

# SPX Corporation Investor Presentation

November 2019



- ❑ Certain statements contained in this presentation that are not historical facts, including any statements as to future market conditions, results of operations, products introductions, and financial projections, are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, and are subject to safe harbor created thereby. These forward-looking statements are subject to risks, uncertainties, and other factors which could cause actual results to differ materially from future express or implied results.
- ❑ Although SPX believes that the expectations reflected in its forward-looking statements are reasonable, it can give no assurance that such expectations will prove to be correct. In addition, estimates of future operating results are based on the company's existing operations and complement of businesses, which are subject to change.
- ❑ Particular risks facing SPX include risks relating to market specific cycles and weather related fluctuations; economic, business and other risks stemming from changes in the economy; legal and regulatory risks; cost of raw materials; pricing pressures; our reliance on U.S. revenues and international operations; our 2015 spin-off transaction; the effectiveness, success, and timing of restructuring plans; our ability to manage changes and measure and estimate the expected revenue, cost and claims associated with our power projects in South Africa; pension funding requirements; liabilities retained in connection with dispositions; integration of acquisitions and achievement of anticipated synergies. More information regarding such risks can be found in SPX's Annual Report on Form 10-K and other SEC filings.
- ❑ Statements in this presentation are only as of the time made, and SPX disclaims any responsibility to update or revise such statements except as required by regulatory authorities.
- ❑ This presentation includes non-GAAP financial measures. Reconciliations of the non-GAAP financial measures with the most comparable measures calculated and presented in accordance with GAAP are available in the appendix to this presentation. 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.
- ❑ 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 practicable.

**Gene Lowe**  
President and CEO



**Scott Sproule**  
Treasurer and CFO



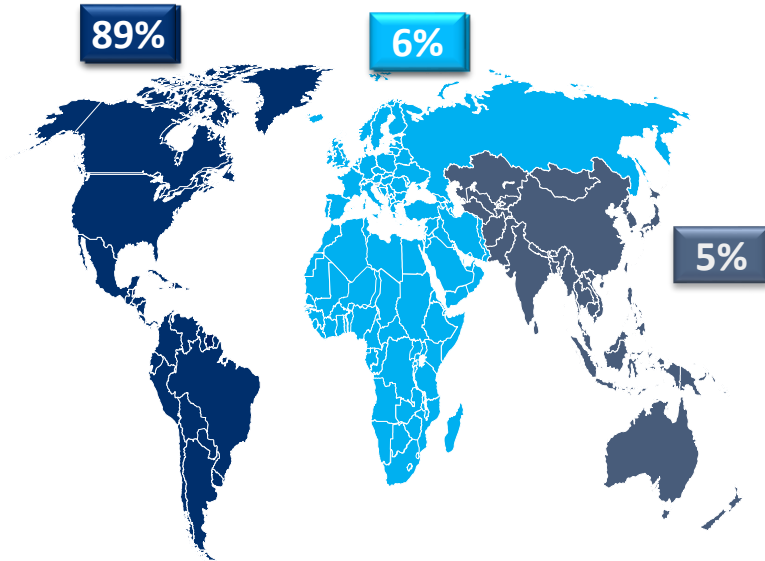
# SPX Corporation Overview

# Company Overview



- ❑ Headquartered in Charlotte, NC
- ❑ A leading supplier of:
  - ✓ HVAC products
  - ✓ Detection & Measurement technologies, and
  - ✓ Engineered Solutions
- ❑ ~\$1.4b Adjusted Revenue\* in 2018
- ❑ ~4,000 employees
- ❑ NYSE Ticker: **SPXC**

## 2018 Adjusted Revenue\* by Region



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

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

# Why SPX?



## Attractive Core

Well positioned key platforms in growth markets

## Growth

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

## Cash Flow

≥ 110% conversion of adjusted net income\*

## Business System

Consistent repeatable process to drive improvement

## Capital Deployment

Anticipate ~\$500m<sup>†</sup> of capital available for growth and value creation during 2019-2020

Sustainable Double Digit EPS Growth with Strong Cash Conversion

\*Non-GAAP financial measure. Reconciliations from US GAAP are available in the appendix of this presentation.

<sup>†</sup> \$87m deployed on acquisitions year-to-date 2019.

# Strong Product Offerings and Attractive Market Dynamics



## HVAC

- ✓ Cooling towers
- ✓ Boilers
- ✓ Electrical heating

## DETECTION & MEASUREMENT

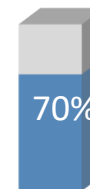
- ✓ Location & inspection
- ✓ Fare collection
- ✓ Communication technologies

## ENGINEERED SOLUTIONS

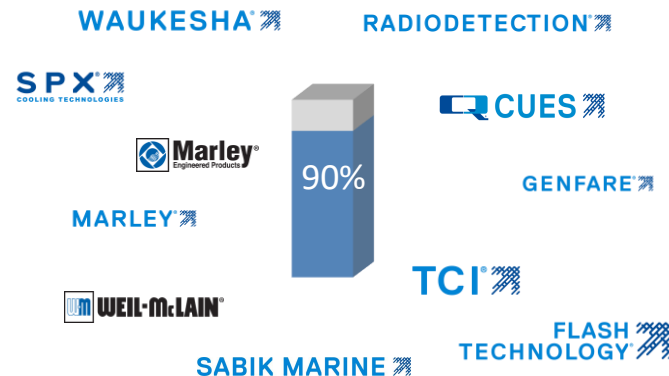
- ✓ Transformers
- ✓ Process cooling & components

2018	
REVENUE	EBITDA MARGIN*
\$582m	16%
\$321m*	27%
\$537m	9%

## 2018 REVENUE FROM REPLACEMENT SALES†



## 2018 REVENUE FROM #1 OR #2 MARKET POSITION†



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

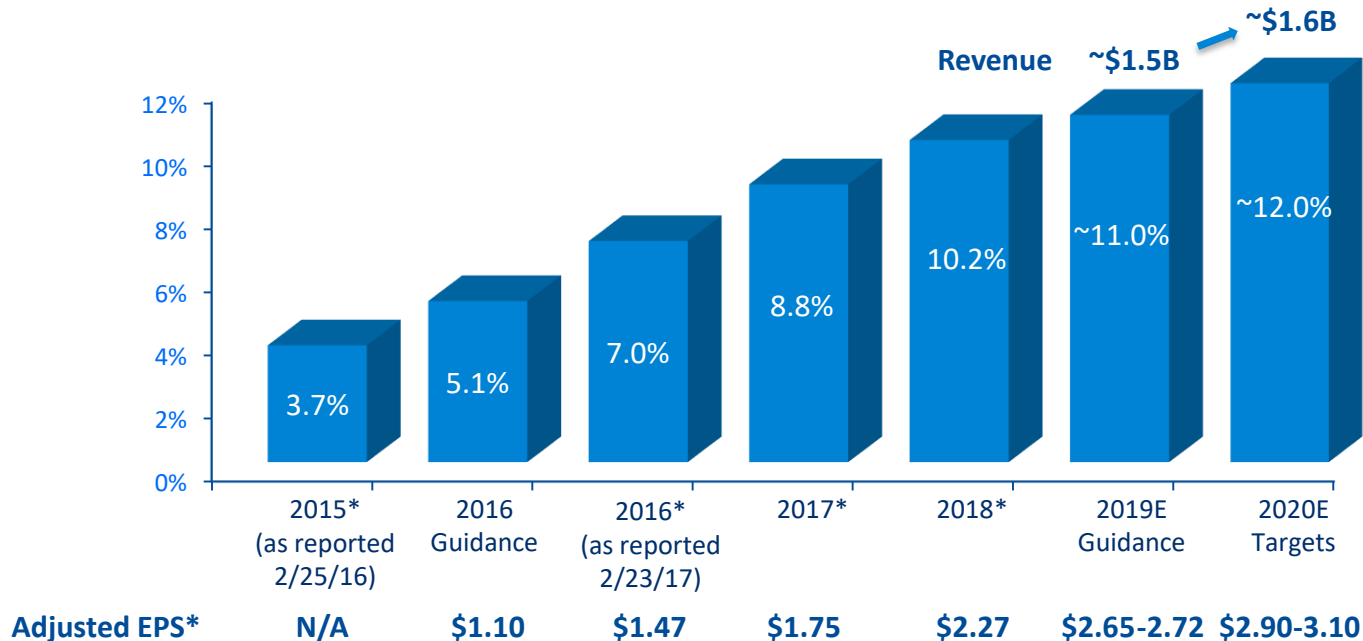
†Based on management estimates.

