



100 YEARS OF  
INNOVATION

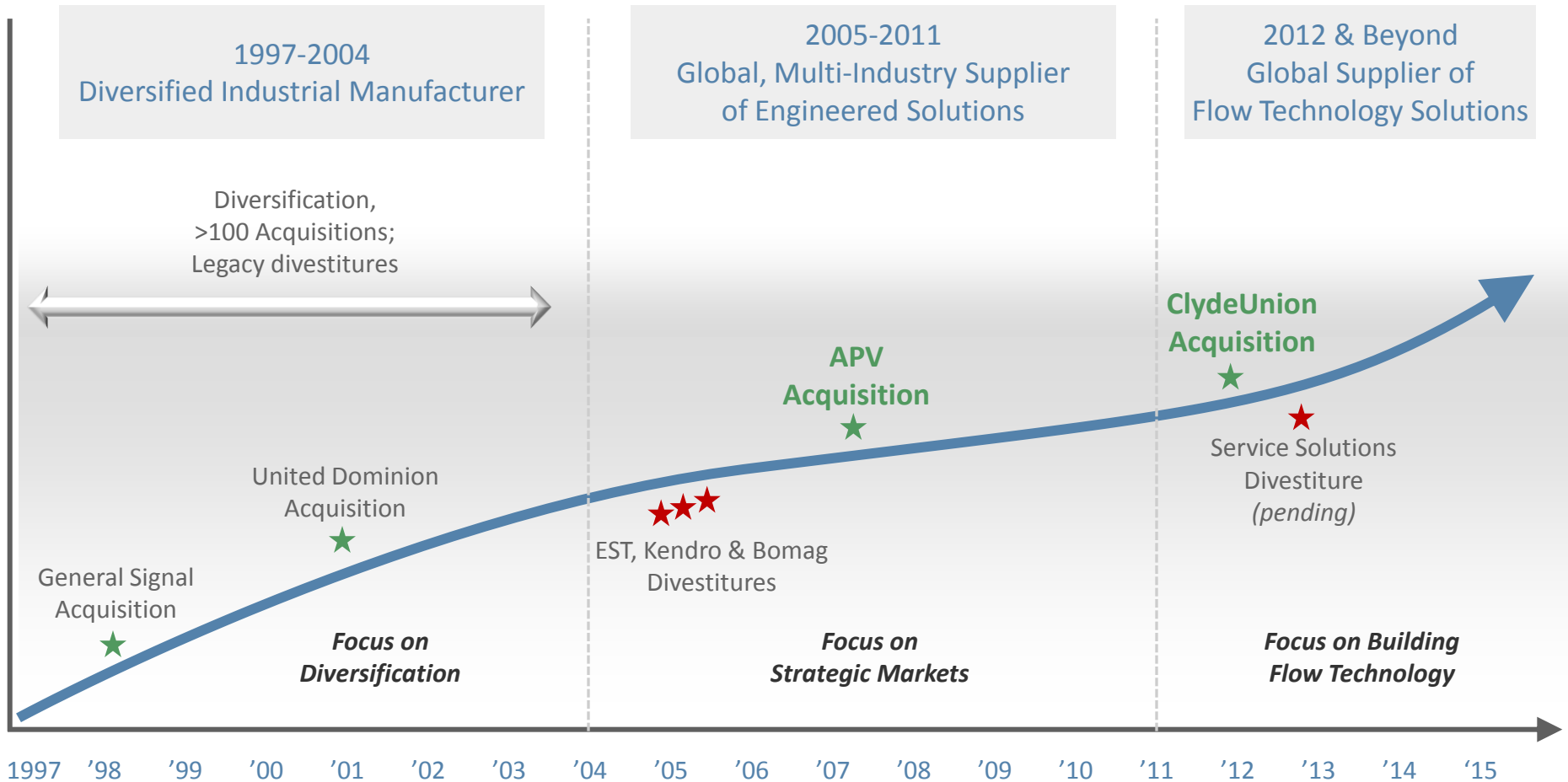
# Bank of America Merrill Lynch 2012 Global Industrials & Materials Conference

*Boston, MA*

*September 6, 2012*



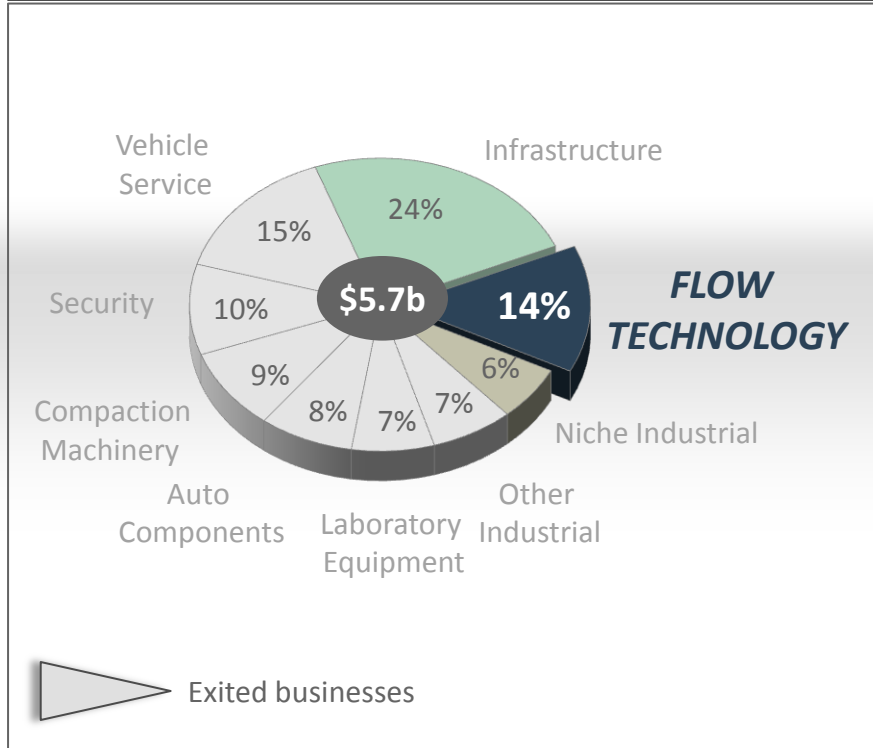
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- This presentation includes non-GAAP financial measures. A copy of this presentation, including a reconciliation of the non-GAAP financial measures with the most comparable measures calculated and presented in accordance with GAAP, is available on our website at [www.spx.com](http://www.spx.com).
- Unless otherwise indicated, amounts in this presentation relate to continuing operations.



