

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

FORM 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended **October 1, 2022**

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission File Number **1-6948**

SPX TECHNOLOGIES, INC.

(Exact Name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of incorporation or organization)

88-3567996
(I.R.S. Employer Identification No.)

6325 Ardrey Kell Road, Suite 400, Charlotte, North Carolina 28277
(Address of principal executive offices) (Zip Code)

(980) 474-3700
(Registrant's telephone number, including area code)

SPX CORPORATION

(Former name, former address, and former fiscal year, if changed since last report)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbols(s)	Name of each exchange on which registered
Common Stock, par value \$0.01	SPXC	New York Stock Exchange

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input checked="" type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
		Emerging growth company	<input type="checkbox"/>

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No.

Common shares outstanding October 28, 2022, 45,187,022

SPX TECHNOLOGIES, INC. AND SUBSIDIARIES
FORM 10-Q INDEX

PART 1 – FINANCIAL INFORMATION

Item 1 – Financial Statements

Condensed Consolidated Statements of Operations and Comprehensive Income (Loss) 3

Condensed Consolidated Balance Sheets 4

Condensed Consolidated Statements of Stockholders' Equity 5

Condensed Consolidated Statements of Cash Flows 6

Notes to Condensed Consolidated Financial Statements 7

Item 2 – Management's Discussion and Analysis of Financial Condition and Results of Operations 36

Item 3 – Quantitative and Qualitative Disclosures About Market Risk 47

Item 4 – Controls and Procedures 47

PART 2 – OTHER INFORMATION

Item 1 – Legal Proceedings 48

Item 1A – Risk Factors 48

Item 2 – Unregistered Sales of Equity Securities and Use of Proceeds 48

Item 6 – Exhibits 49

SIGNATURES 50

PART I—FINANCIAL INFORMATION

ITEM 1. Financial Statements

SPX TECHNOLOGIES, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME (LOSS)
(Unaudited; in millions, except per share amounts)

	Three months ended		Nine months ended	
	October 1, 2022	October 2, 2021	October 1, 2022	October 2, 2021
Revenues	\$ 370.5	\$ 285.7	\$ 1,031.6	\$ 869.5
Costs and expenses:				
Cost of products sold	237.4	189.9	669.9	567.0
Selling, general and administrative	89.1	72.7	261.6	223.3
Intangible amortization	6.7	5.5	23.1	16.0
Impairment of goodwill and intangible assets	—	24.3	—	24.3
Special charges, net	—	(0.1)	0.1	0.7
Other operating (income) expense, net	—	(24.3)	1.0	(21.6)
Operating income	37.3	17.7	75.9	59.8
Other income (expense), net	(24.6)	3.8	(19.8)	17.6
Interest expense	(2.6)	(3.5)	(7.3)	(10.9)
Interest income	1.0	0.1	1.4	0.2
Loss on amendment/refinancing of senior credit agreement	(1.1)	—	(1.1)	(0.2)
Income from continuing operations before income taxes	10.0	18.1	49.1	66.5
Income tax (provision) benefit	2.5	(4.2)	(4.5)	(11.9)
Income from continuing operations	12.5	13.9	44.6	54.6
Income (loss) from discontinued operations, net of tax	—	(35.3)	—	9.4
Income (loss) on disposition of discontinued operations, net of tax	(9.4)	351.7	(17.1)	355.0
Income (loss) from discontinued operations, net of tax	(9.4)	316.4	(17.1)	364.4
Net income	\$ 3.1	\$ 330.3	\$ 27.5	\$ 419.0
Basic income per share of common stock:				
Income from continuing operations	\$ 0.28	\$ 0.31	\$ 0.98	\$ 1.21
Income (loss) from discontinued operations	(0.21)	6.98	(0.38)	8.05
Net income per share	\$ 0.07	\$ 7.29	\$ 0.60	\$ 9.26
Weighted-average number of common shares outstanding — basic	45.144	45.331	45.382	45.244
Diluted income per share of common stock:				
Income from continuing operations	\$ 0.27	\$ 0.30	\$ 0.96	\$ 1.18
Income (loss) from discontinued operations	(0.20)	6.78	(0.37)	7.84
Net income per share	\$ 0.07	\$ 7.08	\$ 0.59	\$ 9.02
Weighted-average number of common shares outstanding — diluted	46.132	46.650	46.253	46.455
Comprehensive income (loss)	\$ (13.7)	\$ 324.2	\$ 0.8	\$ 415.0

The accompanying notes are an integral part of these statements.

SPX TECHNOLOGIES, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(Unaudited; in millions, except share data)

	October 1, 2022	December 31, 2021
ASSETS		
Current assets:		
Cash and equivalents	\$ 183.4	\$ 388.2
Accounts receivable, net	266.1	223.4
Contract assets	30.2	28.9
Inventories, net	265.2	189.8
Other current assets	92.8	73.1
Total current assets	837.7	903.4
Property, plant and equipment:		
Land	13.9	13.9
Buildings and leasehold improvements	62.3	62.9
Machinery and equipment	227.8	231.4
	304.0	308.2
Accumulated depreciation	(197.0)	(194.9)
Property, plant and equipment, net	107.0	113.3
Goodwill	448.6	457.3
Intangibles, net	403.7	415.5
Other assets	619.8	675.9
Deferred income taxes	24.5	11.0
Assets of DBT and Heat Transfer (includes cash and cash equivalents of \$3.9 and \$7.8 at October 1, 2022 and December 31, 2021, respectively) (Note 3)	41.2	52.2
TOTAL ASSETS	\$ 2,482.5	\$ 2,628.6
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 125.2	\$ 119.6
Contract liabilities	45.5	44.7
Accrued expenses	194.6	217.9
Income taxes payable	6.8	42.1
Short-term debt	1.9	2.2
Current maturities of long-term debt	0.4	13.0
Total current liabilities	374.4	439.5
Long-term debt	244.6	230.8
Deferred and other income taxes	25.5	31.3
Other long-term liabilities	726.9	788.5
Liabilities of DBT and Heat Transfer (Note 3)	31.4	35.6
Total long-term liabilities	1,028.4	1,086.2
Commitments and contingent liabilities (Note 15)		
Stockholders' Equity:		
Common stock (53,277,632 and 45,218,054 issued and outstanding at October 1, 2022, respectively, and 53,011,255 and 45,467,768 issued and outstanding at December 31, 2021, respectively)	0.5	0.5
Paid-in capital	1,331.9	1,334.2
Retained deficit	(24.3)	(51.8)
Accumulated other comprehensive income	237.2	263.9
Common stock in treasury (8,059,578 and 7,543,487 shares at October 1, 2022 and December 31, 2021, respectively)	(465.6)	(443.9)
Total stockholders' equity	1,079.7	1,102.9
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 2,482.5	\$ 2,628.6

The accompanying notes are an integral part of these statements.

SPX TECHNOLOGIES, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(Unaudited; in millions)

	Three months ended October 1, 2022					
	Common Stock	Paid-In Capital	Retained Deficit	Accum. Other Comprehensive Income	Common Stock In Treasury	SPX Technologies, Inc. Stockholders' Equity
Balance at July 2, 2022	\$ 0.5	\$ 1,327.3	\$ (27.4)	\$ 254.0	\$ (465.8)	\$ 1,088.6
Net income	—	—	3.1	—	—	3.1
Other comprehensive loss, net	—	—	—	(16.8)	—	(16.8)
Incentive plan activity	—	2.7	—	—	—	2.7
Long-term incentive compensation expense	—	2.1	—	—	—	2.1
Restricted stock unit vesting	—	(0.2)	—	—	0.2	—
Balance at October 1, 2022	<u>\$ 0.5</u>	<u>\$ 1,331.9</u>	<u>\$ (24.3)</u>	<u>\$ 237.2</u>	<u>\$ (465.6)</u>	<u>\$ 1,079.7</u>

	Nine months ended October 1, 2022					
	Common Stock	Paid-In Capital	Retained Deficit	Accum. Other Comprehensive Income	Common Stock In Treasury	SPX Technologies, Inc. Stockholders' Equity
Balance at December 31, 2021	\$ 0.5	\$ 1,334.2	\$ (51.8)	\$ 263.9	\$ (443.9)	\$ 1,102.9
Net income	—	—	27.5	—	—	27.5
Other comprehensive loss, net	—	—	—	(26.7)	—	(26.7)
Incentive plan activity	—	9.2	—	—	—	9.2
Long-term incentive compensation expense	—	7.7	—	—	—	7.7
Restricted stock unit vesting	—	(19.2)	—	—	12.0	(7.2)
Common stock repurchases	—	—	—	—	(33.7)	(33.7)
Balance at October 1, 2022	<u>\$ 0.5</u>	<u>\$ 1,331.9</u>	<u>\$ (24.3)</u>	<u>\$ 237.2</u>	<u>\$ (465.6)</u>	<u>\$ 1,079.7</u>

	Three months ended October 2, 2021					
	Common Stock	Paid-In Capital	Retained Deficit	Accum. Other Comprehensive Income	Common Stock In Treasury	SPX Technologies, Inc. Stockholders' Equity
Balance at July 3, 2021	\$ 0.5	\$ 1,321.2	\$ (388.5)	\$ 250.6	\$ (444.3)	\$ 739.5
Net income	—	—	330.3	—	—	330.3
Other comprehensive loss, net	—	—	—	(6.1)	—	(6.1)
Incentive plan activity	—	3.0	—	—	—	3.0
Long-term incentive compensation expense	—	4.2	—	—	—	4.2
Restricted stock unit vesting	—	(0.2)	—	—	0.1	(0.1)
Balance at October 2, 2021	<u>\$ 0.5</u>	<u>\$ 1,328.2</u>	<u>\$ (58.2)</u>	<u>\$ 244.5</u>	<u>\$ (444.2)</u>	<u>\$ 1,070.8</u>

	Nine months ended October 2, 2021					
	Common Stock	Paid-In Capital	Retained Deficit	Accum. Other Comprehensive Income	Common Stock In Treasury	SPX Technologies, Inc. Stockholders' Equity
Balance at December 31, 2020	\$ 0.5	\$ 1,319.9	\$ (477.2)	\$ 248.5	\$ (451.6)	\$ 640.1
Net income	—	—	419.0	—	—	419.0
Other comprehensive loss, net	—	—	—	(4.0)	—	(4.0)
Incentive plan activity	—	9.8	—	—	—	9.8
Long-term incentive compensation expense	—	10.8	—	—	—	10.8
Restricted stock unit vesting	—	(12.3)	—	—	7.4	(4.9)
Balance at October 2, 2021	<u>\$ 0.5</u>	<u>\$ 1,328.2</u>	<u>\$ (58.2)</u>	<u>\$ 244.5</u>	<u>\$ (444.2)</u>	<u>\$ 1,070.8</u>

The accompanying notes are an integral part of these statements.

SPX TECHNOLOGIES, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited; in millions)

	Nine months ended	
	October 1, 2022	October 2, 2021
Cash flows from (used in) operating activities:		
Net income	\$ 27.5	\$ 419.0
Less: Income (loss) from discontinued operations, net of tax	(17.1)	364.4
Income from continuing operations	44.6	54.6
Adjustments to reconcile income from continuing operations to net cash from (used in) operating activities:		
Special charges, net	0.1	0.7
(Gain) loss on change in fair value of equity security	3.0	(9.0)
Deferred and other income taxes	(16.9)	1.9
Depreciation and amortization	36.9	31.9
Pension and other employee benefits	10.0	1.0
Long-term incentive compensation	7.7	9.4
Other, net	1.4	3.6
Changes in operating assets and liabilities, net of effects from acquisitions:		
Accounts receivable and other assets	(20.9)	74.9
Inventories	(78.4)	(21.6)
Accounts payable, accrued expenses and other	(76.5)	(50.6)
Cash spending on restructuring actions	(0.4)	(1.2)
Net cash from (used in) continuing operations	(89.4)	95.6
Net cash from (used in) discontinued operations	(21.1)	58.2
Net cash from (used in) operating activities	(110.5)	153.8
Cash flows from (used in) investing activities:		
Proceeds related to company-owned life insurance policies, net	4.6	8.2
Business acquisitions, net of cash acquired	(40.0)	(120.0)
Capital expenditures	(10.0)	(7.5)
Net cash used in continuing operations	(45.4)	(119.3)
Net cash from (used in) discontinued operations	(13.9)	617.9
Net cash from (used in) investing activities	(59.3)	498.6
Cash flows from (used in) financing activities:		
Borrowings under senior credit facilities	245.0	209.1
Repayments under senior credit facilities	(243.7)	(343.6)
Borrowings under trade receivables arrangement	—	179.0
Repayments under trade receivables arrangement	—	(207.0)
Net repayments under other financing arrangements	(0.7)	(0.3)
Payment of contingent consideration	(1.3)	—
Minimum withholdings paid on behalf of employees for net share settlements, net of proceeds from the exercise of employee stock options	(4.9)	(3.7)
Repurchases of common stock	(33.7)	—
Financing fees paid	(1.9)	—
Net cash used in continuing operations	(41.2)	(166.5)
Net cash from (used in) discontinued operations	1.0	(0.3)
Net cash used in financing activities	(40.2)	(166.8)
Change in cash and equivalents due to changes in foreign currency exchange rates	1.3	6.2
Net change in cash and equivalents	(208.7)	491.8
Consolidated cash and equivalents, beginning of period	396.0	68.3
Consolidated cash and equivalents, end of period	\$ 187.3	\$ 560.1
	Nine months ended	
	October 1, 2022	October 2, 2021
Components of cash and equivalents:		
Cash and cash equivalents	\$ 183.4	\$ 553.7
Cash and cash equivalents included in assets of DBT and Heat Transfer	3.9	6.4
Total cash and equivalents	\$ 187.3	\$ 560.1

The accompanying notes are an integral part of these statements.

SPX TECHNOLOGIES, INC. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited; in millions, except per share data and asbestos-related claims)

(1) BASIS OF PRESENTATION

Unless otherwise indicated, “we,” “us” and “our” mean SPX Technologies, Inc. and its consolidated subsidiaries (“SPX”).

We prepared the condensed consolidated financial statements pursuant to the rules and regulations of the Securities and Exchange Commission (“SEC”) for interim reporting. As permitted under those rules and regulations, certain footnotes or other financial information normally required by accounting principles generally accepted in the United States (“GAAP”) can be condensed or omitted. The financial statements represent our accounts after the elimination of intercompany transactions and, in our opinion, include the adjustments (consisting only of normal and recurring items) necessary for their presentation. Unless otherwise indicated, amounts provided in these Notes pertain to continuing operations only (see Note 3 for information on discontinued operations).

We account for investments in unconsolidated companies where we exercise significant influence but do not have control using the equity method. In determining whether we are the primary beneficiary of a variable interest entity (“VIE”), we perform a qualitative analysis that considers the design of the VIE, the nature of our involvement and the variable interests held by other parties to determine which party has the power to direct the activities of the VIE that most significantly impact the entity’s economic performance, and which party has the obligation to absorb losses or the right to receive benefits that could potentially be significant to the VIE. All of our VIE’s are immaterial, individually and in aggregate, to our condensed consolidated financial statements.

Merger and Consummation of Holding Company Reorganization

As reported in the Form 8-K of SPX Technologies, Inc. (the “Company”) filed on August 15, 2022, the Company is the successor registrant pursuant to Rule 12g-3(a) under the Securities Exchange Act of 1934, as amended, to SPX Corporation (“Legacy SPX”) as a result of the completion on August 15, 2022 of a holding company reorganization (“Holding Company Reorganization”) effected as a merger of Legacy SPX with and into SPX Merger, LLC, a subsidiary of the Company. Each share of the Company’s common stock, par value \$0.01 per share, issued and outstanding immediately prior to the Holding Company Reorganization was automatically converted into an equivalent corresponding share of Company common stock having the same designations, rights, powers and preferences and the qualifications, limitations and restrictions as the corresponding share of Legacy SPX common stock being converted. Accordingly, upon consummation of the Holding Company Reorganization, Legacy SPX stockholders became stockholders of the Company.

Sale of Transformer Solutions Business

On October 1, 2021, we completed the sale of SPX Transformer Solutions, Inc. (“Transformer Solutions”) pursuant to the terms of the Stock Purchase Agreement dated June 8, 2021 with GE-Prolec Transformers, Inc. (the “Purchaser”) and Prolec GE Internacional, S. de R.L. de C.V. for an aggregate cash purchase price of \$645.0 with net proceeds of \$620.6 received in the third quarter of 2021. During the first quarter of 2022, we agreed to the final adjustment of the purchase price which resulted in a payment to the Purchaser of \$13.9 with an increase to the gain on sale of \$0.2. Historically, Transformer Solutions’ operations had a significant impact on our consolidated financial results, with revenues totaling approximately 25% of our total consolidated revenues. As we no longer have a consequential presence in the power transmission and distribution markets, and given Transformer Solutions’ significance to our historical consolidated financial results, we concluded that the sale of Transformer Solutions represented a strategic shift. Accordingly, we have classified the business as a discontinued operation in the accompanying condensed consolidated financial statements. See Note 3 for additional details.

Wind-Down of DBT Technologies Business

During the fourth quarter of 2021, we substantially ceased all operations of DBT Technologies (PTY) LTD (“DBT”). As a result, we are reporting DBT as a discontinued operation in the accompanying condensed consolidated financial statements. DBT continues to be involved in various dispute resolution matters related to two large power projects. See Note 3 for additional details regarding DBT’s presentation as a discontinued operation and Note 15 regarding the dispute resolution matters.

Acquisition of ULC

On September 2, 2020, we completed the acquisition of ULC Robotics (“ULC”), a leading developer of robotic systems, machine learning applications, and inspection technology for the energy, utility, and industrial markets, for cash proceeds of \$89.2, net of cash acquired of \$4.0. Under the terms of the purchase and sales agreement, the seller was eligible for additional cash consideration of up to \$45.0, with payments scheduled to be made upon successful achievement of certain

operational and financial performance milestones. At the time of the acquisition, we recorded a liability of \$24.3, which represented the estimated fair value of the contingent consideration. During the third quarter of 2021, we concluded that the operational and financial milestones noted above would not be achieved. As a result, we reversed the liability of \$24.3 during the quarter, with the offset recorded to “Other operating (income) expense, net.” We also recorded an impairment charge to “Impairment of goodwill and intangible assets” of \$24.3 during the quarter (See Note 9 for further discussion of this matter). The post-acquisition operating results of ULC are reflected within our Detection and Measurement reportable segment.

Acquisition of Sealite

On April 19, 2021, we completed the acquisition of Sealite Pty Ltd and affiliated entities, including Sealite USA, LLC (doing business as Avlite Systems) and Star2M Pty Ltd (collectively, “Sealite”). Sealite is a leader in the design and manufacture of marine and aviation Aids-to-Navigation products. We purchased Sealite for cash consideration of \$80.3, net of cash acquired of \$2.3, which included a final settlement of working capital that resulted in a reduction of the purchase price of \$1.3 in the third quarter of 2021. The post acquisition operating results of Sealite are reflected within our Detection and Measurement reportable segment.

Acquisition of ECS

On August 2, 2021, we completed the acquisition of Enterprise Control Systems Ltd (“ECS”), a leader in the design and manufacture of highly-engineered tactical datalinks and radio frequency (“RF”) countermeasures, including counter-drone and counter-IED RF jammers. We purchased ECS for cash consideration of \$39.4, net of cash acquired of \$5.1. Under the terms of the purchase and sales agreement, the seller was eligible for additional cash consideration of up to \$13.5, with payment to be made in the fourth quarter of 2022 upon successful achievement of certain financial performance milestones. At the time of the acquisition, we recorded a liability of \$8.2, which represented the estimated fair value of the contingent consideration. During the fourth quarter of 2021, we concluded that the probability of achieving the above financial performance milestones had lessened due to a delay in the execution of certain large orders, resulting in a reduction of the estimated liability of \$6.7. During the first and second quarters of 2022, we further reduced the estimated liability by \$0.9 and \$0.4, respectively, with such amounts recorded within “Other operating (income) expense, net.” The estimated fair value of such contingent consideration, which we have reflected as a liability in our condensed consolidated balance sheets, was \$0.0 and \$1.5 at October 1, 2022 and December 31, 2021, respectively. The post acquisition operating results of ECS are reflected within our Detection and Measurement reportable segment.

Acquisition of Cincinnati Fan

On December 15, 2021, we completed the acquisition of Cincinnati Fan & Ventilator Co., Inc. (“Cincinnati Fan”), a leader in engineered air movement solutions, including blowers and critical exhaust systems. We purchased Cincinnati Fan for cash consideration of \$145.2, net of cash acquired of \$2.5. During the second quarter of 2022, we agreed to a final adjustment to the purchase price, related to acquired working capital, resulting in our receiving \$0.4 during the second quarter. The post acquisition operating results of Cincinnati Fan are reflected within our HVAC reportable segment.

Acquisition of ITL

On March 31, 2022, we completed the acquisition of International Tower Lighting, LLC (“ITL”), a leader in the design and manufacture of highly-engineered Aids-to-Navigation systems, including obstruction lighting for telecommunications towers, wind turbines and numerous other terrestrial obstructions. We purchased ITL for cash consideration of \$41.8, net of cash acquired of \$1.1. During the third quarter of 2022, we agreed to a final adjustment to the purchase price, related to acquired working capital, resulting in our receiving \$1.4 during the quarter. The post acquisition operating results of ITL are reflected within our Detection and Measurement reportable segment.

The assets acquired and liabilities assumed in the Cincinnati Fan and ITL transactions have been recorded at estimates of fair value as determined by management, based on information available and assumptions as to future operations and are subject to change, primarily for the final assessment and valuation of certain income tax amounts.

Change in Accounting Method

During the fourth quarter of 2021, as a means of harmonizing our accounting method for inventory across all of our businesses, we converted the inventory accounting for certain domestic businesses within our HVAC reportable segment from the last-in, first-out (“LIFO”) method to the first-in, first-out (“FIFO”) method. This change in accounting has been retrospectively applied to our condensed consolidated financial statements. See Note 8 for additional information.

Other

Preparing financial statements requires us to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses. Actual results could differ from these estimates. The unaudited information included in this Quarterly Report on Form 10-Q should be read in conjunction with the consolidated financial statements contained in our Annual Report on Form 10-K for the year ended December 31, 2021 (“our 2021 Annual Report on Form 10-K”). Interim results are not necessarily indicative of full year results.

We establish actual interim closing dates using a fiscal calendar, which requires our businesses to close their books on the Saturday closest to the end of the first calendar quarter, with the second and third quarters being 91 days in length. Our fourth quarter ends on December 31. The interim closing dates for the first, second and third quarters of 2022 are April 2, July 2, and October 1, compared to the respective April 3, July 3 and October 2, 2021 dates. We had one less day in the first quarter of 2022 and will have one more day in the fourth quarter of 2022 than in the respective 2021 periods. It is not practicable to estimate the impact of the one less day on our consolidated operating results for the nine months ended October 1, 2022, when compared to the consolidated operating results for the 2021 respective period.

Reclassification of Prior-Year Amounts

Certain prior-year amounts have been reclassified to conform to the current-year presentation, including amounts related to the inclusion of DBT within discontinued operations and the change from the LIFO method of inventory accounting.

Correction of Prior-Year Classification

Subsequent to issuance of the December 31, 2021 financial statements, management concluded that the impairment charge of \$24.3 related to our ULC business’ goodwill and intangible assets mentioned above should have been reported in a separate line item within operating income. These amounts, which were previously classified within “Other operating (income) expense, net,” have been reclassified to “Impairment of goodwill and intangible assets” for the three and nine months ended October 2, 2021. As a result of this correction, “Other operating (income) expense, net” for the three and nine months ended October 2, 2021 reflects income of \$24.3 and \$21.6, respectively, whereas the expense disclosed prior to reclassification for the three and nine months ended October 2, 2021 was \$0.0 and \$2.7, respectively. The reclassification for the year ended December 31, 2021 will also be reflected within our Annual Report on Form 10-K for the year ending December 31, 2022.

(2) NEW ACCOUNTING PRONOUNCEMENTS

The following is a summary of new accounting pronouncements that apply or may apply to our business.

The London Interbank Offered Rate (“LIBOR”) is scheduled to be discontinued on June 30, 2023. In an effort to address the various challenges created by such discontinuance, the Financial Accounting Standards Board (“FASB”) issued two amendments to existing guidance, Accounting Standards Update (“ASU”) No. 2020-04 and No. 2021-01, Reference Rate Reform. The amended guidance is designed to provide relief from the accounting analysis and impacts that may otherwise be required for modifications to agreements (e.g., loans, debt securities, derivatives, etc.) necessitated by the reference rate reform. It also provides optional expedients to enable companies to continue to apply hedge accounting to certain hedging relationships impacted by the reference rate reform. Application of the guidance in the amendments is optional, is only available in certain situations, and is only available for companies to apply until December 31, 2022. In conjunction with entering into an Amended and Restated Credit Agreement (the “Credit Agreement”) on August 12, 2022, we adopted this guidance with no material impact on our condensed consolidated financial statements. Refer to Note 12 for additional information on the Credit Agreement.

In October 2021, the FASB issued ASU No. 2021-08, Business Combinations (Topic 805): Accounting for Contract Assets and Contract Liabilities from Contracts with Customers. This ASU requires acquiring entities to apply Topic 606 to recognize and measure contract assets and contract liabilities in a business combination. This guidance is effective for public entities for fiscal years beginning after December 15, 2022, including interim periods within those fiscal years. The impact of adopting this guidance on our condensed consolidated financial statements will depend on business combinations occurring on or after the effective date.

In March 2022, the FASB issued ASU No. 2022-01, Derivatives and Hedging (Topic 815): Fair Value Hedging - Portfolio Layer Method. This ASU allows multiple hedged layers to be designated for a single closed portfolio of financial assets or one or more beneficial interests secured by a portfolio of financial instruments. This guidance applies to all entities that elect to apply the portfolio layer method of hedge accounting in accordance with Topic 815 and is effective for public entities for fiscal years beginning after December 15, 2022, and interim periods within those fiscal years. We do not believe the adoption of this guidance will have a material impact on our condensed consolidated financial statements.

In March 2022, the FASB issued ASU No. 2022-02, Financial Instruments - Credit Losses (Topic 326) - Troubled Debt Restructurings and Vintage Disclosures, which requires enhanced disclosure of certain loan refinancing and restructuring by creditors when a borrower is experiencing financial difficulty while eliminating certain current recognition and measurement accounting guidance. This guidance also requires the disclosure of current-period gross write-offs by year of origination for

financing receivables and net investments in leases. The guidance is effective for fiscal years beginning after December 15, 2022, including interim periods within those fiscal years, and allows for early adoption in any interim period after issuance. We do not believe the adoption of this guidance will have a material impact on our condensed consolidated financial statements.

In June 2022, the FASB issued ASU No. 2022-03, Fair Value Measurement (Topic 820): Fair Value Measurement of Equity Securities Subject to Contractual Sale Restrictions, which clarifies that a contractual restriction on the sale of an equity security is not considered part of the unit of account of the equity security and, therefore, is not considered in measuring fair value. This guidance also clarifies that an entity cannot, as a separate unit of account, recognize and measure a contractual sale restriction. The guidance also requires the following disclosures for equity securities subject to contractual sale restrictions: 1) the fair value of equity securities subject to contractual sale restrictions reflected in the balance sheet; 2) the nature and remaining duration of the restriction(s); and 3) the circumstances that could cause a lapse in the restriction(s). The guidance is effective for fiscal years beginning after December 15, 2023, and interim periods within those fiscal years, and allows for early adoption in any interim period after issuance. We do not believe the adoption of this guidance will have a material impact on our condensed consolidated financial statements.

(3) ACQUISITIONS AND DISCONTINUED OPERATIONS

As indicated in Note 1, on April 19, 2021, August 2, 2021, December 15, 2021, and March 31, 2022, we completed the acquisitions of Sealite, ECS, Cincinnati Fan, and ITL, respectively. The pro forma effects of these acquisitions are not material to our condensed consolidated results of operations.

Sale of Transformer Solutions Business

As discussed in Note 1, on October 1, 2021, we completed the sale of Transformer Solutions for which we received net cash proceeds of \$620.6, and recorded a gain of \$355.0 in the third quarter of 2021. The results of Transformer Solutions are presented as a discontinued operation for all periods presented. Major line items constituting pre-tax income and after-tax income of Transformer Solutions for the three and nine months ended October 2, 2021 are shown below:

	Three months ended		Nine months ended	
	October 2, 2021		October 2, 2021	
Revenues	\$	94.4	\$	313.5
Costs and expenses:				
Cost of product sold		80.5		257.2
Selling, general and administrative		10.3		28.4
Income before income tax		3.6		27.9
Income tax provision		(33.8)		(6.8)
Income (loss) from discontinued operations, net of tax	\$	(30.2)	\$	21.1

Wind-Down of DBT Business

As discussed in Note 1, we completed the wind-down of our DBT business in the fourth quarter of 2021. As a result of completing the wind-down plan, we are reporting DBT as a discontinued operation for all periods presented.

Major line items constituting pre-tax loss and after-tax loss of DBT for the three and nine months ended October 2, 2021 are shown below:

	Three months ended		Nine months ended	
	October 2, 2021		October 2, 2021	
Revenues	\$	0.1	\$	0.9
Costs and expenses:				
Cost of product sold		0.5		1.4
Selling, general and administrative		3.4		11.4
Special charges		0.6		1.2
Other expense, net		0.9		0.4
Interest income		0.1		0.2
Loss before income tax		(5.2)		(13.3)
Income tax benefit		0.1		1.6
Loss from discontinued operations, net of tax	\$	(5.1)	\$	(11.7)

The assets and liabilities of DBT have been included within “Assets of DBT and Heat Transfer” and “Liabilities of DBT and Heat Transfer,” respectively, on the condensed consolidated balance sheets as of October 1, 2022 and December 31, 2021. The major line items constituting DBT's assets and liabilities as of October 1, 2022 and December 31, 2021 are shown below:

	October 1, 2022		December 31, 2021	
ASSETS				
Cash and equivalents	\$	3.9	\$	7.8
Accounts receivable, net		7.3		9.1
Other current assets		6.2		7.0
Property, plant and equipment:				
Buildings and leasehold improvements		0.2		0.2
Machinery and equipment		1.2		1.5
		1.4		1.7
Accumulated depreciation		(1.3)		(1.5)
Property, plant and equipment, net		0.1		0.2
Other assets		23.4		27.6
Total assets of DBT	\$	40.9	\$	51.7
LIABILITIES				
Accounts payable	\$	1.3	\$	2.3
Contract liabilities		3.3		5.6
Accrued expenses		22.2		22.4
Other long-term liabilities		4.4		4.9
Total liabilities of DBT	\$	31.2	\$	35.2

Wind-Down of the Heat Transfer Business

We completed the wind-down of our SPX Heat Transfer (“Heat Transfer”) business in the fourth quarter of 2020. As a result of completing the wind-down plan, we are reporting Heat Transfer as a discontinued operation for all periods presented.

The assets and liabilities of Heat Transfer have been included within “Assets of DBT and Heat Transfer” and “Liabilities of DBT and Heat Transfer,” respectively, on the condensed consolidated balance sheets as of October 1, 2022 and December 31, 2021. The major line items constituting Heat Transfer’s assets and liabilities as of October 1, 2022 and December 31, 2021 are shown below:

	October 1, 2022	December 31, 2021
ASSETS		
Accounts receivable, net	\$ —	\$ 0.1
Other current assets	0.2	0.2
Other assets	0.1	0.2
Total assets of Heat Transfer	<u>\$ 0.3</u>	<u>\$ 0.5</u>
LIABILITIES		
Accounts payable	\$ 0.1	\$ 0.3
Accrued expenses	0.1	0.1
Total liabilities of Heat Transfer	<u>\$ 0.2</u>	<u>\$ 0.4</u>

Changes in estimates associated with liabilities retained in connection with a business divestiture (e.g. income taxes) may occur. As a result, it is possible that the resulting gains/losses on these and other previous divestitures may be materially adjusted in subsequent periods.