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

# Transformation of SPX - 2015 Through 2018



## Adjusted Operating Income Margin



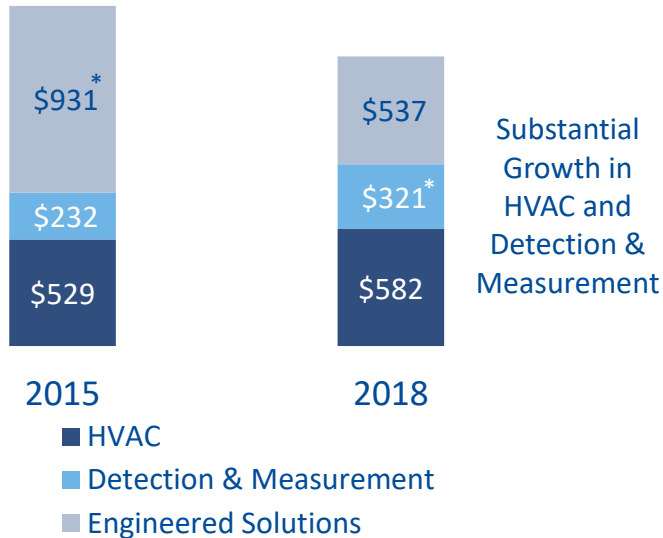
Actions Taken in Last Three Years Have Significantly Strengthened SPX's Financial Profile

\*Non-GAAP financial measure. Reconciliations from US GAAP financial measures are available in the applicable earnings release or in the Appendix of the presentation.

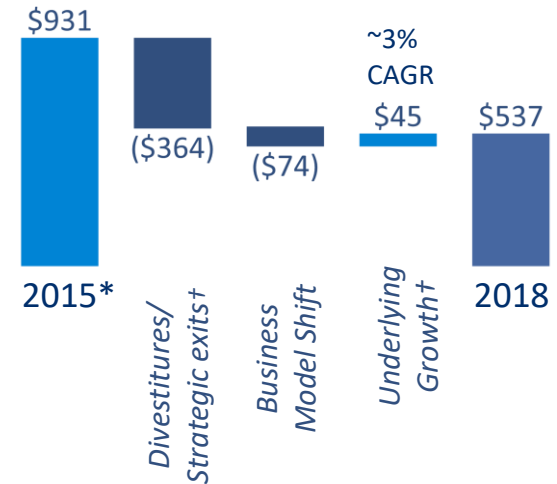
Note: We have not reconciled non-GAAP financial measures guidance to their nearest GAAP equivalents because we do not provide guidance for items that we do not consider indicative of our on-going performance and that are out of our control and/or cannot be reasonably predicted. Accordingly, a reconciliation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



## SPX CORPORATION SEGMENT REVENUE CHANGES (\$M)



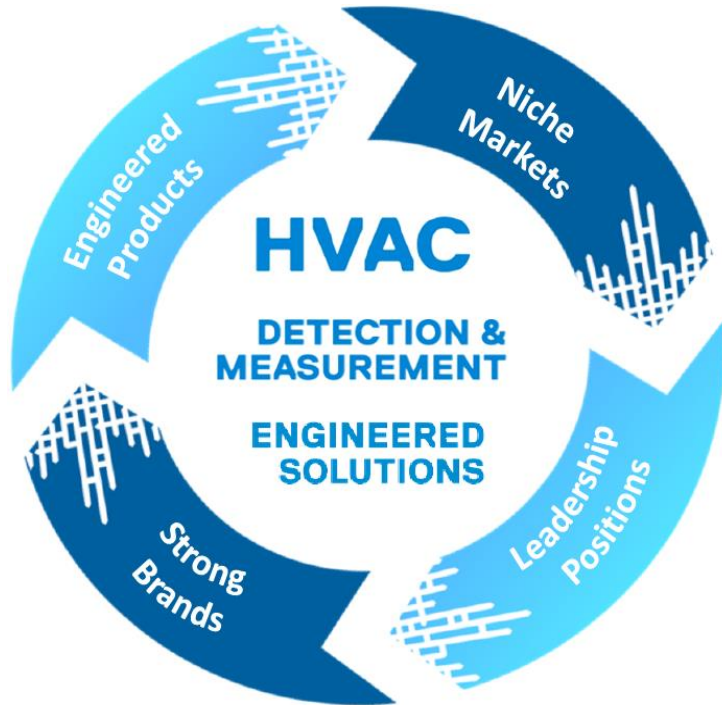
## ENGINEERED SOLUTIONS SEGMENT REVENUE CHANGES (\$M)



3.7% Underlying Growth Rate

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

† Revenue growth for Engineered Solutions includes a \$13.9m favorable impact associated with the adoption of ASC 606.



## Organic Growth

- New products
- Channel expansion
- Adjacent markets

## Inorganic Growth

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

## SPX Business System

- Policy deployment
- Operational excellence
- Due diligence/integration

## Culture & Values

- Leadership development
- Results/accountability
- Integrity

# Segment Overview

- ❑ HVAC
- ❑ Detection & Measurement
- ❑ Engineered Solutions

# HVAC

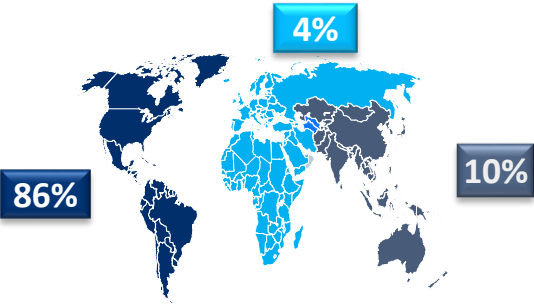
# HVAC Segment Overview



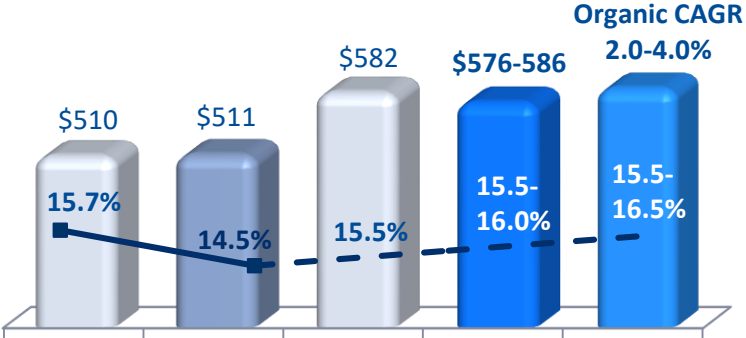
## 2018 Revenue by Product



## 2018 Revenue by Geography



■ Revenue  
 — Segment income %



(\$ millions)

	2016	2017	2018	2019E	2020E
Segment GM%	34%	32%	Low 30's	Low 30's	
Segment EBITDA*	\$86	\$80	\$95	\$95-100	

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

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

# Strategic Growth Initiatives

## New Product Development

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



## Adjacent Markets

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



## Channel Development

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

## Operational Excellence

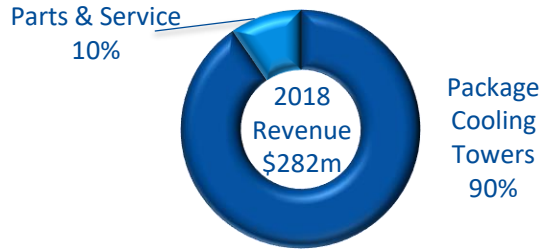
- ❑ Drive strategic sourcing, productivity initiatives



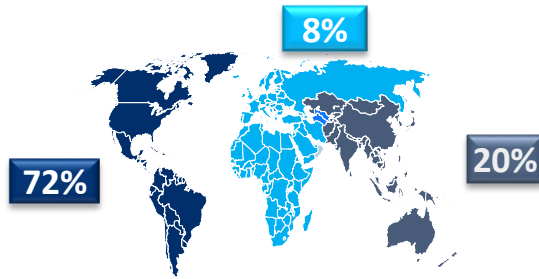
Several Attractive Opportunities to Expand and Grow HVAC Platform

# Cooling Products Overview

## 2018 Revenue by Product



## 2018 Revenue by Geography



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

Strong Product Brands and Leading Market Positions Across Cooling Product Portfolio

## Marley NC Cooling Tower

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



## Recol Fluid Cooler

- ✓ High performance design
- ✓ Low cost of ownership



Strong Product Portfolio of Cooling Technologies with Opportunity for Expansion



## Marley MD Everest Tower

- ✓ Launched in Early 2018 for larger applications
- ✓ 85% more cooling capacity than any other pre-assembled tower
- ✓ Installation 80% faster than field erected cooling towers



