

SPX

May 2017

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- Particular risks facing SPX include risks relating to market specific cycles and weather related fluctuations; economic, business and other risks stemming from changes in the economy; legal and regulatory risks; cost of raw materials; pricing pressures; our reliance on U.S. revenues and international operations; our 2015 spin-off transaction; the effectiveness, success, and timing of restructuring plans; our ability to manage changes and measure and estimate the expected revenue and cost associated with our power projects in South Africa; pension funding requirements; liabilities retained in connection with dispositions, and integration of acquisitions. More information regarding such risks can be found in SPX's 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 regulatory authorities.
- This presentation includes non-GAAP financial measures. Reconciliation of the non-GAAP financial measures with the most comparable measures calculated and presented in accordance with GAAP is available in our applicable SEC filings, including in our 8-K filed February 23, 2016. We believe that these non-GAAP measures are useful to investors in evaluating our operating performance and our management of business from period to period.
- "Core" and "Engineered Solutions (Core)" results in this presentation are non-GAAP financial measures that exclude the results of the South African projects.

# SPX Corporation Overview

May 2017

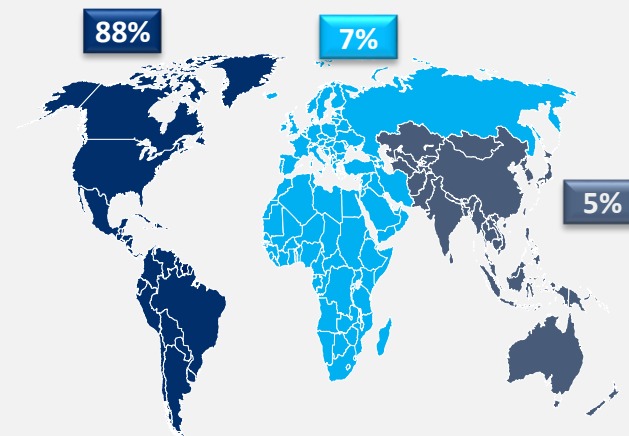


# Company Overview

## SPX Corporation

- Headquartered in Charlotte, NC
- A leading supplier of:
  - HVAC products,
  - Detection & Measurement technologies, and
  - Engineered Solutions
- ~\$1.4b Core Revenue\* in 2016
- ~5,000 employees
- NYSE Ticker: **SPXC**

### 2016 Core Revenue\* by Region



\*Non-GAAP financial measure. Excludes the results of the South African projects.

**SPX is a Leading Supplier of HVAC, Detection & Measurement and Engineered Solutions;  
Almost 90% of Revenue is Generated by Sales into North America**

## Executive Highlights

- Committed to double digit adjusted EPS\* growth – ~2/3 organic
- Executing plan to drive 350 basis points of expansion in adjusted operating income\* margin by 2020
- Solid FCF\* conversion > 100% of adjusted net income\*
- Solid platform to expand (products, markets, channels)

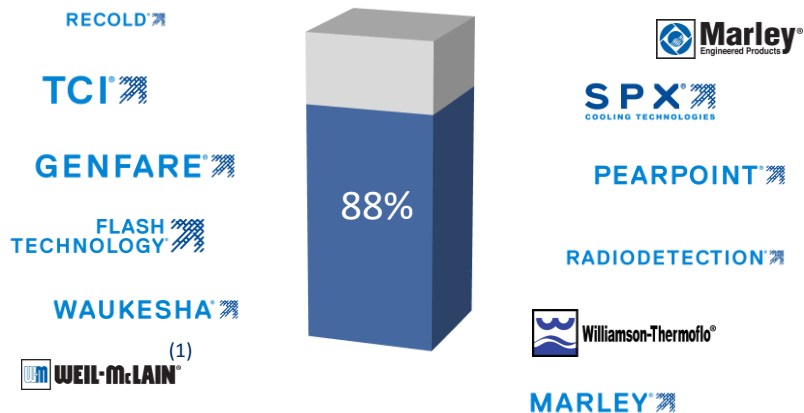
\*Non-GAAP financial measure.

**Substantial Earnings and Cash Flow Growth Opportunity**

# Strong Brands and Attractive Market Dynamics

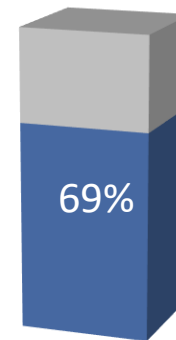
2016 Core Revenue\* ~\$1.4B

~88% of Revenue from #1 or #2 Market Position



Management Estimates

69% of Revenue from Replacement Sales



Management Estimates

\*Non-GAAP financial measure. Note: Core results are non-GAAP financial measures that exclude the results of the South African projects.

<sup>(1)</sup> Weil-McLain, a division of The Marley-Wylain Company

## Key Product Offerings and Financial Profile by Segment

### HVAC

- ✓ Package cooling units
- ✓ Fluid coolers
- ✓ Residential and Non-Residential Boilers
- ✓ Electrical heating products

#### 2016:

- \$510m revenue
- Segment income margin 16%

### DETECTION & MEASUREMENT

- ✓ Locators
- ✓ Fare collection systems
- ✓ Communication technologies
- ✓ Obstruction lighting

#### 2016:

- \$226m revenue
- Segment income margin 20%

### ENGINEERED SOLUTIONS

- ✓ Power transformers
- ✓ Cooling towers
- ✓ Heat exchangers

#### 2016:

- \$653m Core revenue\*
- Core income margin\* 5%

\*Non-GAAP financial measure. Excludes the results of the South African projects.