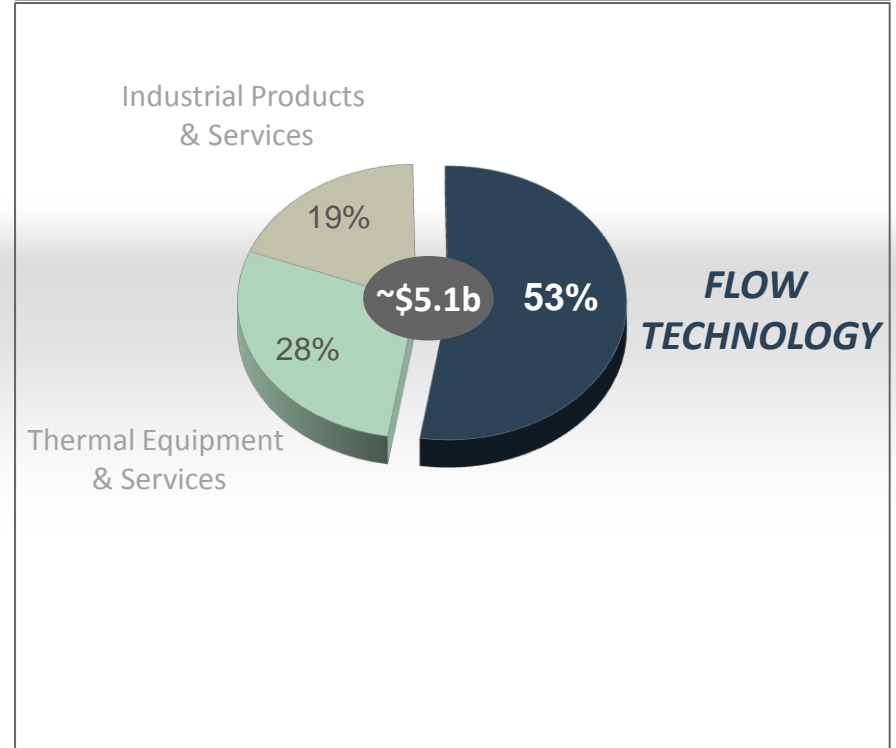
Note: Arrow is for illustration purposes only

**SPX Has Undergone a Significant Transformation;  
Since 2004, Strategy Has Targeted on Narrowing Focus**

## 2004 Revenue Mix <sup>(1)</sup>



## 2012E Revenue Mix



<sup>(1)</sup> Includes the revenue of businesses discontinued in Q4 2004 including EST, Kendro and Bomag  
 Note: 2012E as of 8/1/2012

**Exited Businesses Represent 56% of 2004 Revenue Mix**

## Flow Technology

- ClydeUnion integration:
  - 15% revenue increase from Q1 to Q2
  - Progress made on improving supply chain and plant throughput
  - Initiated 5% headcount reduction