## Marley LW Fluid Cooler

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



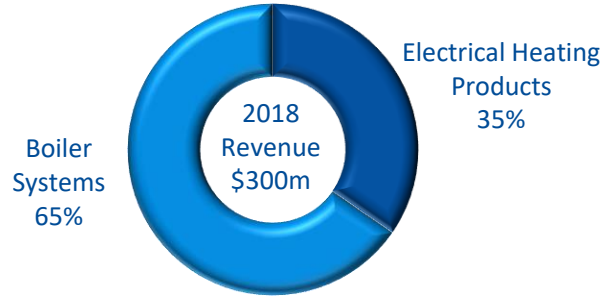
## Evaporative Condenser

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



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

## 2018 Revenue by Product



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

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

## Residential Boilers

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



## Commercial Boilers

- ✓ High efficiency natural gas
- ✓ Standard cast iron



## Electrical Heating Products

Digital wall heaters



Wash-down, corrosion resistant heaters



Aluminum convection heaters

Broad Product Offering of Heating Solutions for Residential and Light commercial Applications

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

## Growth Oriented Initiatives - New Product Development:

- ❑ Seven new product introductions in the high efficiency boiler category since 2015
- ❑ New launches have expanded addressable market coverage from 64% to 95%\*
- ❑ Established “Good, Better, Best” line structure in Residential segment
- ❑ Only boiler OEM with three material options in Commercial segment

SVF Commercial Stainless Steel Boiler



AquaBalance Residential Combi Boiler



Increased Commercial High Efficiency Share by 6%\* in 2018

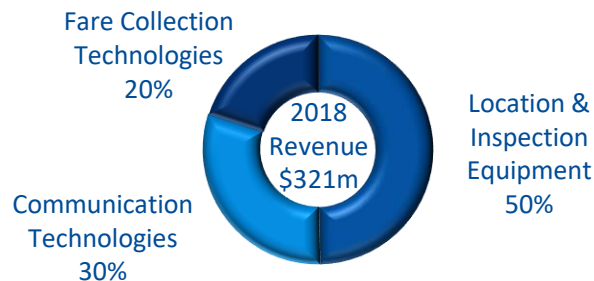
\*Based on management estimates.

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

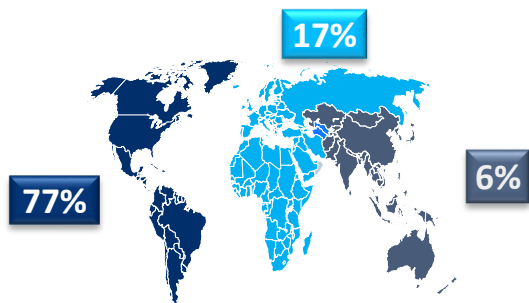
# Detection & Measurement

# Detection & Measurement Segment Overview

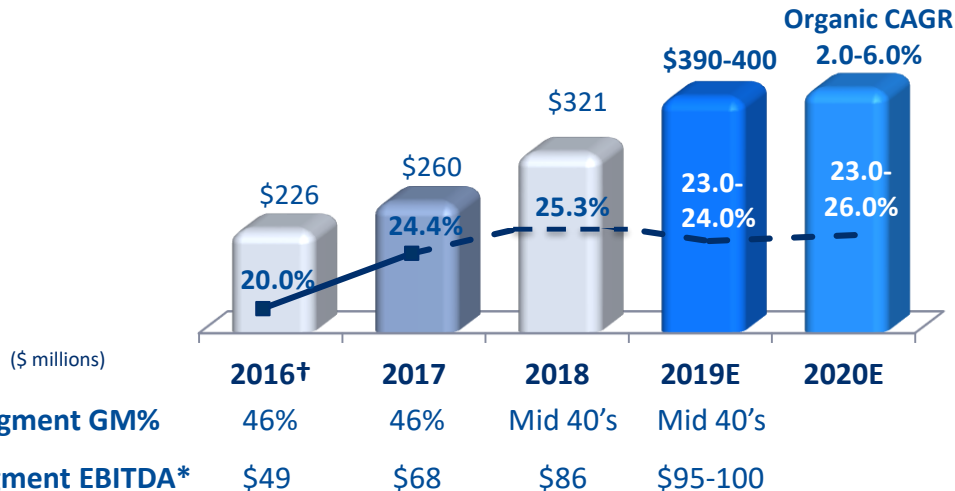
## 2018 Revenue by Product



## 2018 Revenue by Geography



■ Adjusted revenue\*  
 — Adjusted segment income\* %



Segment GM%

Year	2016†	2017	2018	2019E	2020E
Segment GM%	46%	46%	Mid 40's	Mid 40's	

Segment EBITDA\*

Year	2016†	2017	2018	2019E	2020E
Segment EBITDA*	\$49	\$68	\$86	\$95-100	

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

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

# Strategic Growth Initiatives

## New Product Development

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

## Adjacent Markets

- ❑ Build out geographic and vertical channels
- ❑ Leverage global footprint to expand CUES sales

## Upgrade Installed Base

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

## Operational Excellence

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



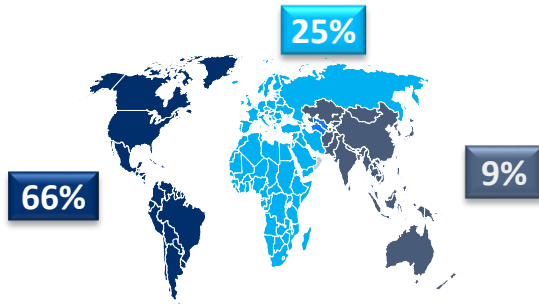
Several Attractive Opportunities to Expand and Grow Detection & Measurement Platform

# Location & Inspection Overview

## 2018 Revenue by Product



## 2018 Revenue by Geography



- ❑ A leading global supplier of location & inspection equipment for underground infrastructure
- ❑ Continuous new product enhancement and loyal customer base
- ❑ Key demand drivers:
  - ✓ Global infrastructure growth
  - ✓ Construction growth
  - ✓ Health & Safety Legislation



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



# Location & Inspection - Key New Products

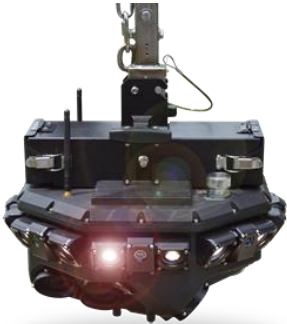
**Pipeline Mapper**



**Cable Avoidance**



**Inspection Equipment**

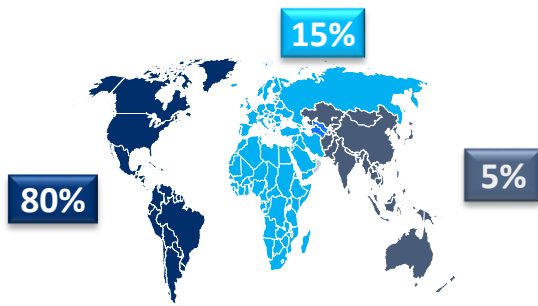


New Product Introduction Continues to Drive Performance

## 2018 Revenue by Product



## 2018 Revenue by Geography



- ❑ **TCI** : A leading global supplier of spectrum monitoring, communication intelligence and geolocation technology
- ❑ **Obstruction Lighting**: A leading global supplier of Flash Technology and Sabik marine obstruction lighting products
- ❑ Key demand drivers:
  - ✓ Global growth of wireless usage
  - ✓ Increased spectrum provisioning and monitoring
  - ✓ Anti-terrorism and drug interdiction effort
  - ✓ Compliance with government & industry regulations
  - ✓ Approximately two-thirds of sales are replacements
  - ✓ Connectivity and lower maintenance benefits

TCI, Flash and Sabik are Leaders in Their Respective Markets

## SMS & Communications Intelligence



## Flash Lighting Systems



## Marine Obstruction Lighting



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

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



Genfare is a Leading North American Supplier in Fare Collection

# Transportation Products: Next Generation Fare Collection



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



# Engineered Solutions

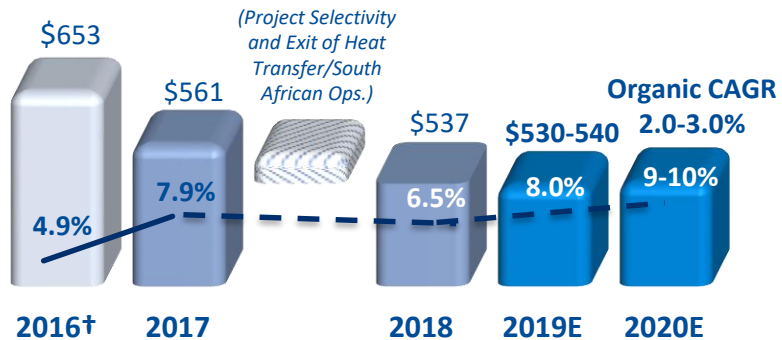
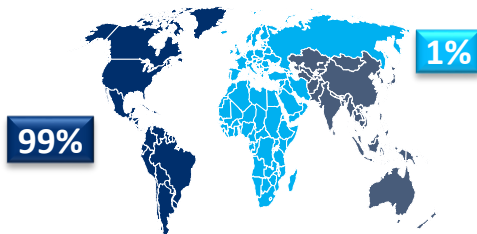
# Engineered Solutions Segment Overview

## 2018 Revenue by Product



Engineered Solutions revenue  
 Segment income %

## 2018 Revenue by Geography



	2016 <sup>†</sup>	2017	2018	2019E	2020E
Segment GM%	16%	17%	-	Mid-teens %	-
Segment EBITDA*	\$47	\$55	\$46	\$50-55	

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

Note: 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.