For the three and nine months ended October 1, 2022 and October 2, 2021, results of operations from our businesses reported as discontinued operations were as follows:

	Three months ended		Nine months ended	
	October 1, 2022	October 2, 2021	October 1, 2022	October 2, 2021
Transformer Solutions ⁽¹⁾				
Income (loss) from discontinued operations	\$ (0.6)	\$ 431.4	\$ (0.8)	\$ 455.7
Income tax (provision) benefit	0.1	(106.6)	0.2	(79.6)
Income (loss) from discontinued operations, net	<u>(0.5)</u>	<u>324.8</u>	<u>(0.6)</u>	<u>376.1</u>
DBT ⁽²⁾				
Loss from discontinued operations	(5.7)	(5.2)	(14.2)	(13.3)
Income tax benefit	0.8	0.1	2.3	1.6
Loss from discontinued operations, net	<u>(4.9)</u>	<u>(5.1)</u>	<u>(11.9)</u>	<u>(11.7)</u>
Heat Transfer				
Loss from discontinued operations	—	(0.1)	(0.2)	(0.3)
Income tax (provision) benefit	—	—	—	—
Loss from discontinued operations, net	<u>—</u>	<u>(0.1)</u>	<u>(0.2)</u>	<u>(0.3)</u>
All other ⁽³⁾				
Loss from discontinued operations	(5.4)	(4.3)	(5.9)	(5.4)
Income tax benefit	1.4	1.1	1.5	5.7
Income (loss) from discontinued operations, net	<u>(4.0)</u>	<u>(3.2)</u>	<u>(4.4)</u>	<u>0.3</u>
Total				
Income (loss) from discontinued operations	(11.7)	421.8	(21.1)	436.7
Income tax (provision) benefit	2.3	(105.4)	4.0	(72.3)
Income (loss) from discontinued operations, net	<u>\$ (9.4)</u>	<u>\$ 316.4</u>	<u>\$ (17.1)</u>	<u>\$ 364.4</u>

⁽¹⁾ Loss for the three and nine months ended October 1, 2022 resulted primarily from revisions to liabilities retained in connection with the disposition. Income for the three and nine months ended October 2, 2021 resulted primarily from the gain on sale of the business of \$355.0, as well as the results of operations for the periods.

⁽²⁾ Loss for the three and nine months ended October 1, 2022 and October 2, 2021 resulted primarily from legal costs incurred in connection with various dispute resolution matters related to two large power projects.

⁽³⁾ Income (loss) for the three and nine months ended October 1, 2022 and October 2, 2021 resulted primarily from asbestos-related charges and revisions to liabilities, including income tax liabilities, retained in connection with prior dispositions.

(4) REVENUES FROM CONTRACTS

Disaggregated Revenues

We disaggregate revenue from contracts with customers by major product line and based on the timing of recognition for each of our reportable segments, as we believe such disaggregation best depicts how the nature, amount, timing, and uncertainty of our revenues and cash flows are affected by economic factors, with such disaggregation presented below for the three and nine months ended October 1, 2022 and October 2, 2021:

Reportable Segments	Three months ended October 1, 2022		
	HVAC	Detection and Measurement	Total
Major product lines			
Package and process cooling equipment and services, and engineered air quality solutions	\$ 134.5	\$ —	\$ 134.5
Boilers, comfort heating, and ventilation	93.3	—	93.3
Underground locators, inspection and rehabilitation equipment, and robotic systems	—	61.5	61.5
Communication technologies, obstruction lighting, and bus fare collection systems	—	81.2	81.2
	<u>\$ 227.8</u>	<u>\$ 142.7</u>	<u>\$ 370.5</u>
Timing of Revenue Recognition			
Revenues recognized at a point in time	\$ 212.2	\$ 117.1	\$ 329.3
Revenues recognized over time	15.6	25.6	41.2
	<u>\$ 227.8</u>	<u>\$ 142.7</u>	<u>\$ 370.5</u>

Reportable Segments	Nine months ended October 1, 2022		
	HVAC	Detection and Measurement	Total
Major product lines			
Package and process cooling equipment and services, and engineered air quality solutions	\$ 381.8	\$ —	\$ 381.8
Boilers, comfort heating, and ventilation	257.8	—	257.8
Underground locators, inspection and rehabilitation equipment, and robotic systems	—	194.1	194.1
Communication technologies, obstruction lighting, and bus fare collection systems	—	197.9	197.9
	<u>\$ 639.6</u>	<u>\$ 392.0</u>	<u>\$ 1,031.6</u>
Timing of Revenue Recognition			
Revenues recognized at a point in time	\$ 588.1	\$ 331.2	\$ 919.3
Revenues recognized over time	51.5	60.8	112.3
	<u>\$ 639.6</u>	<u>\$ 392.0</u>	<u>\$ 1,031.6</u>

Reportable Segments	Three months ended October 2, 2021		
	HVAC	Detection and Measurement	Total
Major product lines			
Package and process cooling equipment and services	\$ 104.1	\$ —	\$ 104.1
Boilers, comfort heating, and ventilation	75.2	—	75.2
Underground locators, inspection and rehabilitation equipment, and robotic systems	—	60.1	60.1
Communication technologies, obstruction lighting, and bus fare collection systems	—	46.3	46.3
	<u>\$ 179.3</u>	<u>\$ 106.4</u>	<u>\$ 285.7</u>
Timing of Revenue Recognition			
Revenues recognized at a point in time	\$ 154.1	\$ 94.5	\$ 248.6
Revenues recognized over time	25.2	11.9	37.1
	<u>\$ 179.3</u>	<u>\$ 106.4</u>	<u>\$ 285.7</u>

Reportable Segments	Nine months ended October 2, 2021		
	HVAC	Detection and Measurement	Total
Major product lines			
Package and process cooling equipment and services	\$ 317.3	\$ —	\$ 317.3
Boilers, comfort heating, and ventilation	223.0	—	223.0
Underground locators, inspection and rehabilitation equipment, and robotic systems	—	193.4	193.4
Communication technologies, obstruction lighting, and bus fare collection systems	—	135.8	135.8
	<u>\$ 540.3</u>	<u>\$ 329.2</u>	<u>\$ 869.5</u>
Timing of Revenue Recognition			
Revenues recognized at a point in time	\$ 474.8	\$ 292.5	\$ 767.3
Revenues recognized over time	65.5	36.7	102.2
	<u>\$ 540.3</u>	<u>\$ 329.2</u>	<u>\$ 869.5</u>

Contract Balances

Our customers are invoiced for products and services at the time of delivery or based on contractual milestones, resulting in outstanding receivables with payment terms from these customers (“Contract Accounts Receivable”). In some cases, the timing of revenue recognition, particularly for revenue recognized over time, differs from when such amounts are invoiced to customers, resulting in a contract asset (revenue recognition precedes the invoicing of the related revenue amount) or a contract liability (payment from the customer precedes recognition of the related revenue amount). Contract assets and liabilities are generally classified as current. On a contract-by-contract basis, the contract assets and contract liabilities are reported net within our condensed consolidated balance sheets. Our contract balances consisted of the following as of October 1, 2022 and December 31, 2021:

Contract Balances	October 1, 2022	December 31, 2021	Change
Contract Accounts Receivable ⁽¹⁾	\$ 257.1	\$ 215.3	\$ 41.8
Contract Assets	30.2	28.9	1.3
Contract Liabilities - current	(45.5)	(44.7)	(0.8)
Contract Liabilities - non-current ⁽²⁾	(5.5)	(5.8)	0.3
Net contract balance	<u>\$ 236.3</u>	<u>\$ 193.7</u>	<u>\$ 42.6</u>

⁽¹⁾ Included in “Accounts receivable, net” within the accompanying condensed consolidated balance sheets.

⁽²⁾ Included in “Other long-term liabilities” within the accompanying condensed consolidated balance sheets.

The \$42.6 increase in our net contract balance from December 31, 2021 to October 1, 2022 was due primarily to revenue recognized during the period, partially offset by cash payments received from customers during the period.

During the three and nine months ended October 1, 2022, we recognized revenues of \$5.8 and \$39.5, respectively, related to our contract liabilities at December 31, 2021.

Performance

As of October 1, 2022, the aggregate amount allocated to remaining performance obligations was \$174.7. We expect to recognize revenue on approximately 48% and 90% of remaining performance obligations over the next 12 and 24 months, respectively, with the remaining recognized thereafter.

(5) LEASES

There have been no material changes to our operating and finance leases during the three and nine months ended October 1, 2022.

(6) INFORMATION ON REPORTABLE SEGMENTS

We are a global supplier of highly specialized, engineered solutions with operations in 15 countries and sales in over 100 countries around the world.

We have aggregated our operating segments into the following two reportable segments: HVAC and Detection and Measurement. The factors considered in determining our aggregated segments are the economic similarity of the businesses, the nature of products sold or services provided, production processes, types of customers, distribution methods, and regulatory environment. In determining our reportable segments, we apply the threshold criteria of the Segment Reporting Topic of the Accounting Standards Codification (“Codification”). Operating income or loss for each of our reportable segments is determined before considering, if applicable, impairment and special charges, long-term incentive compensation, certain other operating income/expense, and other indirect corporate expenses. This is consistent with the way our Chief Operating Decision Maker evaluates the results of each segment.

HVAC Reportable Segment

Our HVAC reportable segment engineers, designs, manufactures, installs and services package and process cooling products and engineered air movement solutions for the HVAC industrial and power generation markets, as well as boilers and comfort heating and ventilation products for the residential and commercial markets. The primary distribution channels for the segment’s products are direct to customers, independent manufacturing representatives, third-party distributors, and retailers. The segment serves a customer base in North America, Europe, and Asia.

Detection and Measurement Reportable Segment

Our Detection and Measurement reportable segment engineers, designs, manufactures, services, and installs underground pipe and cable locators, inspection and rehabilitation equipment, robotic systems, bus fare collection systems, communication technologies, and obstruction lighting. The primary distribution channels for the segment’s products are direct to customers and third-party distributors. The segment serves a global customer base, with a strong presence in North America, Europe, Africa and Asia.

Corporate Expense

Corporate expense generally relates to the cost of our Charlotte, North Carolina corporate headquarters.

Financial data for our reportable segments for the three and nine months ended October 1, 2022 and October 2, 2021 are presented below:

	Three months ended		Nine months ended	
	October 1, 2022	October 2, 2021	October 1, 2022	October 2, 2021
Revenues:				
HVAC reportable segment	\$ 227.8	\$ 179.3	\$ 639.6	\$ 540.3
Detection and Measurement reportable segment	142.7	106.4	392.0	329.2
Consolidated revenues	<u>\$ 370.5</u>	<u>\$ 285.7</u>	<u>\$ 1,031.6</u>	<u>\$ 869.5</u>
Income:				
HVAC reportable segment	\$ 30.9	\$ 23.0	\$ 71.7	\$ 71.2
Detection and Measurement reportable segment	25.7	9.9	63.2	41.3
Total income for reportable segments	56.6	32.9	134.9	112.5
Corporate expense	17.2	11.9	50.2	39.9
Long-term incentive compensation expense	2.1	3.4	7.7	9.4
Impairment of goodwill and intangible assets	—	24.3	—	24.3
Special charges, net	—	(0.1)	0.1	0.7
Other operating (income) expense, net	—	(24.3)	1.0	(21.6)
Consolidated operating income	<u>\$ 37.3</u>	<u>\$ 17.7</u>	<u>\$ 75.9</u>	<u>\$ 59.8</u>

(7) SPECIAL CHARGES, NET

Special charges, net, for the three and nine months ended October 1, 2022 and October 2, 2021 are described in more detail below:

	Three months ended		Nine months ended	
	October 1, 2022	October 2, 2021	October 1, 2022	October 2, 2021
HVAC reportable segment	\$ —	\$ (0.1)	\$ 0.1	\$ 0.1
Detection and Measurement reportable segment	—	—	—	0.6
Total	<u>\$ —</u>	<u>\$ (0.1)</u>	<u>\$ 0.1</u>	<u>\$ 0.7</u>

HVAC — Charges for the nine months ended October 1, 2022 related to severance costs associated with a restructuring action at one of the segment's cooling businesses. Charges for the three and nine months ended October 2, 2021 related to severance costs associated with a restructuring action at one of the segment's heating businesses.

Detection and Measurement — Charges for the nine months ended October 2, 2021 related to severance costs for restructuring actions at the segment's location and inspection businesses.

No significant future charges are expected to be incurred under actions approved as of October 1, 2022.

The following is an analysis of our restructuring liabilities for the nine months ended October 1, 2022 and October 2, 2021:

	Nine months ended	
	October 1, 2022	October 2, 2021
Balance at beginning of year	\$ 0.3	\$ 0.8
Special charges	0.1	0.7
Utilization — cash	(0.4)	(1.2)
Currency translation adjustment and other	—	—
Balance at end of period	<u>\$ —</u>	<u>\$ 0.3</u>

(8) INVENTORIES, NET

Inventories at October 1, 2022 and December 31, 2021 comprised the following:

	October 1, 2022	December 31, 2021
Finished goods	\$ 73.2	\$ 55.1
Work in process	34.3	21.1
Raw materials and purchased parts	157.7	113.6
Total inventories	<u>\$ 265.2</u>	<u>\$ 189.8</u>

Inventories include material, labor and factory overhead costs and are reduced, when necessary, to estimated net realizable values.

As mentioned in Note 1, during the fourth quarter of 2021, we converted the inventory accounting for certain of our domestic businesses within our HVAC reportable segment from the LIFO method to the FIFO method. The effects of this accounting change have been retrospectively applied to all periods presented. The impact of this change on our condensed consolidated statements of operations and condensed consolidated statements of comprehensive income for the three and nine months ended October 2, 2021 was as follows:

	As Computed under LIFO	Effect of Change	As Adjusted
Consolidated Statement of Operations for three months ended October 2, 2021:			
Income from continuing operations before income taxes	\$ 16.6	\$ 1.5	\$ 18.1
Income tax provision	<u>(3.8)</u>	<u>(0.4)</u>	<u>(4.2)</u>
Income from continuing operations	12.8	1.1	13.9
Income from discontinued operations, net of tax	<u>318.3</u>	<u>(1.9)</u>	<u>316.4</u>
Net income	<u>\$ 331.1</u>	<u>\$ (0.8)</u>	<u>\$ 330.3</u>
Basic income per share of common stock:			
Income from continuing operations, net of tax	\$ 0.28	\$ 0.03	\$ 0.31
Income from discontinued operations, net of tax	7.02	(0.04)	6.98
Net income attributable to SPX common stockholders	<u>\$ 7.30</u>	<u>\$ (0.01)</u>	<u>\$ 7.29</u>
Diluted income per share of common stock:			
Income from continuing operations, net of tax	\$ 0.28	\$ 0.02	\$ 0.30
Income from discontinued operations, net of tax	6.82	(0.04)	6.78
Net income attributable to SPX common stockholders	<u>\$ 7.10</u>	<u>\$ (0.02)</u>	<u>\$ 7.08</u>
Total comprehensive income	<u>\$ 325.0</u>	<u>\$ (0.8)</u>	<u>\$ 324.2</u>

	As Computed under LIFO	Effect of Change	As Adjusted
Consolidated Statement of Operations for nine months ended October 2, 2021:			
Income from continuing operations before income taxes	\$ 64.5	\$ 2.0	\$ 66.5
Income tax provision	(11.4)	(0.5)	(11.9)
Income from continuing operations	53.1	1.5	54.6
Income from discontinued operations, net of tax	366.3	(1.9)	364.4
Net income	<u>\$ 419.4</u>	<u>\$ (0.4)</u>	<u>\$ 419.0</u>
Basic income per share of common stock:			
Income from continuing operations, net of tax	\$ 1.17	\$ 0.04	\$ 1.21
Income from discontinued operations, net of tax	8.10	(0.05)	8.05
Net income attributable to SPX common stockholders	<u>\$ 9.27</u>	<u>\$ (0.01)</u>	<u>\$ 9.26</u>
Diluted income per share of common stock:			
Income from continuing operations, net of tax	\$ 1.14	\$ 0.04	\$ 1.18
Income from discontinued operations, net of tax	7.89	(0.05)	7.84
Net income attributable to SPX common stockholders	<u>\$ 9.03</u>	<u>\$ (0.01)</u>	<u>\$ 9.02</u>
Total comprehensive income	<u>\$ 415.4</u>	<u>\$ (0.4)</u>	<u>\$ 415.0</u>

(9) GOODWILL AND OTHER INTANGIBLE ASSETS

Goodwill

The changes in the carrying amount of goodwill for the nine months ended October 1, 2022 were as follows:

	December 31, 2021	Goodwill Resulting from Business Combinations ⁽¹⁾	Impairments	Foreign Currency Translation	October 1, 2022
HVAC reportable segment					
Gross goodwill	\$ 528.9	\$ 0.1	\$ —	\$ (18.6)	\$ 510.4
Accumulated impairments	(334.1)	—	—	13.1	(321.0)
Goodwill	<u>194.8</u>	<u>0.1</u>	<u>—</u>	<u>(5.5)</u>	<u>189.4</u>
Detection and Measurement reportable segment					
Gross goodwill	424.9	10.9	—	(20.0)	415.8
Accumulated impairments	(162.4)	—	—	5.8	(156.6)
Goodwill	<u>262.5</u>	<u>10.9</u>	<u>—</u>	<u>(14.2)</u>	<u>259.2</u>
Total					
Gross goodwill	953.8	11.0	—	(38.6)	926.2
Accumulated impairments	(496.5)	—	—	18.9	(477.6)
Goodwill	<u>\$ 457.3</u>	<u>\$ 11.0</u>	<u>\$ —</u>	<u>\$ (19.7)</u>	<u>\$ 448.6</u>

⁽¹⁾ Reflects (i) goodwill acquired with the ITL acquisition of \$10.7, (ii) an increase in Sealite's goodwill of \$0.2 resulting from revisions to the valuation of certain assets and liabilities, and (iii) an increase in Cincinnati Fan's goodwill of \$0.1 resulting from revisions to the valuation of certain assets and liabilities. As indicated in Note 1, the acquired assets, including goodwill, and liabilities assumed in the Cincinnati Fan and ITL acquisitions have been recorded at estimates of fair value and are subject to change upon completion of acquisition accounting.

Other Intangibles, Net

Identifiable intangible assets at October 1, 2022 and December 31, 2021 comprised the following:

	October 1, 2022			December 31, 2021		
	Gross Carrying Value	Accumulated Amortization	Net Carrying Value	Gross Carrying Value	Accumulated Amortization	Net Carrying Value
Intangible assets with determinable lives: ⁽¹⁾						
Customer relationships	\$ 196.1	\$ (37.3)	\$ 158.8	\$ 188.2	\$ (26.7)	\$ 161.5
Technology	80.2	(16.5)	63.7	80.1	(11.9)	68.2
Patents	4.5	(4.5)	—	4.5	(4.5)	—
Other	36.4	(23.4)	13.0	31.6	(18.0)	13.6
	317.2	(81.7)	235.5	304.4	(61.1)	243.3
Trademarks with indefinite lives	168.2	—	168.2	172.2	—	172.2
Total	\$ 485.4	\$ (81.7)	\$ 403.7	\$ 476.6	\$ (61.1)	\$ 415.5

⁽¹⁾ The identifiable intangible assets associated with the ITL acquisition consist of customer relationships of \$14.0, definite-lived trademarks of \$3.0, technology of \$2.9, and non-compete agreements of \$2.6.

In connection with the acquisition of ITL, which has definite-lived intangibles as noted above, we updated our estimated annual amortization expense related to intangible assets to approximately \$29.0 for the full year 2022 and \$25.0 for 2023 and each of the four years thereafter.

At October 1, 2022, the net carrying value of intangible assets with determinable lives consisted of \$96.1 in the HVAC reportable segment and \$139.4 in the Detection and Measurement reportable segment. At October 1, 2022, trademarks with indefinite lives consisted of \$104.6 in the HVAC reportable segment and \$63.6 in the Detection and Measurement reportable segment.

We review goodwill and indefinite-lived intangible assets for impairment annually during the fourth quarter in conjunction with our annual financial planning process, with such testing based primarily on events and circumstances existing as of the end of the third quarter. In addition, we test goodwill for impairment on a more frequent basis if there are indications of potential impairment. In reviewing goodwill and indefinite-lived intangible assets for impairment, we initially perform a qualitative analysis. If there is an indication of impairment, we then perform a quantitative analysis. A significant amount of judgment is involved in determining if an indication of impairment has occurred between annual testing dates. Such indication may include: a significant decline in expected future cash flows; a significant adverse change in legal factors or the business climate; unanticipated competition; and a more likely than not expectation of selling or disposing all, or a portion, of a reporting unit.

As indicated in Note 1, we concluded during the third quarter of 2021 that the operating and financial milestones related to the ULC contingent consideration would not be achieved, resulting in the reversal of the related liability of \$24.3, with the offset to “Other operating (income) expense, net.” We also concluded that the lack of achievement of these milestones, along with lower than anticipated future cash flows, were indicators of potential impairment related to ULC’s indefinite-lived intangible assets and goodwill. As such, we performed a quantitative analysis on ULC’s indefinite-lived intangible assets and goodwill during the third quarter of 2021. Based on such analysis, we determined that the carrying value of ULC’s net assets exceeded the implied fair value of the business. As a result, we recorded an impairment charge to “Impairment of goodwill and intangible assets” of \$24.3 during the quarter, with \$23.3 related to goodwill and the remainder to trademarks.

The total goodwill of ULC was \$12.0 as of October 1, 2022. A change in assumptions used in ULC’s quantitative analysis (e.g., projected revenues and profit growth rates, discount rates, industry price multiples, etc.) could result in ULC’s estimated fair value being less than the carrying value of its net assets. In addition to ULC, the fair values of Sealite, ECS, Cincinnati Fan and ITL, acquisitions in 2021 and thus far in 2022, approximate their respective carrying values. If any of these reporting units are unable to achieve their current financial forecast, we may be required to record an impairment charge in a future period related to their goodwill and/or indefinite-lived intangible assets.

We perform our annual trademarks impairment testing during the fourth quarter, or on a more frequent basis, if there are indications of potential impairment. The fair value of our trademarks is based on applying estimated royalty rates to projected revenues, with resulting cash flows discounted at a rate of return that reflects current market conditions (fair value based on unobservable inputs - Level 3, as defined in Note 17). The primary basis for these projected revenues is the annual operating plan for each of the related businesses, which is prepared in the fourth quarter of each year.

(10) WARRANTY

The following is an analysis of our product warranty accrual for the periods presented:

	Nine months ended	
	October 1, 2022	October 2, 2021
Balance at beginning of year	\$ 34.8	\$ 35.3
Acquisitions	0.3	—
Provisions	8.2	8.0
Usage	(7.7)	(7.2)
Currency translation adjustment	(0.2)	—
Balance at end of period	35.4	36.1
Less: Current portion of warranty	12.5	12.1
Non-current portion of warranty	\$ 22.9	\$ 24.0

(11) EMPLOYEE BENEFIT PLANS

On February 17, 2022, we transferred our existing liability under the SPX Postretirement Benefit Plans (the “Plans”) for a group of participants with retiree life insurance benefits to an insurance carrier for consideration payable to the insurance carrier of \$10.0. Of this consideration, \$9.0 was paid during the first quarter of 2022, with the remainder paid in the second quarter of 2022. This transaction resulted in a settlement charge of \$0.7 recorded to “Other income (expense), net” during the first quarter of 2022. In addition, and in connection with this transfer, we remeasured the assets and liabilities of the Plans as of the transfer date, which resulted in an actuarial gain of \$0.4 recorded to “Other income (expense), net” for the three months ended April 2, 2022.

Participants in the SPX U.S. Pension Plan (the “U.S. Plan”) are eligible to elect a lump-sum payment option in lieu of a future pension benefit. During the first half of 2022, \$10.0 was paid to participants who elected lump-sum payments. This triggered a plan settlement which resulted in a charge to “Other income (expense), net” of \$2.3 during the quarter ended July 2, 2022. In addition, we remeasured assets and liabilities of the U.S. Plan at July 2, 2022, which resulted in an actuarial loss of \$1.5 recorded to “Other income (expense), net” during the quarter ended July 2, 2022. In connection with the remeasurement, we updated our actuarial assumptions. The only changes of significance related to the discount rate and expected return on assets, which increased from 2.83% to 4.86% and 3.25% to 4.50%, respectively.

Additional settlements by the U.S. Plan during the quarter ended October 1, 2022 resulted in a charge to “Other income (expense), net” of \$2.0. We also remeasured the assets and liabilities of the U.S. Plan as of October 1, 2022, which resulted in an actuarial loss of \$0.4 recorded to “Other income (expense), net” during the quarter ended October 1, 2022. In connection with the remeasurement, we updated our actuarial assumptions. The only changes of significance related to the discount rate and expected return on assets, which increased from 4.86% to 5.70% and 4.50% to 5.00%, respectively.

Net periodic benefit (income) expense for our pension and postretirement plans include the following components:

Domestic Pension Plans

	Three months ended		Nine months ended	
	October 1, 2022	October 2, 2021	October 1, 2022	October 2, 2021
Service cost	\$ —	\$ —	\$ —	\$ —
Interest cost	2.9	2.1	7.5	6.3
Expected return on plan assets	(2.0)	(2.2)	(6.2)	(6.6)
Settlement and actuarial losses ⁽¹⁾	2.4	—	6.2	—
Net periodic pension benefit (income) expense	\$ 3.3	\$ (0.1)	\$ 7.5	\$ (0.3)

⁽¹⁾ For the three months ended October 1, 2022, consists of a settlement loss of \$2.0 and an actuarial loss of \$0.4. For the nine months ended October 1, 2022, consists of a settlement loss of \$4.3 and an actuarial loss of \$1.9.

Foreign Pension Plans

	Three months ended		Nine months ended	
	October 1, 2022	October 2, 2021	October 1, 2022	October 2, 2021
Service cost	\$ —	\$ —	\$ —	\$ —
Interest cost	1.0	0.8	3.0	2.4
Expected return on plan assets	(1.5)	(1.4)	(4.5)	(4.2)
Net periodic pension benefit income	<u>\$ (0.5)</u>	<u>\$ (0.6)</u>	<u>\$ (1.5)</u>	<u>\$ (1.8)</u>

Postretirement Plans

	Three months ended		Nine months ended	
	October 1, 2022	October 2, 2021	October 1, 2022	October 2, 2021
Service cost	\$ —	\$ —	\$ —	\$ —
Interest cost	0.3	0.3	0.9	0.9
Amortization of unrecognized prior service credits	(1.1)	(1.2)	(3.3)	(3.6)
Settlement loss, net ⁽¹⁾	—	—	0.3	—
Net periodic postretirement benefit income	<u>\$ (0.8)</u>	<u>\$ (0.9)</u>	<u>\$ (2.1)</u>	<u>\$ (2.7)</u>

⁽¹⁾ For the nine months ended October 1, 2022, includes the impact of the transfer of the retiree life insurance benefits obligation.

(12) INDEBTEDNESS

The following summarizes our debt activity (both current and non-current) for the nine months ended October 1, 2022:

	December 31, 2021	Borrowings	Repayments	Other	October 1, 2022
Revolving loans	\$ —	\$ —	\$ —	\$ —	\$ —
Term loan ⁽¹⁾⁽²⁾	242.7	245.0	(243.7)	0.3	244.3
Trade receivables financing arrangement ⁽³⁾	—	—	—	—	—
Other indebtedness ⁽⁴⁾	3.3	0.1	(0.8)	—	2.6
Total debt	246.0	<u>\$ 245.1</u>	<u>\$ (244.5)</u>	<u>\$ 0.3</u>	246.9
Less: short-term debt	2.2				1.9
Less: current maturities of long-term debt	13.0				0.4
Total long-term debt	<u>\$ 230.8</u>				<u>\$ 244.6</u>

⁽¹⁾ As noted below, we amended our senior credit agreement on August 12, 2022. The amendment made available a new term loan facility in the amount of \$245.0, the proceeds of which were primarily used to repay the outstanding balance of \$237.4 under the then-existing term loan facility.

⁽²⁾ The term loan is repayable in quarterly installments equal to 0.625% of the initial term loan balance of \$245.0, beginning in December 2023 and in each of the first three quarters of 2024, and 1.25% during the fourth quarter of 2024, all quarters of 2025 and 2026, and the first two quarters of 2027. The remaining balance is payable in full on August 12, 2027. Balances are net of unamortized debt issuance costs of \$0.7 and \$1.0 at October 1, 2022 and December 31, 2021, respectively.

⁽³⁾ Under this arrangement, we can borrow, on a continuous basis, up to \$50.0, as available. Borrowings under this arrangement are collateralized by eligible trade receivables of certain of our businesses. At October 1, 2022, we had \$30.3 of available borrowing capacity under this facility.

⁽⁴⁾ Primarily includes balances under a purchase card program of \$1.9 and \$2.2 and finance lease obligations of \$0.7 and \$1.1 at October 1, 2022 and December 31, 2021, respectively. The purchase card program allows for payment beyond the normal payment terms for goods and services acquired under the program. As this arrangement extends the payment of these purchases beyond their normal payment terms through third-party lending institutions, we have classified these amounts as short-term debt.

Senior Credit Facilities

On August 12, 2022, we entered into the Credit Agreement to, among other things, extend the term of the facilities under the Credit Agreement (with the aggregate of each facility comprising the “Senior Credit Facilities”) and provide for committed senior secured financing with an aggregate amount of \$770.0 which consists of the following facilities at October 1, 2022 (each with a final maturity of August 12, 2027):

- A term loan facility in an aggregate principal amount of \$245.0;

- A multicurrency revolving credit facility, available for loans and letters of credit in Dollars, Euro, Sterling and other currencies, in an aggregate principal amount up to the equivalent of \$500.0 (with sub-limits equal to the equivalents of \$200.0 for financial letters of credit, \$50.0 for non-financial letters of credit, and \$150.0 for non-U.S. exposure); and
- A bilateral foreign credit instrument facility, available for performance letters of credit and bank undertakings, in an aggregate principal amount in various currencies up to the equivalent of \$25.0.

The Credit Agreement also:

- Requires that we maintain a Consolidated Leverage Ratio (defined in the Credit Agreement) as of the last day of any fiscal quarter of not more than 3.75 to 1.00 (or (i) 4.00 to 1.00 for the four fiscal quarters after certain permitted acquisitions or (ii) 4.25 to 1.00 for the four fiscal quarters after certain permitted acquisitions with a minimum amount financed by unsecured debt);
- Requires that we maintain a Consolidated Interest Coverage Ratio (defined in the Credit Agreement) as of the last day of any fiscal quarter of at least 3.00 to 1.00;
- Allows SPX to seek additional commitments, without consent from the existing lenders, to add incremental term loan facilities and/or increase the commitments in respect of the revolving credit facility and/or the bilateral foreign credit instrument facility by up to an aggregate principal amount not to exceed (x) the greater of (i) \$200.0 and (ii) the amount of Consolidated EBITDA (as defined in the Credit Agreement) for the four fiscal quarters ended most recently before the date of determination, plus (y) an unlimited amount so long as, immediately after giving effect thereto, our Consolidated Senior Secured Leverage Ratio (defined in the Credit Agreement generally as the ratio of consolidated total debt (excluding the face amount of undrawn letters of credit, bank undertakings, or analogous instruments and net of unrestricted cash and cash equivalents) at the date of determination secured by liens to Consolidated EBITDA for the four fiscal quarters ended most recently before such date) does not exceed 2.75:1.00, plus (z) an amount equal to all voluntary prepayments of the term loan facility and voluntary prepayments accompanied by permanent commitment reductions of the revolving credit facility and foreign credit instrument facility; and
- Establishes per annum fees charged and applies interest rate margins, as follows:

Consolidated Leverage Ratio	Revolving Commitment Fee	Financial Letter of Credit Fee	Foreign Credit Instrument ("FCI") Commitment Fee	FCI Fee and Non-Financial Letter of Credit Fee	Term Secured Overnight Financing Rate ("SOFR") Loans/Alternative Currency Loans	ABR Loans
Greater than or equal to 3.00 to 1.0	0.275 %	1.750 %	0.275 %	1.000 %	1.750 %	0.750 %
Between 2.00 to 1.0 and 3.00 to 1.0	0.250 %	1.500 %	0.250 %	0.875 %	1.500 %	0.500 %
Between 1.50 to 1.0 and 2.00 to 1.0	0.225 %	1.375 %	0.225 %	0.800 %	1.375 %	0.375 %
Less than 1.50 to 1.0	0.200 %	1.250 %	0.200 %	0.750 %	1.250 %	0.250 %

The interest rates applicable to loans under the Senior Credit Facilities are, at our option, equal to either (i) an alternate base rate (the highest of (a) the federal funds effective rate plus 0.5%, (b) the prime rate of Bank of America, N.A., and (c) the one-month Term SOFR rate plus 1.0%) or (ii) the Term SOFR rate for the applicable interest period plus 0.1%, plus, in each case, an applicable margin percentage, which varies based on the Consolidated Leverage Ratio (defined in the Credit Agreement generally as the ratio of consolidated total debt (excluding the face amount of undrawn letters of credit, bank undertakings or analogous instruments and net of unrestricted cash and cash equivalents) at the date of determination to Consolidated EBITDA for the four fiscal quarters ended most recently before such date). The interest rates applicable to loans in other currencies under the Senior Credit Facilities are, at the applicable borrower's option, equal to either (a) an adjusted alternative currency daily rate or (b) an adjusted alternative currency term rate for the applicable interest period, plus, in each case, the applicable margin percentage. The borrowers may elect interest periods of one, three or six months (and, if consented to by all relevant lenders, any other period not greater than twelve months) for term rate borrowings, subject in each case to availability in the applicable currency.

The weighted-average interest rate of outstanding borrowings under the Credit Agreement was approximately 4.5% at October 1, 2022.

The fees for bilateral foreign credit instruments are as specified above unless otherwise agreed with the bilateral foreign issuing lender. The applicable borrower will also pay fronting fees on the outstanding amounts of financial and non-financial letters of credit at the rates of 0.125% per annum and 0.25% per annum, respectively.