# SPX “Year 1” Key Value Creation Accomplishments

## HVAC

### Delivering Operational Excellence

- ✓ Driving year-over-year margin expansion

### Growing in Adjacent Markets

- ✓ New evaporative condenser product (industrial refrigeration)

### Expanding Product Breadth

- ✓ Launch of new high-efficiency boiler (residential heating)

### Innovating Transformative Solutions

- ✓ Launch and first order of NC Everest cooling tower

## DETECTION & MEASUREMENT

### Building Large Project Backlog

- ✓ Awarded two of largest jobs in several years

### Enhancing Product Offerings

- ✓ Launch of RD8100 GPS-enabled cable and pipe locator
- ✓ Launch of Model 709 Compact Spectrum Monitoring System (CSMS)

### Leveraging Technology Investments

- ✓ New Genfare Link fare collection system live in key reference market

## ENGINEERED SOLUTIONS

### Driving Operational Initiatives

- ✓ Transformer business achieved long-term margin target of 10%

### Reducing Exposure to Power Gen

- ✓ Completed sale of Dry Cooling business in Q1 2016
- ✓ Completed sale of European Power Generation in Q4 2016

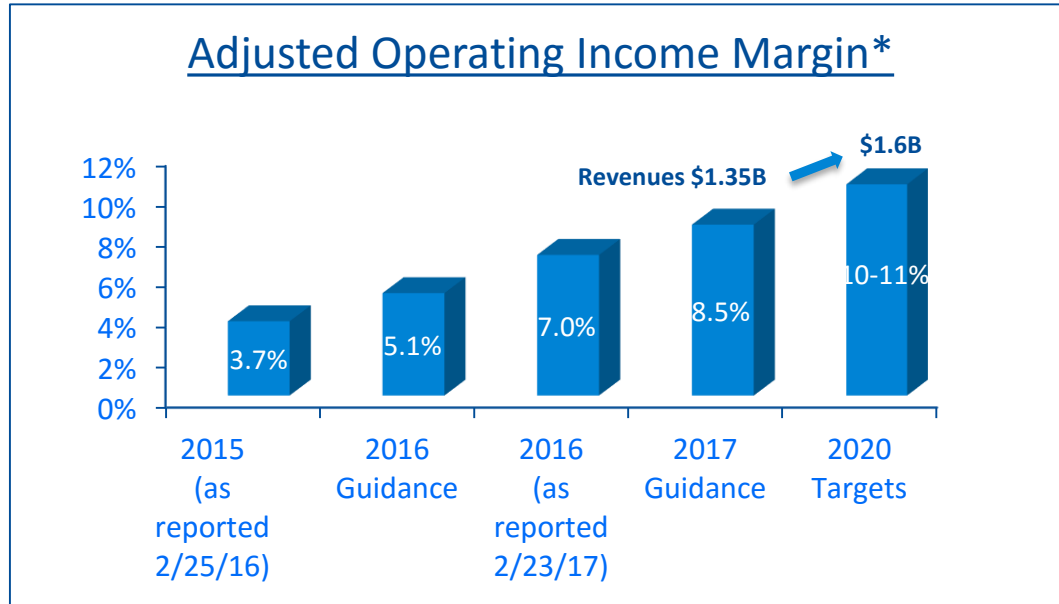
### Reducing Project Risk

- ✓ South African Projects: Agreement with customer in Q4'15 to reduce future scope of work

**Substantial Progress Achieved on Key Value Creation Initiatives**



# SPX Margin Transformation



**Adjusted EPS\***    N/A    \$1.10    \$1.47    \$1.63    \$2.25 - \$2.50

\*Non-GAAP financial measure. Excludes the results of the South African projects.