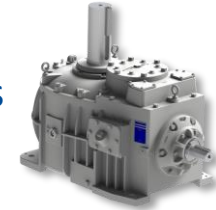
<sup>†</sup>Non-GAAP financial measure as reported. Reconciliations from US GAAP financial measures are available in the Appendix of this presentation.

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

# Strategic Growth Initiatives

## New Product Development

- ❑ Broaden Process Cooling component offerings
- ❑ Expand Transformers Service and Components offerings



## Evolve Business Model

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



## Expand Market Presence

- ❑ Large voltage/EHV transformers
- ❑ Supply to OEM customers



## Operational Excellence

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

Several Attractive Opportunities to Grow Profitability of Segment



## Transformer Business

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



A Leading North American Supplier of Power Transformers

# Transformers Overview - North American Market

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



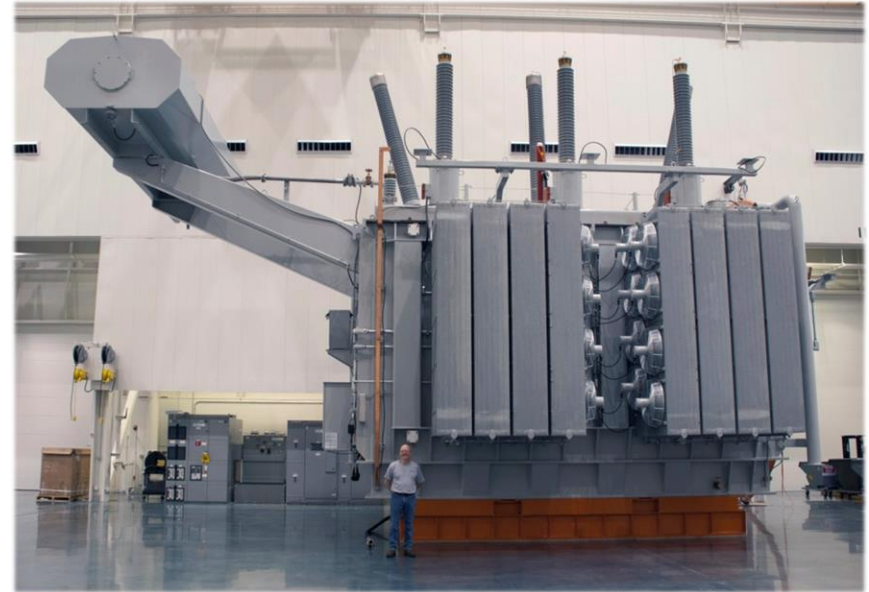
Replacement Transformers Expected to be Primary Demand Driver

# Transformer Product and Service Examples

## Transformer Service



## Large Power (High Voltage) Transformer

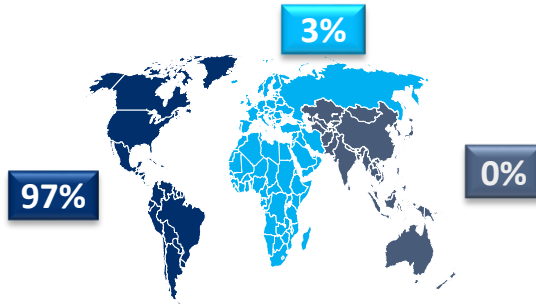


# Process Cooling Overview

## 2018 Revenue by Product



## 2018 Revenue by Geography



- ❑ Based in the U.S., a leading global manufacturer of cooling towers and parts & components
- ❑ Continuous new product enhancements and exceptional quality equipment for more than a century
- ❑ Large installed base in U.S. and abroad
- ❑ Growing component and aftermarket opportunities
- ❑ Greater selectivity in projects

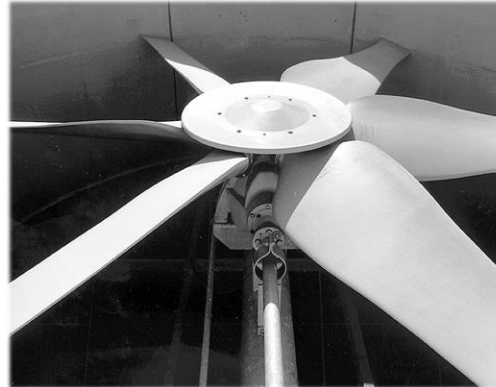


Repositioning Business for Greater Aftermarket Opportunities

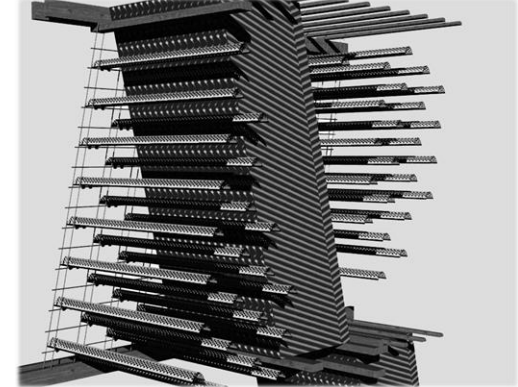
**Gear Reducer**



**Air Flow Components**



**Heat Transfer Media**



Aftermarket Service and Components is Focus Area of New Product Initiatives

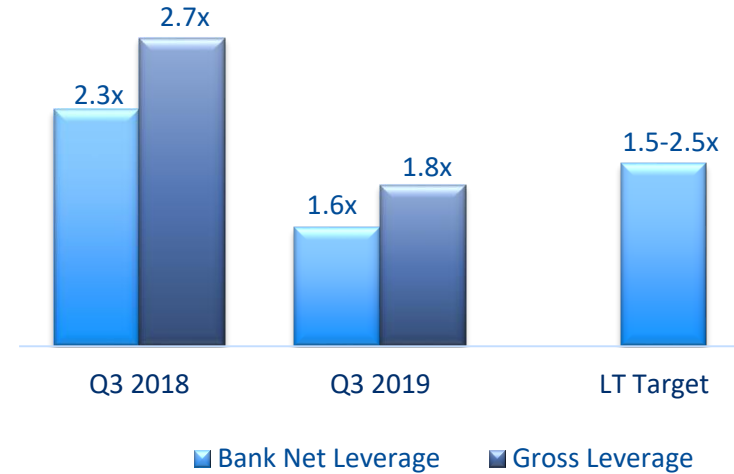
# Financial Performance & Capital Allocation

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

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

(\$millions)	Q3 2018	Q3 2019
Short-term debt	\$113.1	\$40.6
Current maturities of long-term debt	9.3	18.5
Long-term debt	340.6	323.8
<b>Total Debt</b>	<b>\$463.0</b>	<b>\$382.9</b>
Less: Cash on hand	(61.9)	(49.3)
<b>Net Debt</b>	<b>\$401.1</b>	<b>\$333.6</b>

Leverage Ratios\*

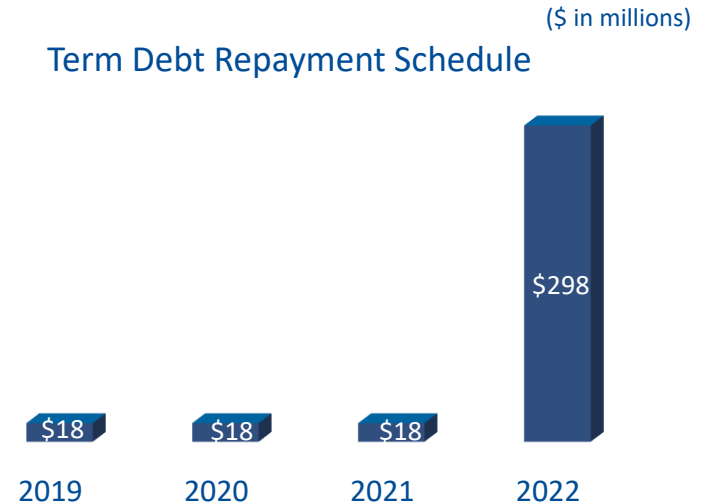


Maintaining Strong Balance Sheet and Leverage Profile

\* Calculated as defined by SPX's credit facility agreement.



