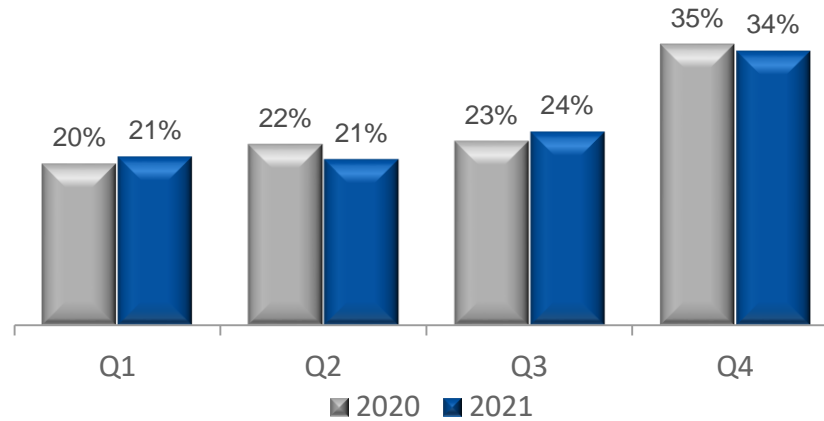
## Transportation



- ✓ Mobility for the underserved
- ✓ Low carbon travel
- ✓ Efficient system management



# Adjusted Segment Income Phasing



# 2020 Adjusted SPX Results by Quarter



(\$ millions)

	Q1	Q2	Q3	Q4	2020
Segment Income	36.4	36.1	40.8	58.5	171.8
Exclude: One time acquisition related costs	0.1	-	-	1.2	1.3
Exclude: Intangible amortization	2.6	2.4	3.3	5.7	14.0
Adjusted Segment Income	39.1	38.5	44.1	65.4	187.1
Operating Income from Continuing Operations	20.7	22.0	25.1	29.1	96.9
Exclude: "Other" operating adjustments <sup>(1)</sup>	2.8	2.8	4.3	18.3	28.2
Adjusted Operating Income	23.5	24.8	29.4	47.4	125.1
Net Income from Continuing Operations	14.5	19.3	19.5	20.5	73.8
Exclude: "Other" income adjustments <sup>(2)</sup>	1.5	(3.3)	2.2	22.7	23.1
Adjusted Net Income	16.0	16.0	21.7	43.2	96.9
Adjusted EPS	\$0.35	\$0.35	\$0.47	\$0.94	\$2.12

<sup>(1)</sup> Excludes operating results from acquisition-related costs and charges resulting from changes in estimates associated with asbestos product liability matters.

<sup>(2)</sup> Excludes operating results from costs and charges noted above, gains from equity investment, and non-service pension items.

# 2021 Adjusted SPX 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	0.6	0.9	3.3	0.3	5.1
Exclude: Intangible amortization	4.0	6.5	5.5	5.6	21.6
Adjusted Segment Income	46.9	44.7	41.7	67.3	200.6
Operating Income from Continuing Operations	25.1	17.1	17.6	13.9	73.7
Exclude: "Other" operating adjustments <sup>(1)</sup>	5.7	11.6	9.6	34.5	61.4
Adjusted Operating Income	30.8	28.7	27.2	48.4	135.1
Net Income from Continuing Operations	23.0	17.7	13.9	4.4	59.0
Exclude: "Other" income adjustments <sup>(2)</sup>	-	6.2	6.5	36.5	49.2
Adjusted Net Income	23.0	23.9	20.4	40.9	108.2
Adjusted EPS	\$0.49	\$0.51	\$0.44	\$0.88	\$2.33

<sup>(1)</sup> Excludes operating results from acquisition-related costs and charges resulting from changes in estimates associated with asbestos product liability matters.

<sup>(2)</sup> Excludes operating results from costs and charges noted above, gains from equity investment, and non-service pension items.