## Power Infrastructure

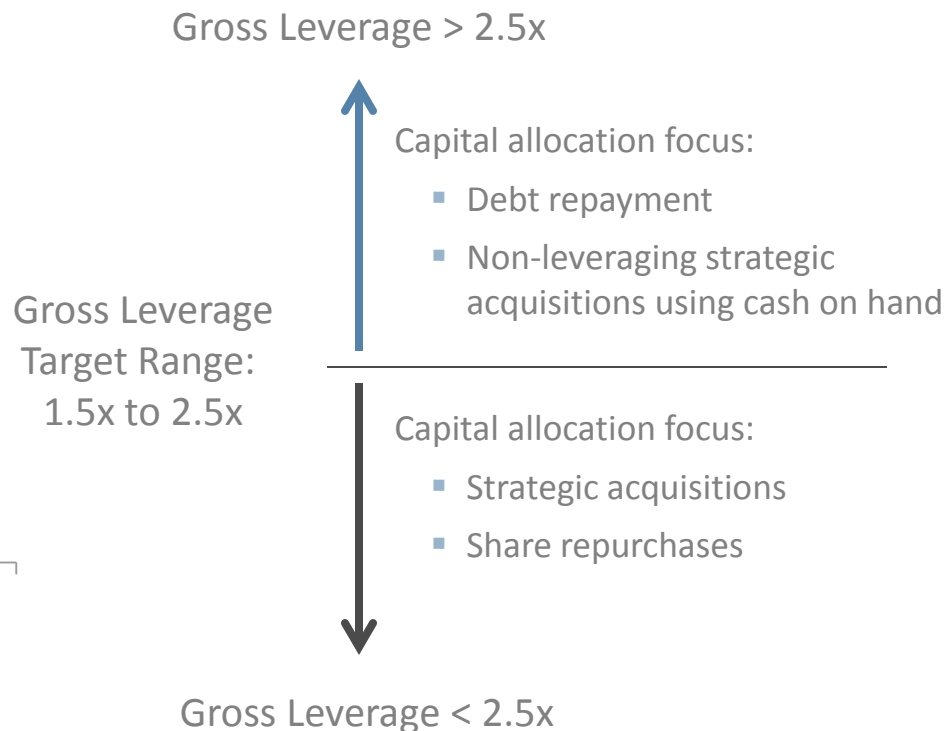
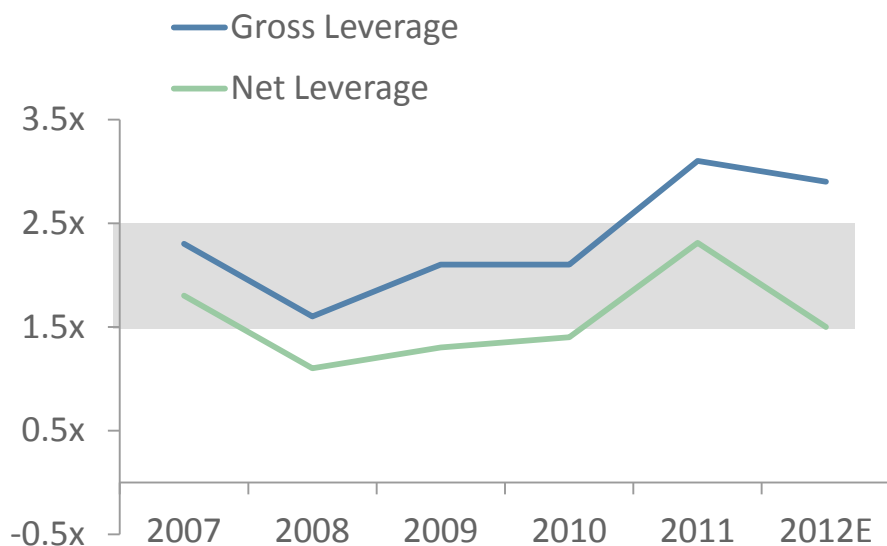
- Power Transformers:
  - Received a total of 27 orders for large power transformers
  - Shipped first 3 units from expanded plant
- Joint Venture with Shanghai Electric:
  - Awarded 5 contracts YTD totaling ~\$70m

## Sale of Service Solutions

- European regulatory approval received
- Pending U.S. approval
- After-tax proceeds of ~\$1b
- Capital allocation expectations:
  - \$350m debt reduction
  - \$275m share repurchases

**2012 is a Year of Transition Focused on Strategic Advancements;  
\$1.4b of Projected Liquidity After Completing Planned Debt Reduction and Share Buyback**

## Debt to EBITDA\*



Note: 2012E as of 8/1/2012

\*EBITDA is as defined in SPX's credit facility; see appendix for non-GAAP reconciliation

**Expect Significant Decline in Gross Leverage During 2H 2012**

Key Growth Drivers	Details
<b>1. Expansion of Flow Technology segment</b>	<ul style="list-style-type: none"> <li>▪ Integrating ClydeUnion, building Power &amp; Energy platform</li> <li>▪ Continued growth in Food &amp; Beverage</li> <li>▪ Additional strategic acquisitions</li> </ul>
<b>2. Attractive positions in late-cycle power markets</b>	<ul style="list-style-type: none"> <li>▪ Next investment cycle for U.S. power transformers</li> <li>▪ Expansion into large-power market</li> <li>▪ Recovery in global power generation investment</li> <li>▪ Expanded relationships with Asian EPC firms</li> </ul>
<b>3. Capital allocation discipline</b>	<ul style="list-style-type: none"> <li>▪ Strong financial position</li> <li>▪ Planned debt reduction and share repurchases</li> <li>▪ ~\$1.4b of projected liquidity</li> </ul>
<b>4. EPS leverage</b>	<ul style="list-style-type: none"> <li>▪ Long-term tax rate of 28%</li> <li>▪ Low outstanding share count to be further reduced with 2012 share repurchase plan</li> </ul>



**Attractive Growth Prospects Led by Our  
Flow Technology and Power Transformer Businesses**

## 2011 Pro Forma Revenue by End Market



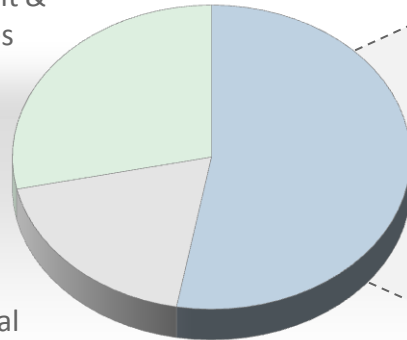
Note: Pro Forma to include ClydeUnion's 2011 revenue and exclude Service Solutions 2011 revenue

**~2/3<sup>rd</sup> of Revenue From Sales into Power & Energy and Food & Beverage Markets;  
>2/3<sup>rd</sup>s of Revenue From Late Cycle Markets**



## 2012E Pro Forma Revenue Breakdown

Thermal  
Equipment &  
Services  
28%



Flow  
Technology  
53%



Food & Beverage  
~\$1b



Power & Energy  
~\$1b



Industrial Processes  
~\$700m

Note: 2012E as of 8/1/2012

Flow Technology Well Positioned in 3 End Markets

2008	2009	2010	2011	2012
<p><b>&gt; APV®</b></p> <ul style="list-style-type: none"> <li>□ defining acquisition</li> <li>□ expanded niche position into global platform</li> </ul>		<p><b>&gt; Gerstenberg</b></p> <ul style="list-style-type: none"> <li>□ butter, fats &amp; oils processing</li> </ul> <p><b>&gt; Anhydro</b></p> <ul style="list-style-type: none"> <li>□ liquid to powder dehydration</li> <li>□ infant milk formula</li> </ul>	<p><b>&gt; Murdoch</b></p> <ul style="list-style-type: none"> <li>□ engineering expertise</li> <li>□ New Zealand customer relationships</li> </ul> <p><b>&gt; e&amp;e</b></p> <ul style="list-style-type: none"> <li>□ extraction &amp; evaporation technology</li> <li>□ coffee industry</li> </ul>	<p><b>&gt; Seital</b></p> <ul style="list-style-type: none"> <li>□ separation technology</li> <li>□ expands F&amp;B “component” portfolio</li> <li>□ scalable</li> </ul>

