

Q1 2017 Earnings Presentation



SPX

May 4, 2017

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- Statements in this presentation are only as of the time made, and SPX disclaims any responsibility to update or revise such statements except as required by regulatory authorities.
- This presentation includes non-GAAP financial measures. A reconciliation of the non-GAAP financial measures with the most comparable measures calculated and presented in accordance with GAAP is available in the appendices of this presentation and our applicable SEC filings. We believe that these non-GAAP measures are useful to investors in evaluating our operating performance and our management of business from period to period.
- "Core" and "Engineered Solutions (Core)" results in this presentation are non-GAAP financial measures that exclude the results of the South African projects.

Introductory Comments

Gene Lowe

May 4, 2017



Performance and Accomplishments

- Strong operating performance
 - Margin expansion across all three segments
 - Solid cash flow generation
- Strategic initiatives on track
- Well positioned to achieve full-year targets

Note: Core results are non-GAAP financial measures that exclude the results of the South African projects. Reconciliations from US GAAP financial measures are available in the Appendix of the presentation.

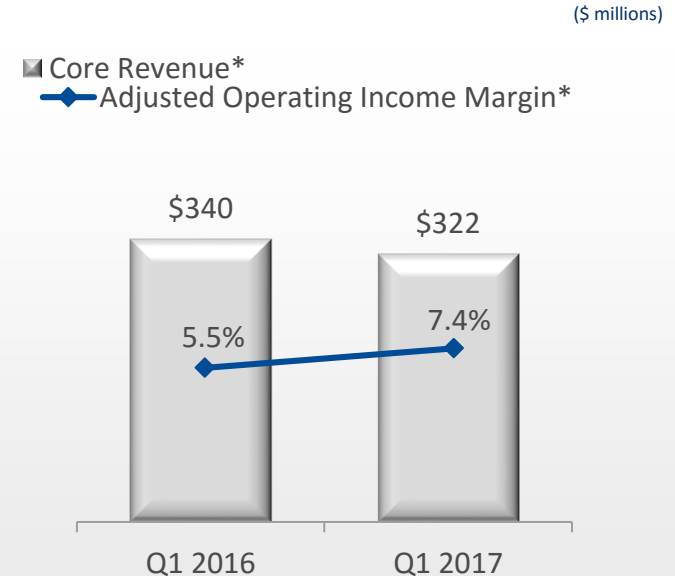
Maintaining 2017 Guidance

Core Q1 2017 Results



Year-over-Year Analysis

- Operating model changes in Engineered Solutions were primary driver of significant operating profit increase
 - 190 basis points of Adjusted operating income margin* expansion
 - Adjusted operating income* growth of almost 30%
- HVAC margins expanded 80 basis points despite muted winter heating demand
- Detection & Measurement well positioned for full-year