# HVAC Segment Results - 2020, 2021



(\$ millions)

	Q1	Q2	Q3	Q4	2020
Revenue	\$162.8	\$165.2	\$182.6	\$230.2	\$740.8
GAAP Segment Income	18.2	20.1	26.6	37.8	102.7
Exclude: One time acquisition related costs	0.1	-	-	0.5	0.6
Exclude: Intangible amortization	0.8	0.7	0.7	0.7	2.9
Adjusted Segment Income	\$19.1	\$20.8	\$27.3	\$39.0	\$106.2
	12%	13%	15%	17%	14%

	Q1	Q2	Q3	Q4	2021
Revenue	\$175.6	\$185.4	\$179.3	\$211.8	\$752.1
GAAP Segment Income	22.3	25.9	23.0	33.0	104.2
Exclude: One time acquisition related costs	-	-	-	0.1	0.1
Exclude: Intangible amortization	0.7	0.7	0.6	1.4	3.4
Adjusted Segment Income	\$23.0	\$26.6	\$23.6	\$34.5	\$107.7
	13%	14%	13%	16%	14%

# D&M Segment Results - 2020, 2021



(\$ millions)

	Q1	Q2	Q3	Q4	2020
Revenue	\$91.9	\$92.1	\$85.2	\$118.1	\$387.3
GAAP Segment Income	18.2	16.0	14.2	20.7	69.1
Exclude: One time acquisition related costs	-	-	-	0.7	0.7
Exclude: Intangible amortization	1.8	1.7	2.6	5.0	11.1
Adjusted Segment Income	\$20.0	\$17.7	\$16.8	\$26.4	\$80.9
	22%	19%	20%	22%	21%

	Q1	Q2	Q3	Q4	2021
Revenue	\$111.6	\$111.2	\$106.4	\$138.2	\$467.4
GAAP Segment Income	20.0	11.4	9.9	28.4	69.7
Exclude: One time acquisition related costs	0.6	0.9	3.3	0.2	5.0
Exclude: Intangible amortization	3.3	5.8	4.9	4.2	18.2
Adjusted Segment Income	\$23.9	\$18.1	\$18.1	\$32.8	\$92.9
	21%	16%	17%	24%	20%

# Q4 2021 U.S. GAAP to Adjusted EPS Reconciliation



	GAAP	Adjustments	Adjusted
Segment income <sup>(1)</sup>	\$ 61.4	\$ 5.9	\$ 67.3
Corporate expense <sup>(2)</sup>	(20.6)	5.2	(15.4)
Long-term incentive compensation expense	(3.4)	-	(3.4)
Impairment of intangible assets <sup>(3)</sup>	(5.7)	5.7	-
Special charges, net <sup>(4)</sup>	(0.3)	0.2	(0.1)
Other operating expense <sup>(5)</sup>	(17.5)	17.5	-
<b>Operating income</b>	<b>13.9</b>	<b>34.5</b>	<b>48.4</b>
Other expense, net <sup>(6)</sup>	(8.6)	6.9	(1.7)
Interest expense, net	(1.9)	-	(1.9)
<b>Income from continuing operations before income taxes</b>	<b>3.4</b>	<b>41.4</b>	<b>44.8</b>
Income tax (provision) benefit <sup>(7)</sup>	1.0	(4.9)	(3.9)
<b>Income from continuing operations</b>	<b>4.4</b>	<b>36.5</b>	<b>40.9</b>
Diluted shares outstanding	46.705		46.705
<b>Earnings per share from continuing operations</b>	<b>\$ 0.10</b>		<b>\$ 0.88</b>

(\$ millions)

<sup>(1)</sup> Adjustment represents the removal of amortization expense associated with acquired intangible assets (\$5.6) and inventory step-up charges related to the ECS and Cincinnati Fan acquisitions (\$0.3).

<sup>(2)</sup> Adjustment represents the removal of acquisition related expenses and costs associated with our Transformer Solutions and South Africa businesses that could not be allocated to discontinued operations for U.S. GAAP purposes (\$2.3), as well as a reclassification of transition services income (\$0.9) from "Other expense, net."

<sup>(3)</sup> Adjustment represents the removal of non-cash charges related to the impairment of certain intangible assets.

<sup>(4)</sup> Adjustment represents the removal of restructuring charges associated with acquisition integration activities.

<sup>(5)</sup> Adjustment represents the removal of charges related to asbestos product liability matters associated with products that we no longer manufacture (\$23.6) and a net gain related to contingent consideration fair value adjustments (\$6.1).

<sup>(6)</sup> Adjustment represents the removal of (i) charges related to asbestos product liability matters associated with products that we no longer manufacture (\$21.0), (ii) non-service pension and postretirement gains (\$10.4), and (iii) a gain on equity security associated with a fair value adjustment (\$2.8), as well as the reclassification of income related to a transition services agreement (\$0.9) to "Corporate expense."

<sup>(7)</sup> Adjustment represents the tax impact of items (1) through (6) above and the removal of certain discrete income tax charges that are considered non-recurring.