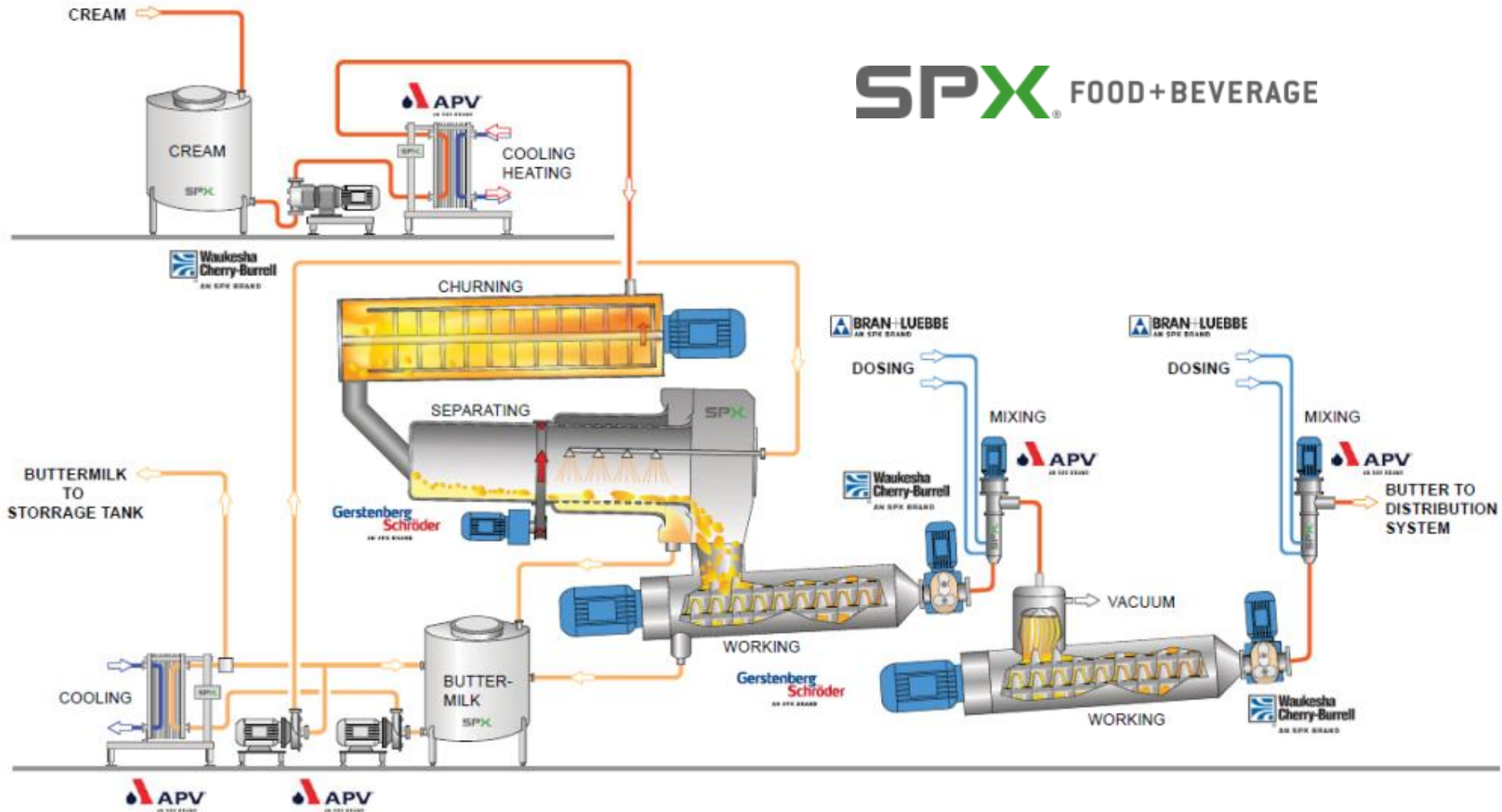
**~\$100m  
revenue in 2007**

**>\$1b  
revenue in 2012E**

Note: 2012E as of 8/1/2012

**Expanded Global Presence & Technology Offerings in  
Attractive Food & Beverage Market**

**SPX** FOOD+BEVERAGE

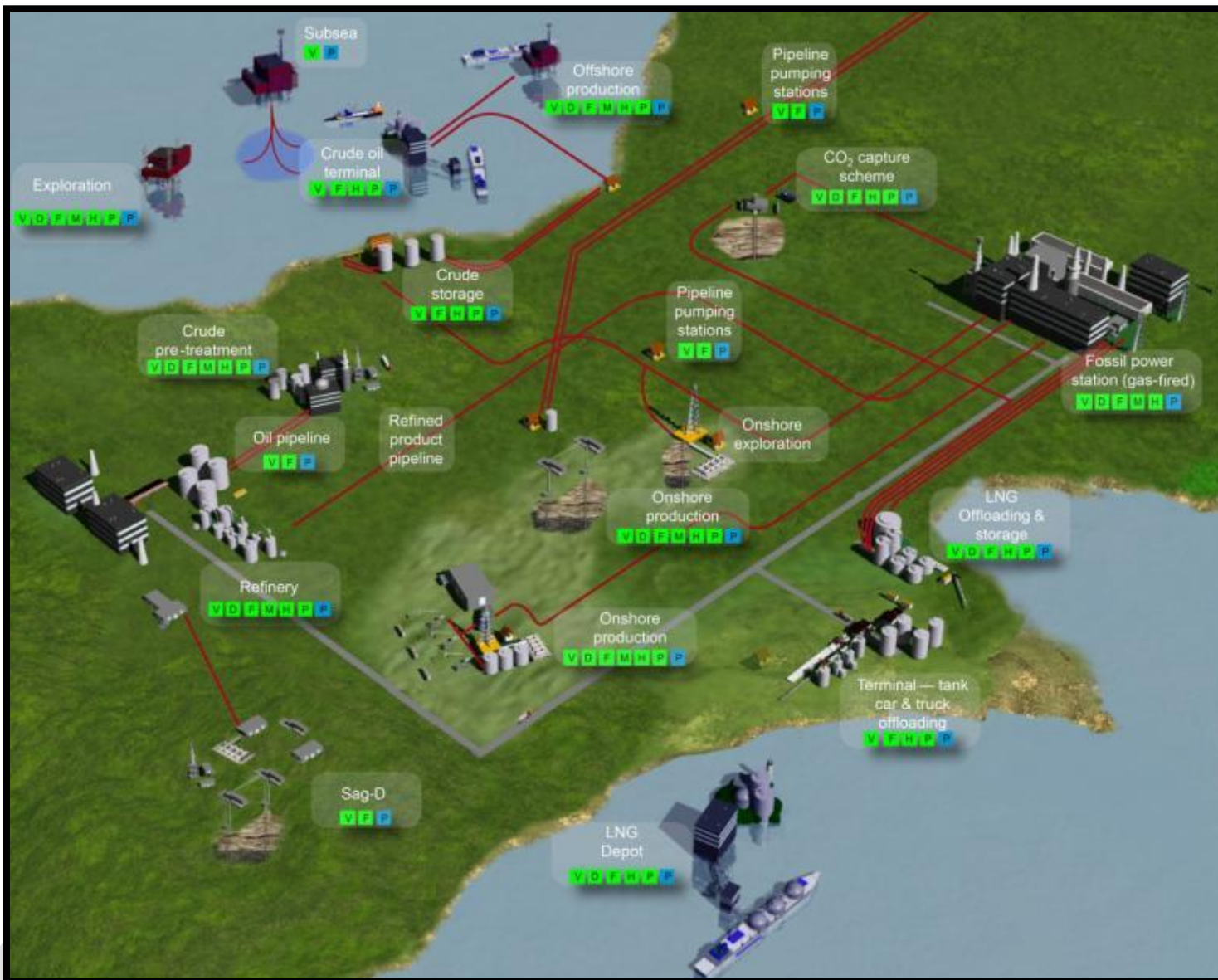


Integrated Technologies Have Increased Our Customer Relevance

2010	2011	2012	2013	2014
<p><u>legacy offerings</u></p> <ul style="list-style-type: none"> <li>› <b>Copes-Vulcan</b><sup>®</sup> <ul style="list-style-type: none"> <li>□ valves</li> </ul> </li> <li>› <b>Plenty</b><sup>®</sup> <ul style="list-style-type: none"> <li>□ filtration</li> </ul> </li> <li>› <b>Dollinger</b><sup>®</sup> <ul style="list-style-type: none"> <li>□ dehydration</li> </ul> </li> <li>› <b>Bran+Luebbe</b><sup>®</sup> <ul style="list-style-type: none"> <li>□ chemical injection</li> </ul> </li> </ul>	<p>› <b>ClydeUnion</b></p> <ul style="list-style-type: none"> <li>□ defining acquisition</li> <li>□ expanded niche position into global platform</li> <li>□ added highly engineered pump technology</li> </ul>			<p><u>future expectations</u></p> <ul style="list-style-type: none"> <li>▪ margin improvement</li> <li>▪ multi-product offerings / revenue synergies</li> <li>▪ bolt-on acquisitions</li> </ul>
		<p><b>ClydeUnion Integration</b> →</p>		
<p>~\$300m revenue in 2010</p>		<p>~\$1b revenue in 2012E</p>		