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

Adjusted EPS* of \$0.38

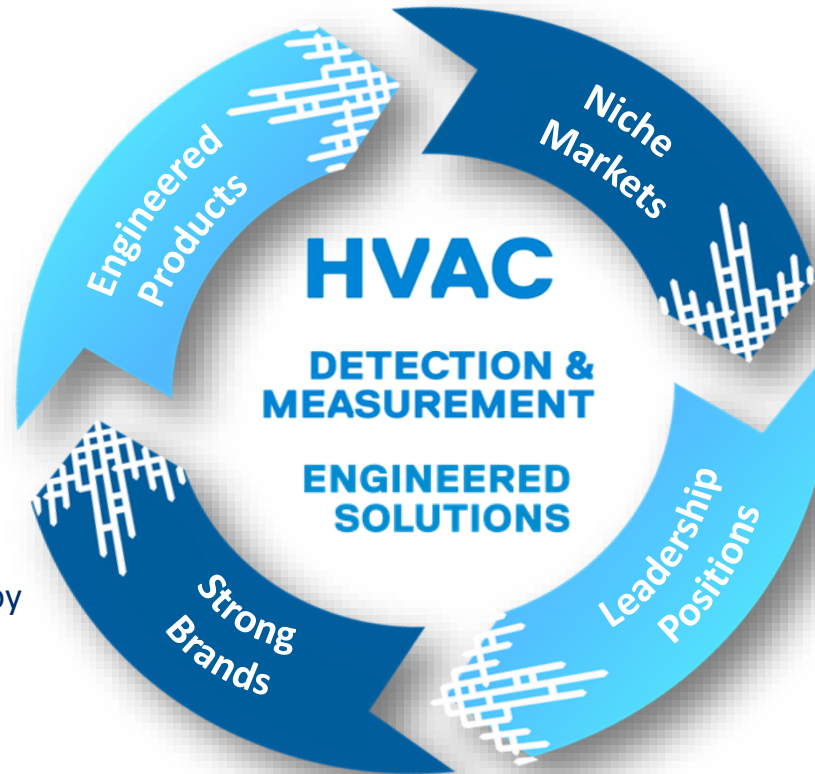
Value Creation Roadmap

Organic Growth

- New products
- New channels
- Adjacent markets

Inorganic Growth

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



SPX Business System

- Policy deployment
- Operational excellence
- Due diligence/integration

Culture & Values

- Leadership development
- Results/accountability
- Integrity

Q1 Financial Review

Scott Sproule

May 4, 2017



Earnings Per Share



Q1 2017 Adjusted EPS

	<u>Q1 2017</u>
GAAP EPS from continuing operations	\$0.24
South African projects	\$0.12
Non-service pension items	\$0.02
Adjusted EPS from continuing operations	\$0.38

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

Q1 Adjusted EPS* of \$0.38, Up From \$0.23 a Year Ago

Core Q1 2017 Results



Year-over-Year Analysis

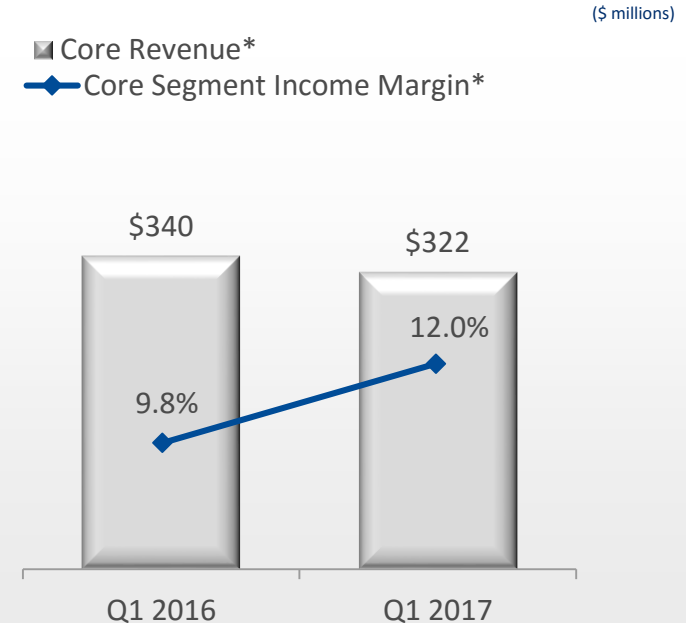
Q1 Core Revenue:

- (5.2%) year-over-year decline:
 - (2.8%) organic decline*, primarily due operating model shift within Engineered Solutions
 - (1.9%) Dry Cooling impact – sold Q1'16
 - (0.5%) currency impact

Q1 Core Segment Income* and Margin:

- \$5.5m increase in Core segment income and 220 basis points of margin improvement
- Core segment income and margin increased across all three segments; most notably in Engineered Solutions

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



Margin Improvement Across All Three Segments

HVAC Q1 2017 Results



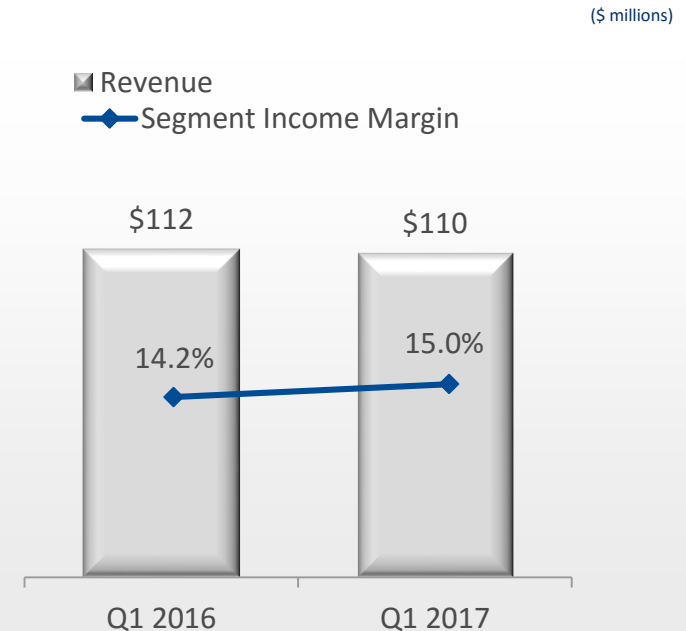
Year-over-Year Analysis

Q1 Revenue:

- (1.3%) year-over-year decline:
 - (0.5%) organic decline* primarily driven lower heating demand
 - (0.8%) currency impact

Q1 Segment Income and Margin:

- \$0.6m increase in segment income
- Approximately 80 bps improvement in segment margins due primarily to lower SG&A costs



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

Solid Margin Performance Despite Lower Heating Sales

Detection & Measurement Q1 2017 Results



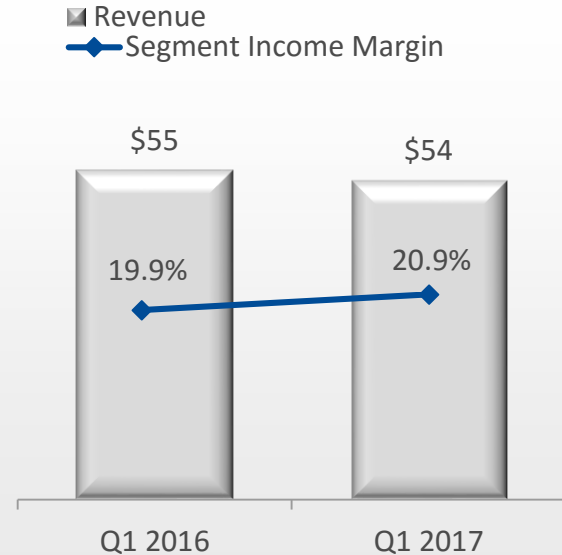
Year-over-Year Analysis

Q1 Revenue:

- (3.2%) year-over-year decline:
 - (0.5%) organic decrease* primarily due to lower sales of communication technologies projects partially offset by stronger sales of bus fare collection systems
 - (2.7%) currency impact (primarily UK pound)

Q1 Segment Income and Margin:

- \$0.2m increase in segment income
- Approximately 100 basis points of margin increase due to higher margins on fare collection sales and lower SG&A, partially offset by a lower margins on communication technologies sales



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

Bookings Progressing as Anticipated

Engineered Solutions (Core) Q1 2017 Results



Year-over-Year Analysis

Q1 Core Revenue:

- (8.3%) year-over-year decline:
 - (4.9%) organic decline*, driven by operating model and business focus changes
 - (3.8%) Dry Cooling impact - sold Q1'16
 - 0.4% currency impact

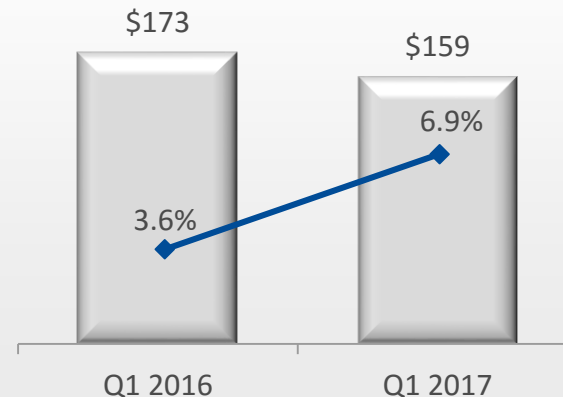
Q1 Core Segment Income* and Margin:

- \$4.7m increase in Core segment income
- Approximately 330 basis points of margin improvement
 - Operating model changes
 - Solid Transformers margin performance