- ❑ Targeting  $\geq 110\%$  Free Cash Flow\* Conversion
  
- ❑ Substantial capital available after addressing bank debt and South African Project obligations
  
- ❑ Projecting  $\sim \$500\text{m}^\dagger$  of capacity for capital allocation 2019-2020
  - ✓ Growth investments in focus businesses
  - ✓ Active M&A pipeline
  - ✓ Return of capital to shareholders



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

† \$87m deployed on acquisitions year-to-date 2019.

## Qualitative

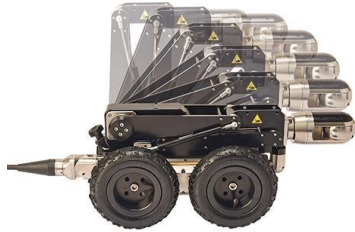
- ❑ Focused on building existing platforms
  - ✓ Existing markets or close adjacencies
- ❑ Engineered products
- ❑ Attractive growth opportunities
  - ✓ Secular growth drivers
  - ✓ Fragmented market with consolidation opportunities
- ❑ Differentiated offering through technology, brand or channel

## Quantitative

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

# Recent Inorganic Investments

## RADIODETECTION®



Radiodetection  
Inspection Equipment

## CUES



CUES Market Leading  
Inspection Equipment



Global Leader  
in Inspection  
Equipment

## FLASH TECHNOLOGY



Flash Technology Obstruction  
Lighting Equipment

## SABIK



Sabik Market Leading  
Marine Lighting Products



Strengthens Global  
Leadership in  
Engineered  
Specialty Lighting

## Company Profile

---

2017 Sales: \$9M

**Purchase multiple\***: <7x post-synergies

**Description:** Manufacturer of magnetic locator products used for locating underground utilities and other buried objects.

### Acquisition Rationale:

- ❑ Strengthens Detection & Measurement
- ❑ Highly complementary locator technology
- ❑ Market leader
- ❑ Attractive growth profile

# SCHONSTEDT



XTpc Pipe and Cable Locator



Rex Multi-Frequency  
Pipe & Cable Locator



GA-92XTd  
Magnetic  
Locator

\*Purchase price, net cash acquired, divided by 2017 EBITDA plus expected synergies over a 3-year period.

## Company Profile

---

**2017 Sales:** ~\$86M

**Purchase multiple\*:** <10x post-synergies

**Description:** Leading manufacturer of inspection and rehabilitation equipment.

### Acquisition Rationale:

- ❑ Strengthens Detection & Measurement
- ❑ Significantly increases presence in inspection market
- ❑ Market leading product portfolio
- ❑ Attractive growth profile



CUES Digital Universal Camera



Mobile Inspection Units



CUES SPiDER Scanner



\*Purchase price, net cash acquired, divided by 2017 EBITDA plus expected synergies over a 3-year period.

## Company Profile

---

2018 Sales: ~\$27M

**Purchase multiple\*:** <10x post-synergies

**Description:** Leading manufacturer of marine and obstruction lighting

### Acquisition Rationale:

- ❑ Complementary fit with our Flash Technology business
- ❑ Strengthens aids-to-navigation specialty lighting solutions
- ❑ Market leading product portfolio
- ❑ Attractive growth platform and opens new market opportunities

# SABIK MARINE



\*Purchase price, net cash acquired, divided by 2018 EBITDA plus expected synergies over a 3-year period.

# SGS Refrigeration Overview

## Company Profile

**Headquarters:** Dixon, Illinois

**2018 Sales:** ~\$12M (net of intercompany sales)

**Description:** Manufacturer and distributor of industrial and commercial refrigeration equipment and products

**Purchase multiple\*:** <7x post-synergies

### Acquisition Rationale:

- ❑ Strengthens industrial refrigeration solutions
- ❑ Expands sales and distribution channels
- ❑ Attractive end market growth profile



**Industrial Evaporators  
DT/DTX Series Unit Cooler**



**Evaporative Condensers  
DTC Condenser**



\*Purchase price, net cash acquired, divided by 2018 EBITDA plus expected synergies over a 3-year period.

# Patterson Kelley Overview

## Company Profile

**Headquarters:** East Stroudsburg, PA

**2019 Sales estimate:** ~\$35M

**Description:** Trusted leader in commercial high efficiency heating solutions

**Purchase multiple\*:** ~8x post-synergies

### Acquisition Rationale:

- ❑ Highly complementary product line (commercial high efficiency boilers) and channels
- ❑ Accelerated high efficiency strategy enhances scale and market share position
- ❑ Combines new product development and technology resources in key growth platform



**Patterson-Kelley**

**High Efficiency Commercial Condensing Boiler**



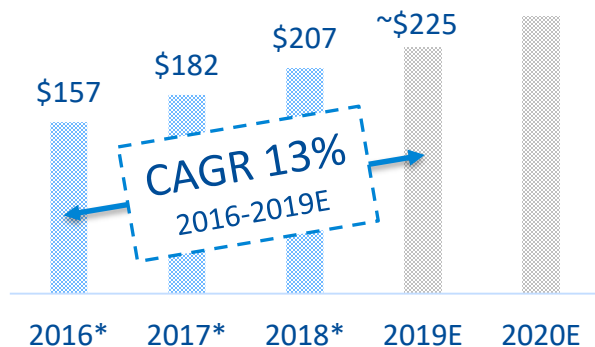
\*Purchase price, net cash acquired, divided by 2019 Estimated EBITDA plus expected synergies over a 3-year period.



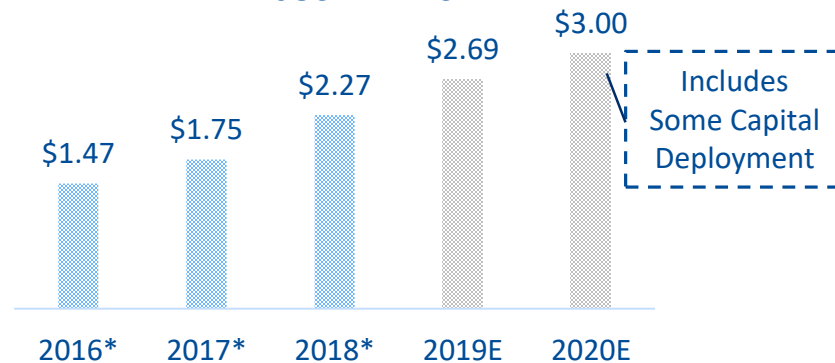
# 2016-2020E Adjusted Profit Measures



## ADJUSTED SEGMENT INCOME (\$M)



## ADJUSTED EPS



Continuous Delivery of Value Creation

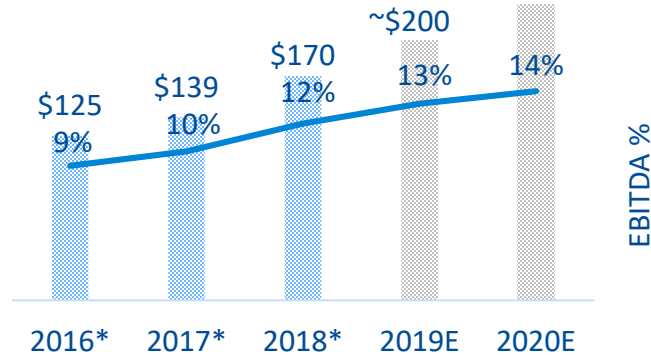
\*Non-GAAP financial measure. Reconciliations from US GAAP financial measures are available in the appendix of this presentation.

Note: 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.

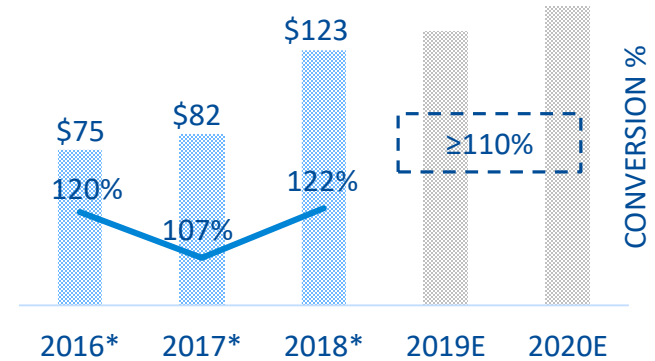
# 2016-2020E Adjusted Profit Measures



## ADJUSTED EBITDA (\$M)



## ADJUSTED FREE CASH FLOW (\$M)



Continuous Delivery of Value Creation

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

Note: 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.