Note: 2012E as of 8/1/2012

**Expanded Global Presence & Technology Offerings in Attractive Growth Market**



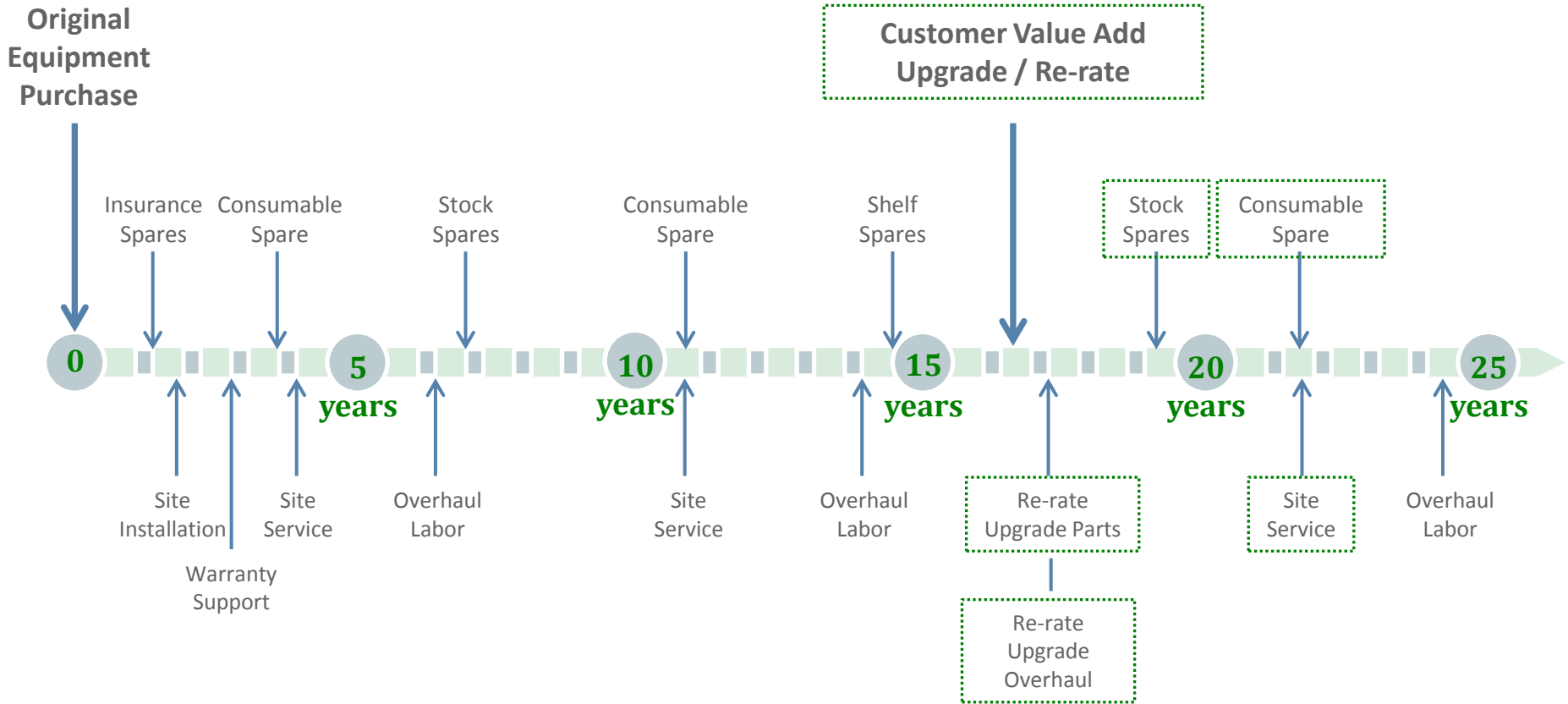
## ClydeUnion Pump Technology

**P** ClydeUnion Pumps

## SPX Flow Technology

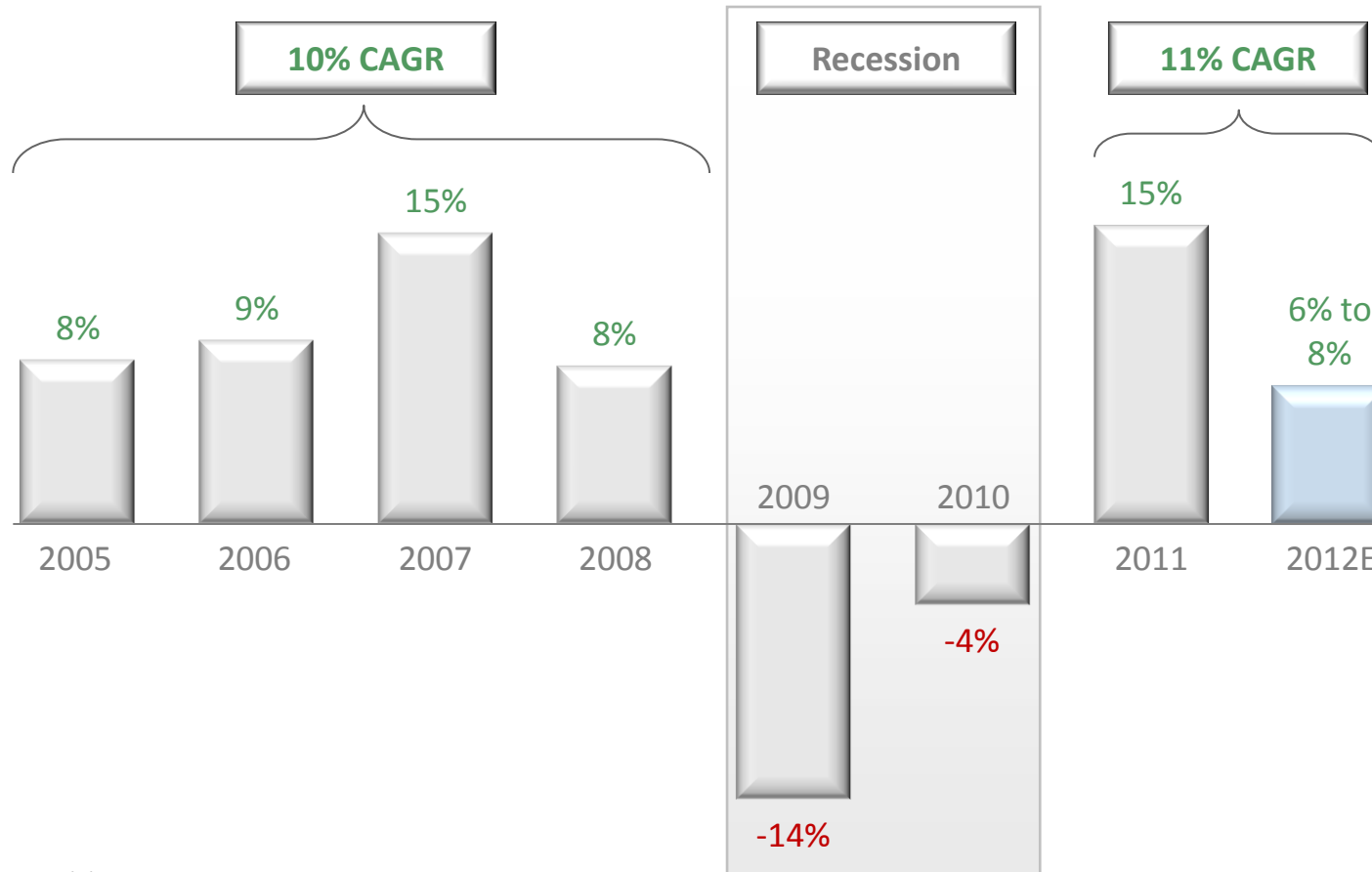
- V** Valves & Closures
- D** Dehydration
- F** Filtration
- M** Mixers
- H** Heat Exchangers
- P** Pumps