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

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

■ Core Revenue*
◆ Core Segment Income Margin*



Improved Margin Profile Continues to Reflect Shift in Operating Model

Financial Position & Liquidity Review

Scott Sproule

May 4, 2017

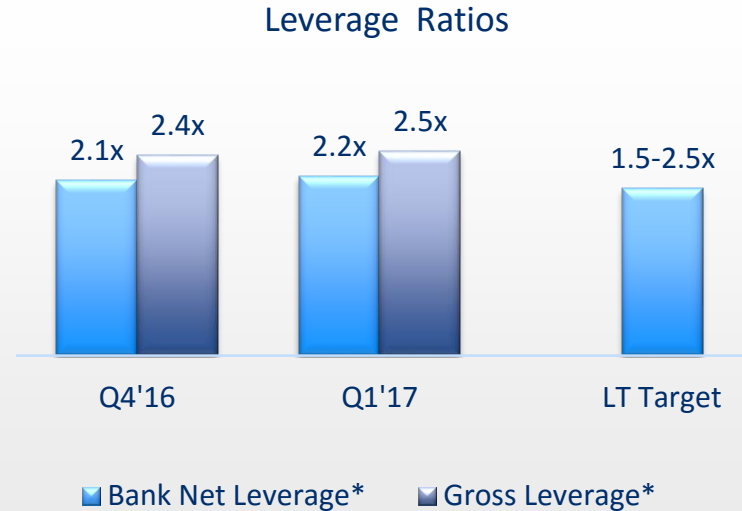


Financial Position



Capital Structure Update

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



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

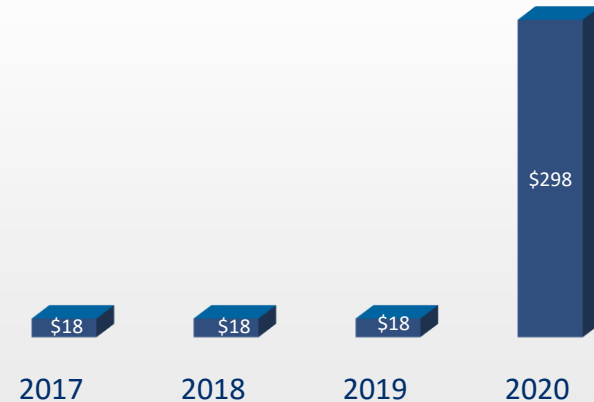
Maintaining Net Leverage within Target Range

Financial Position

Cash Flow & Liquidity

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

Term Debt Repayment Schedule
(\$ in millions)



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

*Non-GAAP financial measure. Reconciliation to its nearest US GAAP financial measure is available elsewhere in the Appendix of the presentation.

Significant Capital Available to Invest in Growth

Market Outlook & Executive Summary

Gene Lowe

May 4, 2017



Market	Comments
HVAC	<ul style="list-style-type: none">➤ Cooling: Favorable commercial market trends continue➤ Heating: Muted heating demand in Q1
Detection & Measurement	<ul style="list-style-type: none">➤ Steady demand in run-rate end markets➤ Project bookings trending in positive direction
Transformers	<ul style="list-style-type: none">➤ Stable lead times and pricing for medium power transformers➤ Taking orders into late Q4 2017
Process Cooling	<ul style="list-style-type: none">➤ Projects remain competitive - shifting participation in markets➤ Continue to align cost structure with demand environment

Markets Performing as Anticipated

2017 Core Guidance (No Change)

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

*Non-GAAP financial measure.

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

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

- Strong start to 2017 – reaffirming Core* guidance
- Continued healthy margin expansion in each segment
- Solid cash flow performance
- Progressing on strategy

*Core results are non-GAAP financial measures that exclude the results of the South African projects.

Questions

May 4, 2017



Core Revenue & Segment Income U.S. GAAP Reconciliation



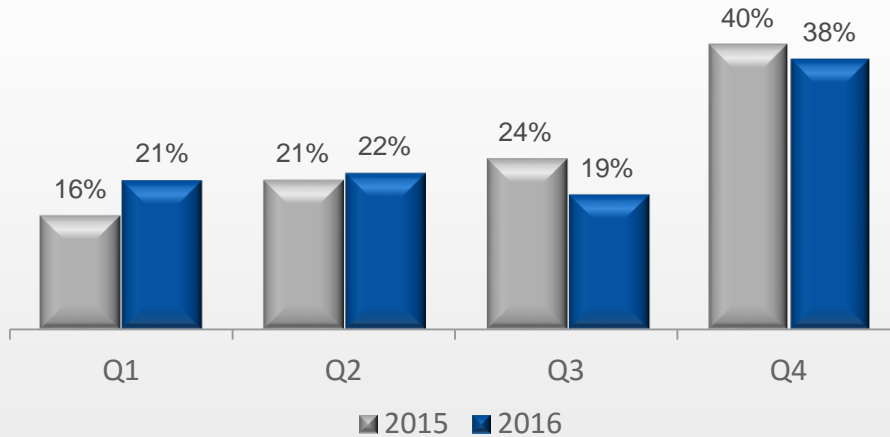
(\$ millions)