**Actions Taken Since Spin Have Significantly Strengthened SPX's Financial Profile**

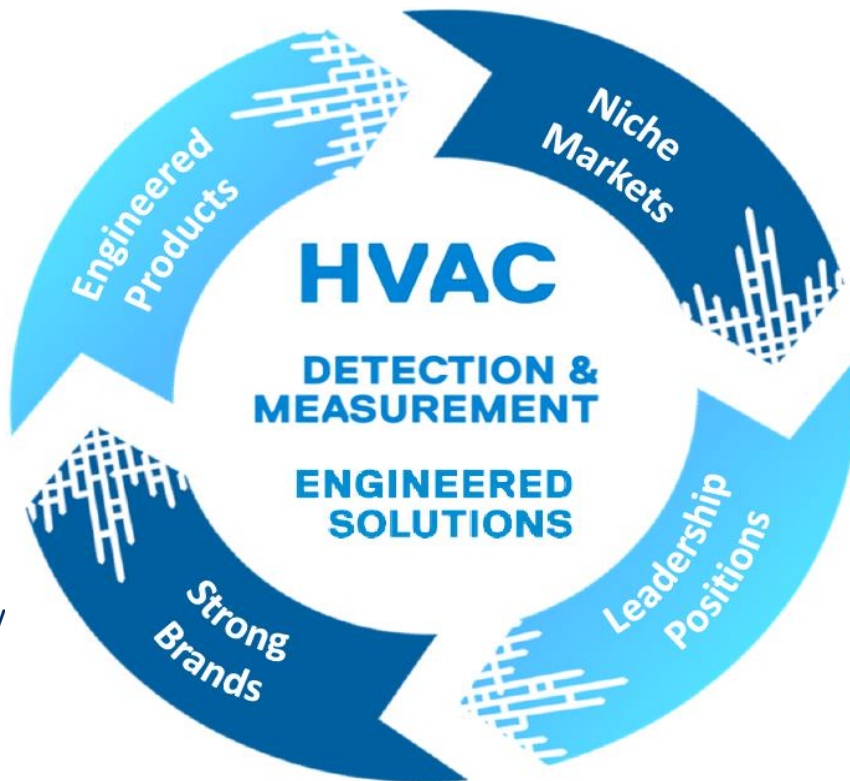
# Updated Value Creation Roadmap

## Organic Growth

- New products
- New channels
- Adjacent markets

## Inorganic Growth

- Focus in HVAC and D&M
- Significant capital to deploy
- Large target pipeline



## SPX Business System

- Policy deployment
- Operational excellence
- Due diligence/integration

## Culture & Values

- Leadership development
- Results/accountability
- Integrity

# Segment Overview

May 2017



**HVAC**



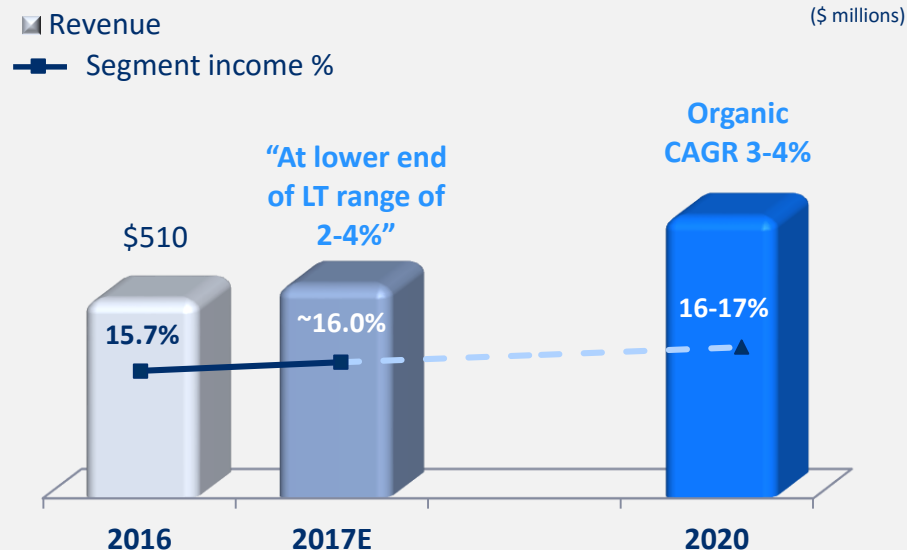
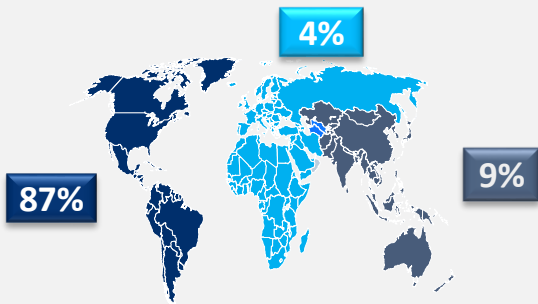
# HVAC Segment Overview



## 2016 Revenue by Product



## 2016 Revenue by Geography



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

# Strategic Growth Initiatives



## New Product Development

- Commercialize NC Everest (Cooling)
- Grow Evergreen (high-efficiency boiler)



## Adjacent Markets

- Expand refrigeration – Evaporative Condenser; LS Fluid Cooler
- Grow combi-boilers (Aquabalance™)



## Channel Development

- Expand geographic and vertical market channels
- Execute multi-level sales activities
  - End user, architect/engineer, mechanical contractor

## Operational Excellence

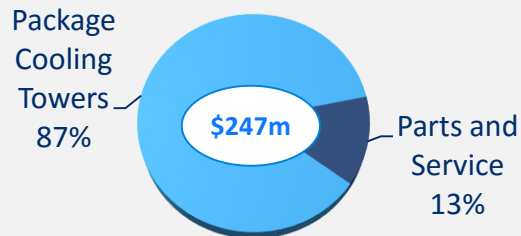
- Drive strategic sourcing, productivity initiatives



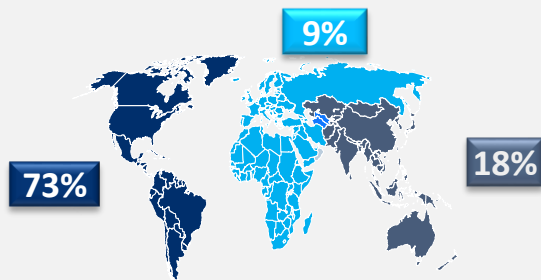
**Several Attractive Opportunities to Expand and Grow HVAC Platform**

# Cooling Products Overview

## 2016 Revenue Breakdown



## 2016 Revenue by Geography



- Cooling products used in non-residential, commercial construction, process cooling and refrigeration applications
- Well-recognized product brands: Marley and Recold
- Well-established sales channel including reps and distributors
- Demand generally follows construction trends (e.g., Dodge Index)
- Approximately 50% replacement sales

**Strong Product Brands and Leading Market Positions  
Across Cooling Product Portfolio**

## Cooling Product Examples

### Marley NC Cooling Tower

- ✓ High efficiency
- ✓ Low drift rates
- ✓ Quiet by design
- ✓ Long-life construction



### Recold Fluid Cooler

- ✓ High performance design
- ✓ Low cost of ownership



**Strong Product Portfolio of Cooling Technologies with Opportunity for Expansion**



## Cooling - Key New Products

### Marley NC Everest Tower

- ✓ Launched in 2016
- ✓ 50% more cooling capacity than any other pre-assembled tower
- ✓ Awarded first order in Q4 2016



### Marley LW Fluid Cooler

- ✓ Launched in Q4 2016
- ✓ High efficiency, low height fluid cooler
- ✓ Awarded first order in Q4 2016



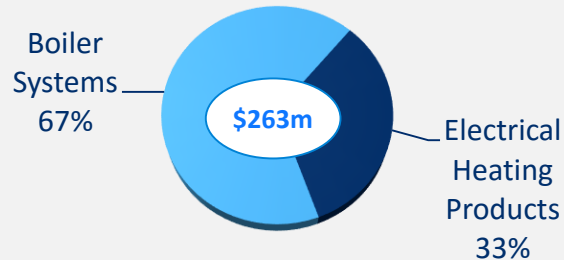
### Evaporative Condenser

- ✓ Launched in 2015
- ✓ Adjacent product and market (refrigeration)



**Strong Brand Identity and Well Established Channel Support a Broader NPI Impact**

## 2016 Revenue Breakdown



- North American businesses with strong brands
- Products used in residential and non-residential markets and sold primarily through distributors
- Demand for boiler systems is seasonal:
  - Concentrated in the fourth quarter
- Approximately 80% 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



### Commercial Boilers

- ✓ High efficiency natural gas
- ✓ Standard cast iron



### Electrical Heating Products

Digital wall heaters



Wash-down, corrosion resistant heaters



Aluminum convection heaters

**Broad Product Offering of Heating Solutions for Residential and Light Commercial Applications**

## Growth Oriented Initiatives

### New Product Development:

- Evergreen® floor standing/wall mount modulating condensing boiler, launched in Q3 2015:
  - ❑ **95% efficiency** meets Department of Energy regulations and achieves **Energy Star** rating to maximize customer rebates
  - ❑ Sizes cover residential and light commercial applications
  - ❑ 2016 Dealer Design Awards (DDA) Gold winner
- High-growth market segment

<sup>(1)</sup> Weil-McLain, a division of The Marley-Wylain Company

### Weil-McLain<sup>(1)</sup> Evergreen® Condensing Boiler



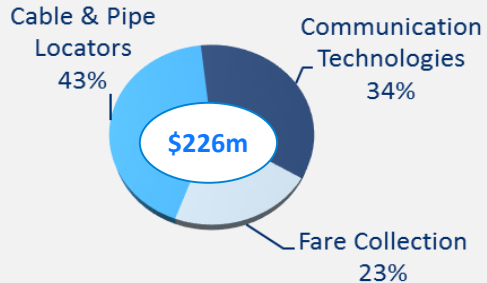
## Award Winning New High Efficiency Product Launch