# Financial Targets

- ❑ \$1.6B adjusted revenue\*
- ❑ 12% adjusted operating income margin\*
- ❑ \$2.90 - \$3.10 adjusted EPS\* excluding amortization
- ❑  $\geq 110\%$  Free cash flow\* conversion of adjusted net income

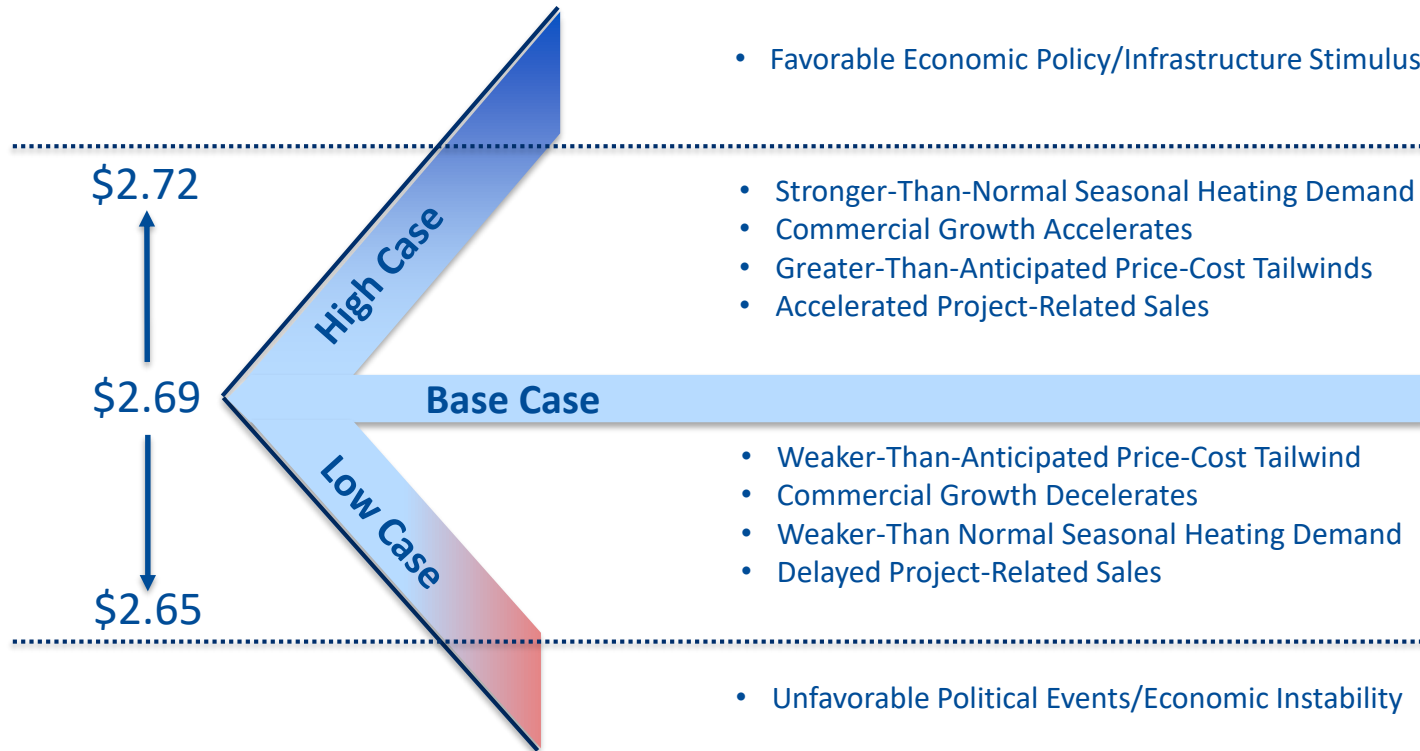
~\$500m<sup>†</sup> of Capital Available to Deploy 2019-2020; Clear Line of Sight to Sustainable Double Digit Adjusted EPS\* Growth

\*Non-GAAP financial measure.

<sup>†</sup> \$87m deployed on acquisitions year-to-date 2019.

# Appendix

# 2019 Adjusted EPS Guidance - Key Drivers



Note: 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 practicable.

# 2019 Modeling Considerations



Metric	Commentary/Assumptions
Corporate costs	Low \$40Ms
Long-term incentive comp	\$14-15M
Restructuring costs	\$1M
Interest cost	\$19-20M
Equity earnings, other	\$4-5M
Tax rate	Approximately 21%
Capex	\$15-17M
Cash cost of pension + OPEB	Approximately \$16M
D&A	Approximately \$32M, mostly in COGS, including approximately \$8M of amortization
Share count	45.0-45.5M
FCF Conversion	Targeting 110% of Adjusted Net Income
Currency effect	Topline sensitivity to USD-GBP rate

# Organic Segment Financial Targets



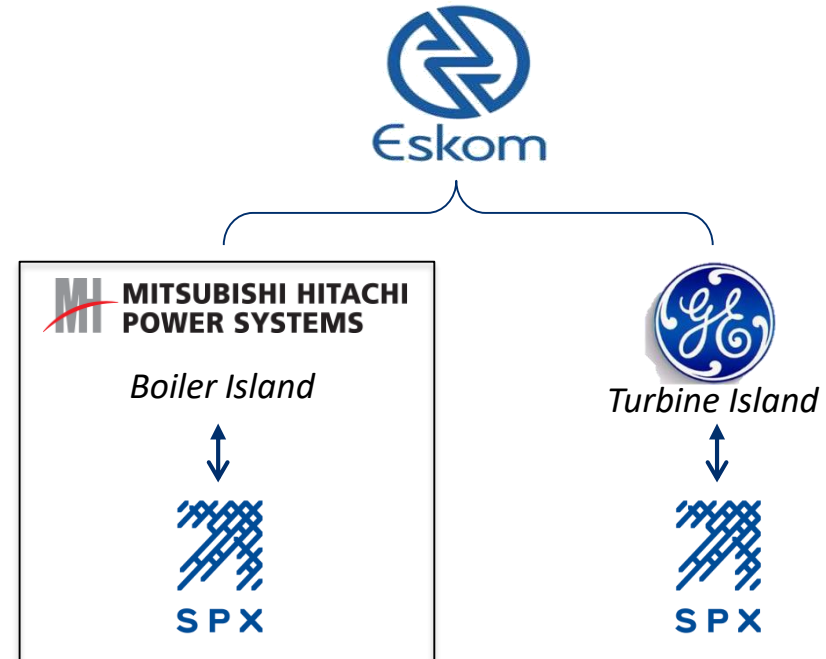
	HVAC	Adjusted Detection & Measurement	Engineered Solutions	SPX Total (Adjusted)
2019 Revenue	~\$581m	~\$395m	~\$535m	~\$1.5b
<b><i>Long-term Modeling Target</i></b> <b>Total Organic Revenue Growth</b>	<b>2% to 4%</b>	<b>2% to 6%</b>	<b>2% to 3%</b>	<b>2% to 4%</b>
2019 Segment Income† %	15.5-16.0%	23-24%	~8%	~15%
<b><i>Long-term Modeling Target</i></b> <b>Adjusted Segment Income† %</b>	<b>15.5% to 16.5%</b>	<b>23% to 26%</b>	<b>9% to 10%</b>	<b>16% to 17%</b>

\*Non-GAAP financial measure. 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.