	Q1 2016			Q1 2017		
	GAAP	SA Projects	Core	GAAP	SA Projects	Core
Revenue						
HVAC	111.6		111.6	110.1		110.1
D&M	55.4		55.4	53.6		53.6
Engineered Solutions	193.6	(20.5)	173.1	176.9	(18.2)	158.7
Total SPX	\$360.6	(\$20.5)	\$340.1	\$340.6	(\$18.2)	\$322.4
Segment Income						
HVAC	15.9		15.9	16.5		16.5
D&M	11.0		11.0	11.2		11.2
Engineered Solutions	2.9	3.4	6.3	6.6	4.4	11.0
Total SPX	\$29.8	\$3.4	\$33.2	\$34.3	\$4.4	\$38.7

Core Segment Income Phasing



(\$ millions)



	Q1 2016	Q2 2016	Q3 2016	Q4 2016
GAAP	29.8	32.2	26.0	54.8
Less: South African Projects	3.4	2.9	3.5	4.7
Core	\$33.2	\$35.1	\$29.5	\$59.5
<i>% of full-year</i>	<i>21%</i>	<i>22%</i>	<i>19%</i>	<i>38%</i>

	Q1 2015	Q2 2015	Q3 2015	Q4 2015
GAAP	17.2	24.6	(60.4)	57.4
Less: South African Projects	8.4	8.3	98.2	5.6
Core	\$25.6	\$32.9	\$37.8	\$62.9
<i>% of full-year</i>	<i>16%</i>	<i>21%</i>	<i>24%</i>	<i>39%</i>

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

Q1 2017 GAAP to Adjusted Earnings Per Share U.S. GAAP Reconciliation



(\$ millions, except per share values)

	<u>GAAP</u>	<u>Adjustments</u>	<u>Adjusted</u>
Segment income	\$ 34.3	\$ 4.4	\$ 38.7
Corporate expense	(11.4)	—	(11.4)
Pension and postretirement income (expense)	(1.4)	1.5	0.1
Long-term incentive compensation expense	(3.2)	—	(3.2)
Special charges, net	<u>(0.5)</u>	<u>—</u>	<u>(0.5)</u>
Operating income	17.8	5.9	23.7
Other expense, net ⁽¹⁾	(0.7)	0.5	(0.2)
Interest expense, net ⁽²⁾	<u>(3.6)</u>	<u>0.2</u>	<u>(3.4)</u>
Income from continuing operations before income taxes	13.5	6.6	20.1
Income tax provision	<u>(3.2)</u>	<u>(0.6)</u>	<u>(3.8)</u>
Income from continuing operations	10.3	6.0	16.3
Dilutive shares outstanding	43.454		43.454
Earnings per share from continuing operations	\$ 0.24		\$ 0.38

⁽¹⁾ Adjustment represents removal of foreign currency losses associated with the South African projects.

⁽²⁾ Adjustment relates to removal of interest expense incurred in connection with borrowings under a line of credit in South Africa.

Q1 2016 GAAP to Adjusted Earnings Per Share Reconciliation



(\$ millions, except per share values)

	<u>GAAP</u>	<u>Adjustments</u>	<u>Adjusted</u>
Segment income	\$ 29.8	\$ 3.4	\$ 33.2
Corporate expense	(11.4)	—	(11.4)
Pension and postretirement income (expense)	(1.0)	1.1	0.1
Long-term incentive compensation expense	(2.7)	—	(2.7)
Special charges, net	(0.5)	—	(0.5)
Impairment of intangible assets	(4.0)	4.0	—
Gain on sale of dry cooling business	17.9	(17.9)	—
Operating income	<u>28.1</u>	<u>(9.4)</u>	<u>18.7</u>
Other expense, net ⁽¹⁾	1.2	(0.2)	1.0
Interest expense, net	(3.3)	—	(3.3)
Income from continuing operations before income taxes	<u>26.0</u>	<u>(9.6)</u>	<u>16.4</u>
Income tax provision	(5.8)	(1.2)	(7.0)
Income from continuing operations	<u>20.2</u>	<u>(10.8)</u>	<u>9.4</u>
Less: Net income attributable to redeemable noncontrolling interest ⁽²⁾	0.6	(0.6)	—
Net income from continuing operations attributable to SPX Corporation common shareholders	<u>19.6</u>	<u>(10.2)</u>	<u>9.4</u>
Dilutive shares outstanding	41.553		41.553
Earnings per share from continuing operations	\$ 0.47		\$ 0.23

⁽¹⁾ Adjustment represents removal of foreign currency losses associated with the South African projects.

⁽²⁾ Adjustment represents removal of noncontrolling interest amounts associated with South Africa projects.