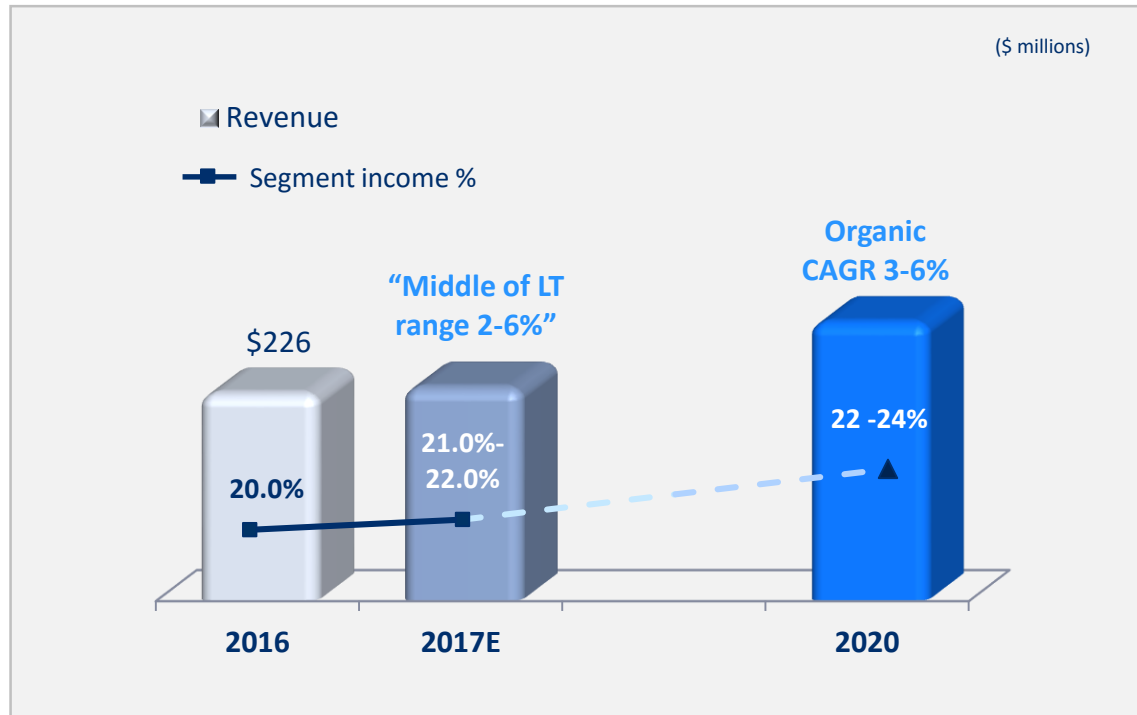
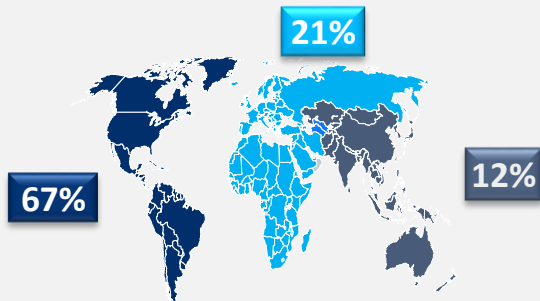
# Detection & Measurement

# Detection & Measurement Segment Overview

## 2016 Revenue by Product



## 2016 Revenue by Geography



**Targeting 3% to 6% Annual Organic Revenue Growth and 100 to 300 Points of Margin Expansion Over the 3-Year Period**

# Strategic Growth Initiatives

## New Product Development

- Scale new GPS-enabled locator
- Grow fare-collection solutions platform

## Adjacent Markets

- Build out geographic and vertical channels
- New LED Red lighting solution

## Upgrade Installed Base

- Aged bus fleet (fare collection)
- Communication technologies infrastructure

## Operational Excellence

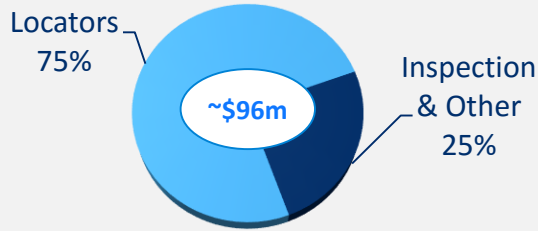
- Drive productivity and sourcing initiatives
- Internet of Things (IOT)



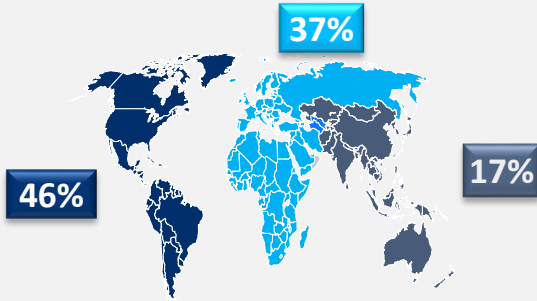
**Several Attractive Opportunities to Expand and Grow Detection & Measurement Platform**

# Radiodetection Overview

## 2016 Revenue by Product



## 2016 Revenue by Geography



- Based in the U.K., a leading global supplier of underground cable and pipe locators, and inspection equipment
- Continuous new product enhancement and loyal customer base
- Key demand drivers:
  - ❑ Global infrastructure growth
  - ❑ Construction growth
  - ❑ Health & Safety Legislation



**Radiodetection is a Leading Global Supplier of Equipment to Locate and Inspect Buried Cables & Pipes**



# Radiodetection – Key New Products

Pipeline Mapper



Cable Avoidance



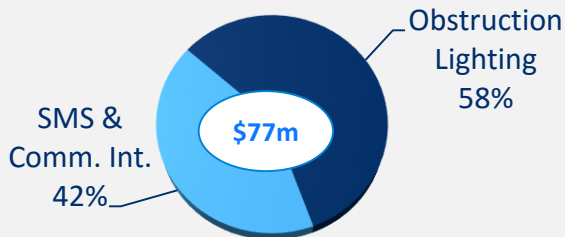
Video Inspection



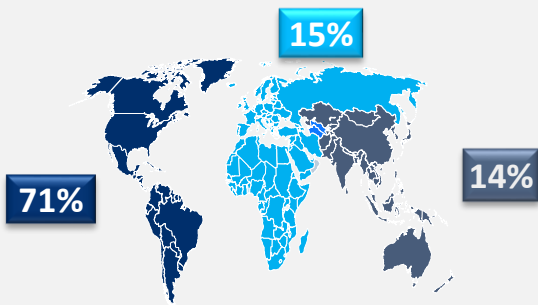
**New Product Introduction Continues to Drive Radiodetection's Performance**