## 25 Year Pump Timeline



The Typical Product Lifecycle Provides an Aftermarket Revenue Opportunity Ranging from 2x to 5x the Original Equipment Sale, Over a 25 Year Period

## Annual Organic Revenue Change



Note: 2012E as of 8/1/2012; see appendix for reconciliation to GAAP

**Organic Revenue Profile Reflects Strategic Actions,  
Globalization, End Market Growth and Market Share Gains**



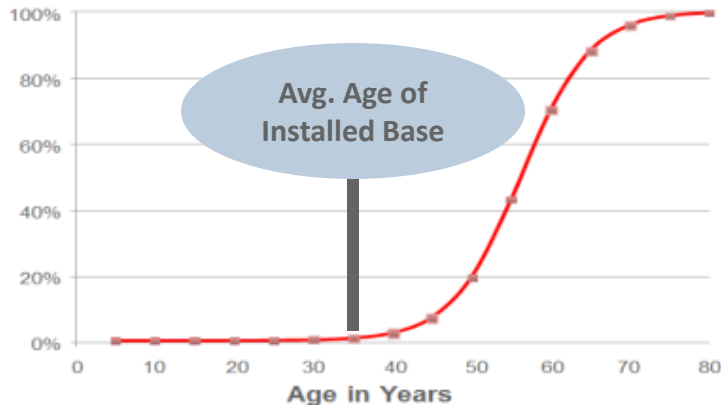
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# SPX Transformer Solutions

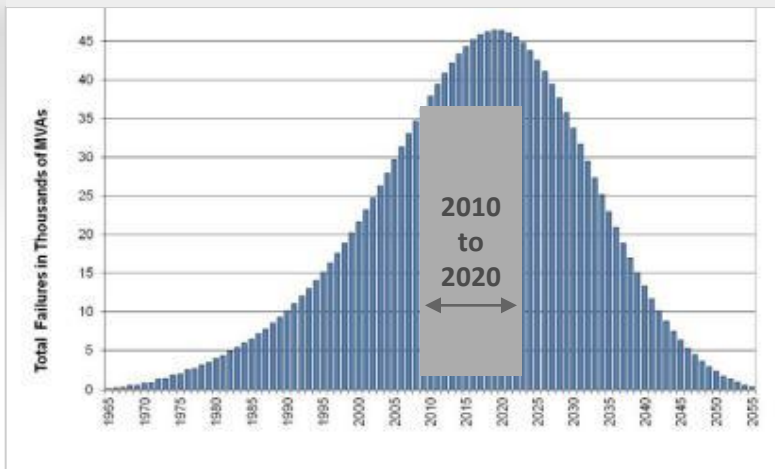




## Failure Curve by Age



## Annual Cumulative Failures



Source: Hartford Steam Boiler; 2012 transformer failure analysis 2012 by Bill Bartley

## Key Demand Drivers

- Replacement of aging equipment:
  - Average age of installed base is >35 years
- Electricity Demand:
  - Load growth
  - New capacity: natural gas, wind, solar
  - New housing starts
- Regulatory standards:
  - Energy policy act of 2005
  - Electric Reliability Organization (2007)
  - Korean import tariffs (2012)

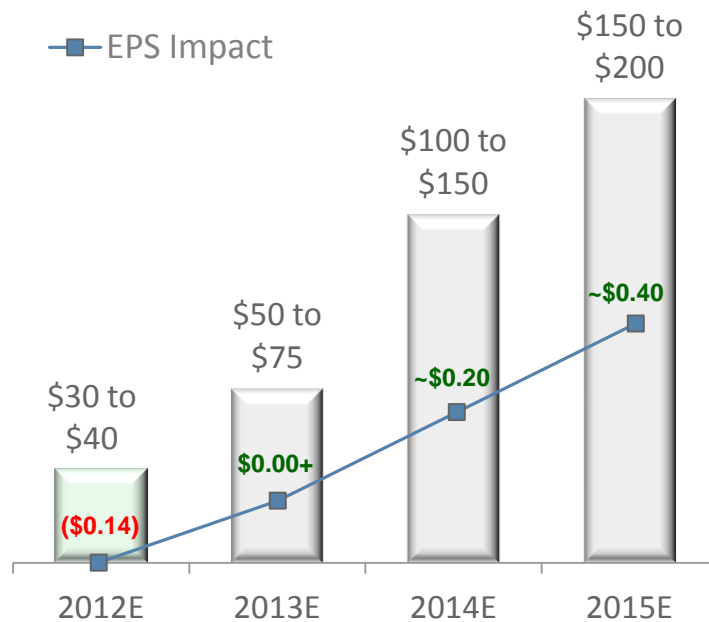
**Replacement Demand Expected to be the Primary Growth Driver Over the Next 10 Years**