SPX Enterprises, LLC, the direct wholly owned subsidiary of the Company, is the borrower under each of above facilities, and SPX may designate certain foreign subsidiaries to be borrowers under the revolving credit facility and the foreign credit instrument facility. All borrowings and other extensions of credit under the Credit Agreement are subject to the satisfaction of customary conditions, including absence of defaults and accuracy in material respects of representations and warranties.

The letters of credit under the revolving credit facility are stand-by letters of credit requested by SPX on behalf of any of our subsidiaries or certain joint ventures. The foreign credit instrument facility is used to issue foreign credit instruments, including bank undertakings to support our operations.

The Credit Agreement requires mandatory prepayments in amounts equal to the net proceeds from the sale or other disposition of (including from any casualty to, or governmental taking of) property in excess of specified values (other than in the ordinary course of business and subject to other exceptions) by SPX. Mandatory prepayments will be applied first to repay amounts outstanding under any term loans and then to amounts outstanding under the revolving credit facility (without reducing the commitments thereunder). No prepayment is required generally to the extent the net proceeds are reinvested (or committed to be reinvested) in permitted acquisitions, permitted investments or assets to be used in the business of SPX within 360 days (and if committed to be reinvested, actually reinvested within 180 days after the end of such 360-day period) of the receipt of such proceeds.

We may voluntarily prepay loans under the Credit Agreement, in whole or in part, without premium or penalty. Any voluntary prepayment of loans will be subject to reimbursement of the lenders' breakage costs in the case of a prepayment of term rate borrowings other than on the last day of the relevant interest period. Indebtedness under the Credit Agreement is guaranteed by:

- Each existing and subsequently acquired or organized domestic material subsidiary with specified exceptions; and
- SPX with respect to the obligations of our foreign borrower subsidiaries under the revolving credit facility and the bilateral foreign credit instrument facility.

Indebtedness under the Credit Agreement is secured by a first priority pledge and security interest in 100% of the capital stock of our domestic subsidiaries (with certain exceptions) or our domestic subsidiary guarantors and 65% of the voting capital stock (and 100% of the non-voting capital stock) of material first-tier foreign subsidiaries (with certain exceptions). If SPX obtains a corporate credit rating from Moody's and S&P and such corporate credit rating is less than "Ba2" (or not rated) by Moody's and less than "BB" (or not rated) by S&P, then SPX and our domestic subsidiary guarantors are required to grant security interests, mortgages and other liens on substantially all of their assets. If SPX's corporate credit rating is "Baa3" or better by Moody's or "BBB-" or better by S&P and no defaults would exist, then all collateral security will be released and the indebtedness under the Credit Agreement will be unsecured.

The Credit Agreement also contains covenants that, among other things, restrict our ability to incur additional indebtedness, grant liens, make investments, loans or guarantees, make restricted junior payments, including dividends, redemptions of capital stock, and voluntary prepayments or repurchase of certain other indebtedness, engage in mergers, acquisitions or sales of assets, enter into sale and leaseback transactions, or engage in certain transactions with affiliates. The Credit Agreement contains customary representations, warranties, affirmative covenants and events of default.

We are permitted under the Credit Agreement to repurchase capital stock and pay cash dividends in an unlimited amount if our Consolidated Leverage Ratio is (after giving pro forma effect to such payments) less than 2.75 to 1.00. If our Consolidated Leverage Ratio is (after giving pro forma effect to such payments) greater than or equal to 2.75 to 1.00, the aggregate amount of such repurchases and dividend declarations cannot exceed (A) \$100.0 in any fiscal year plus (B) to the extent not previously utilized for restricted junior payments or investments, an additional amount for all such repurchases and dividend declarations made after August 12, 2022 equal to the sum of (i) \$100.0, plus (ii) a positive amount equal to 50% of cumulative Consolidated Net Income (defined in the Credit Agreement generally as consolidated net income subject to certain adjustments solely for the purposes of determining this basket) during the period from September 24, 2015 to the end of the most recent fiscal quarter preceding the date of such repurchase or dividend declaration for which financial statements have been (or were required to be) delivered (or, in case such Consolidated Net Income is a deficit, minus 100% of such deficit), plus (iii) certain other amounts.

At October 1, 2022, we had \$489.0 of available borrowing capacity under our revolving credit facilities, after giving effect to \$11.0 reserved for outstanding letters of credit. In addition, at October 1, 2022, we had \$12.2 of available issuance capacity under our foreign credit instrument facilities after giving effect to \$12.8 reserved for outstanding letters of credit.

At October 1, 2022, we were in compliance with all covenants of the Credit Agreement.

In connection with the August 2022 amendment of the Credit Agreement, we recorded charges of \$1.1 to “Loss on amendment/refinancing of senior credit agreement” related to the write-off of unamortized deferred financing costs totaling \$0.7 and transaction costs of \$0.4. Additionally, \$1.5 of fees paid in connection with the August 2022 amendment were capitalized, with \$1.2 related to our revolving loans and \$0.3 related to the term loan. During 2021, we reduced the issuance capacity of our then-existing foreign credit instrument facilities resulting in a charge of \$0.2 to “Loss on amendment/refinancing of senior credit agreement” associated with the write-off of unamortized deferred financing costs.

(13) DERIVATIVE FINANCIAL INSTRUMENTS

Interest Rate Swaps

We previously maintained interest rate swap agreements that matured in March 2021 and effectively converted borrowings under our senior credit facilities to a fixed rate of 2.535%, plus the applicable margin.

In February 2020, and as a result of a December 2019 amendment that extended the maturity date of our then-existing senior credit facilities to December 17, 2024, we entered into additional interest swap agreements (“Swaps”). The Swaps have a remaining notional amount of \$234.4, cover the period from March 2021 to November 2024, and effectively convert borrowings under our term loan for this period to a fixed rate of 1.061%, plus the applicable margin.

In connection with entering into the Credit Agreement, the Swaps were amended to be based on SOFR as opposed to LIBOR. As mentioned in Note 2, we applied the optional expedients per ASU No. 2020-04 and No. 2021-01 and, thus, continue to designate and account for our interest rate swap agreements as cash flow hedges. As of October 1, 2022 and December 31, 2021, the unrealized gain, net of tax, recorded in accumulated other comprehensive income (“AOCI”) was \$11.8 and \$0.5, respectively. In addition, as of October 1, 2022, the fair value of our interest rate swap agreements totaled \$15.6 (with \$7.2 recorded as a current asset and \$8.4 as a non-current asset), and \$0.6 at December 31, 2021 (with \$2.5 recorded as a non-current asset and \$1.9 as a current liability). Changes in fair value of our interest rate swap agreements are reclassified into earnings, as a component of interest expense, when the forecasted transaction impacts earnings.

Currency Forward Contracts

We manufacture and sell our products in a number of countries and, as a result, are exposed to movements in foreign currency exchange rates. Our objective is to preserve the economic value of non-functional currency-denominated cash flows and to minimize the impact of changes as a result of currency fluctuations. Our principal currency exposures relate to the South African Rand, British Pound Sterling (“GBP”), and Euro.

From time to time, we enter into forward contracts to manage the exposure on contracts with forecasted transactions denominated in non-functional currencies and to manage the risk of transaction gains and losses associated with assets/liabilities denominated in currencies other than the functional currency of certain subsidiaries (“FX forward contracts”).

We had FX forward contracts with an aggregate notional amount of \$21.7 and \$8.7 outstanding as of October 1, 2022 and December 31, 2021, respectively, with all of the \$21.7 scheduled to mature within one year. The fair value of our FX forward contracts was \$0.5 at October 1, 2022 (recorded as a current asset) and was less than \$0.1 at December 31, 2021.

Beginning in the second quarter of 2022, we have designated and accounted for certain of our FX forward contracts, with a notional amount of \$3.3, as cash flow hedges. As of October 1, 2022, the unrealized gain/loss recorded in AOCI related to these cash flow hedges was less than \$0.1. Changes in fair value of our FX forward contracts designated as cash flow hedges are reclassified into earnings, as a component of “Revenues” when the forecasted transaction impacts earnings.

Commodity Contracts

For our Transformer Solutions business, we historically entered into commodity contracts to manage the exposure on forecasted purchases of commodity raw materials. As discussed in Note 1, on October 1, 2021, we completed the sale of Transformer Solutions, which has been presented within discontinued operations. Immediately prior to the sale, we extinguished the existing commodity contracts and reclassified from AOCI a net loss of \$0.6 to “Gain (loss) on disposition of discontinued operations, net of tax” within our condensed consolidated statements of operations for the three and nine months ended October 2, 2021. Prior to extinguishment, we designated and accounted for these contracts as cash flow hedges and, to the extent the commodity contracts were effective in offsetting the variability of the forecasted purchases, the change in fair value was included in AOCI. We reclassified amounts associated with our commodity contracts out of AOCI when the forecasted transaction impacted earnings.

(14) STOCKHOLDERS' EQUITY AND LONG-TERM INCENTIVE COMPENSATION

Income Per Share

The following table sets forth the number of weighted-average shares outstanding used in the computation of basic and diluted income per share:

	Three months ended		Nine months ended	
	October 1, 2022	October 2, 2021	October 1, 2022	October 2, 2021
Weighted-average number of common shares used in basic income per share	45.144	45.331	45.382	45.244
Dilutive securities — Employee stock options and restricted stock units	0.988	1.319	0.871	1.211
Weighted-average number of common shares and dilutive securities used in diluted income per share	46.132	46.650	46.253	46.455

The weighted-average number of restricted stock units and stock options excluded from the computation of diluted income per share because the assumed proceeds for these instruments exceed the average market value of the underlying common stock for the related period were 0.243 and 0.655, respectively, for the three months ended October 1, 2022, and 0.270 and 0.720, respectively, for the nine months ended October 1, 2022.

The weighted-average number of restricted stock units and stock options excluded from the computation of diluted income per share because the assumed proceeds for these instruments exceed the average market value of the underlying common stock for the related period were 0.222 and 0.631, respectively, for the three months ended October 2, 2021, and 0.261 and 0.631, respectively, for the nine months ended October 2, 2021.

Long-Term Incentive Compensation

Long-term incentive compensation awards may be granted to certain eligible employees or non-employee directors. A detailed description of the awards granted prior to 2022 is included in our 2021 Annual Report on Form 10-K.

Awards granted on March 1, 2022 to executive officers and other members of senior management were comprised of performance stock units (“PSU’s”), stock options, and time-based restricted stock units (“RSU’s”), while other eligible employees were granted PSU’s and RSU’s. The PSU’s are eligible to vest at the end of a three-year performance period, with performance based on the total return of our stock over the three-year performance period against a peer group within the S&P 600 Capital Goods Index. Stock options and RSU’s vest ratably over the three-year period subsequent to the date of grant.

Effective May 10, 2022, we granted 0.023 RSU’s to our non-employee directors, which vest in their entirety immediately prior to the annual meeting of stockholders in May 2023. A detailed description of the awards granted prior to 2022 is included in our 2021 Annual Report on Form 10-K.

Compensation expense within income from continuing operations related to long-term incentive awards totaled \$2.1 and \$3.4 for the three months ended October 1, 2022 and October 2, 2021, respectively, and \$7.7 and \$9.4 for the nine months ended October 1, 2022 and October 2, 2021, respectively. The related tax benefit was \$0.3 and \$0.6 for the three months ended October 1, 2022 and October 2, 2021, respectively, and \$1.2 and \$1.6 for the nine months ended October 1, 2022 and October 2, 2021, respectively.

Repurchases of Common Stock

On May 10, 2022, our Board of Directors re-authorized management, in its sole discretion, to repurchase, in any fiscal year, up to \$100.0 of our common stock, subject to maintaining compliance with all covenants of our Credit Agreement. Pursuant to this re-authorization, during the quarter ended July 2, 2022, we repurchased 0.707 shares of our common stock for aggregate cash payments of \$33.7. As of October 1, 2022, the remaining maximum approximate amount of our common stock that may be purchased under this authorization is \$66.3.

Accumulated Other Comprehensive Income

The changes in the components of accumulated other comprehensive income, net of tax, for the three months ended October 1, 2022 were as follows:

	Foreign Currency Translation Adjustment	Net Unrealized Gains on Qualifying Cash Flow Hedges ⁽¹⁾	Pension and Postretirement Liability Adjustment ⁽²⁾	Total
Balance at beginning of period	\$ 236.3	\$ 8.6	\$ 9.1	\$ 254.0
Other comprehensive income (loss) before reclassifications	(19.2)	3.9	—	(15.3)
Amounts reclassified from accumulated other comprehensive income	—	(0.7)	(0.8)	(1.5)
Current-period other comprehensive income (loss)	(19.2)	3.2	(0.8)	(16.8)
Balance at end of period	<u>\$ 217.1</u>	<u>\$ 11.8</u>	<u>\$ 8.3</u>	<u>\$ 237.2</u>

⁽¹⁾ Net of tax provision of \$4.0 and \$2.9 as of October 1, 2022 and July 2, 2022, respectively.

⁽²⁾ Net of tax provision of \$3.0 and \$3.2 as of October 1, 2022 and July 2, 2022, respectively. The balances as of October 1, 2022 and July 2, 2022 include unamortized prior service credits.

The changes in the components of accumulated other comprehensive income, net of tax, for the nine months ended October 1, 2022 were as follows:

	Foreign Currency Translation Adjustment	Net Unrealized Gains on Qualifying Cash Flow Hedges ⁽¹⁾	Pension and Postretirement Liability Adjustment ⁽²⁾	Total
Balance at beginning of period	\$ 252.7	\$ 0.5	\$ 10.7	\$ 263.9
Other comprehensive income (loss) before reclassifications	(35.6)	11.5	0.1	(24.0)
Amounts reclassified from accumulated other comprehensive income	—	(0.2)	(2.5)	(2.7)
Current-period other comprehensive income (loss)	(35.6)	11.3	(2.4)	(26.7)
Balance at end of period	<u>\$ 217.1</u>	<u>\$ 11.8</u>	<u>\$ 8.3</u>	<u>\$ 237.2</u>

⁽¹⁾ Net of tax provision of \$4.0 and \$0.1 as of October 1, 2022 and December 31, 2021, respectively.

⁽²⁾ Net of tax provision of \$3.0 and \$3.7 as of October 1, 2022 and December 31, 2021, respectively. The balances as of October 1, 2022 and December 31, 2021 include unamortized prior service credits.

The changes in the components of accumulated other comprehensive income, net of tax, for the three months ended October 2, 2021 were as follows:

	Foreign Currency Translation Adjustment	Net Unrealized Losses on Qualifying Cash Flow Hedges ⁽¹⁾	Pension and Postretirement Liability Adjustment ⁽²⁾	Total
Balance at beginning of period	\$ 240.1	\$ (2.0)	\$ 12.5	\$ 250.6
Other comprehensive loss before reclassifications	(5.0)	(0.4)	—	(5.4)
Amounts reclassified from accumulated other comprehensive income (loss)	—	0.2	(0.9)	(0.7)
Current-period other comprehensive loss	(5.0)	(0.2)	(0.9)	(6.1)
Balance at end of period	<u>\$ 235.1</u>	<u>\$ (2.2)</u>	<u>\$ 11.6</u>	<u>\$ 244.5</u>

⁽¹⁾ Net of tax benefit of \$0.7 as of October 2, 2021 and July 3, 2021, respectively.

⁽²⁾ Net of tax provision of \$4.0 and \$4.3 as of October 2, 2021 and July 3, 2021, respectively. The balances as of October 2, 2021 and July 3, 2021 include unamortized prior service credits.

The changes in the components of accumulated other comprehensive income, net of tax, for the nine months ended October 2, 2021 were as follows:

	Foreign Currency Translation Adjustment	Net Unrealized Losses on Qualifying Cash Flow Hedges ⁽¹⁾	Pension and Postretirement Liability Adjustment ⁽²⁾	Total
Balance at beginning of period	\$ 238.6	\$ (4.4)	\$ 14.3	\$ 248.5
Other comprehensive income (loss) before reclassifications	(3.5)	3.1	—	(0.4)
Amounts reclassified from accumulated other comprehensive income (loss)	—	(0.9)	(2.7)	(3.6)
Current-period other comprehensive income (loss)	(3.5)	2.2	(2.7)	(4.0)
Balance at end of period	<u>\$ 235.1</u>	<u>\$ (2.2)</u>	<u>\$ 11.6</u>	<u>\$ 244.5</u>

⁽¹⁾ Net of tax benefit of \$0.7 and \$1.4 as of October 2, 2021 and December 31, 2020, respectively.

⁽²⁾ Net of tax provision of \$4.0 and \$4.9 as of October 2, 2021 and December 31, 2020, respectively. The balances as of October 2, 2021 and December 31, 2020 include unamortized prior service credits.

The following summarizes amounts reclassified from each component of accumulated other comprehensive income for the three months ended October 1, 2022 and October 2, 2021:

	Amount Reclassified from AOCI		
	Three months ended		
	October 1, 2022	October 2, 2021	Affected Line Item in the Condensed Consolidated Statements of Operations
(Gains) losses on qualifying cash flow hedges:			
FX forward contracts	\$ (0.2)	\$ —	Revenues
Commodity contracts	—	(0.3)	Income from discontinued operations, net of tax
Swaps	(0.7)	0.6	Interest expense
Pre-tax	(0.9)	0.3	
Income taxes	0.2	(0.1)	
	<u>\$ (0.7)</u>	<u>\$ 0.2</u>	
Gains on pension and postretirement items:			
Amortization of unrecognized prior service credits - Pre-tax	\$ (1.1)	\$ (1.2)	Other income (expense), net
Income taxes	0.3	0.3	
	<u>\$ (0.8)</u>	<u>\$ (0.9)</u>	

The following summarizes amounts reclassified from each component of accumulated other comprehensive income for the nine months ended October 1, 2022 and October 2, 2021:

	Amount Reclassified from AOCI		Affected Line Item in the Condensed Consolidated Statements of Operations
	Nine months ended		
	October 1, 2022	October 2, 2021	
(Gains) losses on qualifying cash flow hedges:			
FX forward contracts	\$ (0.2)	\$ —	Revenues
Commodity contracts	—	(3.8)	Income from discontinued operations, net of tax
Swaps	—	2.6	Interest expense
Pre-tax	(0.2)	(1.2)	
Income taxes	—	0.3	
	<u>\$ (0.2)</u>	<u>\$ (0.9)</u>	
Gains on pension and postretirement items:			
Amortization of unrecognized prior service credits - Pre-tax	\$ (3.3)	\$ (3.6)	Other income (expense), net
Income taxes	0.8	0.9	
	<u>\$ (2.5)</u>	<u>\$ (2.7)</u>	

(15) CONTINGENT LIABILITIES AND OTHER MATTERS

General

Numerous claims, complaints and proceedings arising in the ordinary course of business have been asserted or are pending against us or certain of our subsidiaries (collectively, “claims”). These claims relate to litigation matters (e.g., class actions, derivative lawsuits and contracts, intellectual property and competitive claims), environmental matters, product liability matters (predominately associated with alleged exposure to asbestos-containing materials), and other risk management matters (e.g., general liability, automobile, and workers’ compensation claims). Additionally, we may become subject to other claims of which we are currently unaware, which may be significant, or the claims of which we are aware may result in our incurring significantly greater loss than we anticipate. While we (and our subsidiaries) maintain property, cargo, auto, product, general liability, environmental, and directors’ and officers’ liability insurance and have acquired rights under similar policies in connection with acquisitions that we believe cover a significant portion of these claims, this insurance may be insufficient or unavailable (e.g., in the case of insurer insolvency) to protect us against potential loss exposures. Also, while we believe we are entitled to indemnification from third parties for some of these claims, these rights may be insufficient or unavailable to protect us against potential loss exposures.

Our recorded liabilities related to these matters totaled \$614.0 and \$658.8 at October 1, 2022 and December 31, 2021, respectively. Of these amounts, \$538.9 and \$584.3 are included in “Other long-term liabilities” within our condensed consolidated balance sheets at October 1, 2022 and December 31, 2021, respectively, with the remainder included in “Accrued expenses.” The liabilities we record for these matters are based on a number of assumptions, including historical claims and payment experience. While we base our assumptions on facts currently known to us, they entail inherently subjective judgments and uncertainties. As a result, our current assumptions for estimating these liabilities may not prove accurate, and we may be required to adjust these liabilities in the future, which could result in charges to earnings. These variances relative to current expectations could have a material impact on our financial position and results of operations.

Our asbestos-related claims are with respect to products that we no longer manufacture or sell and are typical in certain of the industries in which we operate or pertain to legacy businesses we no longer operate. It is not unusual in these cases for fifty or more corporate entities to be named as defendants. We vigorously defend these claims, many of which are dismissed without payment, and the significant majority of costs related to these claims have historically been paid pursuant to our insurance arrangements. Our recorded assets and liabilities related to asbestos-related claims were as follows at October 1, 2022 and December 31, 2021:

	October 1, 2022	December 31, 2021
Insurance recovery assets ⁽¹⁾	\$ 479.8	\$ 526.2
Liabilities for claims ⁽²⁾	574.6	616.5

- (1) Of these amounts, \$424.2 and \$473.6 are included in “Other assets” at October 1, 2022 and December 31, 2021, respectively, while the remainder is included in “Other current assets.”
- (2) Of these amounts, \$520.4 and \$561.4 are included in “Other long-term liabilities” at October 1, 2022 and December 31, 2021, respectively, while the remainder is included in “Accrued expenses.”

The liabilities we record for asbestos-related claims are based on a number of assumptions. In estimating our liabilities for asbestos-related claims, we consider, among other things, the following:

- The number of pending claims by disease type and jurisdiction.
- Historical information by disease type and jurisdiction with regard to:
 - Average number of claims settled with payment (versus dismissed without payment); and
 - Average claim settlement amounts.
- The period over which we can reasonably project asbestos-related claims (currently projecting through 2057).

The following table presents information regarding activity for the asbestos-related claims for the nine months ended October 1, 2022 and October 2, 2021:

	Nine months ended	
	October 1, 2022	October 2, 2021
Pending claims, beginning of period	10,065	9,782
Claims filed	2,249	2,044
Claims resolved	(1,733)	(1,797)
Pending claims, end of period	10,581	10,029

The assets we record for asbestos-related claims represent amounts that we believe we are or will be entitled to recover under agreements we have with insurance companies. The amount of these assets are based on a number of assumptions, including the continued solvency of the insurers and our legal interpretation of our rights for recovery under the agreements we have with the insurers. Our current assumptions for estimating these assets may not prove accurate, and we may be required to adjust these assets in the future. These variances relative to current expectations could have a material impact on our financial position and results of operations.

During the nine months ended October 1, 2022 and October 2, 2021, our (receipts) payments for asbestos-related claims, net of respective insurance recoveries of \$27.7 and \$39.8, were \$20.2 and \$(2.2), respectively. The nine months ended October 1, 2021 includes insurance proceeds of \$15.0, associated with the settlement of an asbestos insurance coverage matter. A significant increase in claims, costs and/or issues with existing insurance coverage (e.g., dispute with or insolvency of insurer(s)) could have a material adverse impact on our share of future payments related to these matters, and, as a result, have a material impact on our financial position, results of operations and cash flows.

During the three and nine months ended October 1, 2022, we recorded charges for asbestos-related matters of \$21.7 and \$24.0, respectively, with \$16.5 and \$18.8, respectively, recorded to continuing operations and the remainder to discontinued operations. Of such charges, \$21.7 (continuing operations - \$16.5 and discontinued operations - \$5.2) resulted from a ruling by a North Carolina trial court, during the third quarter of 2022, that certain excess insurance carriers associated with our asbestos product liability matters are not required to cover the costs of defending suits that are dismissed without an indemnity payment. During the nine months ended October 2, 2021, we recorded a charge of \$2.7 related to revisions of recorded assets for asbestos-related claims.

Large Power Projects in South Africa

Overview - Since 2008, DBT had been executing on two large power projects in South Africa (Kusile and Medupi), on which it has now substantially completed its scope of work. Over such time, the business environment surrounding these projects was difficult, as DBT, along with many other contractors on the projects, experienced delays, cost over-runs, and various other challenges associated with a complex set of contractual relationships among the end customer, prime contractors, various subcontractors (including DBT and its subcontractors), and various suppliers. DBT's remaining responsibilities relate largely to resolution of various claims, primarily between itself and one of its prime contractors, Mitsubishi Heavy Industries Power —ZAF (f.k.a. Mitsubishi-Hitachi Power Systems Africa (PTY) LTD), or “MHI.”

The challenges related to the projects have resulted in (i) significant adjustments to our revenue and cost estimates for the projects, (ii) DBT's submission of numerous change orders to the prime contractors, (iii) various claims and disputes between DBT and other parties involved with the projects (e.g., prime contractors, subcontractors, suppliers, etc.), and (iv) the possibility that DBT may become subject to additional claims, which could be significant. It is possible that some outstanding claims may not be resolved until after the prime contractors complete their scopes of work. Our future financial position, operating results, and cash flows could be materially impacted by the resolution of current and any future claims.

Claims by DBT - DBT has asserted claims against MHI of approximately South African Rand 1,000.0 (or \$56.0). As DBT prepares these claims for dispute resolution processes, the amounts, along with the characterization, of the claims could change. Of these claims, South African Rand 732.6 (or \$41.0), which is inclusive of the amounts awarded in the adjudications referred to below, are currently proceeding through contractual dispute resolution processes and DBT is likely to initiate additional dispute resolution processes. DBT is also pursuing several claims to force MHI to abide by its contractual obligations and provide DBT with certain benefits that MHI may have received from its customer on the projects. In addition to existing asserted claims, DBT believes it has additional claims and rights to recovery based on its performance under the contracts with, and actions taken by, MHI. DBT is continuing to evaluate the claims and the amounts owed to it under the contracts based on MHI's failure to comply with its contractual obligations. The amounts DBT may recover for current and potential future claims against MHI are not currently known given (i) the extent of current and potential future claims by MHI against DBT (see below for further discussion) and (ii) the unpredictable nature of any dispute resolution processes that may occur in connection with these current and potential future claims. No revenue has been recorded in the accompanying condensed consolidated financial statements with respect to current or potential future claims against MHI.

On July 23, 2020, a dispute adjudication panel issued a ruling in favor of DBT on certain matters related to the Kusile and Medupi projects. The panel (i) ruled that DBT had achieved takeover on 9 of the units; (ii) ordered MHI to return \$2.3 of bonds (which have been subsequently returned by MHI); (iii) ruled that DBT is entitled to the return of an additional \$4.3 of bonds upon the completion of certain administrative milestones (which have been completed); (iv) ordered MHI to pay South African Rand 18.4 (or \$1.1 at the time of the ruling) in incentive payments for work performed by DBT (which MHI has subsequently paid); and (v) ruled that MHI waived its rights to assert delay damages against DBT on one of the units of the Kusile project. The ruling is subject to MHI's rights to seek further arbitration in the matter, as provided in the contracts. As such, the incentive payments noted above have not been recorded in our condensed consolidated statements of operations.

On February 22, 2021, a dispute adjudication panel issued a ruling in favor of DBT related to costs incurred in connection with delays on two units of the Kusile project. In connection with the ruling, MHI paid DBT South African Rand 126.6 (or \$8.6 at the time of payment). This ruling is subject to MHI's rights to seek further arbitration in the matter and, thus, the amount awarded has not been reflected in our condensed consolidated statements of operations. On July 5, 2021, DBT received notice from MHI of its intent to seek final and binding arbitration in this matter. The hearing on this matter is expected to occur in December 2022.

On April 28, 2021, a dispute adjudication panel issued a ruling in favor of DBT related to costs incurred in connection with delays on two units of the Medupi project. In connection with the ruling, MHI paid DBT South African Rand 82.0 (or \$6.0 at the time of payment). This ruling is subject to MHI's rights to seek further arbitration in the matter and, thus, the amount awarded has not been reflected in our condensed consolidated statements of operations.

Claims by MHI - On February 26, 2019, DBT received notification of an interim claim consisting of both direct and consequential damages from MHI alleging, among other things, that DBT (i) provided defective product and (ii) failed to meet certain project milestones. In September 2020, MHI made a demand on certain bonds issued in its favor by DBT, based solely on these alleged defects, but without further substantiation or other justification (see further discussion below). On December 30, 2020, MHI notified DBT of its intent to take these claims to binding arbitration even though the vast majority of these claims had not been brought appropriately before a dispute adjudication board as required under the relevant subcontracts. On June 4, 2021, in connection with the arbitration, DBT received a revised version of the claim. Similar to the interim claim, we believe the vast majority of the damages summarized in the revised claim are unsubstantiated and, thus, any loss for the majority of these claims is considered remote. The remainder of the damages in the revised claim largely appear to be direct in nature (approximately South African Rand 790.0 or \$44.2). On September 21, 2022, an arbitration tribunal ruled that only South African Rand 349.6 (or \$19.6) of MHI's revised claim had been brought appropriately before a dispute adjudication board as required under the relevant subcontracts, with MHI's other claims dismissed from the arbitration proceedings. DBT has numerous defenses and, thus, we do not believe that DBT has a probable loss associated with any of these claims. As such, no loss has been recorded in the condensed consolidated financial statements with respect to these claims. DBT intends to vigorously defend itself against these claims. Although it is reasonably possible that some loss may be incurred in connection with these claims, we currently are unable to estimate the potential loss or range of potential loss associated with these claims due to the (i) lack of support provided by MHI for these claims; (ii) complexity of contractual relationships between the end customer, MHI, and DBT; (iii) legal interpretation of the contract provisions and application of South African law to the contracts; and (iv) unpredictable nature of any dispute resolution processes that may occur in connection with these claims.

In April and July 2019, DBT received notifications of intent to claim liquidated damages totaling South African Rand 407.2 (or \$22.8) from MHI alleging that DBT failed to meet certain project milestones related to the construction of the filters for both the Kusile and Medupi projects. DBT has numerous defenses against these claims and, thus, we do not believe that DBT has a probable loss associated with these claims. As such, no loss has been recorded in the condensed consolidated financial statements with respect to these claims. Although it is reasonably possible that some loss may be incurred in connection with these claims, we currently are unable to estimate the potential loss or range of potential loss.

MHI has made other claims against DBT totaling South African Rand 176.2 (or \$9.9) and has also alleged that it has incurred additional remedial costs related to portions of DBT's scope of work. DBT has numerous defenses against these claims, as well as claims, if any, that may result from the above unsubstantiated allegations, and, thus, we do not believe that DBT has a probable loss associated with these claims and allegations. As such, no loss has been recorded in the condensed consolidated financial statements with respect to these claims and allegations.

Bonds Issued in Favor of MHI - DBT is obligated with respect to bonds issued by banks in favor of MHI. In September of 2020, MHI made a demand, and received payment of South African Rand 239.6 (or \$14.3 at the time of payment), on certain of these bonds. In May 2021, MHI made an additional demand, and received payment of South African Rand 178.7 (or \$12.5 at the time of payment), on certain of the remaining bonds at such time. In both cases, we funded the payment as required under the terms of the bonds and our senior credit agreement. In its demands, MHI purported that DBT failed to carry out its obligations to rectify certain alleged product defects and that DBT failed to meet certain project milestones. DBT denies liability for such allegations and, thus, fully intends to seek, and believes it is legally entitled to, reimbursement of the South African Rand 418.3 (or \$23.4) that has been paid. On October 11, 2022, a dispute adjudication panel ruled MHI drew on amounts in excess of the bond values stipulated in the contracts and was required to refund DBT South African Rand 90.8 (or \$5.1) of the previously demanded amounts, plus interest of South African Rand 12.5 (or \$0.7). MHI paid these amounts on October 14, 2022. We have reflected the remaining South African Rand 327.5 (or \$18.3) within "Assets of DBT and Heat Transfer" on the condensed consolidated balance sheets as of October 1, 2022 and December 31, 2021.

The remaining bond of South Africa Rand 29.2 (or \$1.6) issued to MHI as a performance guarantee could be exercised by MHI for an alleged breach of DBT's obligation. In the event that MHI were to receive payment on a portion, or all, of the remaining bond, we would be required to reimburse the issuing bank.

In addition to the remaining bond, SPX Technologies, Inc. has guaranteed DBT's performance on these projects to the prime contractors, including MHI.

Claim against Surety - On February 5, 2021, DBT received payment of \$6.7 on bonds issued in support of performance by one of DBT's sub-contractors. The sub-contractor maintains a right to seek recovery of such amount and, thus, the amount received by DBT has not been reflected in our condensed consolidated statements of operations.

Litigation Matters

We are subject to other legal matters that arise in the normal course of business. We believe these matters are either without merit or of a kind that should not have a material effect, individually or in the aggregate, on our financial position, results of operations or cash flows; however, we cannot assure you that these proceedings or claims will not have a material effect on our financial position, results of operations or cash flows.