# Communication Technologies Overview

## 2016 Revenue by Product



## 2016 Revenue by Geography



- **TCI** : A leading global supplier of spectrum monitoring, communication intelligence and geolocation technology
- **Flash Technology**: A leading North American supplier of obstruction lighting products
- Key demand drivers:
  - ❑ Global growth of wireless usage
  - ❑ Increased spectrum provisioning and monitoring
  - ❑ Anti-terrorism and drug interdiction efforts
  - ❑ Compliance with government & industry regulations
  - ❑ Approximately two-thirds of sales are replacements

**TCI and Flash Technology are Leaders in Their Respective Markets**

## SMS & Communications Intelligence



## Flash Lighting Systems



**Our Communication Technologies Solutions are Adapting to  
Serve Evolving and Complex Customer Needs**



- A leading North American supplier in fare collection:
  - Historical market position concentrated on fare box installations
- Rapidly evolving technology in the market has driven a transformation in our business:
  - Evolved from “farebox supplier” to “fare collection system provider”
  - Invested in software, product development, program management and marketing
  - Strategic relationships with larger public infrastructure system integrators
- New product introductions have expanded product offering to include:
  - Mobile ticketing
  - Cloud-based data hosting
  - Remote ticket validator
  - Point-of-sale delivery systems



**Genfare is a Leading North American Supplier in Fare Collection**

# Genfare Products: Next Generation Fare Collection

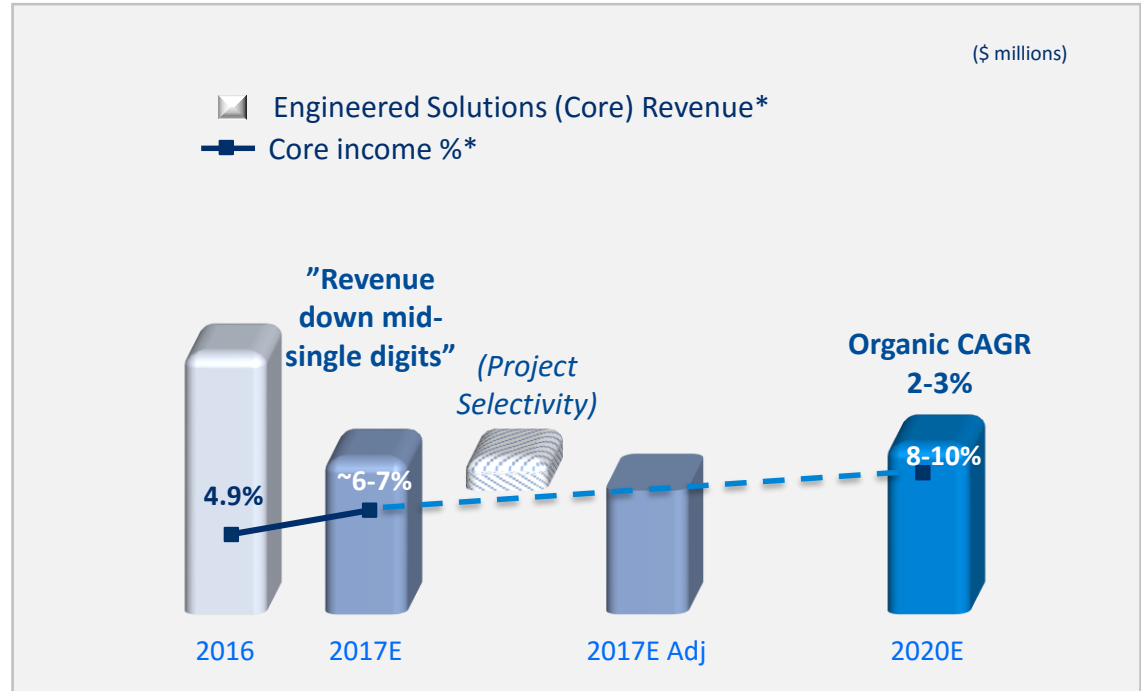
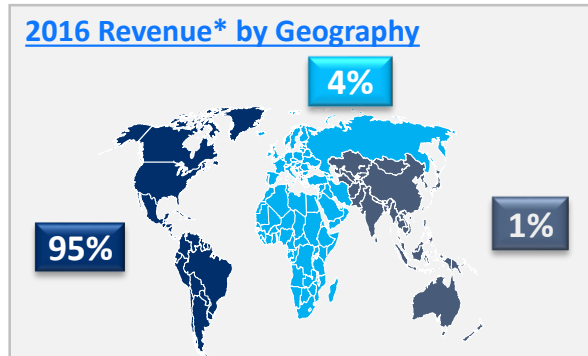
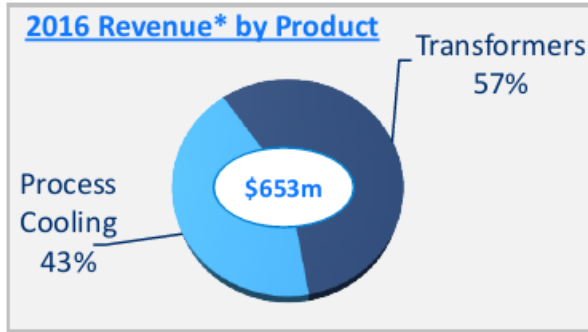


**Fare Collection Suite of Products Integrated with Back-End Support;  
We Believe This is The New Industry Standard**

# Engineered Solutions



# Engineered Solutions (Core) Segment Overview



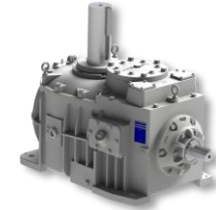
\*Non-GAAP financial measure. Note: Core results are non-GAAP financial measures that exclude the results of the South African projects.