Q1 2017 Adjusted Operating Income U.S. GAAP Reconciliation



(\$ millions)

	Three months ended	
	April 1, 2017	April 2, 2016
Operating income	\$ 17.8	\$ 28.1
Adjustments:		
Losses from South African projects	4.4	3.4
Non-service pension and postretirement items	1.5	1.1
Gain on sale of Dry Cooling	—	(17.9)
Non-cash impairment of intangible assets	—	4.0
Adjusted operating income	<u>\$ 23.7</u>	<u>\$ 18.7</u>
as a percent of Core revenues ⁽¹⁾	7.4 %	5.5 %

⁽¹⁾ See "Results of Reportable Segments" for applicable percentages based on GAAP results.

Q1 2017 Organic Revenue U.S. GAAP Reconciliation



	<u>HVAC</u>	<u>Detection & Measurement</u>	<u>Engineered Solutions</u>	<u>Consolidated</u>
Net Revenue Decline	(1.3) %	(3.2) %	(8.6) %	(5.5) %
Adjustment to Exclude South African projects	- %	- %	(0.3) %	(0.3) %
Core Revenue Decline	<u>(1.3) %</u>	<u>(3.2) %</u>	<u>(8.3) %</u>	<u>(5.2) %</u>
Exclude: Foreign Currency	(0.8) %	(2.7) %	0.4 %	(0.5) %
Exclude: Effects of Disposition of Dry Cooling Business	- %	- %	(3.8) %	(1.9) %
Core Organic Revenue Growth (Decline)	<u>(0.5) %</u>	<u>(0.5) %</u>	<u>(4.9) %</u>	<u>(2.8) %</u>

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

Debt Reconciliation



(\$ millions)

	<u>April 1, 2017</u>
Short-term debt	\$ 17.1
Current maturities of long-term debt	18.0
Long-term debt ⁽¹⁾	<u>320.9</u>
Adjusted Gross Debt	356.0
Less: Purchase card program and extended payables	<u>(3.6)</u>
Adjusted Gross Debt	352.4
Less: Cash in excess of \$50.0	(42.7)
Adjusted Net Debt	<u>\$ 309.8</u>

(1) Excludes unamortized debt issuance costs associated with the Term loan of \$1.5m.

Note: Adjusted net debt as defined by SPX's current credit facility agreement.

Consolidated EBITDA Reconciliation



(\$ millions)

	<u>Q2 2016</u>	<u>Q3 2016</u>	<u>Q4 2016</u>	<u>Q1 2017</u>	<u>LTM</u>
Net income (loss) from continuing operations attributable to SPX Corporation common shareholders	\$ 4.4	\$ 2.6	\$ (3.0)	\$ 10.3	
Income tax provision (benefit)	2.6	-	(1.0)	3.2	
Interest expense	<u>3.8</u>	<u>3.8</u>	<u>3.7</u>	<u>4.0</u>	
Income (loss) from continuing operations before interest and taxes	10.8	6.4	(0.3)	17.5	
Depreciation and amortization	<u>7.0</u>	<u>7.5</u>	<u>6.3</u>	<u>6.3</u>	
EBITDA	17.8	13.9	6.0	23.8	
Adjustments:					
Non-cash compensation	5.5	5.6	5.2	5.4	
Pension adjustments	2.9	1.1	11.1	1.5	
Extraordinary non-cash charges	2.6	2.3	30.3	-	
Extraordinary non-recurring cash charges	(0.6)	0.9	0.1	0.5	
Net (gains) and losses on disposition of assets outside of the ordinary course of business	1.2	(1.7)	(4.0)	-	
Pro forma effect of acquisitions and divestitures, and other	4.2	4.2	4.0	-	
Consolidated EBITDA	<u>\$ 33.6</u>	<u>\$ 26.3</u>	<u>\$ 52.7</u>	<u>\$ 31.2</u>	<u>\$ 143.8</u>

Note: Consolidated EBITDA as defined by SPX's current credit facility agreement.

Free Cash Flow U.S. GAAP Reconciliation



(\$ millions)

	<u>Q1 2017</u>
Net operating cash flow from continuing operations	\$ 5.4
Capital expenditures - continuing operations	(2.2)
Free cash flow from continuing operations	<u>3.2</u>
Adjustment for South African projects	13.3
Core free cash flow from continuing operations	<u><u>\$ 16.5</u></u>

*Core results are non-GAAP financial measures that exclude the results of the South African projects.