# Expanded Facility: Financial Targets



(\$ millions; except per share data)

## Revenue Forecast



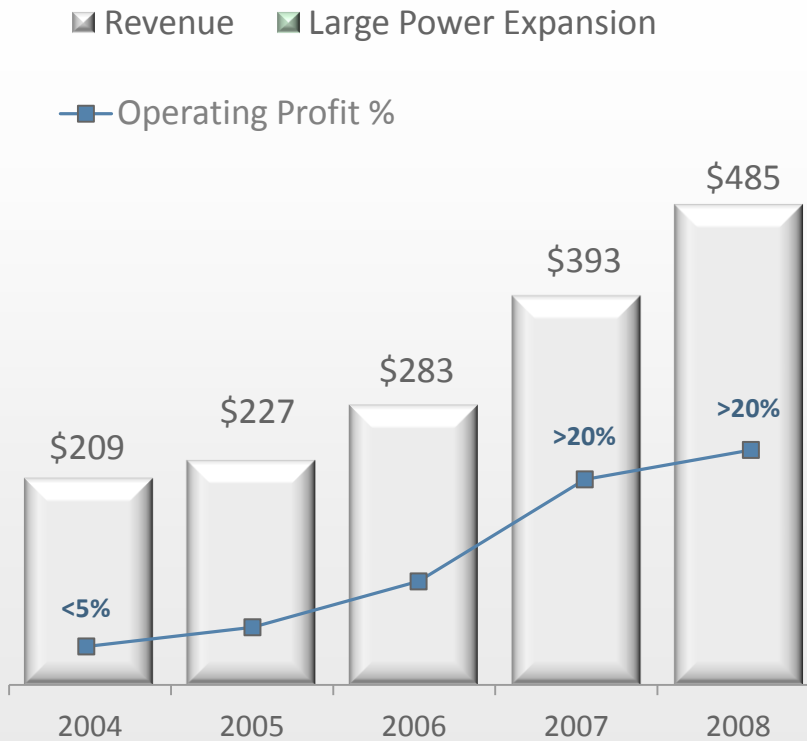
Note: Estimates as of 8/1/2012



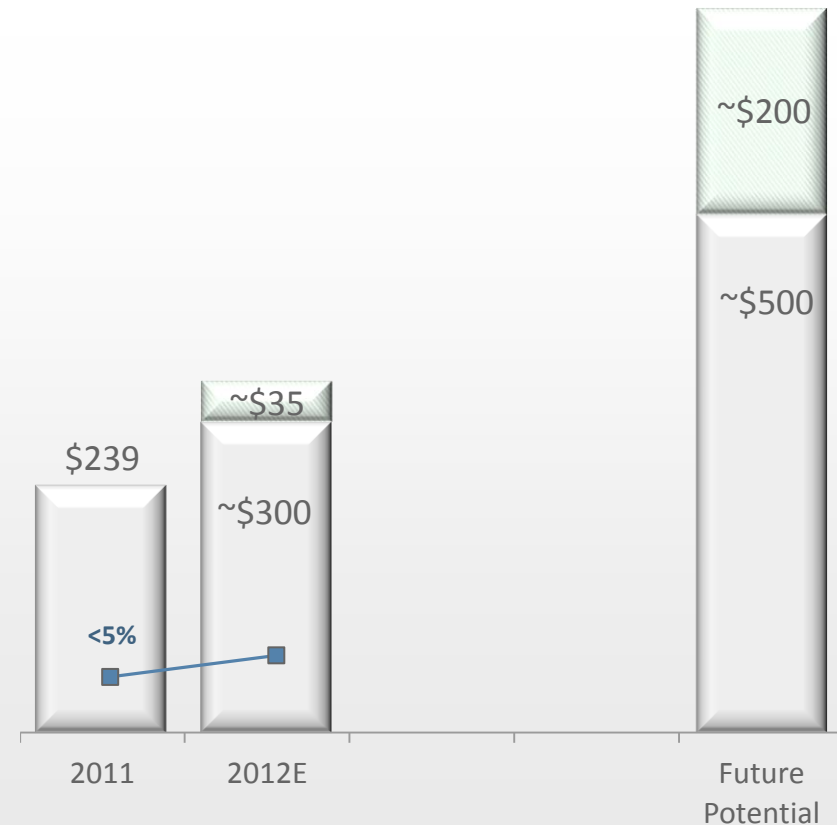
**Targeting a Gradual Ramp into New Capacity Over the Next 3 Years  
To Allow Time for Employee Training and Ensure Product Quality**

(\$ millions)

## Prior Investment Cycle 2004-2008



## Current Investment Cycle 2011-????



Note: 2012E as of 8/1/2012; 2012E operating profit % excludes \$10m of start-up costs related to the expanded facility

**Prior Investment Cycle was Interrupted by the Recession;  
Current Investment Cycle is Underway With Positive End Market Dynamics**

# Executive Summary

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## Questions





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## Appendix



## Flow Segment - Organic Revenue Reconciliation

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012E</u>
Net Revenue Change	8.4%	11.2%	31.2%	86.8%	-18.2%	1.7%	22.8%	30% to 35%
Acquisitions/Divestitures	0.0%	0.9%	14.0%	78.9%	0.0%	5.6%	4.3%	28% to 29%
Currency	0.1%	1.0%	2.5%	-0.1%	-4.3%	0.2%	3.4%	~(4%)
Organic	8.3%	9.3%	14.7%	8.0%	-13.9%	-4.1%	15.1%	6% to 8%

Note: 2012E as of 8/1/2012