**Large Installed Base, Strong Product Offering and Brands;  
Well-Positioned to Achieve Margin Improvement**

## Strategic Growth Initiatives

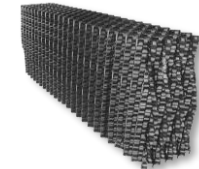
### New Product Development

- Commercialize proprietary load tap changer (LTC)
- Broaden component offerings



### Evolve Business Model

- Expand service and components
- More selective on process cooling projects



### Expand Market Presence

- Large voltage/EHV transformers
- Supply to OEM customers



### Operational Excellence

- Continue operational excellence initiatives
- Strategic sourcing, productivity and Lean

**Several Attractive Opportunities to Grow Profitability of Segment**



## Transformer Business

- SPX is a leading supplier of power transformers into North America with strong brand equity
- Customers include:
  - Public and private electric utilities
  - Independent power producers
  - Large industrial sites
- Two primary manufacturing locations:
  - Waukesha, WI
  - Goldsboro, NC
- Service and Components center in Dallas, TX



**A Leading North American Supplier of Power Transformers**

# Transformers Overview - North American Market

- Demand largely driven by replacement of aging installed base:
  - Average age of installed base is ~40 years
  
- Electricity demand has been flat over the past decade, however new T&D construction continues driving demand for power transformers:
  - Utility-scale solar and wind grid connections
  - New capacity of natural gas power plants
  - Grid reliability initiatives: Transmission projects, spare units
  
- Regulatory standards have influence on customer spending habits:
  - Energy Policy Act of 2005
  - FERC Electric Reliability Standards (2007 and Order 1000)
  - American Reinvestment and Recovery Act of 2009



**Replacement Transformers Expected to be Primary Demand Driver**

# Transformer Product and Service Examples

Oil Processing Truck



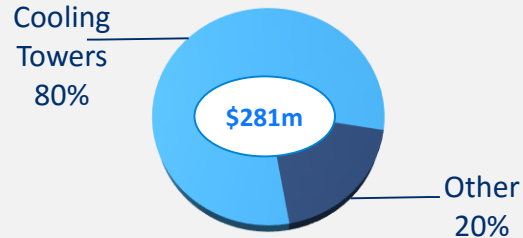
Large Power (High Voltage) Transformer



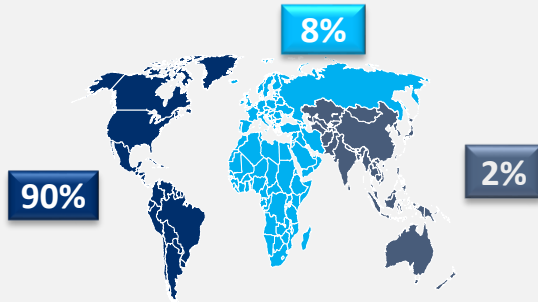
**Leading North American Supplier of Medium Power Transformers**

# Process Cooling Overview

## 2016 Revenue by Product



## 2016 Revenue by Geography



- Based in the U.S., a leading global manufacturer of cooling towers and air cooled heat exchangers
- Continuous new product enhancements and exception quality equipment for more than a century
- Large installed base in U.S. and abroad
- Growing component and aftermarket opportunities
- Greater selectivity in projects



**Repositioning Business for Greater Aftermarket Opportunities**

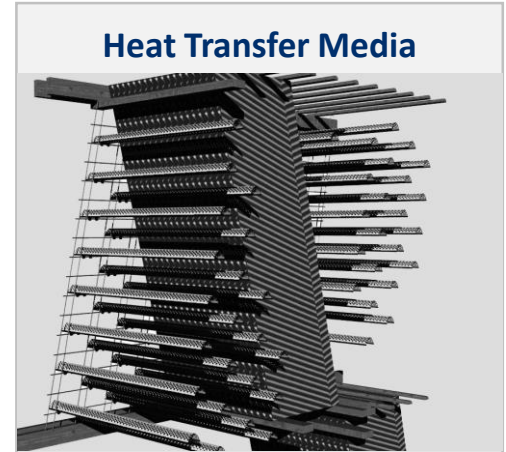
**Gear Reducer**



**Air Flow Components**



**Heat Transfer Media**



**Aftermarket Service and Components is Focus  
Area of New Product Initiatives**



# Financial Position & Capital Allocation

May 2017



# Capital Allocation Discipline

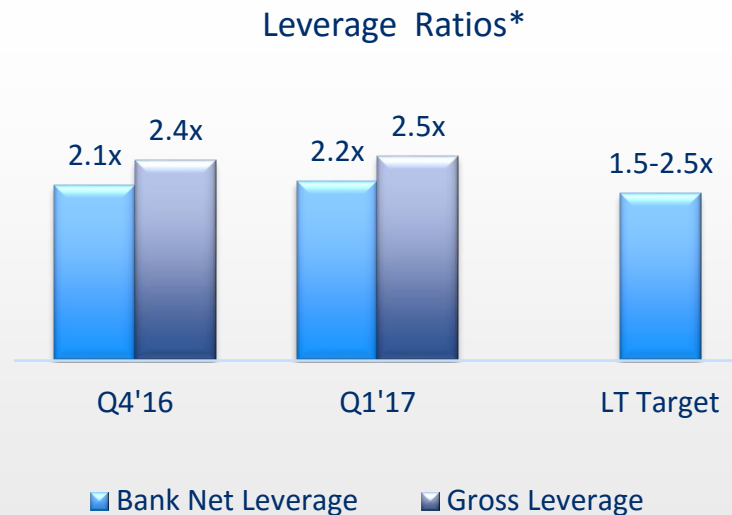
| Methodology  | Expected Outcome  |
|--|---|
| 1) Utilize strategic planning process to evaluate future revenue and earnings growth | <ul style="list-style-type: none"> <li>▪ Quantify projected future cash flows and estimate total company valuation</li> </ul>   |
| 2) Maintain target capital structure   | <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 Update

|                                      | Q1 2017         |
|--------------------------------------|-----------------|
| (\$ millions)                        |                 |
| Short-term debt                      | \$ 17.1         |
| Current maturities of long-term debt | 18.0            |
| Long-term debt                       | 319.4           |
| <b>Gross Debt</b>                    | <b>\$ 354.5</b> |
| Less: Cash on hand                   | (92.7)          |
| <b>Net Debt</b>                      | <b>\$ 261.8</b> |



\*Calculated as defined by SPX's credit facility agreement. Net debt subtracts cash in excess of \$50 million in the calculation of net leverage.