## Medupi & Kusile Power Stations

- ❑ Two mega-projects sites:
  - ✓ Twelve 800 mega-watt coal-fired plants (six at each project site)
- ❑ Total project value of ~\$1.3B
- ❑ Eskom is a state-owned South African utility
- ❑ GE/Alstom and Mitsubishi Hitachi are our customers
  - ✓ 2Q'19 agreement settled all material claims between SPX and GE/Alstom
  - ✓ 4Q'19 resolved all outstanding issues with minority shareholder
- ❑ One scope of work remaining (of five original scopes)



Project Execution Finalizing /Engaged in Dispute Resolutions

# 2015 Adjusted Revenue and Segment Income to U.S. GAAP Reconciliation



(\$ millions)

	FY 2015		
	GAAP	SA Projects	Adjusted
<b>Revenue</b>			
HVAC	529.1		529.1
D&M	232.3		232.3
Engineered Solutions	957.9	(27.3)	930.6
<b>Total SPX</b>	<b>\$1,719.3</b>	<b>(\$27.3)</b>	<b>\$1,692.0</b>
<b>Segment Income</b>			
HVAC	80.2		80.2
D&M	46.0		46.0
Engineered Solutions	(110.5)	120.5	10.0
<b>Total SPX</b>	<b>\$15.7</b>	<b>\$120.5</b>	<b>\$136.2</b>

# FY 2016 Engineered Solutions Adjusted Revenue, Adjusted Gross Profit and Adjusted Segment Income to U.S. GAAP Reconciliation



(\$ millions)

	<u>FY 2016</u>
<b>Engineered Solutions revenue</b>	\$ 736.4
Exclude: South African projects	83.3
Engineered Solutions adjusted revenue	<u>\$ 653.1</u>
<b>Engineered Solutions gross profit</b>	97.7
as a percent of revenues	13%
Exclude: South African projects	(5.8)
Engineered Solutions adjusted gross profit	<u>103.5</u>
as a percent of Engineered Solutions adjusted revenue	16%
<b>Engineered Solutions segment income</b>	\$ 17.3
Exclude: Losses from South African projects	(14.5)
Engineered Solutions adjusted segment income	<u>\$ 31.8</u>
as a percent of Engineered Solutions adjusted revenue	4.9%

(\$ millions)

	<b>FY 2016</b>
Consolidated Revenue	\$ 1,472.3
Exclude: South African projects	83.3
Adjusted revenues	<u>\$ 1,389.0</u>
Adjusted operating income	\$ 96.7
as a percent of adjusted revenue	7.1%
Adjustments:	
Depreciation & amortization	26.5
Other income/(expense)	1.8
Adjusted EBITDA	<u>\$ 125.0</u>
as a percent of adjusted revenue	<u>9.0%</u>

# FY 2018, FY 2017 and FY 2016 Segment EBITDA to U.S. GAAP Reconciliation



(\$ millions)

	<u>FY 2018</u>	<u>FY 2017</u>	<u>FY 2016</u>
<b>HVAC Segment</b>			
Segment income	\$ 90.0	\$ 74.1	\$ 80.2
Depreciation & amortization	5.4	5.5	5.3
HVAC Segment EBITDA	<u>\$ 95.4</u>	<u>\$ 79.6</u>	<u>\$ 85.5</u>
<b>Detection &amp; Measurement Segment</b>			
Adjusted Segment income	\$ 78.3	\$ 63.4	\$ 45.3
Depreciation & amortization	7.6	4.1	3.5
Detection & Measurement Segment EBITDA	<u>\$ 85.9</u>	<u>\$ 67.5</u>	<u>\$ 48.8</u>
<b>Engineered Solutions Segment</b>			
Adjusted Segment income	\$ 35.0	\$ 44.2	\$ 31.8
Depreciation & amortization	10.6	10.4	15.2
Engineered Solutions Segment EBITDA	<u>\$ 45.6</u>	<u>\$ 54.6</u>	<u>\$ 47.0</u>

# FY 2018 Adjusted Earnings Per Share to U.S. GAAP Reconciliation



	GAAP	Adjustments	Adjusted	
Segment income <sup>(1)</sup>	\$ 178.5	\$ 24.8	\$ 203.3	(\$ millions)
Corporate expense <sup>(2)</sup>	(48.5)	4.9	(43.6)	
Long-term incentive compensation expense	(15.5)	—	(15.5)	
Special charges, net <sup>(3)</sup>	(6.3)	5.0	(1.3)	
Loss on sale of dry cooling	(0.6)	0.6	—	
<b>Operating income</b>	<b>107.6</b>	<b>35.3</b>	<b>142.9</b>	
Other income (expense), net <sup>(4)</sup>	(7.6)	8.5	0.9	
Interest expense, net	(20.0)	—	(20.0)	
Loss on amendment/refinancing of senior credit agreement <sup>(5)</sup>	(0.4)	0.4	—	
<b>Income from continuing operations before income taxes</b>	<b>79.6</b>	<b>44.2</b>	<b>123.8</b>	
Income tax provision <sup>(6)</sup>	(1.4)	(24.0)	(25.4)	
<b>Income from continuing operations</b>	<b>78.2</b>	<b>20.2</b>	<b>98.4</b>	
Dilutive shares outstanding	44.660		44.660	
<b>Earnings per share from continuing operations</b>	<b>\$ 1.75</b>		<b>\$ 2.20</b>	

<sup>(1)</sup> Adjustment represents the removal of operating losses associated with the South Africa and Heat Transfer businesses, and the inventory step-up charge and backlog amortization related to the Cues and Schonstedt acquisitions.

<sup>(2)</sup> Adjustment represents the removal of acquisition related expenses incurred during the period partially offset by corporate costs allocated to Heat Transfer that will remain post wind-down.

<sup>(3)</sup> Adjustment represents removal of restructuring charges associated with the South Africa and Heat Transfer businesses.

<sup>(4)</sup> Adjustment represents the removal of non-service pension and postretirement items and removal of foreign currency losses associated with the South Africa and Heat Transfer businesses.

<sup>(5)</sup> Adjustment represents the removal of a non-cash charge associated with an amendment to our senior credit agreement.

<sup>(6)</sup> Adjustment represents the tax impact of items (1) through (5) above and the removal of certain income tax benefits that are considered non-recurring.

# FY 2017 Adjusted Earnings Per Share to U.S. GAAP Reconciliation



	GAAP	Adjustments	Adjusted
Segment income <sup>(1)</sup>	\$ 124.9	\$ 56.8	\$ 181.7
Corporate expense	(46.2)	(0.9)	(47.1)
Long-term incentive compensation expense	(15.8)	—	(15.8)
Pension service cost	(0.3)	—	(0.3)
Special charges, net <sup>(2)</sup>	(2.7)	1.5	(1.2)
<b>Operating income</b>	<b>59.9</b>	<b>57.4</b>	<b>117.3</b>
Other expense, net <sup>(3)</sup>	(7.1)	5.4	(1.7)
Interest expense, net <sup>(4)</sup>	(15.8)	0.6	(15.2)
Loss on amendment/refinancing of senior credit agreement <sup>(5)</sup>	(0.9)	0.9	—
<b>Income from continuing operations before income taxes</b>	<b>36.1</b>	<b>64.3</b>	<b>100.4</b>
Income tax provision (benefit) <sup>(6)</sup>	47.9	(72.0)	(24.1)
<b>Income from continuing operations</b>	<b>84.0</b>	<b>(7.7)</b>	<b>76.3</b>
Dilutive shares outstanding	43.905		43.905
<b>Earnings per share from continuing operations</b>	<b>\$ 1.91</b>		<b>\$ 1.74</b>

(\$ millions)

<sup>(1)</sup> Adjustment represents the removal of operating losses associated with the South Africa business and the operating income of the Heat Transfer business.

<sup>(2)</sup> Adjustment represents removal of restructuring charges associated with the South Africa and Heat Transfer businesses.

<sup>(3)</sup> Adjustment represents removal of a gain on interest rate swaps, as these swaps no longer qualified for hedge accounting in connection with an amendment to our senior credit agreement, foreign currency losses associated with the South Africa and Heat Transfer businesses, and the removal of non-service pension and postretirement items.

<sup>(4)</sup> Adjustment relates to the removal of interest expense incurred in connection with borrowings under a line of credit in South Africa.

<sup>(5)</sup> Adjustment represents the removal of a non-cash charge associated with an amendment to our senior credit agreement.

<sup>(6)</sup> Adjustment represents the tax impact of items (1) through (5) above and the removal of certain income tax benefits that are considered non-recurring.