# Q4 2020 U.S. GAAP to Adjusted EPS Reconciliation



	GAAP	Adjustments	Adjusted	(\$ millions)
Segment income <sup>(1)</sup>	\$ 58.5	\$ 6.9	\$ 65.4	
Corporate expense <sup>(2)</sup>	(14.7)	1.3	(13.4)	
Long-term incentive compensation expense	(3.6)	-	(3.6)	
Impairment of intangible assets <sup>(3)</sup>	(0.7)	0.7	-	
Special charges, net	(1.0)	-	(1.0)	
Other operating expense <sup>(4)</sup>	(9.4)	9.4	-	
<b>Operating income</b>	<b>29.1</b>	<b>18.3</b>	<b>47.4</b>	
Other income (expense), net <sup>(5)</sup>	(8.7)	13.5	4.8	
Interest expense, net	(4.4)	-	(4.4)	
<b>Income from continuing operations before income taxes</b>	<b>16.0</b>	<b>31.8</b>	<b>47.8</b>	
Income tax (provision) benefit <sup>(6)</sup>	4.5	(9.1)	(4.6)	
<b>Income from continuing operations</b>	<b>20.5</b>	<b>22.7</b>	<b>43.2</b>	
Diluted shares outstanding	46.151		46.151	
<b>Earnings per share from continuing operations</b>	<b>\$ 0.44</b>		<b>\$ 0.94</b>	

<sup>(1)</sup> Adjustment represents the removal of amortization expense associated with acquired intangible assets (\$5.7), inventory step-up charges related to the Sensors & Software acquisition of (\$0.3), and integration costs of (\$0.9).

<sup>(2)</sup> Adjustment represents the removal of acquisition related expenses and cost associated with our South Africa business that could not be allocated to discontinued operations (\$0.5).

<sup>(3)</sup> Adjustment represents the removal of non-cash charges related to the impairment of certain intangible assets.

<sup>(4)</sup> Adjustment represents the removal of charges related to asbestos product liability matters associated with products that we no longer manufacture.

<sup>(5)</sup> Adjustment represents the removal of (i) non-service pension and postretirement charges (\$7.1), (ii) charges related to asbestos product liability matters associated with products that we no longer manufacture (\$7.6), and (iii) a gain on an equity security associated with a fair value adjustment (\$1.2).

<sup>(6)</sup> Adjustment primarily represents the tax impact of items (1) through (5) above.

# U.S. GAAP to Adjusted Operating Income Reconciliation



(\$ millions)

	Three months ended		Twelve months ended	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Operating income	\$ 13.9	\$ 29.1	\$ 73.7	\$ 96.9
Include - TSA Income <sup>(1)</sup>	0.9	-	0.9	-
Exclude:				
Acquisition related and other costs <sup>(2)</sup>	(4.8)	(2.5)	(13.0)	(4.5)
Other operating expense <sup>(3)</sup>	(17.5)	(9.4)	(20.2)	(9.0)
Amortization expense <sup>(4)</sup>	(5.6)	(5.7)	(21.6)	(14.0)
Impairment of intangible assets	(5.7)	(0.7)	(5.7)	(0.7)
Adjusted operating income	<u>\$ 48.4</u>	<u>\$ 47.4</u>	<u>\$ 135.1</u>	<u>\$ 125.1</u>
as a percent of revenues <sup>(5)</sup>	13.8 %	13.6 %	11.1 %	11.1 %

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

<sup>(2)</sup> For the three and twelve months ended December 31, 2021, represents (i) cost incurred in connection with acquisitions, including inventory step-up charges of \$0.3 and \$2.6, respectively, (ii) costs associated with our Transformer Solutions and South Africa businesses that could not be allocated to discontinued operations for U.S. GAAP purposes of \$2.3 and \$3.1, respectively, and (iii) a non-cash impairment charge of \$0.0 and \$1.8, respectively. For the three and twelve months ended December 31, 2020, represents (i) cost incurred in connection with acquisitions, including inventory step-up charges of \$0.3 and \$0.3, respectively, and (ii) costs associated with our South Africa business that could not be allocated to discontinued operations for U.S. GAAP purposes of \$0.5 and \$1.5, respectively.