Environmental Matters

Our operations and properties are subject to federal, state, local and foreign regulatory requirements relating to environmental protection. It is our policy to comply fully with all applicable requirements. As part of our effort to comply, we have a comprehensive environmental compliance program that includes environmental audits conducted by internal and external independent professionals, as well as regular communications with our operating units regarding environmental compliance requirements and anticipated regulations. Based on current information, we believe that our operations are in substantial compliance with applicable environmental laws and regulations, and we are not aware of any violations that could have a material effect, individually or in the aggregate, on our business, financial condition, and results of operations or cash flows. We had liabilities for site investigation and/or remediation at 18 sites that we own or control, or formerly owned and controlled, as of October 1, 2022 and December 31, 2021. In addition, while we believe that we maintain adequate accruals to cover the costs of site investigation and/or remediation, we cannot provide assurance that new matters, developments, laws and regulations, or stricter interpretations of existing laws and regulations will not materially affect our business or operations in the future.

Our environmental accruals cover anticipated costs, including investigation, remediation, and maintenance of clean-up sites. Our estimates are based primarily on investigations and remediation plans established by independent consultants, regulatory agencies and potentially responsible third parties. Accordingly, our estimates may change based on future developments, including new or changes in existing environmental laws or policies, differences in costs required to complete anticipated actions from estimates provided, future findings of investigation or remediation actions, or alteration to the expected remediation plans. It is our policy to revise an estimate once the revision becomes probable and the amount of change can be reasonably estimated. We generally do not discount our environmental accruals and do not reduce them by anticipated insurance recoveries. We take into account third-party indemnification from financially viable parties in determining our accruals where there is no dispute regarding the right to indemnification.

In the case of contamination at offsite, third-party disposal sites, as of October 1, 2022 and December 31, 2021, we have been notified that we are potentially responsible and have received other notices of potential liability pursuant to various environmental laws at 9 sites, at which the liability has not been settled and all of which have been active in the past few years. These laws may impose liability on certain persons that are considered jointly and severally liable for the costs of investigation and remediation of hazardous substances present at these sites, regardless of fault or legality of the original disposal. These persons include the present or former owners or operators of the site and companies that generated, disposed of or arranged for the disposal of hazardous substances at the site. We are considered a “de minimis” potentially responsible party at most of the sites, and we estimate that our aggregate liability, if any, related to these sites is not material to our condensed consolidated financial statements. We conduct extensive environmental due diligence with respect to potential acquisitions, including environmental site assessments and such further testing as we may deem warranted. If an environmental matter is identified, we estimate the cost and either establish a liability, purchase insurance or obtain an indemnity from a financially sound seller; however, in connection with our acquisitions or dispositions, we may assume or retain significant environmental liabilities, some of which we may be unaware. The potential costs related to these environmental matters and the possible impact on future operations are uncertain due in part to the complexity of government laws and regulations and their interpretations, the varying costs and effectiveness of various clean-up technologies, the uncertain level of insurance or other types of recovery, and the questionable level of our responsibility. We record a liability when it is both probable and the amount can be reasonably estimated.

In our opinion, after considering accruals established for such purposes, the cost of remedial actions for compliance with the present laws and regulations governing the protection of the environment are not expected to have a material impact, individually or in the aggregate, on our financial position, results of operations or cash flows.

Self-insured Risk Management Matters

We are self-insured for certain of our workers’ compensation, automobile, product and general liability, disability and health costs, and we believe that we maintain adequate accruals to cover our retained liability. Our accruals for risk management matters are determined by us, are based on claims filed and estimates of claims incurred but not yet reported, and generally are not discounted. We consider a number of factors, including third-party actuarial valuations, when making these determinations. We maintain third-party stop-loss insurance policies to cover certain liability costs in excess of predetermined retained amounts. The insurance may be insufficient or unavailable (e.g., because of insurer insolvency) to protect us against loss exposure.

(16) INCOME AND OTHER TAXES

Uncertain Tax Benefits

As of October 1, 2022, we had gross unrecognized tax benefits of \$6.3 (net unrecognized tax benefits of \$5.6). All of these net unrecognized tax benefits would impact our effective tax rate from continuing operations if recognized.

We classify interest and penalties related to unrecognized tax benefits as a component of our income tax provision. As of October 1, 2022, gross accrued interest totaled \$2.8 (net accrued interest of \$2.3). As of October 1, 2022, we had no accrual for penalties included in our unrecognized tax benefits.

Based on the outcome of certain examinations or as a result of the expiration of statutes of limitations for certain jurisdictions, we believe that within the next 12 months it is reasonably possible that our previously unrecognized tax benefits could decrease by up to \$5.0. The previously unrecognized tax benefits relate to a variety of tax matters including transfer pricing and various state matters.

Other Tax Matters

For the three months ended October 1, 2022, we recorded an income tax benefit of \$2.5 on \$10.0 of pre-tax income from continuing operations, resulting in an effective rate of (25.0)%. This compares to an income tax provision for the three months ended October 2, 2021 of \$4.2 on \$18.1 of pre-tax income from continuing operations, resulting in an effective rate of 23.2%. The most significant item impacting the income tax benefit for the third quarter of 2022 was a tax benefit of \$4.2 related to the release of valuation allowances recognized against certain deferred tax assets, as we now expect to realize these deferred tax assets due to the recent Holding Company Reorganization (see Note 1). The most significant item impacting the income tax provision for the third quarter of 2021 was \$0.7 of expense related to the revaluation of certain deferred tax liabilities due to an enacted tax rate increase.

For the nine months ended October 1, 2022, we recorded an income tax provision of \$4.5 on \$49.1 of pre-tax income from continuing operations, resulting in an effective rate of 9.2%. This compares to an income tax provision for the nine months ended October 2, 2021 of \$11.9 on \$66.5 of pre-tax income from continuing operations, resulting in an effective rate of 17.9%. The most significant items impacting the income tax provision during the first nine months of 2022 were (i) the \$4.2 of tax benefit noted above related to the release of valuation allowances resulting from the Holding Company Reorganization, (ii) \$0.7 of excess tax benefits associated with stock-based compensation awards that vested and/or were exercised during the period, and (iii) \$0.7 tax benefits related to revisions to liabilities for uncertain tax positions. The most significant items impacting the income tax provision for the first nine months of 2021 were (i) a benefit of \$2.2 related to the resolution of certain liabilities for uncertain tax positions and interest associated with various refund claims and (ii) \$1.0 of excess tax benefits associated with stock-based compensation awards that vested and/or were exercised during the period, partially offset by (iii) \$1.3 of expense related to the revaluation of deferred tax liabilities due to an enacted tax rate increase.

We perform reviews of our income tax positions on a continuous basis and accrue for potential uncertain positions when we determine that an uncertain position meets the criteria of the Income Taxes Topic of the Codification. Accruals for these uncertain tax positions are recorded in "Income taxes payable" and "Deferred and other income taxes" in the accompanying condensed consolidated balance sheets based on the expectation as to the timing of when the matters will be resolved. As events change and resolutions occur, these accruals are adjusted, such as in the case of audit settlements with taxing authorities.

During the second quarter of 2021, the Internal Revenue Service ("IRS") concluded its audit of our 2013, 2014, 2015, 2016 and 2017 federal income tax returns. We believe contingencies related to the subsequent returns are adequately provided for.

State income tax returns generally are subject to examination for a period of three to five years after filing the respective tax returns. The impact on such tax returns of any federal changes remains subject to examination by various states for a period of up to one year after formal notification to the states. We have various state income tax returns in the process of examination. We believe any uncertain tax positions related to these examinations have been adequately provided for.

We have various foreign income tax returns under examination. We believe that any uncertain tax positions related to these examinations have been adequately provided for.

An unfavorable resolution of one or more of the above matters could have a material impact on our results of operations or cash flows in the quarter and year in which an adjustment is recorded or the tax is due or paid. As audits and examinations are still in process, the timing of the ultimate resolution and any payments that may be required for the above matters cannot be determined at this time.

Coronavirus Aid, Relief, and Economic Security Act ("CARES Act")

On March 27, 2020, the CARES Act was enacted into law and provides changes to various tax laws that impact businesses. We do not believe these changes impact our current and deferred income tax balances; therefore, no resulting adjustments have been recorded to such balances as of October 1, 2022 and December 31, 2021.

As provided within the CARES Act, we deferred payments of our social security payroll taxes for the period March 27, 2020 to December 31, 2020, with such deferral totaling \$3.7 as of October 1, 2022. This amount is required to be paid by the end of 2022.

(17) FAIR VALUE

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In the absence of active markets for the identical assets or liabilities, such measurements involve developing assumptions based on market observable data and, in the absence of such data, internal information consistent with what market participants would use in a hypothetical transaction that occurs at the measurement date. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect our market assumptions. Preference is given to observable inputs. These two types of inputs create the following fair value hierarchy:

- Level 1 — Quoted prices for identical instruments in active markets.
- Level 2 — Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations whose inputs are observable or whose significant value drivers are observable.
- Level 3 — Significant inputs to the valuation model are unobservable.

There were no changes during the periods presented to the valuation techniques we use to measure asset and liability fair values on a recurring or nonrecurring basis. There were no transfers between the three levels of the fair value hierarchy for the periods presented.

Valuation Methods Used to Measure Fair Value on a Non-Recurring Basis

Parent Guarantees and Bonds Associated with Balcke D✓rr — In connection with the 2016 sale of Balcke D✓rr, existing parent company guarantees and bank surety bonds, which totaled approximately Euro 79.0 and Euro 79.0, respectively, remained in place at the time of sale. These guarantees and bonds provided protections for Balcke D✓rr customers in regard to advance payments, performance, and warranties on projects in existence at the time of sale. In addition, certain bonds related to lease obligations and foreign tax matters in existence at the time of sale. Balcke D✓rr and the acquirer of Balcke D✓rr provided us an indemnity in the event that any of the bonds were called or payments were made under the guarantees. Also, at the time of sale, Balcke D✓rr provided cash collateral of Euro 4.0 and the parent company of the buyer provided a guarantee of Euro 5.0 as a security for the above indemnifications (Euro 0.0 and Euro 0.0, respectively, at October 1, 2022). In connection with the sale, we recorded a liability for the estimated fair value of the guarantees and bonds and an asset for the estimated fair value of the cash collateral and indemnities provided. Since the sale of Balcke D✓rr, the guarantees have expired and bonds have been returned. Summarized below are the change in the liability and asset during the nine months ended October 2, 2021.

	Nine months ended	
	October 2, 2021	
	Guarantees and Bonds Liability	Indemnification Assets ⁽¹⁾
Balance at beginning of year	\$ 1.8	\$ —
Reduction/Amortization for the period ⁽²⁾	(1.7)	—
Impact of changes in foreign currency rates	(0.1)	—
Balance at end of period	\$ —	\$ —

⁽¹⁾ In connection with the sale, we estimated the fair value of the existing parent company guarantees and bank and surety bonds considering the probability of default by Balcke D✓rr and an estimate of the amount we would be obligated to pay in the event of a default. Additionally, we estimated the fair value of the cash collateral provided by Balcke D✓rr and guarantee provided by mutares AG based on the terms and conditions and relative risk associated with each of these securities (unobservable inputs - Level 3).

⁽²⁾ We reduced the liability generally at the earlier of the completion of the related underlying project milestones or the expiration of the guarantees or bonds. We amortized the asset based on the expiration terms of each of the securities. We recorded the reduction of the liability and the amortization of the asset to "Other income (expense), net."

Contingent Consideration for Sensors & Software, ECS, and ULC Acquisitions — In connection with the acquisition of Sensors & Software, the sellers were eligible for additional cash consideration of up to \$4.0, with payment of such contingent consideration dependent upon the achievement of certain milestones. The estimated fair value of such contingent consideration totaled \$1.3, and was paid during the quarter ended April 2, 2022.

In connection with the acquisition of ECS, the seller was eligible for additional cash consideration of up to \$13.5, with payment of such contingent consideration dependent upon the achievement of certain milestones. The estimated fair value of such contingent consideration was \$8.2 as of the date of acquisition. During the fourth quarter of 2021, we concluded that the probability of achieving the financial performance milestone had lessened due to a delay in the execution of certain large

orders, resulting in a reduction of the contingent fair value/liability of \$6.7. During the first and second quarters of 2022, we further reduced the fair value/liability by \$0.9 and \$0.4, respectively, with such amounts recorded to "Other operating (income) expense, net." The estimated fair value of such contingent consideration was \$0.0 and \$1.5 at October 1, 2022 and December 31, 2021, respectively, with the latter amount reflected as a liability within the respective condensed consolidated balance sheet. We estimated the fair value of the contingent consideration for this acquisition based on the probability of ECS achieving the applicable milestones.

As relates to the ULC acquisition, and as indicated in Note 1, we concluded during the third quarter of 2021 that the operating and financial milestones related to the ULC contingent consideration would not be achieved, resulting in the reversal of the related liability of \$24.3, with the offset recorded to "Other operating (income) expense, net."

Goodwill, Indefinite-Lived Intangible and Other Long-Lived Assets — Certain of our non-financial assets are subject to impairment analysis, including long-lived assets, indefinite-lived intangible assets and goodwill. We review the carrying amounts of such assets whenever events or changes in circumstances indicate that the carrying amounts may not be recoverable or at least annually for indefinite-lived intangible assets and goodwill. Any resulting asset impairment would require that the instrument be recorded at its fair value.

During the quarter ended October 2, 2021, we concluded that the lack of achievement of the milestones mentioned above for the ULC acquisition, along with lower than anticipated future cash flows, were indicators of potential impairment related to ULC's indefinite-lived intangible assets and goodwill. As such, we performed a quantitative analysis on ULC's indefinite-lived intangible assets and goodwill during the third quarter of 2021. Based on such analysis, we determined that the carrying value of ULC's net assets exceeded the implied fair value of the business. As a result, we recorded an impairment charge to "Impairment of goodwill and intangible assets" of \$24.3 during the quarter, with \$23.3 related to goodwill and the remainder to trademarks. Refer to Note 9 for additional details.

Valuation Methods Used to Measure Fair Value on a Recurring Basis

Derivative Financial Instruments — Our financial derivative assets and liabilities include commodity contracts (until the sale of Transformer Solutions), interest rate swaps, and FX forward contracts, valued using valuation models based on observable market inputs such as forward rates, interest rates, our own credit risk and the credit risk of our counterparties, which comprise investment-grade financial institutions. Based on these inputs, the derivative assets and liabilities are classified within Level 2 of the valuation hierarchy. We have not made any adjustments to the inputs obtained from the independent sources. Based on our continued ability to enter into forward contracts, we consider the markets for our fair value instruments active. We primarily use the income approach, which uses valuation techniques to convert future amounts to a single present amount.

As of October 1, 2022, there has been no significant impact to the fair value of our derivative liabilities due to our own credit risk, as the related instruments are collateralized under our senior credit facilities. Similarly, there has been no significant impact to the fair value of our derivative assets based on our evaluation of our counterparties' credit risks.

Equity Security — We estimate the fair value of an equity security that we hold utilizing a practical expedient under existing guidance, with such estimated fair value based on our ownership percentage applied to the net asset value of the investee as presented in the investee's most recent audited financial statements. During the three and nine months ended October 1, 2022 and October 2, 2021, we recorded gains (losses) of \$(7.4) and \$(3.0), respectively and \$1.6 and \$9.0, respectively to "Other income (expense), net" to reflect the change in the estimated fair value of the equity security. As of October 1, 2022 and December 31, 2021, the equity security had an estimated fair value of \$35.8 and \$38.8, respectively.

Indebtedness and Other — The estimated fair value of our debt instruments as of October 1, 2022 and December 31, 2021 approximated the related carrying values due primarily to the variable market-based interest rates for such instruments. See Note 12 for further details.

(18) SUBSEQUENT EVENT

On November 1, 2022, SPX divested three wholly-owned subsidiaries ("the subsidiaries") that hold all of its asbestos liabilities and certain assets, including related insurance assets, to Canvas Holdco LLC ("Canvas"), an entity formed by a joint venture of Global Risk Capital LLC and an affiliate of Premia Holdings Ltd. In connection with the transaction, SPX contributed \$138.8 in cash to the subsidiaries, financed with cash on hand; while Canvas made a capital contribution to the subsidiaries of \$8.0. SPX anticipates that the divestiture will result in a loss of approximately \$70.0 to be recorded in the fourth quarter of 2022, which will include the write-off of certain deferred income tax assets recorded by the subsidiaries.

ITEM 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations (in millions, except share data)

FORWARD-LOOKING STATEMENTS

Some of the statements in this document and any documents incorporated by reference, including any statements as to operational and financial projections, constitute “forward-looking statements” within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended (the “Exchange Act”). These statements relate to future events or our future financial performance and involve known and unknown risks, uncertainties and other factors that may cause our businesses’ or our industries’ actual results, levels of activity, performance or achievements to be materially different from those expressed or implied by any forward-looking statements. Such statements may address our plans, our strategies, our prospects, changes and trends in our business and the markets in which we operate under the heading “Management’s Discussion and Analysis of Financial Condition and Results of Operations” (“MD&A”) or in other sections of this document. In some cases, you can identify forward-looking statements by terminology such as “may,” “could,” “would,” “should,” “expect,” “plan,” “anticipate,” “intend,” “believe,” “estimate,” “predict,” “project,” “potential” or “continue” or the negative of those terms or other comparable terminology. Particular risks and uncertainties facing us include the impact of the COVID-19 pandemic and governmental and other actions taken in response; the uncertainty of claims resolution with respect to the large power projects in South Africa, as well as claims with respect to asbestos, environmental and other contingent liabilities; cyclical changes and specific industry events in our 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 our ability to maintain or increase market share; inadequate performance by third-party suppliers and subcontractors for outsourced products, components and services and other supply-chain risks; cyber-security risks; risks with respect to the protection of intellectual property, including with respect to our 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 our business, including regulatory changes; changes in worldwide economic conditions; uncertainties with respect to our 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. These statements are only predictions. Actual events or results may differ materially because of market conditions in our industries or other factors, and forward-looking statements should not be relied upon as a prediction of actual results. In addition, management’s estimates of future operating results are based on our current complement of businesses, which is subject to change as management selects strategic markets.

All the forward-looking statements are qualified in their entirety by reference to the factors discussed under the heading “Risk Factors” in our 2021 Annual Report on Form 10-K, in any subsequent filing with the U.S. Securities and Exchange Commission, as well as in any documents incorporated by reference that describe risks, uncertainties and other factors that could cause results to differ materially from those projected in these forward-looking statements. We caution you that these risk factors may not be exhaustive. We operate in a continually changing business environment and frequently enter into new businesses and product lines. We cannot predict these new risk factors, and we cannot assess the impact, if any, of these new risk factors on our businesses or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those projected in any forward-looking statements. Accordingly, you should not rely on forward-looking statements as a prediction of actual results. We disclaim any responsibility to update or publicly revise any forward-looking statements to reflect events or circumstances that arise after the date of this document.

COVID-19 PANDEMIC, SUPPLY CHAIN DISRUPTIONS, LABOR SHORTAGES, AND COST INCREASES

The impact of the COVID-19 pandemic on our operating results was relatively minimal throughout 2021. However, during January 2022, there was an increase in COVID-19 cases at certain of our manufacturing facilities, which resulted in a high-level of absenteeism at such facilities during the month. In addition, since the second half of 2021, certain of our businesses have experienced supply chain disruptions, as well as labor shortages, while all of our businesses have experienced increases in raw material, component, and transportation costs. The combination of these matters negatively impacted our operating results during the first half of 2022, particularly during the first quarter of 2022, as we experienced lower absorption of manufacturing costs and, in some cases, the negative impact of cost increases on fixed-price customer contracts. We are actively managing these matters and we expect the potential impacts will continue to diminish as we progress through 2022.

POTENTIAL IMPACTS OF RUSSIA/UKRAINE CONFLICT

The Russia/Ukraine conflict, and governmental actions implemented in response to the conflict, have not had a significant adverse impact on our operating results during the first nine months of 2022. We are monitoring the availability of

certain raw materials that are supplied by businesses in these countries. However, at this time, we do not expect a significant adverse impact to our operating results.

OTHER SIGNIFICANT MATTERS

- Acquisitions
 - Sealite Pty Ltd and Affiliated Entities (“Sealite”)
 - Acquired on April 19, 2021 for cash consideration of \$81.6, net of cash acquired of \$2.3.
 - During the third quarter of 2021, we agreed to a final adjustment of the purchase price, related to acquired working capital, resulting in our receipt of \$1.3 of cash during the quarter.
 - Post-acquisition operating results of Sealite are included within our Detection and Measurement reportable segment.
 - Enterprise Control Systems Ltd (“ECS”)
 - Acquired on August 2, 2021 for cash consideration of \$39.4, net of cash acquired of \$5.1.
 - The seller was eligible for additional cash consideration of up to \$13.5, upon achievement of certain financial performance milestones.
 - The estimated fair value of such contingent consideration was \$8.2 as of the date of the acquisition.
 - During the fourth quarter of 2021, we concluded that the probability of achieving the above financial performance milestones had lessened due to a delay in the execution of certain large orders, resulting in a reduction of the estimated fair value/liability of \$6.7.
 - During the first and second quarters of 2022, we further reduced the estimated fair value/liability by \$0.9 and \$0.4, respectively, with such amounts recorded to “Other operating (income) expense, net.”
 - As of October 1, 2022, the estimated fair value/liability related to the contingent consideration was \$0.0.
 - Post-acquisition operating results of ECS are included within our Detection and Measurement reportable segment.
 - Cincinnati Fan & Ventilator Co., Inc. (“Cincinnati Fan”)
 - Acquired on December 15, 2021 for cash consideration of \$145.2, net of cash acquired of \$2.5.
 - During the second quarter of 2022, we agreed to a final adjustment to the purchase price, related to acquired working capital, resulting in our receipt of \$0.4 of cash during the quarter.
 - Post-acquisition operating results of Cincinnati Fan are included within our HVAC reportable segment.
 - International Tower Lighting, LLC (“ITL”)
 - Acquired on March 31, 2022 for cash consideration of \$41.8, net of cash acquired of \$1.1.
 - During the third quarter of 2022, we agreed to a final adjustment of the purchase price, related to acquired working capital, resulting in the receipt of \$1.4 of cash during the quarter.
 - Post-acquisition operating results of ITL are included within our Detection and Measurement reportable segment.
- Disposition of SPX Transformer Solutions, Inc. (“Transformer Solutions”)
 - On October 1, 2021, we completed the sale for net cash proceeds of \$620.6 and recorded a gain during the third quarter of 2021 of \$355.0 to “Gain (loss) on disposition of discontinued operations, net of tax.”
 - During the fourth quarter of 2021, we increased the gain by \$27.2, with the additional gain related primarily to the utilization of income tax benefits associated with liquidating certain recently acquired entities.
 - During the first quarter of 2022, we paid \$13.9 to the buyer of Transformer Solutions related primarily to the settlement of the final working capital balances of the business.
- Transfer of Postretirement Life Insurance Benefit Obligation
 - On February 17, 2022, we transferred our obligation for life insurance benefits under our postretirement benefit plans to an insurance carrier for total cash consideration of \$10.0.
 - We paid \$9.0 at the time of the transfer and an additional \$1.0 during the second quarter of 2022.
 - In connection with the transfer, we:
 - Recorded a net charge of \$0.3 within our first quarter 2022 operating results; and

- Have eliminated the (i) third-party cost and (ii) internal resource requirements associated with administering these benefits.
 - See Note 11 to our condensed consolidated financial statements for additional details.
- Settlement and Actuarial Losses - U.S. Pension Plan (“U.S. Plan”)
 - In connection with the sale of Transformer Solutions, a significant number of participants of the U.S. Plan who were employees of Transformer Solutions elected to receive lump-sum payments from the U.S. Plan.
 - The extent of these lump-sum payments, combined with other lump-sum payments that were made by the U.S. Plan during the first nine months of 2022, required us to record settlement and actuarial losses of \$2.4 and \$6.2 during the three and nine months ended October 1, 2022, respectively.
 - See Note 11 to our condensed consolidated financial statements for additional details.
- Repurchases of Common Stock — During the second quarter of 2022, we repurchased 706,827 shares of our common stock for \$33.7.
- Changes in Estimated Fair Value of an Equity Security
 - We recorded losses of \$7.4 and \$3.0, respectively, for the three and nine months ended October 1, 2022.
 - See Note 17 to our condensed consolidated financial statements for additional details.
- Charge for Asbestos-Related Matter
 - During the third quarter of 2022, we received a ruling from a North Carolina trial court that certain excess insurance carriers associated with our asbestos product liability matters are not required to cover the costs of defending suits that are dismissed without an indemnity payment.
 - As a result of this ruling, we recorded charges of \$21.7 during the quarter, with \$16.5 reflected in “Income from continuing operations before income taxes” and the remainder in “Income (loss) on disposition of discontinued operations, net of tax.”

OVERVIEW OF OPERATING RESULTS

Revenues for the three and nine months ended October 1, 2022 totaled \$370.5 and \$1,031.6, respectively, compared to \$285.7 and \$869.5 during the respective periods in 2021. The increase in revenues during the three and nine months ended October 1, 2022, compared to the respective prior-year periods, was due to organic revenue growth within our HVAC and Detection and Measurement reportable segments and the impact of the Cincinnati Fan, Sealite, ECS and ITL acquisitions. The increase in organic revenue within the HVAC reportable segment was driven by increased sales of heating and cooling products, associated primarily with price increases and, to a lesser extent, volume increases. Organic growth within the Detection and Measurement reportable segment was due to continued strong order trends for our short-cycled businesses and execution of large projects within the fare collection, communication technologies and obstruction lighting businesses.

During the three and nine months ended October 1, 2022, we generated operating income of \$37.3 and \$75.9, respectively, compared to \$17.7 and \$59.8 for the respective periods in 2021. The increase in operating income during the three months ended October 1, 2022, compared to the respective period in 2021, was due primarily to an increase in income within our HVAC and Detection and Measurement reportable segments associated with the increase in revenue noted above. This increase in operating income was partially offset by higher corporate expense associated with investments in various strategic and transformational initiatives. The increase in operating income during the nine months ended October 1, 2022, compared to the respective period in 2021, was due primarily to the revenue increases noted above, offset by (i) lower absorption of manufacturing costs within the HVAC reportable segment during the first half of 2022 associated with supply chain delays and labor shortages and (ii) an increase in corporate expense associated with increased investments in various strategic and transformational initiatives.

Cash flows used in operating activities associated with continuing operations totaled \$89.4 for the nine months ended October 1, 2022, compared to cash flows from operating activities of \$95.6 during the nine months ended October 2, 2021. The decrease in cash flows from operating activities was due primarily to (i) income tax payments, net of refunds, of \$55.7 (compared to income tax refunds, net, of \$13.7 during the nine months ended October 2, 2021), with a significant portion of the 2022 payments related to the gain on sale of Transformer Solutions; (ii) elevated purchases of inventory components in order to manage the potential risk associated with the current supply chain environment; (iii) decreases in cash flows at certain of our project-related businesses, as cash receipts for these businesses are often subject to contractual milestones that can impact cash receipts from period to period; (iv) net payments for asbestos-related matters of \$15.5 (compared to net recoveries of \$4.7 during the nine months ended October 2, 2021); and (v) cash payments of \$10.0 in connection with the transfer of our postretirement life insurance benefit obligation to an insurance carrier.

RESULTS OF CONTINUING OPERATIONS

The unaudited information included in this Quarterly Report on Form 10-Q should be read in conjunction with the consolidated financial statements contained in our 2021 Annual Report on Form 10-K. Interim results are not necessarily indicative of results for the full year. We establish actual interim closing dates using a fiscal calendar, which requires our businesses to close their books on the Saturday closest to the end of the first calendar quarter, with the second and third quarters being 91 days in length. Our fourth quarter ends on December 31. The interim closing dates for the first, second and third quarters of 2022 are April 2, July 2 and October 1, compared to the respective April 3, July 3, and October 2, 2021 dates. We had one less day in the first quarter of 2022 and will have one more day in the fourth quarter of 2022 than in the respective 2021 periods. It is not practicable to estimate the impact of the one less day on our consolidated operating results for the nine months ended October 1, 2022, when compared to the consolidated operating results for the 2021 respective period.

Cyclicality of End Markets, Seasonality and Competition — The financial results of our businesses closely follow changes in the industries in which they operate and end markets in which they serve. In addition, certain of our businesses have seasonal fluctuations. For example, our heating businesses tend to be stronger in the third and fourth quarters, as customer buying habits are driven largely by seasonal weather patterns. In aggregate, our businesses tend to be stronger in the second half of the year.

Although our businesses operate in highly competitive markets, our competitive position cannot be determined accurately in the aggregate or by segment since none of our competitors offer all the same product lines or serve all the same markets as we do. In addition, specific reliable comparative figures are not available for many of our competitors. In most product groups, competition comes from numerous concerns, both large and small. The principal methods of competition are service, product performance, technical innovation and price. These methods vary with the type of product sold. We believe we compete effectively on the basis of each of these factors.

Non-GAAP Measures — Organic revenue growth (decline) presented herein is defined as revenue growth (decline) excluding the effects of foreign currency fluctuations and acquisitions/divestitures. We believe this metric is a useful financial measure for investors in evaluating our operating performance for the periods presented as, when considered in conjunction with our revenues, it presents a useful tool to evaluate our ongoing operations and provides investors with a tool they can use to evaluate our management of assets held from period to period. In addition, organic revenue growth (decline) is one of the factors we use in internal evaluations of the overall performance of our business. This metric, however, is not a measure of financial performance under accounting principles generally accepted in the United States (“GAAP”), should not be considered a substitute for net revenue growth (decline) as determined in accordance with GAAP, and may not be comparable to similarly titled measures reported by other companies.

The following table provides selected financial information for the three and nine months ended October 1, 2022 and October 2, 2021, including the reconciliation of organic revenue increase to the net revenue increase:

	Three months ended			Nine months ended		
	October 1, 2022	October 2, 2021	% Change	October 1, 2022	October 2, 2021	% Change
Revenues	\$ 370.5	\$ 285.7	29.7	\$ 1,031.6	\$ 869.5	18.6
Gross profit	133.1	95.8	38.9	361.7	302.5	19.6
% of revenues	35.9 %	33.5 %		35.1 %	34.8 %	
Selling, general and administrative expense	89.1	72.7	22.6	261.6	223.3	17.2
% of revenues	24.0 %	25.4 %		25.4 %	25.7 %	
Intangible amortization	6.7	5.5	21.8	23.1	16.0	44.4
Impairment of goodwill and intangible assets	—	24.3	*	—	24.3	*
Special charges, net	—	(0.1)	*	0.1	0.7	*
Other operating (income) expense, net	—	(24.3)	*	1.0	(21.6)	*
Other income (expense), net	(24.6)	3.8	*	(19.8)	17.6	*
Interest expense, net	(1.6)	(3.4)	(52.9)	(5.9)	(10.7)	(44.9)
Loss on amendment/refinancing of senior credit agreement	(1.1)	—	*	(1.1)	(0.2)	*
Income from continuing operations before income taxes	10.0	18.1	(44.8)	49.1	66.5	(26.2)
Income tax (provision) benefit	2.5	(4.2)	*	(4.5)	(11.9)	(62.2)
Income from continuing operations	12.5	13.9	(10.1)	44.6	54.6	(18.3)
Components of revenue increase:						
Organic			19.2			9.0
Foreign currency			(1.9)			(1.4)
Acquisitions			12.4			11.0
Net revenue increase			29.7			18.6

* Not meaningful for comparison purposes.

Revenues — For the three and nine months ended October 1, 2022, the increase in revenues, compared to the respective periods in 2021, was due to organic revenue growth within our HVAC and Detection and Measurement reportable segments and the impact of the Cincinnati Fan, Sealite, ECS and ITL acquisitions. The increase in organic revenue within the HVAC reportable segment was driven by increased sales of heating and cooling products, associated primarily with price increases and, to a lesser extent, volume increases. Organic growth within the Detection and Measurement reportable segment was due to continued strong order trends for our short-cycled businesses and execution of large projects within the fare collection, communication technologies and obstruction lighting businesses.

See “Results of Reportable Segments” for additional details.

Gross Profit — For the three months ended October 1, 2022, the increase in gross profit, compared to the respective period in 2021, was due primarily to the increase in revenues noted above. Gross profit and gross profit as a percentage of revenues, compared to the respective period in 2021, were favorably impacted by (i) greater absorption of manufacturing costs due to improved productivity at certain businesses within the HVAC reportable segment and (ii) a favorable sales mix, as the revenue increase for the third quarter of 2022 was weighted towards high-margin products within our Detection and Measurement reportable segment. For the nine months ended October 1, 2022, the increase in gross profit and gross profit as a percentage of revenues, compared to the respective period in 2021, was due primarily to the increase in revenues noted above.

Selling, General and Administrative (“SG&A”) Expense — For the three and nine months ended October 1, 2022, the increase in SG&A expense, compared to the respective periods in 2021, was due primarily to the incremental SG&A resulting from the acquisitions noted above, higher corporate expense associated with increased investments in various strategic and transformational initiatives, and higher travel expenses due to the easing of COVID-19 pandemic restrictions in 2022.

Intangible Amortization — For the three and nine months ended October 1, 2022, the increase in intangible amortization, compared to the respective periods in 2021, was due to amortization related to the Cincinnati Fan and ITL acquisitions.