**Maintaining Net Leverage Within Target Range**

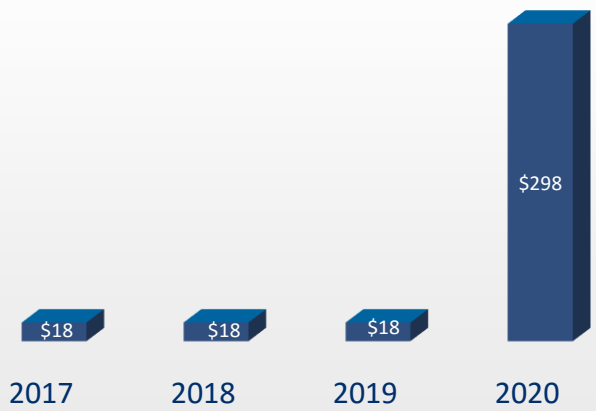


# Financial Position

## Cash Flow & Liquidity

- Core Free Cash Flow\* of approximately \$16.5 million during first quarter; historically a cash use quarter
- Projecting \$400 million of capacity for capital allocation through 2020
  - ❑ Growth investments in Core businesses
  - ❑ Return of capital to shareholders
  - ❑ Reduction in debt and equivalents
- Declining South Africa cash requirements factored into projected liquidity

Term Debt Repayment Schedule  
(\$ in millions)



Note: Core results are non-GAAP financial measures that exclude the results of the South African projects.  
\*Non-GAAP financial measure. Reconciliation to its nearest US GAAP financial measure is available elsewhere in the Appendix of the presentation.

**Significant Capital Available to Invest in Growth**

## SPX Acquisition Approach

| Qualitative   | Quantitative   |
|---|--|
| <ul style="list-style-type: none"><li>■ Focused on building existing platforms<ul style="list-style-type: none"><li>□ Existing markets or close adjacencies</li></ul></li><li>■ Engineered products</li><li>■ Attractive growth opportunities<ul style="list-style-type: none"><li>□ Secular growth drivers</li><li>□ Fragmented market with consolidation opportunities</li></ul></li><li>■ Differentiated offering through technology, brand or channel</li></ul> | <ul style="list-style-type: none"><li>■ Transaction size \$10-\$100 million (primary focus)</li><li>■ ROIC <math>\geq</math> double digits 3-5 yrs</li><li>■ Accretive to adjusted EPS in year 1, GAAP EPS in year 2</li></ul> |

# Appendix

May 2017



# 2017 Core Guidance



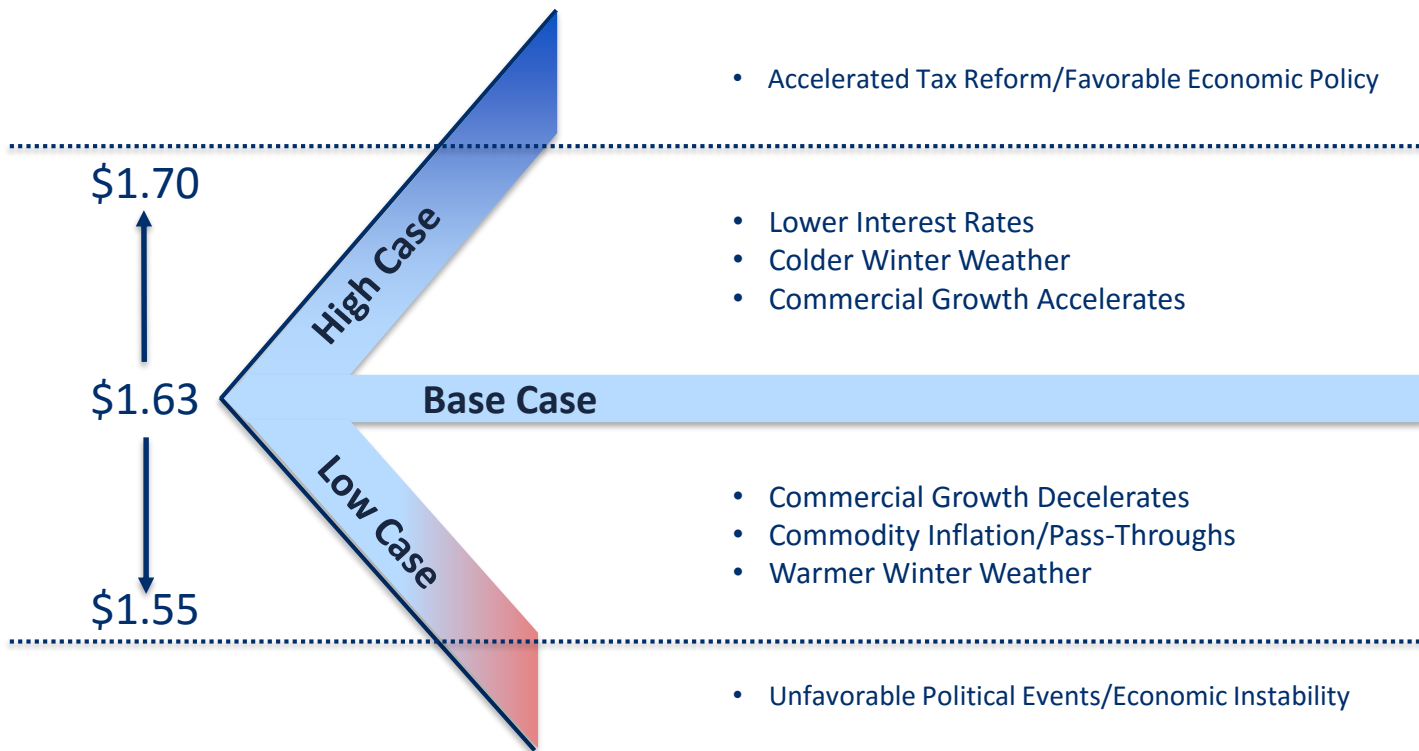
|                                    | Revenue   | Segment Income Margin  |
|------------------------------------|---|--|
| <b>HVAC</b>                        | <ul style="list-style-type: none"> <li>Organic growth* at lower end of LT range of 2-4%</li> </ul>  | <ul style="list-style-type: none"> <li>Approximately 16%</li> </ul>                    |
| <b>Detection &amp; Measurement</b> | <ul style="list-style-type: none"> <li>Organic growth* towards middle of LT range of 2-6%</li> </ul>  | <ul style="list-style-type: none"> <li>21-22%</li> </ul>                               |
| <b>Engineered Solutions (Core)</b> | <ul style="list-style-type: none"> <li>Segment revenue decline in mid-single digits %</li> <li>Flat Transformer business revenue; organic decline* in Process Cooling resulting from greater selectivity in market participation</li> </ul> | <ul style="list-style-type: none"> <li>6-7%</li> </ul>                                 |
| <b>Total SPX Core</b>              | <ul style="list-style-type: none"> <li>\$1.3 – \$1.4 billion</li> </ul>   | <ul style="list-style-type: none"> <li>12-13%</li> <li>+120 bps at midpoint</li> </ul> |

\*Non-GAAP financial measure.