<sup>(3)</sup> Represents charges associated with (i) asbestos product liability matters related to products that we no longer manufacture of \$23.6 and \$26.3 during the three and twelve months ended December 31, 2021, respectively, and \$9.4 during the three and twelve months ended December 31, 2020, (ii) a net gain of \$6.1 during the three and twelve months ended December 31, 2021 related to revisions of the liabilities associated with contingent consideration on recent acquisitions, and (iii) a gain of \$0.4 during the twelve months ended December 31, 2020 resulting from revisions to estimates of certain liabilities retained in connection with the 2016 sale of the dry cooling business.

<sup>(4)</sup> Represents amortization expense associated with acquired intangible assets.



# Q4 2021 Non-GAAP Reconciliation - Organic Revenue



	<b>Three months ended December 31, 2021</b>	
	<b>HVAC</b>	<b>Detection &amp; Measurement</b>
Net Revenue Growth (Decline)	(8.0)%	17.0 %
Exclude: Foreign Currency	0.1 %	- %
Exclude: Acquisitions	0.9 %	12.8 %
Organic Revenue Growth (Decline)	<u>(9.0)%</u>	<u>4.2 %</u>

# U.S. GAAP Adjusted Segment Income Reconciliation



(\$ millions)

CONSOLIDATED SPX:	Three months ended		Twelve months ended	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Total segment income	\$ 61.4	\$ 58.5	\$ 173.9	\$ 171.8
Exclude: Acquisition related costs <sup>(1)</sup>	(0.3)	(1.2)	(5.1)	(1.3)
Exclude: Amortization expense <sup>(2)</sup>	(5.6)	(5.7)	(21.6)	(14.0)
Adjusted segment income	<u>\$ 67.3</u>	<u>\$ 65.4</u>	<u>\$ 200.6</u>	<u>\$ 187.1</u>
as a percent of revenues <sup>(3)</sup>	19.2 %	18.8 %	16.4 %	16.6 %

<sup>(1)</sup> Includes cost incurred in connection with acquisitions during the periods herein, including additional "Cost of products sold" related to the step-up of inventory (to fair value) acquired in connection with these acquisitions of \$0.3 and \$0.3 during the three months ended December 31, 2021 and 2020, respectively, and \$2.6 and \$0.3 during the twelve months ended December 31, 2021 and 2020, respectively. The twelve months ended December 31, 2021 also includes a non-cash asset impairment charge of \$1.8.

<sup>(2)</sup> Represents amortization expense associated with acquired intangible assets.

# U.S. GAAP Adjusted Segment Income Reconciliations



(\$ millions)

## HVAC REPORTABLE SEGMENT:

	Three months ended		Twelve months ended	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
HVAC segment income	\$ 33.0	\$ 37.8	\$ 104.2	\$ 102.7
Exclude: Acquisition related costs <sup>(1)</sup>	(0.1)	(0.5)	(0.1)	(0.6)
Exclude: Amortization expense <sup>(2)</sup>	(1.4)	(0.7)	(3.4)	(2.9)
HVAC adjusted segment income	<u>\$ 34.5</u>	<u>\$ 39.0</u>	<u>\$ 107.7</u>	<u>\$ 106.2</u>
as a percent of HVAC segment revenues <sup>(3)</sup>	16.3 %	16.9 %	14.3 %	14.3 %

## DETECTION & MEASUREMENT REPORTABLE SEGMENT:

	Three months ended		Twelve months ended	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Detection & Measurement segment income	\$ 28.4	\$ 20.7	\$ 69.7	\$ 69.1
Exclude: Acquisition related costs <sup>(1)</sup>	(0.2)	(0.7)	(5.0)	(0.7)
Exclude: Amortization expense <sup>(2)</sup>	(4.2)	(5.0)	(18.2)	(11.1)
Detection & Measurement adjusted segment income	<u>\$ 32.8</u>	<u>\$ 26.4</u>	<u>\$ 92.9</u>	<u>\$ 80.9</u>
as a percent of Detection & Measurement segment revenues <sup>(3)</sup>	23.7 %	22.4 %	19.9 %	20.9 %

<sup>(1)</sup> Includes cost incurred in connection with acquisitions during the periods herein, including additional "Cost of products sold" related to the step-up of inventory (to fair value) acquired in connection with these acquisitions of \$0.3 and \$0.3 during the three months ended December 31, 2021 and 2020, respectively, and \$2.6 and \$0.3 during the twelve months ended December 31, 2021 and 2020, respectively. The twelve months ended December 31, 2021 also includes a non-cash asset impairment charge of \$1.8.

<sup>(2)</sup> Represents amortization expense associated with acquired intangible assets.