Impairment of Goodwill and Intangible Assets — Due to the lack of achievement of certain operational and financial milestones, along with lower than anticipated future cash flows, associated with our ULC acquisition, we tested ULC's goodwill and indefinite-lived intangible assets for impairment during the quarter ended October 2, 2021. Based on such testing, we determined that the carrying value of ULC's net assets exceeded the implied fair value of the business. As a result, we recorded an impairment charge of \$24.3 during the quarter ended October 2, 2021, with \$23.3 related to goodwill and the remainder to trademarks.

Special Charges, net — Special charges, net, relate primarily to restructuring initiatives to consolidate manufacturing, distribution, sales and administrative facilities, reduce workforce and rationalize certain product lines. See Note 7 to our condensed consolidated financial statements for the details of actions taken in the first nine months of 2022 and 2021.

Other Operating (Income) Expense, net — Other operating expense, net, for the nine months ended October 1, 2022 related to asbestos-related charges of \$2.3, partially offset by a reduction in the fair value/liability associated with the contingent consideration related to the ECS acquisition of \$1.3. During the three and nine months ended October 2, 2021, due to the lack of achievement of certain operational and financial milestones associated with the ULC acquisition mentioned above, we concluded the seller of ULC was not entitled to any additional cash consideration (potentially up to \$45.0). At the time of the acquisition, we recorded a liability of \$24.3 related to the contingent consideration, which was reversed to earnings during the quarter ended October 2, 2021. Other operating income, net for the nine months ended October 2, 2021 also included charges of \$2.7 related to a revision to recorded assets for asbestos-related claims.

Other Income (Expense), net — Other expense, net, for the three months ended October 1, 2022 was comprised primarily of (i) \$16.5 of asbestos-related charges, (ii) a loss of \$7.4 related to changes in the estimated fair value of an equity security we hold, (iii) pension and postretirement expense of \$2.0 (inclusive of settlement and actuarial losses of \$2.4), and (iv) environmental remediation charges of \$1.1, partially offset by income of \$1.3 derived from company-owned life insurance policies and \$0.6 associated with a transition services agreement.

Other income, net, for the three months ended October 2, 2021 was comprised primarily of a gain of \$1.6 related to changes in the estimated fair value of an equity security we hold, and pension and postretirement income of \$1.6.

Other expense, net, for the nine months ended October 1, 2022 was comprised primarily of \$16.5 of asbestos-related charges, a loss of \$3.0 related to a change in the estimated fair value of an equity security that we hold, pension and postretirement expense (inclusive of actuarial and settlement losses of \$6.2) of \$3.9, and environmental remediation charges of \$1.1, partially offset by income of \$2.0 derived from company-owned life insurance policies and \$2.4 associated with a transition services agreement.

Other income, net, for the nine months ended October 2, 2021 was comprised primarily of gains of \$9.0 related to changes in the estimated fair value of an equity security we hold, pension and postretirement income of \$4.8, income derived from company-owned life insurance policies of \$2.7, and income of \$1.7 related to a reduction of the parent company guarantees and bank surety bonds liability that were outstanding in connection with the 2016 sale of Balcke Dorr.

Interest Expense, net — Interest expense, net, includes both interest expense and interest income. The decrease in interest expense, net, during the three and nine months ended October 1, 2022, compared to the respective periods in 2021, was primarily the result of lower average debt balances and increased interest rates on cash balances during the 2022 periods.

Loss on Amendment/Refinancing of Senior Credit Agreement — During the third quarter of 2022, we amended our senior credit agreement. In connection with the amendment, we recorded a charge \$1.1, which consisted of the write-off of a portion of the unamortized deferred financing costs related to our senior credit facilities (\$0.7) and certain expenses incurred in connection with the amendment (\$0.4). During 2021, we reduced the issuance capacity of our then-existing foreign credit instrument facilities resulting in a charge of \$0.2 associated with the write-off of unamortized deferred financing costs.

Income Tax (Provision) Benefit — For the three months ended October 1, 2022, we recorded an income tax benefit of \$2.5 on \$10.0 of pre-tax income from continuing operations, resulting in an effective rate of (25.0)%. This compares to an income tax provision for the three months ended October 2, 2021 of \$4.2 on \$18.1 of pre-tax income from continuing operations, resulting in an effective rate of 23.2%. The most significant item impacting the income tax benefit for the third quarter of 2022 was a tax benefit of \$4.2 related to the release of valuation allowances recognized against certain deferred tax assets, as we now expect to be able to realize such deferred tax assets due to the recent Holding Company Reorganization (see Note 1 to our condensed consolidated financial statements). The most significant item impacting the income tax provision for the third quarter of 2021 was \$0.7 of expense related to the revaluation of certain deferred tax liabilities due to an enacted tax rate increase.

For the nine months ended October 1, 2022, we recorded an income tax provision of \$4.5 on \$49.1 of pre-tax income from continuing operations, resulting in an effective rate of 9.2%. This compares to an income tax provision for the nine months ended October 2, 2021 of \$11.9 on \$66.5 of pre-tax income from continuing operations, resulting in an effective rate of 17.9%. The most significant items impacting the income tax provision during the first nine months of 2022 were (i) the \$4.2 tax benefit noted above related to the release of valuation allowances resulting from the Holding Company Reorganization, (ii) \$0.7 of excess tax benefits associated with stock-based compensation awards that vested and/or were exercised during the period, and (iii) \$0.7 tax benefits related to revisions to liabilities for uncertain tax positions. The most significant items impacting the income tax provision for the first nine months of 2021 were (i) a benefit of \$2.2 related to the resolution of certain liabilities for uncertain tax positions and interest associated with various refund claims and (ii) \$1.0 of excess tax benefits associated with stock-based compensation awards that vested and/or were exercised during the period, partially offset by (iii) \$1.3 of expense related to the revaluation of deferred tax liabilities due to an enacted tax rate increase.

RESULTS OF REPORTABLE SEGMENTS

The following information should be read in conjunction with our condensed consolidated financial statements and related notes. These results exclude the operating results of discontinued operations for all periods presented. See Note 6 to our condensed consolidated financial statements for a description of our reportable segments.

Non-GAAP Measures — Throughout the following discussion of segment results, we use “organic revenue” growth (decline) to facilitate explanation of the operating performance of our segments. Organic revenue growth (decline) is a non-GAAP financial measure and is not a substitute for revenue growth (decline). Refer to the explanation of this measure and purpose of use by management under “Results of Continuing Operations—Non-GAAP Measures.”

HVAC Reportable Segment

	Three months ended			Nine months ended		
	October 1, 2022	October 2, 2021	% Change	October 1, 2022	October 2, 2021	% Change
Revenues	\$ 227.8	\$ 179.3	27.0	\$ 639.6	\$ 540.3	18.4
Income	30.9	23.0	34.3	71.7	71.2	0.7
% of revenues	13.6 %	12.8 %		11.2 %	13.2 %	
Components of revenue increase:						
Organic			16.3			8.6
Foreign currency			(0.6)			(0.4)
Acquisition			11.3			10.2
Net revenue increase			27.0			18.4

Revenues — For the three and nine months ended October 1, 2022, the increase in revenues, compared to the respective periods in 2021, was due primarily to an increase in organic revenues within our heating business and, to a lesser extent, within our cooling business and the impact of the acquisition of Cincinnati Fan. The increase in organic revenue was due primarily to increased pricing and, to a lesser extent, volume increases.

Income — For the three months ended October 1, 2022, the increase in income and margin, compared to the respective period in 2021, was due primarily to the increase in revenues noted above and greater absorption of manufacturing costs at certain of the segment’s businesses due to improved productivity during the quarter, partially offset by an increase in amortization expense of \$1.6 resulting from the Cincinnati Fan acquisition. For the nine months ended October 1, 2022, the increase in income, compared to the respective period in 2021, was due primarily to the increase in revenue noted above, while the decline in margin was due primarily to lower absorption of manufacturing costs during the first half of 2022 due to supply chain delays and labor shortages and an increase in amortization expense of \$8.3 associated with the Cincinnati Fan acquisition.

Backlog — The segment had backlog of \$287.7 and \$204.0 as of October 1, 2022 and October 2, 2021, respectively. Backlog associated with Cincinnati Fan totaled \$34.1 as of October 1, 2022.

Detection and Measurement Reportable Segment

	Three months ended			Nine months ended		
	October 1, 2022	October 2, 2021	% Change	October 1, 2022	October 2, 2021	% Change
Revenues	\$ 142.7	\$ 106.4	34.1	\$ 392.0	\$ 329.2	19.1
Income	25.7	9.9	159.6	63.2	41.3	53.0
% of revenues	18.0 %	9.3 %		16.1 %	12.5 %	
Components of revenue increase:						
Organic			24.0			9.6
Foreign currency			(4.3)			(2.9)
Acquisitions			14.4			12.4
Net revenue increase			34.1			19.1

Revenues — For the three and nine months ended October 1, 2022, the increase in revenues, compared to the respective periods in 2021, was due primarily to organic growth across all product lines and the impact of the acquisitions of Sealite, ECS, and ITL. The organic growth was driven by continued strong order trends for our short-cycled businesses and execution of large projects within our fare collection, communication technologies and obstruction lighting businesses.

Income — For the three and nine months ended October 1, 2022, the increase in income and margin, compared to the respective periods in 2021, was due primarily to the increase in revenues noted above.

Backlog — The segment had backlog of \$275.1 and \$176.5 as of October 1, 2022 and October 2, 2021, respectively. Backlog associated with ITL totaled \$0.4 as of October 1, 2022.

CORPORATE AND OTHER EXPENSES

	Three months ended			Nine months ended		
	October 1, 2022	October 2, 2021	% Change	October 1, 2022	October 2, 2021	% Change
Total consolidated revenues	\$ 370.5	\$ 285.7	29.7	\$ 1,031.6	\$ 869.5	18.6
Corporate expense	17.2	11.9	44.5	50.2	39.9	25.8
% of revenues	4.6 %	4.2 %		4.9 %	4.6 %	
Long-term incentive compensation expense	2.1	3.4	(38.2)	7.7	9.4	(18.1)

Corporate Expense — Corporate expense generally relates to the cost of our Charlotte, North Carolina corporate headquarters. The increase in corporate expense during the three and nine months ended October 1, 2022, compared to the respective periods in 2021, was due primarily to increased investments in various strategic and transformational initiatives.

Long-Term Incentive Compensation Expense — Long-term incentive compensation expense represents our consolidated expense, which we do not allocate for segment reporting purposes. For the three and nine months ended October 1, 2022, the decrease in long-term incentive compensation expense, compared to the respective periods in 2021, was due to the impact of forfeitures resulting from various participant resignations during the second and third quarters of 2022.

LIQUIDITY AND FINANCIAL CONDITION

Listed below are the cash flows from (used in) operating, investing, and financing activities of continuing operations and cash flows from (used in) discontinued operations, as well as the net change in cash and equivalents for the nine months ended October 1, 2022 and October 2, 2021.

	Nine months ended	
	October 1, 2022	October 2, 2021
Continuing operations:		
Cash flows from (used in) operating activities	\$ (89.4)	\$ 95.6
Cash flows used in investing activities	(45.4)	(119.3)
Cash flows used in financing activities	(41.2)	(166.5)
Cash flows from (used in) discontinued operations	(34.0)	675.8
Change in cash and equivalents due to changes in foreign currency exchange rates	1.3	6.2
Net change in cash and equivalents	\$ (208.7)	\$ 491.8

Operating Activities — The decrease in cash flows from operating activities of continuing operations during the nine months ended October 1, 2022, compared to the respective period in 2021, was due primarily to (i) income tax payments, net of refunds, of \$55.7 (compared to income tax refunds, net of \$13.7 during the nine months ended October 2, 2021), with a significant portion of the 2022 payments related to the gain on sale of Transformer Solutions; (ii) elevated purchases of inventory components in order to manage the potential risk associated with the current supply chain environment; (iii) decreases in cash flows at certain of our project-related businesses, as cash receipts for these businesses are often subject to contract milestones that can impact the timing of cash flows from period to period; (iv) net payments for asbestos-related claims of \$15.5 (compared to net recoveries of \$4.7 during the nine months ended October 2, 2021); and (v) cash payments of \$10.0 in connection with the transfer of our postretirement life insurance benefit obligation to an insurance carrier.

Investing Activities — Cash flows used in investing activities of continuing operations for the nine months ended October 1, 2022 were comprised of cash utilized in the acquisition of ITL of \$41.8 and capital expenditures of \$10.0, partially offset by proceeds from company-owned life insurance policies of \$4.6 and \$1.8 received upon agreement with sellers on acquired working capital balances associated with the Cincinnati Fan and ITL acquisitions. Cash flows used in investing activities for the nine months ended October 2, 2021 were comprised primarily of cash utilized in the acquisitions of Sealite and ECS of \$80.3 and \$39.4, respectively, and capital expenditures of \$7.5, partially offset by proceeds from company-owned life insurance policies of \$8.2.

Financing Activities — Cash flows used in financing activities of continuing operations for the nine months ended October 1, 2022 were comprised of repurchases of common stock of \$33.7, minimum tax withholdings paid on behalf of employees on net-share settlements of long-term incentive awards, net of proceeds from options exercised, of \$4.9, and contingent consideration paid of \$1.3 related to a prior acquisition. Additionally, prior to the August 12, 2022 execution of our Amended and Restated Credit Agreement (the “Credit Agreement”), we made scheduled repayments under our then-existing term loan of \$6.3 and in connection with entering the Credit Agreement, we received \$245.0 under our new term loan and (i) repaid the remaining balance under the then-existing term loan of \$237.4 and (ii) paid fees in connection with the refinancing of \$1.9. Net repayments under our various other debt instruments totaled \$0.7.

Cash flows used in financing activities for the nine months ended October 2, 2021 were comprised of net repayments under our various debt instruments of \$162.8 and minimum tax withholdings paid on behalf of employees on net-share settlements of long-term incentive awards, net of proceeds from options exercised, of \$3.7.

Discontinued Operations — Cash flows used in discontinued operations for the nine months ended October 1, 2022 related primarily to (i) disbursements for professional fees incurred in connection with the claims activities related to the large power projects in South Africa (see Note 15 to the condensed consolidated financial statements for additional details), (ii) disbursements related to asbestos product liability matters, (iii) a payment of \$13.9 to the buyer of Transformer Solutions related to the settlement of the final working capital balances for the business, and (iv) disbursements for liabilities retained in connection with dispositions, including fees associated with the sale of Transformer Solutions. These disbursements were partially offset by proceeds from options exercised of \$1.0.

Cash flows from discontinued operations for the nine months ended October 2, 2021 included proceeds received in connection with the sale of Transformers Solutions of \$620.6. In addition, cash flows from discontinued operations for the nine months ended October 2, 2021 included cash flows from operations generated by Transformers Solutions, partially offset by cash disbursements related to liabilities retained in connection with dispositions.

Change in Cash and Equivalents due to Changes in Foreign Currency Exchange Rates — Changes in foreign currency exchange rates did not have a significant impact on our cash and equivalents during the first nine months of 2022 and 2021.

Borrowings and Availability

Borrowings — The following summarizes our debt activity (both current and non-current) for the nine months ended October 1, 2022.

	December 31, 2021	Borrowings	Repayments	Other	October 1, 2022
Revolving loans	\$ —	\$ —	\$ —	\$ —	\$ —
Term loan ⁽¹⁾⁽²⁾	242.7	245.0	(243.7)	0.3	244.3
Trade receivables financing arrangement ⁽³⁾	—	—	—	—	—
Other indebtedness ⁽⁴⁾	3.3	0.1	(0.8)	—	2.6
Total debt	246.0	\$ 245.1	\$ (244.5)	\$ 0.3	246.9
Less: short-term debt	2.2				1.9
Less: current maturities of long-term debt	13.0				0.4
Total long-term debt	\$ 230.8				\$ 244.6

- (1) As noted below, we amended our senior credit agreement on August 12, 2022. The amendment made available a new term loan facility in the amount of \$245.0, the proceeds of which were primarily used to prepay the remaining balance of \$237.4 under the then-existing term loan facility.
- (2) The term loan is repayable in quarterly installments equal to 0.625% of the initial term loan balance of \$245.0, beginning in December 2023 and in each of the first three quarters of 2024, and 1.25% during the fourth quarter of 2024, all quarters of 2025 and 2026, and the first two quarters of 2027. The remaining balance is payable in full on August 12, 2027. Balances are net of unamortized debt issuance costs of \$0.7 and \$1.0 at October 1, 2022 and December 31, 2021, respectively.
- (3) Under this arrangement, we can borrow, on a continuous basis, up to \$50.0, as available. Borrowings under this arrangement are collateralized by eligible trade receivables of certain of our businesses. At October 1, 2022, we had \$30.3 of available borrowing capacity under this facility.
- (4) Primarily includes balances under a purchase card program of \$1.9 and \$2.2 and finance lease obligations of \$0.7 and \$1.1 at October 1, 2022 and December 31, 2021, respectively. The purchase card program allows for payment beyond the normal payment terms for goods and services acquired under the program. As this arrangement extends the payment of these purchases beyond their normal payment terms through third-party lending institutions, we have classified these amounts as short-term debt.

Senior Credit Facilities

On August 12, 2022, we entered into the Credit Agreement to, among other things, extend the term of the facilities under the Credit Agreement and provide for committed senior secured financing with an aggregate amount of \$770.0. See [Note 12](#) to the condensed consolidated financial statements for a further description of the Credit Agreement, which is incorporated by reference.

Availability — At October 1, 2022, we had \$489.0 of available borrowing capacity under our revolving credit facilities, after giving effect to \$11.0 reserved for letters of credit. In addition, at October 1, 2022, we had \$12.2 of available issuance capacity under our foreign credit instrument facilities after giving effect to \$12.8 reserved for outstanding letters of credit.

At October 1, 2022, we were in compliance with all covenants of the Credit Agreement.

In connection with the August 2022 amendment of the Credit Agreement, we recorded charges of \$1.1 to “Loss on amendment/refinancing of senior credit agreement” related to the write-off of unamortized deferred financing costs (\$0.7) and certain expenses incurred in connection with the amendment (\$0.4).

Financing instruments may be used from time to time including, but not limited to, public and private debt and equity offerings, operating leases, finance leases and securitizations. We expect that we will continue to access these markets as appropriate to maintain liquidity and to provide sources of funds for general corporate purposes, acquisitions or to refinance existing debt.

Concentrations of Credit Risk

Financial instruments that potentially subject us to significant concentrations of credit risk consist of cash and equivalents, trade accounts receivable, insurance recovery assets associated with asbestos product liability matters, and interest rate swap and foreign currency forwards contracts. These financial instruments, other than trade accounts receivable, are placed with high-quality financial institutions and insurance companies throughout the world. We periodically evaluate the credit standing of these financial institutions and insurance companies.

We maintain cash levels in bank accounts that, at times, may exceed federally-insured limits. We have not experienced, and believe we are not exposed to, significant risk of loss in these accounts.

We have credit loss exposure in the event of nonperformance by counterparties to the above financial instruments, but have no other off-balance-sheet credit risk of accounting loss. We anticipate, however, that counterparties will be able to fully satisfy their obligations under the contracts. We do not obtain collateral or other security to support financial instruments subject to credit risk.

Concentrations of credit risk arising from trade accounts receivable are due to selling to customers in a particular industry. Credit risks are mitigated by performing ongoing credit evaluations of our customers’ financial conditions and obtaining collateral, advance payments, or other security when appropriate. No one customer, or group of customers that to our knowledge are under common control, accounted for more than 10% of our revenues for any period presented.

Other Matters

Contractual Obligations — There have been no material changes in the amounts of our contractual obligations from those disclosed in our 2021 Annual Report on Form 10-K. Our total net liabilities for unrecognized tax benefits including

interest were \$9.1 as of October 1, 2022. Based on the outcome of certain examinations or as a result of the expiration of statutes of limitations for certain jurisdictions, we believe that within the next 12 months it is reasonably possible that our previously unrecognized tax benefits could decrease by up to \$5.0.

Contingencies and Other Matters — Numerous claims, complaints and proceedings arising in the ordinary course of business have been asserted or are pending against us or certain of our subsidiaries (collectively, “claims”). These claims relate to litigation matters (e.g., contracts, intellectual property, and competitive claims), including claims with respect to the large power projects in South Africa, environmental matters, product liability matters (predominately associated with alleged exposure to asbestos-containing materials), and other risk management matters (e.g., general liability, automobile, and workers’ compensation claims). Additionally, we may become subject to other claims of which we are currently unaware, which may be significant, or the claims of which we are aware may result in our incurring significantly greater loss than we anticipate. We accrue for these contingencies when we believe a liability is probable and can be reasonably estimated. As events change and resolutions occur, these accruals may be adjusted and could differ materially from amounts originally estimated. See [Note 15](#) to the condensed consolidated financial statements for a further discussion of contingencies and other matters.

Our Certificate of Incorporation provides that we shall indemnify our officers and directors to the fullest extent permitted by the Delaware General Corporation Law for any personal liability in connection with their employment or service with us. While we maintain insurance for this type of liability, the liability could exceed the amount of the insurance coverage.

In addition, you should read “Management’s Discussion and Analysis of Financial Condition and Results of Operations — Other Matters” and “Risk Factors” in our 2021 Annual Report on Form 10-K, as well as similar sections in any future filings for an understanding of the risks, uncertainties, and trends facing our businesses.

Critical Accounting Policies and Use of Estimates

The preparation of financial statements in accordance with GAAP requires us to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses, and disclosure of contingent assets and liabilities. The accounting policies that we believe are most critical to the portrayal of our financial condition and results of operations, and that require our most difficult, subjective or complex judgments in estimating the effect of inherent uncertainties are discussed in our [2021 Annual Report on Form 10-K](#), the discussion within which is incorporated herein by reference. We have affected no material change in either our critical accounting policies or use of estimates since the filing of our 2021 Annual Report on Form 10-K.

ITEM 3. Quantitative and Qualitative Disclosures about Market Risk

Management does not believe our exposure to market risk has significantly changed since December 31, 2021 and does not believe that such risks will result in significant adverse impacts to our financial condition, results of operations or cash flows.

ITEM 4. Controls and Procedures

SPX management, including the Chief Executive Officer and Chief Financial Officer, conducted an evaluation of the effectiveness of disclosure controls and procedures, pursuant to Exchange Act Rule 13a-15(b), as of October 1, 2022. Based on that evaluation, the Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were not effective as of October 1, 2022 due to the material weakness discussed below related to the accounting for asbestos-related insurance recovery assets.

Previously Identified Material Weakness in Internal Control Over Financial Reporting

A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting such that there is a reasonable possibility that a material misstatement of the registrant's annual or interim financial statements will not be prevented or detected on a timely basis.

In connection with our 2021 Annual Report on Form 10-K, management, with the participation of our Chief Executive Officer and then existing Chief Financial Officer, identified a deficiency in the design and operating effectiveness of our internal controls related to the insurance recovery assets associated with alleged exposure to asbestos-containing materials. While the deficiency did not result in a material misstatement to the financial statements, it presented a reasonable possibility that a material misstatement to the financial statements could have occurred.

Status of Remediation

Our remediation efforts are in process and we have designed control procedures to address the material weakness. The actions taken by management include, but are not limited to:

- Reconciling data used in our accounting assessments to the records of external legal counsel and third-party administrators to verify the completeness of recorded insurance recovery assets associated with alleged exposure to asbestos-containing materials.
- Monitoring changes in available insurance and, if applicable, confirming any changes with external legal counsel and third-party administrators to verify that such changes are properly reflected in the insurance availability reports.

On November 1, 2022 we divested three subsidiaries that hold all liabilities for alleged exposure to asbestos containing materials and related insurance assets. To the extent applicable, we will document policies and procedures for, and test the implementation and operating effectiveness of, the newly-designed controls in future periods. The material weakness in our internal control over financial reporting will not be considered remediated until sufficient time has passed to allow management to test the design and operational effectiveness of the corrective actions.

Changes in Internal Control Over Financial Reporting

In connection with the evaluation by SPX management, including the Chief Executive Officer and the Chief Financial Officer, of our internal control over financial reporting, pursuant to Exchange Act Rule 13a-15(d), no changes during the quarter ended October 1, 2022 were identified that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II—OTHER INFORMATION

ITEM 1. Legal Proceedings

The information required by this Item is incorporated by reference from the footnotes to the condensed consolidated financial statements, specifically [Note 15](#), included under Part I of this Form 10-Q.

ITEM 1A. Risk Factors

In addition to the other information set forth in this report, you should carefully consider the factors discussed in Part I, “Item 1A. Risk Factors” in our [2021 Annual Report on Form 10-K](#), which could materially affect our business, financial condition or future results.

ITEM 2. Unregistered Sales of Equity Securities and Use of Proceeds

None.

ITEM 6. Exhibits

- 2.1 [Agreement and Plan of Merger, dated as of August 11, 2022, by and among SPX Corporation, SPX Technologies, Inc. and SPX Merger, LLC, incorporated by reference to Exhibit 2.1 to our Current Report on Form 8-K filed on August 15, 2022](#)
- 3.1 [Amended and Restated Certificate of Incorporation of SPX Technologies, Inc., dated August 15, 2022, incorporated by reference to Exhibit 3.1 to our Current Report on Form 8-K filed on August 15, 2022](#)
- 3.2 [Amended and Restated By-Laws of SPX Technologies, Inc., dated August 15, 2022, incorporated by reference to Exhibit 3.2 to our Current Report on Form 8-K filed on August 15, 2022](#)
- 10.1 [Amended and Restated Credit Agreement, dated as of August 12, 2022, by and among SPX Enterprises, LLC, as the U.S. Borrower, SPX Corporation, as the Parent, the Foreign Subsidiary Borrowers party thereto, Bank of America, N.A., as the Administrative Agent and the Swingline Lender, Deutsche Bank AG, as the Foreign Trade Facility Agent, and the Issuing Lenders, FCI Issuing Lenders and Lenders party thereto, incorporated by reference to Exhibit 10.1 to our Current Report on Form 8-K filed on August 15, 2022](#)
- 10.2 [Amendment to Confidentiality Agreement, Employment Agreement and Change of Control Agreement dated October 5, 2022 between Eugene J. Lowe III and SPX Technologies, Inc.](#)
- 10.3 [Form of Amendment to Confidentiality Agreement, Severance Benefit Agreement and Change of Control Agreement between SPX Enterprises, LLC and certain officers of SPX Technologies, Inc.](#)
- 10.4 [Form of Change-in Control Agreement](#)
- 10.5 [Form of Confidentiality and Non-Competition Agreement](#)
- 10.6 [Form of Officer Severance Benefit Agreement](#)
- 10.7 [SPX Supplemental Retirement Savings Plans \(as amended and restated effective August 15, 2022\), incorporated by reference to Exhibit 10.7 of our Current Report on Form 8-K filed on November 2, 2022](#)
- 10.8 [SPX Supplemental Individual Account Retirement Plan \(as amended and restated effective August 15, 2022\), incorporated by reference to Exhibit 10.8 of our Current Report on Form 8-K filed on November 2, 2022](#)
- 10.9 [SPX Supplemental Retirement Plan for Top Management \(as amended and restated effective August 15, 2022\), incorporated by reference to Exhibit 10.6 of our Current Report on Form 8-K filed on November 2, 2022](#)
- 31.1 [Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.](#)
- 31.2 [Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.](#)
- 32.1 [Certification of Chief Executive Officer and Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.](#)
- 101.INS* Inline XBRL Instance Document (the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL)
- 101.SCH* Inline XBRL Taxonomy Extension Schema Document
- 101.CAL* Inline XBRL Taxonomy Extension Calculation Linkbase Document
- 101.DEF* Inline XBRL Taxonomy Extension Definitions Linkbase Document
- 101.LAB* Inline XBRL Taxonomy Extension Label Linkbase Document
- 101.PRE* Inline XBRL Taxonomy Extension Presentation Linkbase Document
- 104 Cover Page Interactive Data File (formatted as Inline XBRL and contained in the Interactive Data Files submitted as Exhibit 101.*)

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

SPX TECHNOLOGIES, INC.
(Registrant)

Date: November 3, 2022

By /s/ Eugene J. Lowe, III
President and Chief Executive Officer

Date: November 3, 2022

By /s/ Michael A. Reilly
Interim Chief Financial Officer and Treasurer, Chief Accounting Officer and Vice President, Finance

October 5, 2022

Eugene J. Lowe, III

Re: Amendment to Confidentiality Agreement, Employment Agreement and Change of Control Agreement

Dear Gene:

As you know, you have entered into the following agreements with SPX Corporation (“SPX Corporation”): (1) the Confidentiality and Non-Competition Agreement, dated as of May 20, 2008 (the “Confidentiality Agreement”); (2) the Employment Agreement of Eugene Joseph Lowe, III, dated as of October 1, 2015 (the “Employment Agreement”); and (3) a letter agreement, dated as of October 1, 2015, providing certain benefits to you upon a “Change of Control,” as defined therein (the “Change of Control Agreement” and, together with the Confidentiality Agreement and the Employment Agreement, the “Agreements”).

On August 15, 2022, SPX Corporation assigned to SPX Enterprises, LLC (“SPX Enterprises”), and SPX Enterprises assumed, all of SPX Corporation’s rights and obligations under the Agreements (the “Assignment”) and you became an employee of SPX Enterprises. Later on August 15, 2022, pursuant to the Agreement and Plan of Merger, dated as of August 11, 2022 (the “Merger Agreement”) by and among SPX Corporation, SPX Technologies, Inc. (the “Parent”), which is the direct parent corporation of SPX Enterprises, and SPX Merger, LLC (“SPX LLC”), SPX Corporation merged (the “Merger”) with and into SPX LLC, with SPX LLC surviving the Merger. As a result of the Merger, each share of common stock of SPX Corporation was converted into a share of common stock of the Parent, which became listed on the New York Stock Exchange and is traded under the symbol “SPXC.” You currently serve as President and Chief Executive Officer of the Parent.

SPX Enterprises requests that you enter into this letter agreement (this “Amendment”) to document certain ministerial amendments to the Agreements as a result of the Merger as provided herein and to memorialize your acknowledgement of the Assignment. Accordingly, by entering into this Amendment, you hereby acknowledge the Assignment and, in recognition of the assumption by SPX Enterprises of the obligations under the Agreements ascribed to SPX Corporation, you hereby release SPX LLC, as the corporate successor to SPX Corporation, from any and all obligations under the Agreements. In addition, you and SPX Enterprises hereby agree as follows:

1. Confidentiality Agreement. The Confidentiality Agreement is hereby amended to replace the term “SPX Corporation” with “SPX Enterprises, LLC” wherever such term is used in the Confidentiality Agreement; provided, however, that the term “SPX Corporation” as used in Section 14 of the Confidentiality Agreement shall be replaced with the phrase “SPX Enterprises, LLC or SPX Technologies, Inc.”
2. Employment Agreement. The Employment Agreement is hereby amended as follows:
 - (a) except as otherwise provided herein, wherever used in the Employment Agreement, (i) the term “SPX Corporation” is replaced with “SPX Enterprises, LLC,” (ii) the term “SPX Corporation 2002 Stock Compensation Plan” is replaced with “SPX 2002 Stock Compensation Plan” and (iii) the term “SPX Corporation Individual Account Retirement Plan” is replaced with “SPX US Pension Plan”;

(b) wherever used in the Employment Agreement, (i) the phrases “President and Chief Executive Officer,” “Company’s President and Chief Executive Officer” and any similar phrases are replaced with “President and Chief Executive Officer of SPX Technologies, Inc.” and (ii) the phrase “the Company’s Chief Executive Officer” is replaced with “the Chief Executive Officer of SPX Technologies, Inc.”;

(c) as used in Section 1, the phrase “the Company’s Board of Directors” is replaced with “the Board of Directors of SPX Technologies, Inc.”;

(d) as used in Section 3(a), the term “the Company’s Board” is replaced by “the Board”;

(e) as used in the first sentence of Section 4(b) and in Sections 5(f) and 6, the term “the Company” shall include both SPX Enterprises, LLC and SPX Technologies, Inc. and either of them;

(f) as used in Section 12, the phrase “13320-A Ballantyne Corporate Place” is replaced by “6325 Ardrey Kell Road, Suite 400”; and

(g) as used in Section 24, the phrase “the Company or its subsidiaries” is replaced by “the Company or its affiliates.”

3. Change of Control Agreement. The Change of Control Agreement is hereby amended as follows:

(a) except as otherwise provided herein, wherever used in the Change of Control Agreement, (i) the phrase “SPX Corporation” is replaced with “SPX Enterprises, LLC” and (ii) the phrase “SPX Corporation 2002 Stock Compensation Plan” is replaced with “SPX 2002 Stock Compensation Plan”;

(b) wherever used in the Change of Control Agreement, the phrase “the Board of Directors of the Company” is replaced with “the Board of Directors of SPX Technologies, Inc.”;

(c) wherever used in the Change of Control Agreement, the phrase “the Company and its shareholders” is replaced with “the Company, SPX Technologies, Inc. and its shareholders”;

(d) wherever used in the Change of Control Agreement, the phrase “Change of Control of the Company” is replaced with “Change of Control”;

(e) as used in Sections 3(c) and 20, the term “the Company” shall include both SPX Enterprises, LLC and SPX Technologies, Inc. and either of them;

(f) as used in Section 4(b)(v), the term “the Company” is replaced with “the Company or SPX Technologies, Inc.”;

(g) as used in Sections 4(b)(viii), 5(a) and 10, the term “its subsidiaries” is replaced with “its affiliates”; and

(h) as used in Section 8, the phrase “13320-A Ballantyne Corporate Place” is replaced by “6325 Ardrey Kell Road, Suite 400”.