**Note:** Core results are non-GAAP financial measures that exclude the results of the South African projects. We have not reconciled non-GAAP financial measures guidance to their nearest GAAP equivalents because we do not provide guidance for items that we do not consider indicative of our on-going performance and that are out of our control and/or cannot be reasonably predicted. Accordingly, a reconciliation of the non-GAAP financial measure guidance to the corresponding GAAP financial measures is not available without unreasonable effort.

**Adjusted Operating Income\* Margin Up ~150 Basis Points to 8-9%;  
Adjusted EPS\* Guidance of \$1.55-1.70**

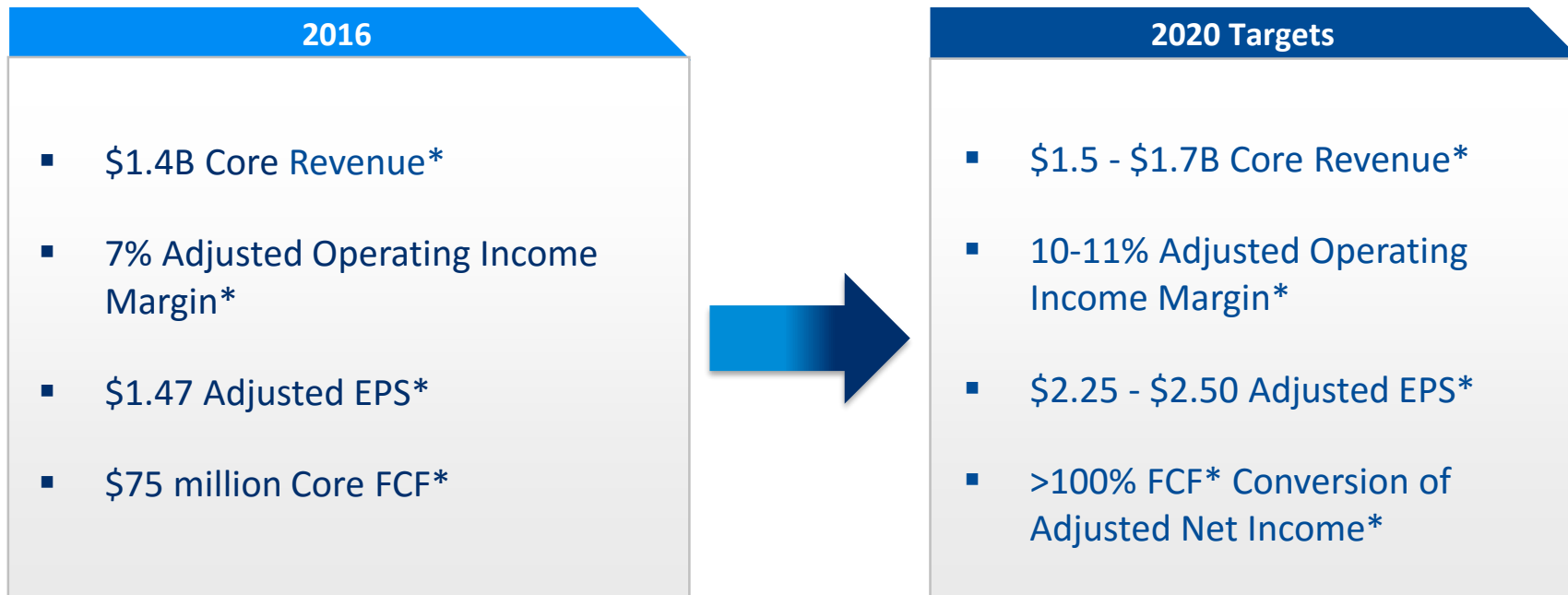
# 2017 Adjusted EPS\* Guidance - Key Drivers



\*Non-GAAP financial measure.

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# Long-Term Financial Targets



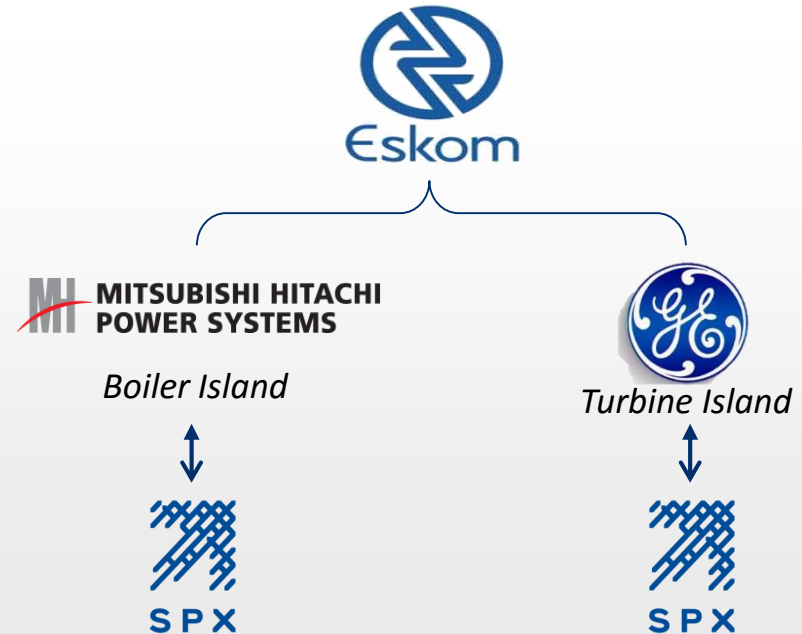
\*Non-GAAP financial measure. Excludes the results of the South African projects. We have not reconciled forward-looking non-GAAP financial measures to their nearest GAAP equivalents because we do not provide guidance for items that we do not consider indicative of our on-going performance and that are out of our control and/or cannot be reasonably predicted. Accordingly, a reconciliation of the forward-looking non-GAAP financial measures to their corresponding GAAP financial measures is not available without unreasonable effort.

**Clear Line of Sight to Double Digit EPS Growth**

# South African Projects Overview

## Medupi & Kusile Power Stations

- Medupi and Kusile are the two mega-projects:
  - Twelve 800 mega-watt coal-fired plants (six at each project site)
- Eskom is a state-owned South African utility
- Alstom and Mitsubishi Hitachi are the primary contractors
- The final unit is expected to be commercially operational around 2021
- Four primary phases: manufacturing, construction, commissioning and warranty



These Two Power Stations Expected to Add ~10 GW of Power Capacity When Completed