# FY 2016 Adjusted Earnings Per Share to U.S. GAAP Reconciliation



	GAAP	Adjustments	Adjusted
Segment income <sup>(1)</sup>	\$ 142.8	\$ 14.5	\$ 157.3
Corporate expense	(41.7)	—	(41.7)
Pension and postretirement income (expense) <sup>(2)</sup>	(15.4)	16.0	0.6
Long-term incentive compensation expense	(13.7)	—	(13.7)
Special charges, net	(5.3)	—	(5.3)
Impairment of intangible assets <sup>(3)</sup>	(30.1)	30.1	—
Gain on sale of dry cooling business <sup>(4)</sup>	18.4	(18.4)	—
<b>Operating income</b>	<b>55.0</b>	<b>42.2</b>	<b>97.2</b>
Other income (expense), net <sup>(5)</sup>	(0.3)	2.1	1.8
Interest expense, net <sup>(6)</sup>	(14.0)	0.2	(13.8)
Loss on amendment/refinancing of senior credit agreement <sup>(7)</sup>	(1.3)	1.3	—
<b>Income from continuing operations before income taxes</b>	<b>39.4</b>	<b>45.8</b>	<b>85.2</b>
Income tax provision <sup>(8)</sup>	(9.1)	(14.1)	(23.2)
<b>Income from continuing operations</b>	<b>30.3</b>	<b>31.7</b>	<b>62.0</b>
Less: Net loss attributable to redeemable noncontrolling interest <sup>(9)</sup>	(0.4)	0.3	(0.1)
<b>Net income from continuing operations attributable to SPX Corporation common shareholders</b>	<b>30.7</b>	<b>31.4</b>	<b>62.1</b>
Adjustment related to redeemable noncontrolling interest <sup>(9)</sup>	(18.1)	18.1	—
<b>Net income from continuing operations attributable to SPX Corporation common shareholders after adjustment to redeemable noncontrolling interest</b>	<b>12.6</b>	<b>49.5</b>	<b>62.1</b>
Dilutive shares outstanding	42.161		42.161
<b>Earnings per share from continuing operations</b>	<b>\$ 0.30</b>		<b>\$ 1.47</b>

(\$ millions)

<sup>(1)</sup> Adjustment represents the removal of operating losses associated with the South African projects.

<sup>(2)</sup> Adjustment represents the removal of non-service pension and postretirement items.

<sup>(3)</sup> Adjustment represents the removal of a non-cash impairment charge associated with our Heat Transfer business.

<sup>(4)</sup> Adjustment represents removal of gain on sale of dry cooling business.

<sup>(5)</sup> Adjustment represents removal of foreign currency losses associated with the South African projects.

<sup>(6)</sup> Adjustment relates to the removal of interest expense incurred in connection with borrowings under a line of credit in South Africa.

<sup>(7)</sup> Adjustment represents the removal of a non-cash charge associated with an amendment to the senior credit agreement.

<sup>(8)</sup> Adjustment represents the tax impact of the items noted in (1) through (7) above.

<sup>(9)</sup> Adjustment represents removal of noncontrolling interest amounts associated with the South Africa projects.



# FY 2018 and FY 2017 Adjusted Revenue and Adjusted Segment Income to U.S. GAAP Reconciliation



(\$ millions)

	Twelve months ended	
	December 31, 2018	December 31, 2017
Consolidated revenue	\$ 1,538.6	\$ 1,425.8
Exclude: "All Other" operating segments <sup>(1)</sup>	98.6	93.8
Acquisition accounting adjustment to acquired deferred revenue	(0.5)	—
Adjusted consolidated revenue	<u>\$ 1,440.5</u>	<u>\$ 1,332.0</u>
Total segment income	\$ 178.5	\$ 124.9
Exclude: "All Other" operating segments <sup>(1)</sup>	(18.9)	(56.8)
Exclude: One time acquisition related costs	(5.9)	—
Adjusted segment income	<u>\$ 203.3</u>	<u>\$ 181.7</u>
as a percent of adjusted revenues <sup>(2)</sup>	14.1 %	13.6 %

## DETECTION & MEASUREMENT SEGMENT:

	Twelve months ended	
	December 31, 2018	December 31, 2017
Detection & Measurement segment revenue	\$ 320.9	\$ 260.3
Acquisition accounting adjustment to acquired deferred revenue	(0.5)	—
Detection & Measurement adjusted segment revenue	<u>\$ 321.4</u>	<u>\$ 260.3</u>
Detection & Measurement segment income	\$ 72.4	\$ 63.4
Exclude: One time acquisition related costs <sup>(3)</sup>	(5.9)	—
Exclude: Amortization expense	(2.9)	—
Detection & Measurement adjusted segment income	<u>\$ 81.2</u>	<u>\$ 63.4</u>
as a percent of Detection & Measurement adjusted revenues <sup>(2)</sup>	25.3 %	24.4 %

<sup>(1)</sup> Represents the removal of the financial results of our South Africa and Heat Transfer businesses. Note: These businesses are now being reported as an "All Other" group of operating segments for U.S. GAAP purposes due to certain wind-down activities that are occurring within these businesses.

<sup>(2)</sup> See "Results of Reportable and Other Operating Segments" for applicable percentages based on GAAP results.

<sup>(3)</sup> Primarily represents additional "Cost of products sold" and "Intangibles amortization" recorded during the three and twelve months ended December 31, 2018 related to the step-up of inventory (to fair value) and customer backlog amortization, respectively, acquired in connection with the Cues and Schonstedt acquisitions.

# FY 2018 and FY 2017 Adjusted Segment Income, Adjusted Operating Income, Adjusted Net Income and Adjusted EBITDA to U.S. GAAP Reconciliation



(\$ millions)

	FY 2018	FY 2017
GAAP Revenue	\$ 1,538.6	\$ 1,425.8
Exclude: "All Other" operating segments	98.6	93.8
Exclude: Acquisition accounting adjustment to acquired deferred revenue	(0.5)	-
Adjusted Revenue	<u>\$ 1,440.5</u>	<u>\$ 1,332.0</u>
<b>ADJUSTED SEGMENT INCOME EXCLUDING AMORTIZATION</b>		
Adjusted segment income as reported*	\$ 203.3	\$ 181.7
Exclude: "All Other" operating segments	-	-
Exclude: Amortization expense	(3.3)	(0.4)
Adjusted segment income excluding amortization	<u>\$ 206.6</u>	<u>\$ 182.1</u>
as a percent of adjusted revenue	14.3 %	13.7 %
<b>ADJUSTED OPERATING INCOME EXCLUDING AMORTIZATION</b>		
Adjusted operating income as reported*	\$ 142.9	\$ 117.3
Exclude: "All Other" operating segments	-	-
Exclude: Amortization Expense	(3.3)	(0.4)
Adjusted operating income excluding amortization	<u>\$ 146.2</u>	<u>\$ 117.7</u>
as a percent of adjusted revenue	10.2 %	8.8 %
<b>ADJUSTED NET INCOME EXCLUDING AMORTIZATION</b>		
Adjusted net income as reported*	\$ 98.4	\$ 76.3
Exclude: "All Other" operating segments	-	-
Exclude: Amortization expense	(2.6)	(0.3)
Adjusted net income excluding amortization	<u>\$ 101.0</u>	<u>\$ 76.6</u>
as a percent of adjusted revenue	7.0 %	5.8 %
Adjusted EPS	\$ 2.27	\$ 1.75
Diluted Shares Outstanding	44,660	43,905
<b>ADJUSTED EARNINGS BEFORE INTEREST, TAX, DEPRECIATION AND AMORTIZATION</b>		
Adjusted net income excluding amortization*	\$ 101.0	\$ 76.6
Exclude: Interest expense	(25.4)	(24.1)
Exclude: Tax expense	(20.0)	(15.2)
Exclude: Depreciation & amortization	(24.0)	(22.6)
Adjusted earnings before interest, tax, depreciation and amortization	<u>\$ 170.4</u>	<u>\$ 138.5</u>
as a percent of adjusted revenue	11.8 %	10.4 %

\* Non-GAAP financial measure. Reconciliations from US GAAP are available elsewhere within this appendix.

# FY 2018 and FY 2017 Adjusted Free Cash Flow from Continuing Operations to U.S. GAAP Reconciliation



(\$ millions)

	<u>FY 2018</u>	<u>FY 2017</u>
Net operating cash flow from continuing operations	\$ 112.9	\$ 53.5
Capital expenditures - continuing operations	(12.4)	(11.0)
Free cash flow used in continuing operations	<u>100.5</u>	<u>42.5</u>
Adjustment for "All other"*	22.3	39.7
Adjusted free cash flow from continuing operations	<u>\$ 122.8</u>	<u>\$ 82.2</u>
as a percent of Adjusted net income excluding Amortization	122%	107%

\* Represents the removal of the financial results of our South Africa and Heat Transfer businesses. Note: These businesses are now being reported as an "All Other" group of operating segments for U.S. GAAP purposes due to certain wind-down activities that are occurring within these businesses.

# FY 2016 Adjusted Free Cash Flow from Continuing Operations to U.S. GAAP Reconciliation



(\$ millions)

	<u><b>FY 2016</b></u>
Net operating cash flow from continuing operations	\$ 53.4
Capital expenditures - continuing operations	(11.7)
Free cash flow used in continuing operations	<u>41.7</u>
Adjustment for South African projects	33.1
Adjusted free cash flow from continuing operations as a percent of adjusted net income	<u>\$ 74.8</u> 120%