3. Third-Party Beneficiary. SPX LLC, as the corporate successor to SPX Corporation, is an intended beneficiary of the acknowledgement, release and agreements set forth in this Amendment.

Further, you and SPX Enterprises acknowledge and agree that the SPX 2002 Stock Compensation Plan (f/k/a SPX Corporation 2002 Stock Compensation Plan), as amended (the "Plan"), was amended by the Merger Agreement, effective on August 15, 2022, to (i) substitute "SPX Technologies, Inc." for "SPX Corporation," including in the definition of "Change of Control" in Section 2.1(c) of the Plan and (ii) confirm that neither the Merger nor any of the transactions contemplated under the Merger Agreement constituted a "Change of Control" under the Plan.

Except as otherwise expressly amended by this Amendment, the Agreements will otherwise remain in full force and effect in accordance with their terms.

Kindly indicate your acknowledgment and agreement to the provisions set forth in this Amendment by signing below and returning a copy to me.

Sincerely,

SPX ENTERPRISES, LLC

By: /s/ John W. Nurkin
John W. Nurkin
Vice President and Secretary

ACKNOWLEDGED AND AGREED TO:

/s/ Eugene J. Lowe, III
Eugene J. Lowe, III

October [], 2022

[Name of employee]

Re: Amendment to Confidentiality Agreement, Severance Benefit Agreement and Change of Control Agreement

Dear [Name of employee]:

As you know, you have entered into the following agreements with SPX Corporation (“SPX Corporation”): (1) a Confidentiality and Non-Competition Agreement, dated as of [], 20[] (the “Confidentiality Agreement”); (2) a Severance Benefit Agreement, dated as of [], 20[] (the “Severance Benefit Agreement”); and (3) a letter agreement, dated as of [], 20[], providing certain benefits to you upon a “Change of Control,” as defined therein (the “Change of Control Agreement” and, together with the Confidentiality Agreement and the Severance Benefit Agreement, the “Agreements”).

On August 15, 2022, SPX Corporation assigned to SPX Enterprises, LLC (“SPX Enterprises”), and SPX Enterprises assumed, all of SPX Corporation’s rights and obligations under the Agreements (the “Assignment”) and you became an employee of SPX Enterprises. Later on August 15, 2022, pursuant to the Agreement and Plan of Merger, dated as of August 11, 2022 (the “Merger Agreement”) by and among SPX Corporation, SPX Technologies, Inc. (the “Parent”), which is the direct parent corporation of SPX Enterprises, and SPX Merger, LLC (“SPX LLC”), SPX Corporation merged (the “Merger”) with and into SPX LLC, with SPX LLC surviving the Merger. As a result of the Merger, each share of common stock of SPX Corporation was converted into a share of common stock of the Parent, which became listed on the New York Stock Exchange and is traded under the symbol “SPXC.”

SPX Enterprises requests that you enter into this letter agreement (this “Amendment”) to document certain ministerial amendments to the Agreements as a result of the Merger as provided herein and to memorialize your acknowledgement of the Assignment. Accordingly, by entering into this Amendment, you hereby acknowledge of the Assignment and, in recognition of the assumption by SPX Enterprises of the obligations under the Agreements ascribed to SPX Corporation, you hereby release SPX LLC, as the corporate successor to SPX Corporation, from any and all obligations under the Agreements. In addition, you and SPX Enterprises hereby agree as follows:

1. Confidentiality Agreement. The Confidentiality Agreement is hereby amended to replace the term “SPX Corporation” with “SPX Enterprises, LLC” wherever such term is used in the Confidentiality Agreement; provided, however, that the term “SPX Corporation” as used in Section 14 of the Confidentiality Agreement shall be replaced with the phrase “SPX Enterprises, LLC or SPX Technologies, Inc.”
2. Severance Benefit Agreement. The Severance Benefit Agreement is hereby amended as follows:
 - (a) except as otherwise provided herein, wherever used in the Severance Benefit Agreement, (i) the term “SPX Corporation” is replaced with “SPX Enterprises, LLC” and (ii) the term “SPX Corporation 2002 Stock Compensation Plan” is replaced with “SPX 2002 Stock Compensation Plan”;
 - (b) as used in Sections 2(e), 2(f), 3 and 21, the term “the Company” shall include both SPX Enterprises, LLC and SPX Technologies, Inc. and either of them;

- (c) as used in Section 2(k), (i) the term “the Company’s Board of Directors” is replaced with “the Board of Directors of SPX Technologies, Inc.” and (ii) the term “the Company” is replaced with “the Company or SPX Technologies, Inc.”;
- (d) as used in Section 4(c), the term “the Company” is replaced with “the Company or any of its affiliates”; and
- (e) as used in Section 9, the phrase “13320-A Ballantyne Corporate Place” is replaced by “6325 Ardrey Kell Road, Suite 400”.

3. Change of Control Agreement. The Change of Control Agreement is hereby amended as follows:

- (a) except as otherwise provided herein, wherever used in the Change of Control Agreement, (i) the term “SPX Corporation” is replaced with “SPX Enterprises, LLC” and (ii) the term “SPX Corporation 2002 Stock Compensation Plan” is replaced with “SPX 2002 Stock Compensation Plan”;
- (b) wherever used in the Change of Control Agreement, the phrase “the Company and its shareholders” is replaced with “the Company, SPX Technologies, Inc. and its shareholders”;
- (c) wherever used in the Change of Control Agreement, the phrase “Board of Directors of the Company” is replaced with “Board of Directors of SPX Technologies, Inc.”;
- (d) wherever used in the Change of Control Agreement, the phrase “Change of Control of the Company” is replaced with “Change of Control”;
- (e) as used in Sections 3(c), 3(d) and 20, the term “the Company” shall include both SPX Enterprises, LLC and SPX Technologies, Inc. and either of them;
- (f) as used in Sections 4(b)(v), 4(b)(vi) and 19, the term “the Company” is replaced with “the Company or SPX Technologies, Inc.”;
- (g) as used in Sections 4(b)(viii) and 10, the term “its subsidiaries” is replaced with “its affiliates”; and
- (h) as used in Section 8, the phrase “13320-A Ballantyne Corporate Place” is replaced by “6325 Ardrey Kell Road, Suite 400”.

4. Third-Party Beneficiary. SPX LLC, as the corporate successor to SPX Corporation, is an intended beneficiary of the acknowledgment, release and agreements set forth in this Amendment.

Further, you and SPX Enterprises acknowledge and agree that the SPX 2002 Stock Compensation Plan (f/k/a SPX Corporation 2002 Stock Compensation Plan), as amended (the “Plan”), was amended by the Merger Agreement, effective on August 15, 2022, to (i) substitute “SPX Technologies, Inc.” for “SPX Corporation,” including in the definition of “Change of Control” in Section 2.1(c) of the Plan and (ii) confirm that neither the Merger nor any of the transactions contemplated under the Merger Agreement constituted a “Change of Control” under the Plan.

Except as otherwise expressly amended by this Amendment, the Agreements will otherwise remain in full force and effect in accordance with their terms.

Kindly indicate your acknowledgment and agreement to the provisions set forth in this Amendment by signing below and returning a copy to me.

Sincerely,

SPX ENTERPRISES, LLC

By: _____
[Name of officer]
[Title of officer]

ACKNOWLEDGED AND AGREED TO:

[Name of employee]

[•]

[Name]
6325 Ardrey Kell Road, Suite 400
Charlotte, NC 28277

Dear [Name]:

SPX Enterprises, LLC (the “**Company**”), a wholly-owned subsidiary of SPX Technologies, Inc. (“**SPX Technologies**”), recognizes that your contribution to its growth and success have been and will continue to be substantial and desires to assure your continued employment. In this regard, the Board of Directors of SPX Technologies (the “**Board**”) recognizes that, as is the case with many publicly held corporations, the possibility of a Change of Control (as defined in Section 2, below) may exist and that such possibility, and the uncertainty and questions that it may raise among management, may result in the departure or distraction of management personnel to the detriment of the Company, SPX Technologies, and its shareholders.

The Board has determined that appropriate steps should be taken to reinforce and encourage the continued attention and dedication of members of the Company’s management, including you, to their assigned duties without distraction in the face of potentially disruptive circumstances arising from the possibility of a Change of Control.

Further, it is the intent of the Board in adopting this agreement (the “**Agreement**”) to assure the Company, SPX Technologies, and its shareholders (i) of continuity of management in the event of any actual or threatened Change of Control and (ii) that key executive employees of the Company will be able to evaluate objectively whether a potential Change of Control is in the best interests of the shareholders.

In order to induce you to remain in the employ of the Company and to advance the interests of the Company, SPX Technologies, and its shareholders by providing you with appropriate financial protection, the Board agrees that you shall receive the severance benefits set forth in this Agreement in the event that you separate from service due to a Change of Control as specifically provided in the remainder of this Agreement. For purposes of this Agreement, your employment with the Company shall be deemed to be terminated when you have a “**Separation from Service**” within the meaning of Section 409A of the Internal Revenue Code of 1986 (the “**Code**”), and references to your termination of employment shall be deemed to refer to a Separation from Service.

1. **Term of Agreement.** This Agreement will become effective on , [•] (the “**Effective Date**”), and shall continue thereafter until December 31, [•] (the “**Term**”); *provided, however*, that this Agreement shall remain in effect and the Term shall be extended automatically from year to year thereafter for one (1) additional year unless, not later than six (6) months prior to December 31, [•], or any subsequent December 31, the Company gives written notice to you that it has elected not to extend this Agreement. Notwithstanding anything in this Section 1 to the contrary, if a Change of Control occurs during the Term of this Agreement, the Term of this Agreement shall be extended automatically to the second (2nd) anniversary of the Change of Control.
2. **Change of Control.** No benefits will be payable under the terms of this Agreement unless a Change of Control has occurred. A “**Change of Control**” shall have the same meaning

as such term has under the SPX 2019 Stock Compensation Plan, as amended from time to time (and including any successor or replacement plan).

3. **Definitions.** The following definitions shall be used in determining whether, under the terms of Section 4 hereof, you are entitled to receive Accrued Benefits and/or Severance Benefits:

- (a) **Disability.** For purposes of this Agreement, “**Disability**” shall mean, in the written opinion of a qualified physician selected by the Company, you are by reason of any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than twelve (12) months, (x) unable to engage in any substantial gainful activity, or (y) receiving income replacement benefits for a period of not less than three (3) months under a Company disability plan.
- (b) **Retirement.** “**Retirement**” shall mean your voluntary separation from service (other than for Good Reason, as defined below) at a time after you have reached age sixty-five (65).
- (c) **Cause.** “**Cause**” shall mean: (i) your willful and continued failure to substantially perform your duties with the Company (other than any such failure resulting from Disability or occurring after issuance by you of a Notice of Termination for Good Reason), after a written demand for substantial performance is delivered to you that specifically identifies the manner in which the Company believes that you have not substantially performed your duties, and which gives you at least 30 days to cure such alleged deficiencies, (ii) your willful misconduct or dishonesty, which is demonstrably and materially injurious to the Company or any of its affiliates, monetarily, reputationally, or otherwise, (iii) your engaging in egregious misconduct involving serious moral turpitude to the extent that your credibility and reputation no longer conforms to the standard of officers of the Company or any of its affiliates, (iv) your refusal or failure to substantially comply with the Company’s human resources rules, policies, directions and/or restrictions relating to harassment and/or discrimination, or to substantially comply with the Company’s compliance or risk management rules, policies, directions and/or restrictions (including, without limitation, the Company’s Code of Business Conduct), (v) your loss of any license or registration that is necessary for you to perform your duties, or commission of any act that could result in the legal disqualification of you from being employed by the Company or an affiliate, (vi) your failure to cooperate with the Company or an affiliate in any internal investigation or administrative, regulatory or judicial proceeding, or (vii) your conviction of, or plea of nolo contendere to, a felony or other crime involving moral turpitude. In addition, your employment shall be deemed to have terminated for Cause if, within twelve (12) months after your employment has terminated, facts and circumstances are discovered that would have justified a termination for Cause; *provided*, in such case, and to the extent you received any payments or benefits described in Section 4(a)(ii) or Section 4(b) under this Agreement that you are not entitled to under a termination for Cause, you shall be required to pay back to the Company any such payments and benefits (or value thereof), or forfeit such payments and benefits, including, without limitation, any equity-based compensation (or proceeds thereon) that would not have otherwise been received by you; *provided, further*, and without limiting the preceding, the Company shall have the right to offset any other amounts payable to you by the Company or its affiliates for any amounts that you may owe the Company.

The Company shall make any decision that Cause exists in good faith. For purposes of this Agreement, no act or failure to act on your part shall be considered “willful” unless it is done, or omitted to be done, by you in bad faith or without reasonable belief that your action or omission was in the best interests of the Company or any successor or affiliate. Subject to applicable law, any act, or failure to act, on your part, based upon authority given pursuant to a resolution duly adopted by the Board or based upon the advice of counsel for the Company or any successor or affiliate shall be conclusively presumed to be done, or omitted to be done, in good faith and in the best interests of the Company or any successor or affiliate thereof.

- (d) **Good Reason.** You shall be entitled to terminate your employment for Good Reason. For purposes of this Agreement, “**Good Reason**” shall mean, without your express written consent, the occurrence within two (2) years following a Change of Control of any one (1) or more of the following:
- (i) A material reduction or alteration in your duties and responsibilities, or the status of your position from those in effect on the day prior to the Change of Control;
 - (ii) A material reduction by the Company in your base salary or in your most recent annual target incentive award opportunity as in effect on the date hereof or as the same shall be increased from time to time;
 - (iii) The Company’s requiring you to be based at a location in excess of fifty (50) miles from the location where you are currently based;
 - (iv) The failure by the Company to continue in effect the Company’s or SPX Technologies’ employee benefit plans, policies, practices or arrangements in which you participate prior to the Change of Control, unless an equitable arrangement (embodied in an ongoing substitute or alternative plan) to provide similar benefits has been made with respect to such plan(s); or the failure by the Company or SPX Technologies to continue your participation therein (or in such substitute or alternative plan) on substantially the same basis, both in terms of the amount of benefits provided and the level of your participation relative to other participants, as existed as of the time of the Change of Control;
 - (v) The failure of the Company to obtain a satisfactory agreement from any successor to the Company or SPX Technologies to assume and agree to perform this Agreement, as contemplated in Section 5 hereof; and
 - (vi) Any purported termination by the Company of your employment that is not effected pursuant to a Notice of Termination which substantially satisfies the requirements of Section 3(e), below, and for purposes of this Agreement, no such purported termination shall be effective.

Your right to separate from service pursuant to this Section 3(d) shall not be affected by your suspension due to Disability. Your continued employment shall not constitute a waiver of your rights with respect to any circumstance constituting Good Reason hereunder, except that you must provide notice to the Company of the existence of the condition described in above within a period not to exceed ninety (90) calendar days of the initial existence of the condition, and

the Company will have a period of at least thirty (30) calendar days following the notice during which it may remedy the condition.

- (e) Notice of Termination. Any termination by the Company for Cause or by you for Good Reason shall be communicated by Notice of Termination to the other party hereto. For purposes of this Agreement, a “**Notice of Termination**” shall mean a written notice that shall indicate the specific termination provision in this Agreement relied upon and shall set forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of your employment under the provisions so indicated.
- (f) Date of Termination. “**Date of Termination**” shall mean the date specified in the Notice of Termination where required (but not less than thirty (30) calendar days following delivery of the Notice of Termination, except that termination for Cause may be effective immediately) or in any other case upon ceasing to perform services to the Company; *provided* that if within twenty (20) calendar days after any Notice of Termination one party notifies the other party that a dispute exists concerning the termination, the Date of Termination shall be the date finally determined to be the Date of Termination, either by written agreement of the parties or by a binding and final arbitration decision. In the event that a dispute exists concerning the Date of Termination, you shall continue to receive your full compensation (including participation in all benefit and insurance plans in which you were participating) in effect when the notice giving rise to the dispute was given, until the Date of Termination is finally determined. In such event, you will be required to reimburse the Company for all compensation received beyond the finally determined Date of Termination either by direct cash reimbursement within thirty (30) calendar days of resolving the conflict or by appropriately reducing your remaining benefits to be received under the terms of this Agreement.
- (g) Earned Bonus Amount. For any year prior to the year during which a Change of Control occurs, your “Earned Bonus Amount” means your actual bonus for that year. For the year during which a Change of Control occurs, your “Earned Bonus Amount” means your total potential bonus for the year as determined under the SPX [•] Bonus Plan or applicable successor bonus plan (the “**Bonus Plan**”), according to the business performance metric achieved, and prorated to reflect your length of service during the Bonus Plan year. For any year following the year during which a Change of Control occurs, your “**Earned Bonus Amount**” means the greater of (i) your actual bonus for the year prior to the year during which the Change of Control occurs and (ii) your total potential bonus for the year as determined under the Bonus Plan, according to the business performance metric achieved, and prorated to reflect your length of service during the Bonus Plan year.

4. Compensation Upon Separation from Service Following a Change of Control.

- (a) Accrued Benefits. In the event that you separate from service for any reason during the Term of this Agreement following a Change of Control, you shall receive your Accrued Benefits through the Date of Termination to the extent unpaid. For purposes of this Agreement, your “**Accrued Benefits**” shall include the following:

- (i) All base salary for the time period ending with your Date of Termination, at the rate in effect at the time Notice of Termination is given or on the Date of Termination if no Notice of Termination is required;
 - (ii) A bonus payment equal to one hundred percent (100%) of the greater of (A) your target bonus for the year in which the Date of Termination occurs (the “**Year of Termination**”), prorated based upon the ratio of the number of months (full credit for a partial month) you were employed during that bonus year to the total months in that bonus year, and (B) your Earned Bonus Amount for the Year of Termination, calculated as if the Date of Termination were the end of that year for purposes of the Bonus Plan;
 - (iii) A cash equivalent of all unused vacation to which you were entitled through your Date of Termination;
 - (iv) Reimbursement for any and all monies advanced in connection with your employment for reasonable and necessary expenses incurred by you on behalf of the Company for the time period ending with your Date of Termination (as evidenced and determined in accordance with applicable Company policy); and
 - (v) All other amounts to which you are entitled under any compensation or benefit plan, program, practice or policy of the Company or SPX Technologies in effect as of the Date of Termination.
 - (vi) Subject to Sections 4(e), 4(f) and 4(g) and except as provided otherwise in this Agreement, (x) the payments provided for in Section 4(a)(i), (iii), and (iv) above shall be made in a lump sum cash payment as soon as administratively practicable (but in no event more than thirty (30) calendar days) following your Date of Termination, and (y) the payment (if any) provided for in Section 4(a)(ii) shall be made in a lump sum cash payment at the time such bonuses are paid generally with respect to active employees and in all events within the two and one-half (2½) months following the end of the calendar year in which your Date of Termination occurs.
- (b) Severance Benefits. In the event that you separate from service during the Term of this Agreement following a Change of Control, unless your separation from service is (i) because of your death, Disability, or Retirement; (ii) a termination by the Company for Cause; or (iii) a termination by you other than for Good Reason, you shall receive, in addition to your Accrued Benefits, the Severance Benefits. For purposes of this Agreement, your “**Severance Benefits**” shall include the following:
- (i) Your annual base salary at the rate in effect immediately prior to the Change of Control or, if greater, at the rate in effect at the time Notice of Termination is given, or on the Date of Termination if no Notice of Termination is required, multiplied by two (2);
 - (ii) An amount equal to two (2) times your annual incentive bonus, which will be determined as the higher of (A) the actual incentive bonus paid for the bonus plan year immediately preceding such separation from service, or (B) the target incentive bonus for the bonus plan year in which such termination of employment occurs (or, if such target incentive bonus has

not yet been set by termination of employment, the target incentive bonus for the bonus plan year immediately preceding such termination of employment), plus (C) the amount, if any, to which the bonus that would have been paid to you for the bonus plan year in which such separation from service occurs, based on the performance level actually attained, exceeds the amount payable under the highest of (A) or (B).

- (iii) Continued coverage under the Company's medical, dental, and vision through the two (2) year anniversary of your Date of Termination, at the Company's expense, *provided* that to the extent such continued coverage extends beyond the COBRA continuation period, such coverage will be provided in accordance with the requirements of Code Section 409A and Treasury Regulation §1.409A-3(i)(1)(iv) (or any similar or successor provisions); *provided, further*, you timely apply and you and your dependents remain eligible for the coverage, and *provided further* that such continued coverage does not result in adverse tax or monetary penalties to the Company (or other applicable adverse effects to the Company based on coverage discrimination rules then in effect). Nothing herein shall be construed to extend the period of time over which COBRA continuation coverage shall be provided to you or your dependents beyond that mandated by law (that is, the coverage under this Section 4(b)(iii) will be concurrent with, and not consecutive to, the coverage period mandated by law). Such medical, dental, and vision benefits otherwise receivable by you pursuant to this Section 4(b)(iii) shall be discontinued to the extent comparable benefits are actually received by you from a subsequent employer (including an employer of your spouse) during the two (2) - year period following your Date of Termination, and any such benefits actually received by you shall be reported to the Company. If the Company determines that you cannot participate in any such benefit plan because you are not actively performing services for the Company (or due to such continued coverage resulting in adverse effects to the Company), or the Company ceases to provide such benefit plans after your Date of Termination, the Company will make provision for such benefits under an alternate arrangement, such as through the reimbursement of an individual insurance policy purchased by you that provides similar benefits, *provided* that such reimbursement will be provided in accordance with the requirements of Code Section 409A and Treasury Regulation §1.409A-3(i)(1)(iv) (or any similar or successor provisions). To the extent that your compensation is necessary for determining the amount of any such continued coverage or benefits, such compensation (Base Salary and annual incentive bonus target) through the three (3)-year anniversary of your Date of Termination shall be at the highest rate in effect during the twelve (12)-month period immediately preceding your Date of Termination;
- (iv) To the extent the Company's group life insurance benefit plan permits you to elect to convert such coverage into individual life insurance policy coverage after your Date of Termination, and you make such election, the Company shall provide reimbursement of any premiums paid by you on such individual life insurance policy coverage through the second anniversary of your Date of Termination; *provided* that reimbursement of such premiums shall be made to you in accordance with the Company's reimbursement practices, and in all events no later than December 31 of

the calendar year that includes the third anniversary of your Date of Termination (or such earlier time as required under Code Section 409A);

- (v) Each stock option that you have been granted by SPX Technologies or the Company and that is not yet vested shall become immediately vested and exercisable and shall continue to be exercisable for the lesser of (A) two (2) years following your Date of Termination or (B) the time remaining until the originally designated expiration date, unless a longer exercise period is provided for in the applicable plan or award agreement;
- (vi) Any contractual restrictions placed on shares of restricted stock or other equity-based compensation awards that you have been awarded pursuant to the SPX 2019 Stock Compensation Plan, as amended, and any similar or successor equity compensation plan adopted or maintained by SPX Technologies, shall lapse as of your Date of Termination;
- (vii) In the event that a Change of Control occurs and payments are made under this Section 4(b), and a final determination is made by legislation, regulation, ruling, or court decision directed to you or the Company that the aggregate amount of any payments made to you under this Agreement and any other agreement, plan, program, or policy of the Company or SPX Technologies in connection with, on account of, or as a result of, such Change of Control (the “**Total Payments**”) will be subject to an excise tax under the provisions of Code Section 4999, or any successor section thereof (“**Excise Tax**”), the Total Payments shall be reduced (beginning with those amounts that are exempt from Code Section 409A and then from amounts that are subject to Code Section 409A, beginning with the amounts scheduled to be paid furthest from the first date of the Total Payments) so that the maximum amount of the Total Payments (after reduction) shall be one dollar (\$1.00) less than the amount that would cause the Total Payments to be subject to the Excise Tax; *provided, however*, that the Total Payments shall only be reduced to the extent that the after-tax value of amounts received by you after application of the above reduction would exceed the after-tax value of the Total Payments received without application of such reduction. For this purpose, the after-tax value of an amount shall be determined taking into account all federal, state, and local income, employment, and excise taxes applicable to such amount. In making any determination as to whether the Total Payments would be subject to an Excise Tax, consideration shall be given to whether any portion of the Total Payments could reasonably be considered, based on the relevant facts and circumstances, to be reasonable compensation for services rendered (whether before or after the consummation of the applicable Change of Control).
 - (A) In the event that upon any audit by the Internal Revenue Service, or by a state or local taxing authority, of the Total Payments, a change is formally determined to be required in the amount of taxes paid by, or Total Payments made to, you, appropriate adjustments will be made under this Agreement such that the net amount that is payable to you after taking into account the provisions of Code Section 4999 will reflect the intent of the parties as expressed in this Section 4(b)(vii). You shall notify the Company in writing of any claim by the Internal Revenue Service that, if successful, would require payment of an Excise Tax or an

additional Excise Tax on the Total Payments (a “**Claim**”). Such notification shall be given as soon as practicable but no later than ten (10) business days after you are informed in writing of such Claim and shall apprise the Company of the nature of such Claim and the date on which such Claim is requested to be paid. You shall not pay such Claim prior to the expiration of the thirty (30)-calendar day period following the date on which you give such notice to the Company (or such shorter period ending on the date that any payment of taxes with respect to such Claim is due). If the Company notifies you in writing prior to the expiration of such period that it desires to contest such Claim, you shall: (1) give the Company any information reasonably requested by the Company relating to such Claim, (2) take such action in connection with contesting such Claim as the Company shall reasonably request in writing from time to time, including, without limitation, accepting legal representation with respect to such Claim by an attorney reasonably selected by the Company, (3) cooperate with the Company in good faith in order to contest effectively such Claim, and (4) permit the Company to participate in any proceedings relating to such Claim; *provided, however,* that the Company shall bear and pay directly all costs and expenses (including additional interest and penalties) incurred in connection with such contest and shall indemnify and hold you harmless, on an after-tax basis, for any Excise Tax, additional Excise Tax, or income tax (including interest and penalties with respect thereto) imposed as a result of such representation and payment of costs and expenses. Without limitation on the foregoing provisions of this paragraph, the Company, at its sole option, may pursue or forgo any and all administrative appeals, proceedings, hearings and conferences with the taxing authority in respect of such Claim and may, at its sole option, either direct you to pay the tax claimed and sue for a refund or contest the Claim in any permissible manner, and you agree to prosecute such contest to a determination before any administrative tribunal, in a court of initial jurisdiction and in one (1) or more appellate courts, as the Company shall determine, *provided, however,* that if the Company directs you to pay such Claim and sue for a refund, the Company shall advance the amount of such payment to you on an interest-free basis or, if such an advance is not permissible under applicable law, pay the amount of such payment to you as additional compensation, and shall indemnify and hold you harmless, on an after-tax basis, from any Excise Tax, additional Excise Tax, or income tax (including interest or penalties with respect thereto) imposed with respect to such advance or additional compensation; and *further provided* that any extension of the statute of limitations relating to payment of taxes for the taxable year of you with respect to which such contested amount is claimed to be due is limited solely to such contested amount. The Company shall reimburse any fees and expenses provided for under this Section 4(b)(vii) on or before the last day of your taxable year following the taxable year in which the fee or expense was incurred, and in accordance with the other requirements of Code Section 409A and Treasury Regulation § 1.409A-3(i)(1)(v) (or any similar or successor provisions).

- (B) If, after your receipt of an amount advanced or paid by the Company pursuant to the immediately preceding paragraph, you become entitled to receive any refund with respect to such Claim, you shall (subject to the Company's compliance with the requirements of the immediately preceding paragraph) promptly pay to the Company the amount of such refund (together with any interest paid or credited thereon after taxes applicable thereto). If, after your receipt of an amount advanced by the Company pursuant to the immediately preceding paragraph, a determination is made that you shall not be entitled to any refund with respect to such Claim and the Company does not notify you in writing of its intent to contest such denial of refund prior to the expiration of thirty (30) calendar days after such determination, then such advance shall be forgiven and shall not be required to be repaid.
- (viii) To the full extent permitted by law, the Company shall indemnify you (including the advancement of expenses) for any judgments, fines, amounts paid in settlement and reasonable expenses, including attorneys' fees, incurred by you in connection with the defense of any lawsuit or other claim to which you are made a party by reason of being or having been an officer, director or employee of the Company or any of its subsidiaries. In addition, you will be covered by director and officer liability insurance to the maximum extent that such insurance maintained by the Company from time to time covers any officer or director (or former officer or director) of the Company. Any costs and expenses that are to be paid or reimbursed pursuant to the preceding provisions of this Section 4(b)(viii) shall be reimbursed in accordance with the requirements of Code Section 409A and Treasury Regulation §1.409A-3(i)(1)(iv) (or any similar or successor provisions).
- (ix) Outplacement services, as elected by you (and with a firm selected by you), not to exceed \$35,000 in total. Such outplacement services must be incurred by you no later than the end of the calendar year that includes the third anniversary of your Date of Termination. If applicable, reimbursement of such expenses shall be made to you no later than the end of the calendar year that includes the second anniversary of your Date of Termination (or earlier as provided under Code Section 409A);
- (x) To the extent that you prevail in any contest or dispute with respect to any interpretation, enforcement or defense of your rights under this Agreement by litigation or otherwise, the Company shall pay to you or reimburse you for all legal fees and expenses incurred by you as a result of such contest or dispute (including all such fees and expenses, if any, incurred in contesting or disputing any separation from service or in seeking to obtain or enforce any right or benefit provided by this Agreement or in connection with any tax audit or proceeding to the extent attributable to the application of Code Section 4999 to any payment or benefit provided hereunder, as described in Section 4(b)(vii) above), *provided* that such fees and expenses that are to be paid or reimbursed pursuant to the preceding provisions of this Section 4(b)(x) shall be reimbursed in accordance with the requirements of Code Section 409A and Treasury Regulation §1.409A- 3(i)(1)(iv) (or any similar or successor provisions); and

- (xi) Subject to Sections 4(e), 4(f) and 4(g) and except as otherwise provided in this Agreement, (i) the payment provided in Section 4(b)(i) shall be made in a lump sum cash payment as soon as administratively practicable (but in no event more than thirty (30) calendar days) following your separation from service, and (ii) the payment (if any) provided in Section 4(b)(ii) shall be made in a lump sum cash payment at the time such bonuses are paid generally with respect to active employees and in all events within the two and one-half (2½) months following the end of the calendar year in which your Date of Termination occurs.
- (c) Notwithstanding any provision in this Agreement to the contrary, if a Change of Control occurs and you separate from service other than for Cause within six (6) months prior to the date on which the Change of Control occurs and you assert in writing to the Board within thirty (30) calendar days following the Change of Control that such separation from service (i) was at the request of a third party who had taken steps reasonably calculated to effect the Change of Control, (ii) otherwise arose in connection with or anticipation of the Change of Control, or (iii) would not have occurred if the Change of Control were not anticipated, then for all purposes of this Agreement your separation from service shall be deemed to have occurred following the Change of Control and any payments owed to you hereunder as a result of such Change of Control shall be paid to you within sixty (60) calendar days following the Change of Control, unless the Board determines in good faith that your separation from service (i) was not at the request of a third party who had taken steps reasonably calculated to effect the Change of Control, (ii) did not otherwise arise in connection with or anticipation of the Change of Control, and (iii) would have occurred if the Change of Control were not anticipated.
- (d) You shall not be required to mitigate the amount of any payment provided for in this Section 4 by seeking other employment or otherwise, nor shall the amount of any payment provided for in this Section 4 be reduced by any compensation earned by you as the result of employment by another employer after your Date of Termination, or otherwise, with the exception of a reduction in your insurance benefits as provided in Section 4(b)(iii), and as provided in Section 13.
- (e) If, at the time you become entitled to your Accrued Benefits and your Severance Benefits under this Section 4, you are a “*specified employee*” (as defined under Code Section 409A), then, notwithstanding any provision in this Agreement to the contrary, the following provisions shall apply.
 - (i) None of your Accrued Benefits and Severance Benefits considered deferred compensation under Code Section 409A and not subject to an exception or exemption thereunder shall be paid to you until the date that is six (6) months after your separation from service or, if earlier, the date of your death (the “*Six-Month Delay Rule*”). Any such Accrued Benefits and Severance Benefits that would otherwise have been paid to you during this six-month period (the “*Six-Month Delay*”) shall instead be aggregated and paid (without interest) to you no later than thirty (30) calendar days following the date that is six (6) months after your separation from service. Any Accrued Benefits and Severance Benefits to which you are entitled to be paid under this Section 4 after the date that is six (6) months after your separation from service shall be paid to you in accordance with the applicable terms of Section 4.

- (ii) During the Six-Month Delay, the Company will pay to you the applicable payments set forth in this Section 4, to the extent any of the following exceptions to the Six-Month Delay Rule apply:
 - (A) the short-term deferral rule of Code Section 409A and Treasury Regulation §1.409A-1(b)(4) (or any similar or successor provisions) (including with the treatment of each payment as one of a series of separate payments for purposes of Code Section 409A and Treasury Regulation §1.409A-2(b)(2)(iii)) (or any similar or successor provisions),
 - (B) payments permitted under the separation pay exception of Code Section 409A and Treasury Regulation §1.409A-1(b)(9)(iii) (or any similar or successor provisions), and
 - (C) payments permitted under the limited payments exception of Code Section 409A and Treasury Regulation §1.409A-1(b)(9)(v)(D) (or any similar or successor provisions),

provided that the amount paid under this Section 4(e)(ii) will count toward, and will not be in addition to, the total payment amount required to be made to you by the Company under this Section 4 on account of your separation from service and any applicable Company or SPX Technologies benefit plan.

- (f) The Company shall deliver to you a form of general release and waiver of claims in favor of the Company that is acceptable to the Company (the “**Release**”) as soon as administratively feasible following your separation from service, but no later than thirty (30) calendar days following such date. Notwithstanding any provision in this Agreement to the contrary, no payments pursuant to Section 4(a)(ii) or Section 4(b) shall be made prior to the date that both (i) you have delivered an original, signed Release to the Company and (ii) the revocability period (if any) has elapsed; *provided, however*, that any payments that would otherwise have been made prior to such date but for the fact that you had not yet delivered an original, signed Release (or the revocability period had not yet elapsed) shall be made as soon as administratively practicable but not later than the seventy-fourth (74th) calendar day following your separation from service. If you do not deliver an original, signed Release to the Company within ten (10) business days (or longer if required by applicable law) after receipt of the same from the Company, (i) your rights shall be limited to those made available to you under Section 4(a) above (excluding Section 4(a)(ii)), and (ii) the Company shall have no obligation to pay or provide to you any amount or benefits described in Section 4(a)(ii) or Section 4(b), or any other monies on account of your separation from service. Notwithstanding any language in this Agreement to the contrary, if the seventy-fourth (74th) calendar day following the date of your termination occurs in a different calendar year than the calendar year of your date of termination, then the payment of any Severance Benefits subject to Code Section 409A shall be made no earlier than January 1 of the calendar year following the year in which your date of termination occurred.
- (g) Nothing in this Agreement shall be construed to limit or eliminate (i) your covenants and obligations under Section 4 of the Severance Benefit Agreement entered into between you and the Company dated as of [•], and as may be amended from time to time (the “**Severance Benefit Agreement**”), (ii) your non-

compete, non-solicitation, return of property, inventions and intellectual property, conflicts of interest, confidentiality or similar restrictive covenants and obligations under the Standalone Non-Compete Agreement (as defined under the Severance Benefit Agreement), or (iii) the Company's rights (including, without limitation, its enforcement rights) under Sections 4 and 20 of the Severance Benefit Agreement or under the Standalone Non-Compete Agreement. You agree that your receipt of payments pursuant to Section 4(a)(ii) and Section 4(b) is conditioned upon your compliance with (x) Section 4 of the Severance Benefit Agreement and (y) the Standalone Non-Compete Agreement. You further agree that in the event of your failure to comply with the provisions of Section 4 of the Severance Benefit Agreement or with the Standalone Non-Compete Agreement, the Company shall be entitled to discontinue further payments and benefits pursuant to Section 4(a)(ii) and Section 4(b), and you shall be required to pay back to the Company any payments and benefits (or value thereof) received pursuant to Section 4(a)(ii) and Section 4(b), or forfeit such payments and benefits, including, without limitation, any equity-based compensation (or proceeds thereon); *provided, further,* and without limiting the preceding, the Company shall have the right to offset any other amounts payable to you by the Company or its affiliates for any amounts that you may owe the Company. The foregoing shall be in addition to any other remedies or rights the Company may have at law or at equity as a result of your failure to comply with such provisions.

5. Successors; Binding Agreements.

- (a) This Agreement shall inure to the benefit of and be binding upon the Company and its successors. The Company may not assign this Agreement without your written consent, except that the Company will require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business and/or assets of the Company or of any division thereof employing you to expressly assume and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform it if no such succession had taken place. Failure of the Company to obtain such assumption and agreement prior to the effectiveness of any such succession shall be a breach of this Agreement and shall entitle you to compensation from the Company in the same amount and on the same terms to which you would be entitled hereunder if you terminated your employment for Good Reason following a Change of Control, except that for purposes of implementing the foregoing, the date on which any such succession becomes effective shall be deemed your Date of Termination.
- (b) You may not assign this Agreement during your life. This Agreement shall inure to the benefit of and be enforceable by your personal and legal representatives, executors, administrators, successors, heirs, distributees, devisees, and legatees. If you should die while any amount would still be payable to you hereunder if you had continued to live, all such amounts, unless otherwise provided herein, shall be paid in accordance with the terms of this Agreement, to your devisee, legatee or other designee or, if there is no such designee, to your estate.

6. No Funding of Benefits. Nothing herein contained shall require or be deemed to require the Company to segregate, earmark, or otherwise set aside any funds or other assets to provide for any payments to be made hereunder. Your rights under this Agreement shall be solely those of a general creditor of the Company. However, in the event of a Change of Control, the Company may deposit cash or property, or both, equal in value to all or a portion of the benefits anticipated to be payable hereunder into a trust, the assets of which

are to be distributed at such times as are otherwise provided for in this Agreement and are subject to the rights of the general creditors of the Company. The Company also may deposit additional amounts to cover any administrative fees and expenses associated with the trust.

7. Withholding of Taxes. The Company may withhold from any amounts payable under this Agreement all federal, state, city, or other taxes as legally shall be required. The Company may, at its option (a) require you to pay to the Company in cash such amount as may be required to satisfy such withholding obligations or (b) make other satisfactory arrangements with you to satisfy such withholding obligations.
8. Notice. Notices given pursuant to this Agreement shall be in writing and shall be deemed received when personally delivered, or on the date of written confirmation of receipt by (i) overnight carrier, (ii) telecopy, (iii) registered or certified mail, return receipt requested, addressee only, postage prepaid, or (iv) such other method of delivery that provides a written confirmation of delivery. Notice to the Company shall be directed to:

SPX Enterprises, LLC
6325 Ardrey Kell Road, Suite 400
Charlotte, NC 28277
Attention: General Counsel

The Company may change the person and/or address to which you must give notice under this Section 8 by giving you written notice of such change, in accordance with the procedures described above. Notices to or with respect to you will be directed to you, or to your executors, personal representatives or distributees, if you are deceased, or the assignees of you, at your home address on the records of the Company.

9. Interpretation. The laws of the State of Delaware shall govern the validity, interpretation, construction and performance of this Agreement, without regard to the conflict of laws principles thereof. The Company and you agree that the jurisdiction and venue for any disputes arising under, or any action brought to enforce, or otherwise relating to, this Agreement shall be exclusively by arbitration, or in the courts (as provided by Section 16) in the State of North Carolina, Mecklenburg County, including the federal courts located therein or responsible therefor (should federal jurisdiction exist), and the Company and you hereby submit and consent to said jurisdiction and venue.
10. Employment Rights. This Agreement shall not confer upon you any right to continue in the employ of the Company or its subsidiaries and, except to the extent that benefits may become payable under Section 4, above, shall not in any way affect the right of the Company or its subsidiaries to dismiss or otherwise terminate your employment at any time and for any reason with or without Cause.
11. No Vested Interest. Neither you nor your estate shall have any right, title or interest in any benefit under this Agreement prior to the occurrence of all of the events specified herein as necessary conditions to such right, title or interest.
12. Entire Agreement. This Agreement sets forth the entire agreement and understanding between the Company and you and supersedes all prior agreements and understandings, written or oral, relating to severance benefits in connection with a Change of Control; *provided, however*, that: (i) the Severance Benefit Agreement shall remain in full force and effect, and payments and benefits provided thereunder shall be replaced by those provided in this Agreement to the extent that such payments or benefits otherwise clearly would be duplicative; and (ii) your non-compete, non-solicitation, return of property,

inventions and intellectual property, conflicts of interest, confidentiality or similar restrictive covenants under the Standalone Non-Compete Agreement shall remain in full force and effect; *provided, further*, that Section 4(g), Section 4 of the Severance Benefit Agreement and the Standalone Non-Compete Agreement shall be construed together so as to provide maximum protection and rights to the Company, and in the event of conflict between a provision of Section 4(g), Section 4 of the Severance Benefit Agreement and the Standalone Non-Compete Agreement, whichever provision provides the greatest protection and rights to the Company, as determined by the Company in its sole discretion, shall control.

13. Coordination with Other Arrangements. Payments and benefits under this Agreement shall be in lieu of any severance payments or benefits provided to you under any other severance pay plan, policy or arrangement of or with the Company or SPX Technologies.
14. Severability. If any provisions(s) of this Agreement shall be found invalid or unenforceable, in whole or in part, then it is the parties' mutual desire that such provision(s) be modified to the extent and in the manner necessary to render the same valid and enforceable, and this Agreement shall be construed and enforced to the maximum extent permitted by law, as if such provision(s) had been originally incorporated herein as so modified or restricted, or as if such provision(s) had not been originally incorporated herein, as the case may be.
15. Counterparts. This Agreement may be executed in several counterparts, each of which shall be deemed to be an original but all of which together shall constitute one and the same instrument.
16. Dispute Resolution. In the event of any dispute or claim relating to or arising out of this Agreement, and subject to Section 4(g), you and the Company agree that all such claims or disputes shall be fully and finally resolved by binding arbitration conducted by the American Arbitration Association ("AAA") in Charlotte, North Carolina in accordance with the AAA's National Rules for the Resolution of Employment Disputes, *provided, however*, that this arbitration provision shall not apply to, and Company shall be free to seek, injunctive or other equitable relief with respect to any actual or threatened breach or violation by you of the Standalone Non-Compete Agreement or Section 4 of the Severance Benefit Agreement, in any court having appropriate jurisdiction. However, you shall be entitled to seek in court specific performance of your right, pursuant to Section 3(f), above, to be paid until the Date of Termination during the pendency of any dispute or controversy arising under or in connection with this Agreement. You acknowledge that by accepting this arbitration provision you are waiving any right to a jury trial in the event of a covered dispute. The arbitrator may, but is not required to, order that the prevailing party shall be entitled to recover from the losing party its attorneys' fees and costs incurred in any arbitration arising out of this Agreement. The arbitrator will have the right only to interpret and apply the provisions of this Agreement and may not change any of its provisions. The arbitrator will permit reasonable pre-hearing discovery of facts, to the extent necessary to establish a claim or a defense to a claim, subject to supervision by the arbitrator. The determination of the arbitrator will be conclusive and binding upon the parties and judgment upon the same may be entered in any court having jurisdiction thereof. The arbitrator will give written notice to the parties stating the arbitrator's determination, and will furnish to each party a signed copy of such determination. Any arbitration or action pursuant to this Section 16 will be governed by and construed in accordance with the substantive laws of the State of Delaware and, where applicable, federal law, without giving effect to the principles of conflict of laws of Delaware. For avoidance of doubt, the Company will not be required to seek or participate in arbitration regarding any actual or threatened breach of any applicable non-

compete, non-solicitation, confidentiality or similar restrictive covenants under the Standalone Non-Compete Agreement with respect to you or to the extent provided under Section 4 of the Severance Benefit Agreement, but may pursue its remedies, including injunctive relief, for such breach in a court of competent jurisdiction in Charlotte, North Carolina, or in the sole discretion of the Company, in a court of competent jurisdiction where you have committed or are threatening to commit a breach of your covenants, and no arbitrator may make any ruling inconsistent with the findings or rulings of such court.

17. Code Section 409A Compliance. To the extent any provision of this Agreement or action by the Company would subject you to liability for interest or additional taxes under Code Section 409A, it will be deemed null and void, to the extent permitted by law and deemed advisable by the Company. It is intended that this Agreement will comply with Code Section 409A, including the exceptions for short-term deferrals, separation pay arrangements, reimbursements, and in-kind distributions, and this Agreement shall be administered accordingly, and interpreted and construed on a basis consistent with such intent. Each payment under Section 4 of this Agreement or any Company or SPX Technologies benefit plan is intended to be treated as one of a series of separate payments for purposes of Code Section 409A and Treasury Regulation §1.409A-2(b)(2)(iii) (or any similar or successor provisions). This Agreement may be amended to the extent necessary (including retroactively) by the Company in order to preserve compliance with Code Section 409A. The preceding shall not be construed as a guarantee of any particular tax effect for your compensation and benefits.
18. Payments to Estate. The executor of your estate shall be entitled to receive all amounts owing to you at the time of death under this Agreement in full settlement and satisfaction of all claims and demands on your behalf. Such payments shall be in addition to any other death benefits of the Company and in full settlement and satisfaction of all severance benefit payments provided for in this Agreement. In the event of your death or a judicial determination of your incompetence, reference in this Agreement to “you” will be deemed to refer, where appropriate, to your estate or other legal representative.
19. Removal from any Boards and Positions. Upon your Date of Termination, you shall be deemed to resign (i) if a member, from the Board or board of directors of any affiliate or any other board to which you has been appointed or nominated by or on behalf of SPX Technologies or the Company, (ii) from any position with the Company or any affiliate, including, but not limited to, as an officer of the Company or any of its affiliates, and (iii) as a fiduciary of any employee benefit plan of the Company or its affiliates.
20. Recapture of Certain Incentive Compensation. If SPX Technologies is required to prepare an accounting restatement due to the material noncompliance of SPX Technologies, during the Term, as a result of misconduct, with any financial reporting requirement under the securities laws, you shall reimburse the Company, promptly upon notice and demand, for (a) any bonus or other incentive-based or equity-based compensation received from the Company or SPX Technologies during the twelve (12) -month period following the first public issuance or filing with the Securities and Exchange Commission, whichever occurs first, of the financial document embodying such financial reporting requirement; and (b) any profits realized from the sale of securities of the Company or SPX Technologies during that twelve (12) -month period. Without limiting the foregoing or any other provision of this Agreement, and to the extent applicable, any payments or benefits hereunder shall be subject to any claw back policy or compensation recovery policy or such other similar policy of the Company or its affiliates adopted by the Company or its affiliates, including any policy required to

comply with applicable law or listing standards, as such policy may be in effect from time to time.

21. Amendment or Termination. This Agreement may be amended at any time by written agreement between the Company and you.
22. Consultation With Counsel. You acknowledge that you have had a full and complete opportunity to consult with counsel of your own choosing concerning the terms, enforceability and implications of this Agreement, and the Company has made no representations or warranties to you concerning the terms, enforceability or implications of this Agreement other than as are reflected in this Agreement.
23. No Waiver. No failure or delay by the Company or you in enforcing or exercising any right or remedy hereunder shall operate as a waiver thereof. No waiver of this Agreement or consent to any departure by you from any of the terms or conditions thereof, shall be effective unless in writing and signed by the Company. Any such waiver or consent shall be effective only in the specific instance and for the purpose for which given.

If this letter properly sets forth our agreement on the subject matter hereof, kindly date, sign and return to the Company the enclosed copy of this letter, which will then constitute our agreement on this subject.

EXECUTIVE ACCEPTANCE

[Name]

SPX ENTERPRISES, LLC

By: _____

[Name]

Its: [Title]

Date: _____

**CONFIDENTIALITY
AND
NON-COMPETITION AGREEMENT**

In consideration of my employment or continued employment by SPX Enterprises, LLC, or by the particular subsidiary or affiliate of SPX Enterprises, LLC by which I am now employed, or by which I may become employed hereafter, potential future salary and benefit adjustments and/or promotions, and any other positions that I hold or may subsequently hold with SPX Enterprises, LLC or any of its subsidiaries or affiliates, and in specific consideration for SPX Enterprises, LLC and/or the applicable subsidiary or affiliate of SPX Enterprises, LLC having granted to me in the past and granting to me in the future access to Confidential and Proprietary Information (as set out in Paragraph 1 below) which I would not have obtained absent my employment with SPX Enterprises, LLC and/or the applicable subsidiary or affiliate of SPX Enterprises, LLC, I, the undersigned, hereby agree as set forth below. (For purposes of this Agreement, “**SPX**” means, collectively, SPX Enterprises, LLC and all of its subsidiaries and affiliates, and the “**Company**” means the particular company or companies of SPX by which I am or will be employed or with which I hold or will hold positions as described above, including, if applicable, SPX Enterprises, LLC.)

1. Confidential or Proprietary Information.

I acknowledge and agree that during the course of my employment by the Company, I have and will come into contact with and have access to various technical and non-technical Confidential or Proprietary Information which is the property of SPX. This information relates both to SPX and any persons, firms, corporations or other entities which are customers of SPX or other entities that have dealings with SPX. I acknowledge and agree that I am being provided access to such Confidential or Proprietary Information subject to and solely based upon my agreement to the covenants set forth in this Agreement and I would not otherwise be afforded access to such information.

For purposes of this Agreement, the term “**Confidential or Proprietary Information**” shall include, but not be limited to, SPX’s trade secrets, which includes, but is not limited to: (i) information with respect to costs, commissions, fees, profits, sales, markets, products and product formulae, mailing lists, strategies and plans for future business, new business, product or other development, new and innovative product ideas, potential acquisitions or divestitures, and new marketing ideas; (ii) product formulations, methods, procedures, devices, machines, equipment, data processing programs, software computer models, research projects, and other means used by SPX in the conduct of its business; (iii) the identity of SPX’s customers, distributors and suppliers and their names and addresses, the names of representatives of SPX’s customers, personnel placement prospects or contacts, distributors or suppliers responsible for entering into contracts with SPX, the amounts paid by such customers to SPX, specific customer needs and requirements, and leads and referrals to prospective customers; and (iv) the identity and number of SPX’s employees, their salaries, bonuses, benefits, qualifications and abilities; all of which information I acknowledge and agree is not generally known or available to the general public, but has been developed, compiled or acquired by SPX at its effort and expense. Confidential and Proprietary Information can be in any form: oral, written or machine readable, including electronic files. I further acknowledge and agree that the Confidential and Proprietary Information is secret, valuable and owned by SPX, and that SPX has exercised substantial efforts to preserve the secrecy of the Confidential and Proprietary Information.

I specifically covenant and agree to hold all Confidential or Proprietary Information and any data or documents containing or reflecting Confidential or Proprietary Information in the strictest confidence, and that both during employment and for ten (10) years after my employment with the Company and the return of all such Confidential or Proprietary

Information, I will not, without the prior written consent of the Chief Executive Officer of SPX Technologies, Inc., disclose, divulge or reveal to any person, or use for any purpose other Employee Initials than for the exclusive benefit of SPX, any Confidential or Proprietary Information, whether contained in my memory or embodied in writing or other physical form.

I specifically covenant and agree never to bring or disclose to SPX any confidential or proprietary information of any prior employer or any third party for which I do not have the written legal authority to disclose.

2. Non-solicitation of Customers and Employees. During the term of my employment with the Company and for a period of one (1) year thereafter, I will not solicit, divert or attempt to divert from SPX any customer or vendor whose business or services the Company has enjoyed or solicited, or solicit, divert or attempt to divert from SPX any customer or vendor whose business or services SPX has enjoyed and with whom I have had contact at any time during the two (2) year period immediately prior to my separation from the Company.

During the term of my employment with the Company and for a period of one (1) year thereafter, I will not solicit, divert or attempt to divert any employee of SPX with whom I have had contact at any time during the two (2) year period immediately prior to my separation from the Company.

3. Non-retention of Material. Upon termination of employment, I will promptly deliver to the Company, and not keep or deliver to any person, firm, corporation, association or other entity, all manuals, letters, notes, notebooks, price lists, customer lists, reports and copies thereof and all written materials and electronic records of a confidential or proprietary nature relating to SPX's business which are in my possession or under my control. I also agree not to retain any copies, duplications, reproductions or excerpts of the foregoing materials in any form.

4. Solicitations. I agree not to solicit for personal use any type of gift, paid travel, personal inducement, tickets to an event, invitations or contributions from a supplier or vendor or from any other third party with whom the Company presently does business, or may in the future do business, and acknowledge that violation of this provision will result in disciplinary action up to and including discharge as determined by the Company in its sole discretion. The above does not apply to unsolicited gifts or entertainment of nominal value as described in the SPX Code of Business Conduct.

5. Inventions/Developments. I agree to hold in confidence and to disclose to the Company fully and promptly in writing, all inventions, improvements, discoveries, formulas, processes, technical information, systems, designs, trademarks, trade names, service marks and suggestions relating in any way to the business of SPX whether patented, patentable or unpatentable ("**Developments**"), which, during the period of my employment by the Company are made, developed or conceived by me, either solely or jointly with others in the course of such employment or with the use of the Company's time, materials or facilities, or relating to any subject matter with which my work with the Company is or may be concerned, or relating to any problems arising in SPX's business of which I have been or may become informed by reason of my said employment.

I hereby assign, and agree to assign to SPX during my employment and thereafter, all my rights to and evidence of such rights to the Developments, whether or not patent applications are filed thereon. I agree, whenever requested to do so by SPX during my employment or thereafter, without charge to SPX, but at its expense, to grant to SPX or its nominee my entire interest in any or all of such Developments by executing, acknowledging and delivering all documents and by rendering all assistance such as giving testimony in support of a particular invention, which SPX may deem necessary or proper for that purpose and for the purpose of perfecting in SPX

title to patents, copyrights or other rights therefore and reissues, renewals, continuations, divisions, or extensions of such rights, both domestic and foreign.

6. Non-Competition. During the term of my employment with the Company and for a one-year period immediately after termination of said employment, I will not directly or indirectly:

(1) solicit or accept employment with or render services on behalf of any party who, at any time during the term of my employment was a competitor or customer of the Company, in the geographic area(s) for which I provided services to the Company, or

(2) solicit or accept employment with or render services on behalf of any competitor or potential competitor of SPX in any capacity for which the Confidential or Proprietary Information acquired by me during my employment with the Company would reasonably be considered to be useful to such competitor or potential competitor.

If any provision of this paragraph is held to be unenforceable, it shall be curtailed as to time, location or scope to the extent necessary to be valid under applicable laws, and as so curtailed shall be enforceable.

7. Conflict of Interest. I agree not to participate as an owner or part-owner in any manner whatsoever in any proprietorship, partnership, firm, corporation, or other organization or entity which directly or indirectly competes with SPX, or has any business relationship with SPX, or is engaged in a business relationship which conflicts in any way with the interest of SPX, without the express written authorization of the CEO of SPX Technologies, Inc. This covenant shall not apply to the ownership of less than 1% of the outstanding securities of any competitor, customer or supplier of SPX whose shares of stock are traded on a nationally recognized stock exchange or over-the-counter market.

8. Termination of Employment. Nothing in this Agreement shall be construed to constitute an agreement or commitment of employment by the Company or SPX for any particular period of time or to limit in any way the right of the Company or myself to terminate my employment at will. This Agreement supersedes and rescinds any and all employment agreements with the Company, whether verbal, written, or otherwise expressed or implied. Termination of employment shall not relieve me of any of my obligations contained in this Agreement which continue in force and effect after termination of my employment.

9. Arbitration. You, the Company, and SPX agree to resolve any claims with each other arising out of this Agreement (Arbitrable Dispute) through final and binding arbitration in accordance with the National Rules for Resolution of Employment Disputes of the American Arbitration Association, except to the extent these Rules conflict with the parties' agreement to arbitrate herein. This arbitration section applies to any disputes about the validity, interpretation or effect of this Agreement or alleged violation of it. Arbitration shall be the exclusive remedy for any Arbitrable Dispute and any arbitration will be conducted in English and take place at the office of the American Arbitration Association closest to your last place of work for the Company. The decision or award of the arbitrator shall be in writing and final and binding upon the parties. In the event that any covenant, provision or restriction contained in this Agreement is found to be void or unenforceable (in whole or in part) by the arbitrator because of the duration, the scope of activities or the geographic area, the arbitrator shall have the power to reduce the duration, scope or area of such covenant, provision or restriction and such covenant, provision or restriction shall then be enforceable as if originally part of this Agreement. The arbitrator shall have the power to award all types of legal and equitable relief available to a court of competent jurisdiction, including, but not limited to, the costs of arbitration and attorneys' fees, to the extent such damages are available under law. This section does not limit the parties'

right to seek and obtain an injunction or other equitable relief in any court of competent jurisdiction.

10. Remedies Upon Breach. I recognize and acknowledge that in the event of any default in, or breach of any of the terms, conditions and provisions of this Agreement (either actual or threatened) by me, SPX's remedies at law shall be inadequate. Accordingly, I agree that in such events, SPX shall have the right to specific performance and/or injunctive relief in addition to any and all other remedies and rights at law or in equity, and such rights and remedies shall be cumulative. In the event of a breach of paragraphs 2 or 6 of this Agreement, and if any customers or employees of SPX are lost by SPX due to the breach, the parties hereby stipulate that the court may award damages in an amount equal to two times the highest annual sales volume (in the case of customer(s)) or highest yearly salary/wages (in the case of employee(s)) during the five (5) years immediately preceding termination of my employment.

11. Waiver. Failure to insist upon strict compliance of any of the terms, covenants or conditions contained in this Agreement shall not operate as a waiver of such term, covenant or condition, nor shall any waiver or relinquishment of any right or power hereunder at any one or more time be deemed a waiver or relinquishment of such right or power at any other time.

12. Binding Effect. This Agreement shall be binding upon and inure to the benefit of the parties hereto, their legal representatives, heirs, and successors as well as SPX's divisions, subsidiaries, affiliates and assigns. I acknowledge that I may not assign any of my rights or delegate any of my duties under this Agreement.

13. Applicable Law. This Agreement shall be construed according to the laws of the State of Delaware.

14. General. This Agreement contains the entire understanding of the parties relating to the subject matters addressed herein, and supersedes any prior agreements, except for any other confidentiality, non-compete or other protective covenants between me and SPX, which shall remain in effect to the extent that they provide greater protection for SPX and its legitimate protectible interests. This Agreement may not be amended, modified or waived, except by a writing signed by myself and an authorized Officer of SPX Enterprises, LLC or SPX Technologies, Inc.

[SIGNATURE PAGE FOLLOWS]

I acknowledge that I have this day received and read a copy of this Agreement, that I understand its provisions, and that I will observe and fully comply with its provisions.

Employee: ____

Date:

Company/SPX:

Date:

Form of Severance Benefit Agreement

This Severance Benefit Agreement (the “Agreement”) is effective as of [●], 2022 (the “Effective Date”), by and between SPX Enterprises, LLC (the “Company”) and [●] (the “Executive”).

WHEREAS, the Company and the Executive have reached agreement concerning the compensation and benefits upon the Executive’s termination of employment.

NOW, THEREFORE, in consideration of the mutual terms, covenants and conditions stated in this Agreement, the Company and the Executive hereby agree as follows:

1. **Term.** The term of this Agreement (“Term”) will commence on the Effective Date, and will continue thereafter until December 31, [●]; provided, however, that this Agreement shall remain in effect and the Term shall be extended from year to year thereafter unless, not less than one hundred eighty (180) days prior to December 31, [●], or any subsequent December 31, either the Executive or the Company delivers to the other written notice of the Executive’s or its intention not to continue this Agreement in effect, in which case this Agreement shall terminate as of December 31 of the year in which such notice is given; and provided further that, if a Change of Control (as defined under the SPX 2019 Stock Compensation Plan, as amended from time to time) shall have occurred during the Term, this Agreement shall continue in effect and the Term shall be extended until at least the second anniversary of such Change of Control.

2. **Payments on Termination of Employment.**

(a) **Definition of Termination of Employment.** For purposes of this Agreement, the Executive’s employment with the Company shall be deemed to be terminated when the Executive has a “Separation from Service” within the meaning of Section 409A of the Internal Revenue Code of 1986, as amended (the “Code”), and references to termination of employment shall be deemed to refer to a Separation from Service.

(b) **Termination of Employment for any Reason.** The following payments will be made upon the Executive’s termination of employment for any reason:

- (i) Earned but unpaid base salary through the date of termination;
- (ii) Any annual incentive plan bonus, for which the performance measurement period has ended, but which is unpaid at the time of termination;
- (iii) Any accrued but unpaid vacation;
- (iv) Any amounts payable under any of the Company’s benefit plans in accordance with the terms of those plans, except as may be required under Code Section 401(a)(13); and
- (v) Unreimbursed business expenses incurred by the Executive on the Company’s behalf.

(c) **Termination of Employment for Death or Disability.** In addition to the amounts determined under (b) above, if the Executive’s termination of employment occurs by reason of death or Disability (as defined below), the Executive (or the Executive’s estate) will receive a pro rata portion of any bonus payable under the

Company's annual incentive plan for the year in which such termination occurs determined based on the highest of (i) the actual annual bonus paid for the bonus plan year immediately preceding such termination, or (ii) the target bonus for the bonus plan year in which such termination occurs. For purposes of this Agreement, "Disability" shall mean, in the written opinion of a qualified physician selected by the Company, the Executive is by reason of any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than twelve (12) months, (x) unable to engage in any substantial gainful activity, or (y) receiving income replacement benefits for a period of not less than three (3) months under a Company disability plan.

(d) Termination by the Company Without Cause, or Voluntary Termination by the Executive for Good Reason. If the Company terminates the Executive's employment other than for Cause, death or Disability, or the Executive voluntarily terminates employment for Good Reason, in addition to the benefits payable under Section 2(b), the Company will pay the following amounts and provide the following severance benefits:

(i) One (1) times the Executive's annual base salary ("Base Salary") at the Executive's termination of employment, plus one (1) times the Executive's annual incentive bonus, which will be determined as the higher of (A) the actual incentive bonus paid for the bonus plan year immediately preceding such termination of employment, or (B) the target incentive bonus for the bonus plan year in which such termination of employment occurs (or, if such target incentive bonus has not yet been set by termination of employment, the target incentive bonus for the bonus plan year immediately preceding such termination of employment), plus (C) the amount, if any, to which the bonus that would have been paid to the Executive for the bonus plan year in which such termination of employment occurs, based on the performance level actually attained, exceeds the amount payable under the highest of (A) or (B).

(ii) Continued coverage under the Company's medical, dental, and vision through the one (1) year period commencing on the Executive's termination of employment and ending on the first anniversary of the Executive's termination of employment (such period referred to as the "Severance Continuation Period", subject to Section 2(g) if applicable), at the same cost to the Executive as in effect on the date of the Executive's termination of employment, provided that to the extent such continued coverage extends beyond the COBRA continuation period, such coverage will be provided in accordance with the requirements of Code Section 409A and Treasury Regulation §1.409A-3(i)(1)(iv) (or any similar or successor provisions); provided, further, Executive timely applies and Executive and Executive's dependents remain eligible for the coverage, and provided further that such continued coverage does not result in adverse tax or monetary penalties to the Company (or other applicable adverse effects to the Company based on coverage discrimination rules then in effect). Nothing herein shall be construed to extend the period of time over which COBRA continuation coverage shall be provided to Executive or Executive's dependents beyond that mandated by law (that is, the coverage under this Section 2(d)(ii) will be concurrent with, and not consecutive to, the coverage period mandated by law). Such medical, dental and vision benefits otherwise receivable by Executive pursuant to this Section 2(d)(ii) shall be discontinued to the extent comparable benefits are actually received by Executive from a subsequent employer (including an employer of Executive's spouse) during the Severance Continuation Period, and any such benefits actually received by Executive shall

be reported to the Company. The Severance Continuation Period shall continue to count for purposes of determining the Executive's age and service with the Company with respect to eligibility, vesting and the amount of benefits under such Company's benefit plans to the maximum extent permitted by applicable law. If the Company determines that the Executive cannot participate in any such benefit plan because the Executive is not actively performing services for the Company (or due to such continued coverage resulting in adverse effects to the Company), or the Company ceases to provide such benefit plans after Executive's termination of employment, the Company will make provision for such benefits under an alternate arrangement, such as through the reimbursement of an individual insurance policy purchased by the Executive that provides similar benefits, provided that such reimbursement will be provided in accordance with the requirements of Code Section 409A and Treasury Regulation §1.409A-3(i)(1)(iv) (or any similar or successor provisions). To the extent that the Executive's compensation is necessary for determining the amount of any such continued coverage or benefits, such compensation (Base Salary and annual incentive bonus target) through the Severance Continuation Period shall be deemed to be at the highest rate in effect during the twelve (12)-month period immediately preceding the Executive's termination of employment.

(iii) Executive perquisites on the same basis on which the Executive was receiving such perquisites prior to the Executive's termination of employment, including reimbursement of expenses relating to financial planning services, tax return preparation and annual physicals incurred on or before December 31 of the calendar year that includes the last day of the Severance Continuation Period; provided that reimbursement of such perquisites shall be made to the Executive in accordance with the Company's reimbursement practices, and in all events no later than December 31 of the calendar year that includes the third anniversary of the Executive's termination of employment (or such earlier time as required under Code Section 409A). The Company will bear the cost of such perquisites, at the same level in effect immediately prior to the Executive's termination of employment. Perquisites otherwise receivable by the Executive pursuant to this Section shall be reduced to the extent (i) comparable perquisites are actually received by or made available to the Executive without cost during the period following the Executive's termination of employment covered by this Section or (ii) comparable perquisites are reduced for active executive officers of the Company during such time. The Executive shall report to the Company any such perquisites actually received by or made available to the Executive.

(iv) Any outstanding stock options, restricted stock or other equity-based compensation awards that would have vested during the Severance Continuation Period shall immediately vest upon the date of the Executive's termination of employment, and any such vested stock options will be immediately exercisable at any time prior to the earlier of (A) the last day of the Severance Continuation Period, or (B) the stock option expiration or other termination date, subject to the terms of the equity-based compensation award and applicable insider trading policies and regulations. Notwithstanding the foregoing, any restricted stock or other equity-based compensation awards that were intended to satisfy the requirements for performance-based compensation under Code Section 162(m), and would become vested only upon the attainment of specified performance goals, shall vest only if (and at the time that) such performance goals are achieved.

(v) Outplacement services, as elected by the Executive (and with a firm selected by the Executive), not to exceed \$35,000 in total. Such outplacement services must be incurred by the Executive no later than the end of the calendar year that includes the last day of the Severance Continuation Period. If applicable, reimbursement of such expenses shall be made to the Executive no later than the end of the calendar year that includes the third anniversary of the Executive's termination of employment (or earlier as provided under Code Section 409A).

(vi) To the extent the Company's group life insurance benefit plan permits Executive to elect to convert such coverage into individual life insurance policy coverage after Executive's termination of employment, and the Executive makes such election, the Company shall provide reimbursement of any premiums paid by Executive on such individual life insurance policy coverage through the Severance Continuation Period; provided that reimbursement of such premiums shall be made to the Executive in accordance with the Company's reimbursement practices, and in all events no later than December 31 of the calendar year that includes the third anniversary of the Executive's termination of employment (or such earlier time as required under Code Section 409A).

(e) Good Reason. For purposes of this Agreement, "Good Reason" shall mean the occurrence of any of the following without the Executive's consent: (i) a material diminution in the Executive's base compensation; (ii) a material diminution in the Executive's authority, duties, or responsibilities; (iii) a material diminution in the budget over which the Executive retains authority; (iv) the Company requiring Executive to be based at a location in excess of fifty (50) miles from the location where Executive is currently based; (v) failure of the Company to obtain a satisfactory agreement from any successor to the Company or SPX Technologies, Inc. to assume and agree to perform this Agreement, as contemplated in Section 5 hereof; or (vi) any other action or inaction that constitutes a material breach by the Company of this Agreement. The Executive must provide notice to the Company of the existence of the condition described in above within a period not to exceed ninety (90) days of the initial existence of the condition, and the Company will have a period of at least thirty (30) days following the notice during which it may remedy the condition. Any termination for Good Reason must occur within three (3) months following the initial existence of one (1) or more of the foregoing conditions.

(f) Cause. For purposes of this Agreement, "Cause" shall mean: (i) the Executive's willful and continued failure to substantially perform your duties with the Company (other than any such failure resulting from Disability or occurring after issuance by you of a notice of termination for Good Reason), after a written demand for performance is delivered to the Executive, which demand specifically identifies the manner in which the Executive has not substantially performed the Executive's duties, and which gives the Executive at least 30 days to cure such alleged deficiencies, (ii) the Executive's willful misconduct or dishonesty, which is demonstrably and materially injurious to the Company or any of its affiliates, monetarily, reputationally, or otherwise, (iii) the Executive's engaging in egregious misconduct involving serious moral turpitude to the extent that the Executive's credibility and reputation no longer conforms to the standard of officers of the Company or any of its affiliates, (iv) the Executive's refusal or failure to substantially comply with the Company's human resources rules, policies, directions and/or restrictions relating to harassment and/or discrimination, or to substantially comply with the Company's compliance or risk management rules, policies, directions and/or restrictions (including, without limitation, the Company's Code of Business Conduct); (v) the Executive's loss of any license or registration that is necessary

for the Executive to perform the Executive's duties, or commission of any act that could result in the legal disqualification of the Executive from being employed by the Company or an affiliate; (vi) the Executive's failure to cooperate with the Company or an affiliate, in any internal investigation or administrative, regulatory or judicial proceeding; or (vii) the Executive's conviction of, or plea of *nolo contendere* to, a felony or other crime involving moral turpitude. In addition, the Executive's employment shall be deemed to have terminated for Cause if, within twelve (12) months after the Executive's employment has terminated, facts and circumstances are discovered that would have justified a termination for Cause; provided, in such case, and to the extent the Executive received severance payments or benefits under this Agreement that Executive is not entitled to under a termination for Cause, the Executive shall be required to pay back to the Company any such severance payments and benefits (or value thereof), or forfeit such payments and benefits, including, without limitation, any equity-based compensation (or proceeds thereon) that would not have otherwise been received by Executive; provided, further, and without limiting the preceding, the Company shall have the right to offset any other amounts payable to the Executive by the Company or its affiliates for any amounts that Executive may owe the Company.

The Company shall make any decision that Cause exists in good faith. For purposes of this Agreement, no act or failure to act on Executive's part shall be considered "willful" unless it is done, or omitted to be done, by Executive in bad faith or without reasonable belief that Executive's action or omission was in the best interests of the Company or any successor or affiliate. Subject to applicable law, any act, or failure to act, on Executive's part, based upon authority given pursuant to a resolution duly adopted by the Board or based upon the advice of counsel for the Company or any successor or affiliate shall be conclusively presumed to be done, or omitted to be done, in good faith and in the best interests of the Company or any successor or affiliate thereof.

(g) Non-Renewal. If the Company gives written notice to the Executive of its intention not to continue this Agreement in effect, in accordance with Section 1, and the Executive remains employed until the December 31 termination of the Agreement (and a Change of Control has not occurred that would extend the Agreement), the Executive may deliver the Executive's written resignation to the Company effective December 31, within thirty (30) days prior to such December 31, and the Company will pay the following amounts and provide the following severance benefits:

(i) Six months of the Executive's Base Salary at the Executive's termination of employment, plus one-half (0.5) times the Executive's annual incentive bonus, which will be determined as the higher of (A) the actual incentive bonus paid for the bonus plan year immediately preceding such termination of employment, or (B) the target incentive bonus for the bonus plan year in which such termination of employment occurs, plus (C) the amount, if any, to which the bonus that would have been paid to the Executive for the bonus plan year in which such termination of employment occurs, based on the performance level actually attained, exceeds the amount payable under the highest of (A) or (B).

(ii) The Company will provide the severance benefits described in Section 2(d)(ii)-(vi), subject to the terms and conditions contained therein and in the remainder of this Agreement; provided, however that, notwithstanding the definition in Section 2(d)(ii), "Severance Continuation Period" for purposes of determining such benefits shall refer to the six month period commencing on the Executive's termination of employment and ending on the six month anniversary of the Executive's termination of employment.

(h) Timing of Payments. Subject to Sections 2(i), 2(j) and 4, and except as provided otherwise in this Agreement (including the following sentence), all payments described in Section 2 above shall be made in a lump sum cash payment as soon as administratively practicable (but in no event more than thirty (30) days) following the Executive's termination of employment. Notwithstanding the preceding sentence, and subject to Sections 2(i), 2(j), and 4, the Company shall pay the amount of severance payment (if any) attributable to Executive's annual incentive bonus as provided in Section 2(d)(i) or Section 2(g)(i), if and as applicable, in a lump sum cash payment at the time such bonuses are paid generally with respect to active employees and in all events within the two and one-half (2½) months following the end of the calendar year in which the Executive's termination of employment occurs.

(i) Six (6) -Month Delay. If, at the time the Executive becomes entitled to a termination payment under this Section 2, the Executive is a "specified employee" (as defined under Code Section 409A), then, notwithstanding any other provision in this Agreement to the contrary, the following provisions shall apply.

(i) No such termination payment considered deferred compensation under Code Section 409A and not subject to an exception or exemption thereunder shall be paid to the Executive until the date that is six (6) months after the Executive's termination or, if earlier, the date of the Executive's death (the "Six -Month Delay Rule"). Any such termination payment that would otherwise have been paid to the Executive during this six-month period (the "Six -Month Delay") shall instead be aggregated and paid to the Executive no later than ten (10) days following the date that is six (6) months after the Executive's termination (together with interest at the interest credit rate provided in the SPX US Pension Plan). Any termination payment to which the Executive is entitled to be paid under this Section 2 after the date that is six (6) months after the Executive's termination shall be paid to the Executive in accordance with the applicable terms of Section 2.

(ii) During the Six-Month Delay, the Company will pay to the Executive the applicable payments set forth in this Section 2, to the extent any of the following exceptions to the Six-Month Delay Rule apply:

(A) the short-term deferral rule of Code Section 409A and Treasury Regulation §1.409A-1(b)(4) (or any similar or successor provisions) (including with the treatment of each payment as one of a series of separate payments for purposes of Code Section 409A and Treasury Regulation §1.409A-2(b)(2)(iii)) (or any similar or successor provisions),

(B) payments permitted under the separation pay exception of Code Section 409A and Treasury Regulation §1.409A-1(b)(9)(iii) (or any similar or successor provisions), and

(C) payments permitted under the limited payments exception of Code Section 409A and Treasury Regulation §1.409A-1(b)(9)(v)(D) (or any similar or successor provisions),

provided that the amount paid under this Section will count toward, and will not be in addition to, the total payment amount required to be made to the Executive by the Company under this Section 2 on account of the separation from service and any applicable Company benefit plan.

(j) Release. The Company shall deliver to the Executive a form of general release and waiver of claims in favor of the Company that is acceptable to the Company (the "Release") as soon as administratively feasible following the Executive's termination of employment, but no later than thirty (30) calendar days following the Executive's termination of employment. Notwithstanding anything in this Agreement to the contrary, no payments pursuant to Sections 2(c), 2(d) or 2(g) shall be made prior to the date that both (i) the Executive has delivered an original, signed Release to the Company and (ii) the revocability period (if any) has elapsed; provided, however, that any payments that would otherwise have been made prior to such date but for the fact that the Executive had not yet delivered an original, signed Release (or the revocability period had not yet elapsed) shall be made as soon as administratively practicable but not later than the seventy-fourth (74th) calendar day following the Executive's termination of employment. If the Executive does not deliver an original, signed Release to the Company within ten (10) business days (or longer if required by applicable law) after receipt of the same from the Company, (i) the Executive's rights shall be limited to those made available to the Executive under Section 2(b) above, and (ii) the Company shall have no obligation to pay or provide to the Executive any amount or benefits described in Sections 2(c), 2(d) or 2(g), or any other monies on account of the termination of the Executive's employment. Notwithstanding any language in this Agreement to the contrary, if the seventy-fourth (74th) calendar day following Executive's termination of employment occurs in a different calendar year than the calendar year of Executive's termination of employment, then the payment of any amount or benefits described in Sections 2(c), 2(d) or 2(g) subject to Code Section 409A shall be made no earlier than January 1 of the calendar year following the calendar year in which Executive's termination of employment occurred.

(k) Removal from any Boards and Positions. Upon the Executive's termination of employment for any reason under this Agreement, the Executive shall be deemed to resign (i) if a member, from the Board of Directors (the "Board") of SPX Technologies, Inc. or board of directors of any affiliate or any other board to which the Executive has been appointed or nominated by or on behalf of the Company or SPX Technologies, Inc., (ii) from any position with the Company or any affiliate, including, but not limited to, as an officer of the Company or any of its affiliates, and (iii) as a fiduciary of any employee benefit plan of the Company or its affiliates.

3. **Recapture of Certain Incentive Compensation**. If SPX Technologies is required to prepare an accounting restatement due to the material noncompliance of SPX Technologies, during the Term, as a result of misconduct, with any financial reporting requirement under the securities laws, the Executive shall reimburse the Company, promptly upon notice and demand, for (a) any bonus or other incentive-based or equity-based compensation received from the Company or SPX Technologies during the twelve (12) -month period following the first public issuance or filing with the Securities and Exchange Commission, whichever occurs first, of the financial document embodying such financial reporting requirement; and (b) any profits realized from the sale of securities of the Company or SPX Technologies during that twelve (12) -month period. Without limiting the foregoing or any other provision of this Agreement, and to the extent applicable, any payments or benefits hereunder shall be subject to any claw back policy or compensation recovery policy or such other similar policy of the Company or its affiliates adopted by the Company or its affiliates, including any policy required to comply with applicable law or listing standards, as such policy may be in effect from time to time.

4. **Non-Competition and Other Covenants**.

(a) Non-Competition. During the period of the Executive's employment with the Company or any of its subsidiaries or affiliates and thereafter during the one year

period following any termination of the Executive's employment (the "Restriction Period"), the Executive shall not, directly or indirectly, engage in, become employed by, serve as an agent or consultant to, or become a partner, principal or stockholder of any partnership, corporation or other entity which competes with the Company or any of their respective subsidiaries or affiliates in any county within the United States or any comparable geographical area outside the United States in which such entity or any of its affiliates is then engaged in such business. The foregoing notwithstanding, nothing herein contained shall be deemed to prevent Executive from investing Executive's money in the capital stock or other securities of any corporation whose stock or securities are publicly-owned or are regularly traded on any public exchange, provided that Executive does not own more than a one percent (1%) interest therein.

(b) Non-Solicitation of Employees. During the period of the Executive's employment with the Company or any of its subsidiaries or affiliates and thereafter during the Restriction Period, the Executive shall not, directly or indirectly, for Executive's own account or for the account of any other person or entity with which the Executive is or becomes associated in any capacity, (a) solicit for employment or otherwise interfere with the relationship of the Company or any of its subsidiaries or affiliates with any person who at any time within the two years preceding such solicitation, employment or interference is or was employed by or otherwise so engaged to perform services for the Company or any of its subsidiaries or affiliates other than any such solicitation or employment on behalf of or for the benefit of the Company during the Executive's employment with the Company, or (b) induce any employee of the Company or any of its subsidiaries or affiliates to engage in any activity which the Executive is prohibited from engaging in under any of the provisions of this Section 4 hereof or to terminate his or her employment with the Company.

(c) Non-Solicitation of Clients. During the period of the Executive's employment with the Company or any of its subsidiaries or affiliates and thereafter during the Restriction Period, the Executive shall not, directly or indirectly, solicit or otherwise attempt to establish for himself or any other person, firm or entity any business relationship, respecting any business that is one of the businesses conducted by the Company or any of its subsidiaries or affiliates, with any person, firm or entity which, at any time during the two year period preceding the date of the Executive's termination of employment, was a customer, client or distributor of the Company or any of its subsidiaries or affiliates, except during the Executive's employment with and on behalf of the Company.

(d) Post-Termination Cooperation. During the period of the Executive's employment with the Company or any of its subsidiaries or affiliates and thereafter during the two-year period following any termination of the Executive's employment, Executive will reasonably cooperate with the Company in the prosecution or defense of any claims, controversies, suits, arbitrations or proceedings involving events occurring prior to the termination of this Agreement. Executive acknowledges that in light of Executive's position with the Company, Executive is in the possession of confidential or proprietary information that may be privileged under the attorney-client and/or work product privileges. Executive agrees to maintain the confidences and privileges of the Company and acknowledges that any such confidences and privileges belong solely to the Company and can only be waived by the Company, as applicable, not Executive. In the event Executive is subpoenaed to testify or otherwise requested to provide information in any matter, including without limitation, any court action, administrative proceeding or government audit or investigation, relating to the Company or its subsidiaries or affiliates, Executive agrees that: (i) Executive will promptly notify the Company of any subpoena, summons or other request to testify or to provide information

of any kind no later than three (3) days after receipt of such subpoena, summons or request and, in any event, prior to the date set for him to provide such testimony or information; (ii) Executive will cooperate with the Company with respect to such subpoena, summons or request for information; (iii) Executive will not voluntarily provide any testimony or information without permission of the Company unless otherwise required by law; and (iv) Executive will permit the Company to be represented by an attorney of the Company's choosing at any such testimony or with respect to any such information to be provided, and will follow the instructions of the attorney designated by the Company with respect to whether testimony or information is privileged by the attorney-client and/or work product privileges of the Company, unless otherwise required by law. The parties agree that the Company shall be responsible for all reasonable expenses of Executive incurred in connection with the fulfillment of Executive's obligations under this Section 7(d), and if Executive is no longer employed by the Company, Executive will be paid a reasonable hourly rate (such hourly rate to be no less than Executive's Base Salary at termination of employment divided by 2000) for his time spent providing such cooperation; provided, further, that the Company shall use commercially reasonable efforts to minimize the amount of Executive's cooperation under this section and in all events such cooperation (i) shall not materially interfere with the duties of the Executive to any subsequent employer and (ii) shall be requested by the Company to occur at times and places reasonably convenient to the Executive. The parties agree and acknowledge that nothing in this Section 7(d) is meant to preclude Executive from fully and truthfully cooperating with any government investigation.

(e) Enforcement of Covenants.

(i) Injunctive Relief. Executive acknowledges and agrees that the covenants, obligations and agreements of the Executive contained in this Section 4 relate to special, unique and extraordinary matters and that a violation of any of the terms of such covenants, obligations or agreements will cause the Company irreparable injury for which adequate remedies are not available at law. Therefore, and notwithstanding anything in Section 20 to the contrary, the Executive agrees that the Company will be entitled to an injunction, restraining order or such other equitable relief (without the requirement to post bond or other security) as a court of competent jurisdiction may deem necessary or appropriate to prevent any breach or threatened breach of any of the provisions of this Section 4 and to enforce such provisions specifically. These injunctive remedies are cumulative and in addition to any other rights and remedies the Company may have.

(ii) Forfeiture of Payments. Executive agrees that receipt of payments pursuant to Sections 2(c), 2(d) or 2(g) is conditioned upon Executive's compliance with (i) this Section 4 and (ii) the non-compete, non-solicitation, return of property, inventions and intellectual property, conflicts of interest, confidentiality or similar restrictive covenants and obligations under any other agreement between the Executive and the Company (the "Standalone Non-Compete Agreement"). Executive further agrees that in the event of Executive's failure to comply with the provisions of this Section 4 or with the Standalone Non-Compete Agreement, the Company shall be entitled to discontinue further payments and benefits pursuant to Sections 2(c), 2(d) and 2(g), and Executive shall be required to pay back to the Company any payments and benefits (or value thereof) received pursuant to Sections 2(c), 2(d) and 2(g), or forfeit such payments and benefits, including, without limitation, any equity-based compensation (or proceeds thereon); provided, further, and without limiting the preceding, the Company shall have the right to offset any other amounts payable

to the Executive by the Company or its affiliates for any amounts that Executive may owe the Company. The foregoing shall be in addition to any other remedies or rights the Company may have at law or at equity as a result of the Executive's failure to comply with such provisions.

(iii) **Certain Acknowledgments.** The Executive acknowledges and agrees that (i) the Executive has had and will have a prominent role in the management of the business, and the development of the goodwill, of the Company and its subsidiaries and affiliates, and will establish and develop relations and contacts with the principal customers and suppliers of the Company and its subsidiaries and affiliates in the United States of America and the rest of the world, all of which constitute valuable goodwill of, and could be used by the Executive to compete unfairly with, the Company and its subsidiaries and affiliates, (ii) in the course of Executive's employment with the Company, the Executive will obtain confidential or proprietary information concerning the business and operations of the Company and its subsidiaries and affiliates in the United States of America and the rest of the world that could be used to compete unfairly with the Company and its subsidiaries and affiliates, (iii) the covenants and restrictions contained in this Agreement are intended to protect the legitimate interests of the Company and its subsidiaries and affiliates in their respective goodwill, trade secrets and other confidential or proprietary information, (iv) the Executive desires to be bound by such covenants and restrictions, (v) such covenants are a material inducement for the Company to enter into this Agreement, and (vi) Executive's economic means and circumstances are such that the provisions of this Agreement, including the restrictive covenants in this Agreement, will not prevent him from providing for Executive and Executive's family on a basis satisfactory to Executive and Executive's family.

(iv) **Blue Pencil.** It is the desire of the parties to this Agreement that the provisions of this Section 4, in particular, be interpreted and enforced to the greatest extent possible (and consistent with Section 10). Without limiting the foregoing, if any restriction set forth in this Section 4 is found by any court of competent jurisdiction to be unenforceable because it extends for too long a period of time or over too great a range of activities or in too broad a geographic area, it shall be interpreted to extend only over the maximum period of time, range of activities or geographic area as to which it may be enforceable.

(v) **Survival.** This Section 4 shall survive termination of Executive's employment with the Company and any termination of this Agreement.

5. **Assignment; Successors.** This Agreement shall inure to the benefit of and be binding upon the Company and its successors. The Company may not assign this Agreement without the Executive's written consent, except that the Company will require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business and/or assets of the Company or of any division or subsidiary thereof employing Executive to expressly assume and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform it if no such succession had taken place. Failure of the Company to obtain such assumption and agreement prior to the effectiveness of any such succession shall be a breach of this Agreement and shall entitle Executive to compensation from the Company in the same amount and on the same terms to which Executive would be entitled hereunder if Executive terminated Executive's employment for Good Reason, except that for purposes of implementing the foregoing, the date on which any such succession becomes effective shall be deemed Executive's date of termination for Good Reason. The Executive may not assign this Agreement during the Executive's life. This

Agreement shall inure to the benefit of and be enforceable by Executive's personal and legal representatives, executors, administrators, successors, heirs, distributees, devisees, and legatees. If Executive should die while any amount would still be payable to Executive hereunder if Executive had continued to live, all such amounts, unless otherwise provided herein, shall be paid in accordance with the terms of this Agreement, to Executive's devisee, legatee or other designee or, if there is no such designee, to Executive's estate.

6. **Interpretation.** The laws of the State of Delaware shall govern the validity, interpretation, construction and performance of this Agreement, without regard to the conflict of laws principles thereof. The Company and the Executive agree that the jurisdiction and venue for any disputes arising under, or any action brought to enforce, or otherwise relating to, this Agreement shall be exclusively by arbitration, or in the courts (as provided by Section 20) in the State of North Carolina, Mecklenburg County, including the federal courts located therein or responsible therefor (should federal jurisdiction exist), and the Company and the Executive hereby submit and consent to said jurisdiction and venue.

7. **Withholding.** The Company may withhold from any amounts payable under this Agreement all federal, state, city, or other taxes as legally shall be required. The Company may, at its option (a) require the Executive to pay to the Company in cash such amount as may be required to satisfy such withholding obligations or (b) make other satisfactory arrangements with the Executive to satisfy such withholding obligations.

8. **Amendment or Termination.** This Agreement may be amended at any time by written agreement between the Company and the Executive.

9. **Notices.** Notices given pursuant to this Agreement shall be in writing and shall be deemed received when personally delivered, or on the date of written confirmation of receipt by (i) overnight carrier, (ii) telecopy, (iii) registered or certified mail, return receipt requested, addressee only, postage prepaid, or (iv) such other method of delivery that provides a written confirmation of delivery. Notice to the Company shall be directed to:

SPX Enterprises, LLC
6325 Ardrey Kell Road, Suite 400
Charlotte, NC 28277
Attention: General Counsel

The Company may change the person and/or address to which the Executive must give notice under this Section 9 by giving the Executive written notice of such change, in accordance with the procedures described above. Notices to or with respect to the Executive will be directed to the Executive, or to the Executive's executors, personal representatives or distributees, if the Executive is deceased, or the assignees of the Executive, at the Executive's home address on the records of the Company.

10. **Severability.** If any provisions(s) of this Agreement shall be found invalid or unenforceable, in whole or in part, then it is the parties' mutual desire that such provision(s) be modified to the extent and in the manner necessary to render the same valid and enforceable, and this Agreement shall be construed and enforced to the maximum extent permitted by law, as if such provision(s) had been originally incorporated herein as so modified or restricted, or as if such provision(s) had not been originally incorporated herein, as the case may be.

11. **Entire Agreement.** This Agreement sets forth the entire agreement and understanding between the Company and the Executive and supersedes all prior agreements and understandings, written or oral, relating to the subject matter hereof; provided, however, that: (i) the Executive's Change of Control Agreement dated , 20 , and as may be amended from time

to time (the "COC Agreement"), shall remain in full force and effect, and payments and benefits provided thereunder shall replace those provided in this Agreement to the extent that such payments or benefits otherwise clearly would be duplicative; and (ii) the Executive's non-compete, non-solicitation, return of property, inventions and intellectual property, conflicts of interest, confidentiality or similar restrictive covenants under the Standalone Non-Compete Agreement shall remain in full force and effect; provided, further, that Section 4 of this Agreement, Section 4(g) of the COC Agreement and the Standalone Non-Compete Agreement shall be construed together so as to provide maximum protection and rights to the Company, and in the event of conflict between a provision of Section 4 of this Agreement, Section 4(g) of the COC Agreement and the Standalone Non-Compete Agreement, whichever provision provides the greatest protection and rights to the Company, as determined by the Company in its sole discretion, shall control.

12. **Consultation With Counsel.** The Executive acknowledges that the Executive has had a full and complete opportunity to consult with counsel of the Executive's own choosing concerning the terms, enforceability and implications of this Agreement, and the Company has made no representations or warranties to the Executive concerning the terms, enforceability or implications of this Agreement other than as are reflected in this Agreement.

13. **No Waiver.** No failure or delay by the Company or the Executive in enforcing or exercising any right or remedy hereunder shall operate as a waiver thereof. No waiver of this Agreement or consent to any departure by the Executive from any of the terms or conditions thereof, shall be effective unless in writing and signed by the Company. Any such waiver or consent shall be effective only in the specific instance and for the purpose for which given.

14. **Effect on Other Obligations.** Payments and benefits under this Agreement shall be in lieu of any severance payments or benefits provided to Executive under any other severance pay plan, policy or arrangement of or with the Company. Executive shall not be required to mitigate the amount of any payment provided for in Section 2 by seeking other employment or otherwise, nor shall the amount of any payment provided for in Section 2 be reduced by any compensation earned by Executive as the result of employment by another employer after Executive's termination of employment, or otherwise, with the exception of a reduction in Executive's medical, dental and vision benefits and Executive's perquisites as provided in Section 2(d)(ii)-(iii), and as provided in Section 11.

15. **Survival.** All Sections of this Agreement survive beyond the Term except as otherwise specifically stated.

16. **Headings.** The headings in this Agreement are for convenience of reference only and shall not limit or otherwise affect the meaning thereof.

17. **Counterparts.** This Agreement may be executed in several counterparts, each of which shall be deemed to be an original but all of which together shall constitute one and the same instrument.

18. **409A Compliance.** To the extent any provision of this Agreement or action by the Company would subject the Executive to liability for interest or additional taxes under Code Section 409A, it will be deemed null and void, to the extent permitted by law and deemed advisable by the Company. It is intended that this Agreement will comply with Code Section 409A and the interpretive guidance thereunder, including the exceptions for short-term deferrals, separation pay arrangements, reimbursements, and in-kind distributions, and this Agreement shall be administered accordingly, and interpreted and construed on a basis consistent with such intent. Each payment under Section 2 of this Agreement or any Company benefit plan is intended to be treated as one of a series of separate payments for purposes of Code Section 409A

and Treasury Regulation §1.409A-2(b)(2)(iii) (or any similar or successor provisions). This Agreement may be amended to the extent necessary (including retroactively) by the Company in order to preserve compliance with Code Section 409A. The preceding shall not be construed as a guarantee of any particular tax effect for the Executive's compensation and benefits.

19. **Payments to Estate.** The executor of the Executive's estate shall be entitled to receive all amounts owing to the Executive at the time of death under this Agreement in full settlement and satisfaction of all claims and demands on behalf of the Executive. Such payments shall be in addition to any other death benefits of the Company and in full settlement and satisfaction of all severance benefit payments provided for in this Agreement. In the event of the Executive's death or a judicial determination of the Executive's incompetence, reference in this Agreement to the "Executive" will be deemed to refer, where appropriate, to the Executive's estate or other legal representative.

20. **Dispute Resolution.** In the event of any dispute or claim relating to or arising out of this Agreement, and subject to Section 4, the Executive and Company agree that all such claims or disputes shall be fully and finally resolved by binding arbitration conducted by the American Arbitration Association ("AAA") in Charlotte, North Carolina in accordance with the AAA's National Rules for the Resolution of Employment Disputes, provided, however, that this arbitration provision shall not apply to, and Company shall be free to seek, injunctive or other equitable relief with respect to any actual or threatened breach or violation by the Executive of the Standalone Non-Compete Agreement, in any court having appropriate jurisdiction. The Executive acknowledges that by accepting this arbitration provision Executive is waiving any right to a jury trial in the event of a covered dispute. The arbitrator may, but is not required to, order that the prevailing party shall be entitled to recover from the losing party its attorneys' fees and costs incurred in any arbitration arising out of this Agreement. The arbitrator will have the right only to interpret and apply the provisions of this Agreement and may not change any of its provisions. The arbitrator will permit reasonable pre-hearing discovery of facts, to the extent necessary to establish a claim or a defense to a claim, subject to supervision by the arbitrator. The determination of the arbitrator will be conclusive and binding upon the parties and judgment upon the same may be entered in any court having jurisdiction thereof. The arbitrator will give written notice to the parties stating the arbitrator's determination, and will furnish to each party a signed copy of such determination. Any arbitration or action pursuant to this Section 20 will be governed by and construed in accordance with the substantive laws of the State of Delaware and, where applicable, federal law, without giving effect to the principles of conflict of laws of Delaware. For avoidance of doubt, the Company will not be required to seek or participate in arbitration regarding any actual or threatened breach of any applicable non-compete, non-solicitation, confidentiality or similar restrictive covenants under the Standalone Non-Compete Agreement with respect to the Executive or to the extent provided under Section 4, but may pursue its remedies, including injunctive relief, for such breach in a court of competent jurisdiction in Charlotte, North Carolina, or in the sole discretion of the Company, in a court of competent jurisdiction where the Executive has committed or is threatening to commit a breach of the Executive's covenants, and no arbitrator may make any ruling inconsistent with the findings or rulings of such court.

21. **Employment Rights.** This Agreement shall not confer upon Executive any right to continue in the employ of the Company or its subsidiaries or affiliates and, except to the extent that benefits may become payable under Section 2, above, shall not in any way affect the right of

the Company or its subsidiaries or affiliates to dismiss or otherwise terminate Executive's employment at any time and for any reason with or without Cause.

22. **No Vested Interest.** Neither Executive nor Executive's estate shall have any right, title or interest in any benefit under this Agreement prior to the occurrence of all of the events specified herein as necessary conditions to such right, title or interest.

23. **No Funding of Benefits.** Nothing herein contained shall require or be deemed to require the Company to segregate, earmark, or otherwise set aside any funds or other assets to provide for any payments to be made hereunder. Executive's rights under this Agreement shall be solely those of a general creditor of the Company. However, in the event of a Change of Control, the Company may deposit cash or property, or both, equal in value to all or a portion of the benefits anticipated to be payable hereunder into a trust, the assets of which are to be distributed at such times as are otherwise provided for in this Agreement and are subject to the rights of the general creditors of the Company. The Company also may deposit additional amounts to cover any administrative fees and expenses associated with the trust.

[signatures on next page]

IN WITNESS WHEREOF, the parties have executed this Agreement effective as of the date first written above.
EXECUTIVE ACCEPTANCE

[Name]

SPX ENTERPRISES, LLC

By: _____

[Name]

Its: [Title]

Date: _____

**CERTIFICATION PURSUANT TO RULE 13a-14(a) AND 15d-14(a),
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Eugene J. Lowe, III, certify that:

1. I have reviewed this quarterly report on Form 10-Q of SPX Technologies, Inc;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)), for the registrant and have:
 - a. designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 3, 2022

/s/ EUGENE J. LOWE, III

Eugene J. Lowe, III
President and Chief Executive Officer

**CERTIFICATION PURSUANT TO RULE 13a-14(a) AND 15d-14(a),
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Michael A. Reilly, certify that:

1. I have reviewed this quarterly report on Form 10-Q of SPX Technologies, Inc;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)), for the registrant and have:
 - a. designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 3, 2022

/s/ Michael A. Reilly
Michael A. Reilly
Interim Chief Financial Officer and Treasurer, Chief Accounting Officer
and Vice President, Finance

**CERTIFICATIONS PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of SPX Technologies, Inc. on Form 10-Q for the period ended October 1, 2022, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), we certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of our knowledge:

- (1) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of SPX Technologies, Inc.

Date: November 3, 2022

/s/ EUGENE J. LOWE, III

Eugene J. Lowe, III
President and Chief Executive Officer

/s/ Michael A. Reilly

Michael A. Reilly
Interim Chief Financial Officer and Treasurer, Chief
Accounting Officer and Vice President, Finance

A signed original of this written statement required by Section 906 has been provided to SPX Technologies, Inc. and will be retained by SPX Technologies, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.