

SPX

March 2019

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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. Reconciliation of the non-GAAP financial measures with the most comparable measures calculated and presented in accordance with GAAP is available in the appendix to this presentation and in our applicable SEC filings, which are available on our website. 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 available without unreasonable effort.

Gene Lowe  
President and CEO



Scott Sproule  
VP, CFO and  
Treasurer



# SPX Corporation Overview

March 2019

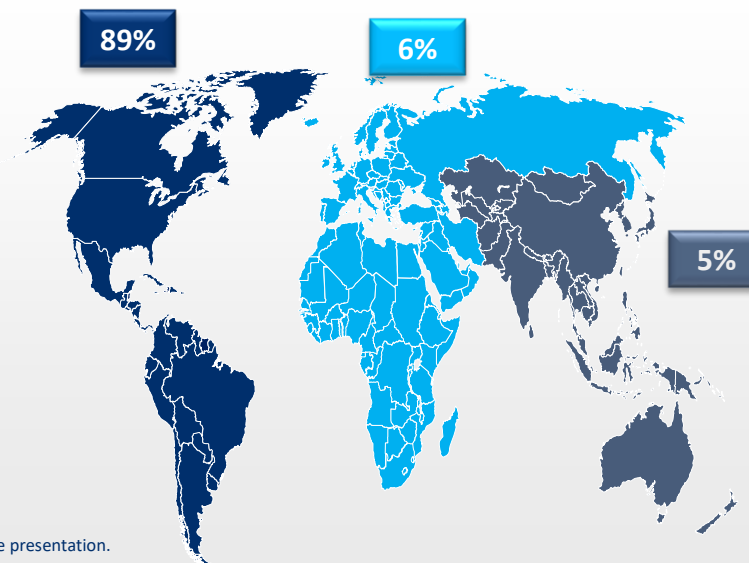


# Company Overview

## SPX Corporation

- 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



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

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

## Executive Highlights

- Well-positioned to invest for sustainable double digit earnings growth
- Solid FCF\* conversion more than 110% of adjusted net income\*
- ~\$500M remaining capital available to deploy through 2020
- Solid platform to expand (products, markets, channels)
- Completed three proprietary acquisitions in the last twelve months

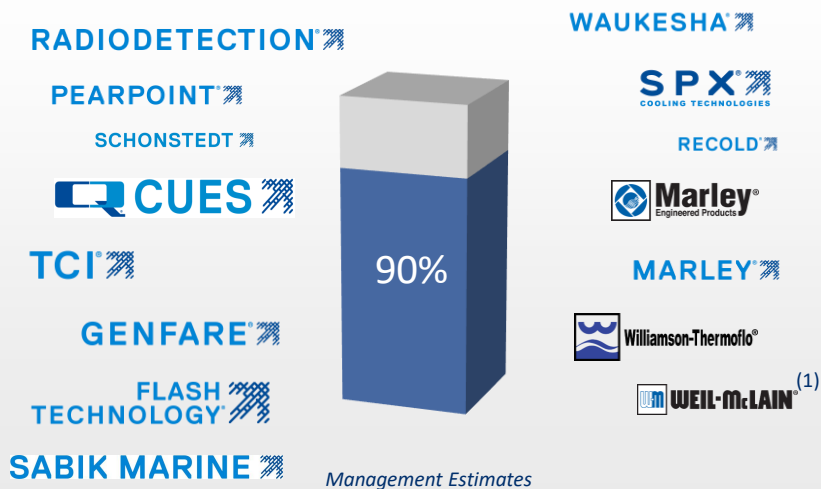
\*Non-GAAP financial measure. Reconciliations from US GAAP financial measures are available in the Appendix of the presentation.

**Continuing to Execute on Plan for Significant Value Creation**

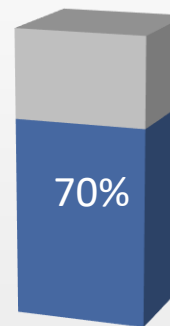
# Strong Brands and Attractive Market Dynamics

2018 Adjusted Revenue\* ~\$1.4B

~90% of Revenue from #1 or #2 Market Position



~70% of Revenue from Replacement Sales



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

(1) Weil-McLain, a division of The Marley-Wylain Company

## Key Product Offerings and Financial Profile by Segment

### HVAC

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

#### **2018:**

- \$582m revenue
- Segment income margin 15.5%

### DETECTION & MEASUREMENT

- ✓ Location & Inspection
- ✓ Fare collection systems
- ✓ Communication technologies
- ✓ Obstruction lighting

#### **2018:**

- \$321m adjusted revenue\*
- Adjusted segment income margin\* 25.3%

### ENGINEERED SOLUTIONS

- ✓ Power transformers
- ✓ Cooling towers

#### **2018:**

- \$537m revenue
- Segment income margin 6.5%

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



## Transformation of SPX – 2015 Through 2018

\$ Ms (except per share data)	2015 <sup>1</sup>	2018 <sup>2</sup>
Adjusted revenue	\$1,692	\$1,441
% Power generation end markets	>30%	<5%
Adjusted segment income %	8.0%	14.3%
Adjusted operating income %	3.7%	10.2%
South African projects (Status)	3 of 5 scopes remaining	1 of 5 scopes remaining
Free Cash Flow conversion	Nominal	122%
Debt/EBITDA <sup>3</sup>	2.5x	1.7x
Expected liquidity to deploy	\$200 by 2018	~\$500 through 2020†
Stock price	~\$9 End of Year	~\$36.48 As of 3/1/19

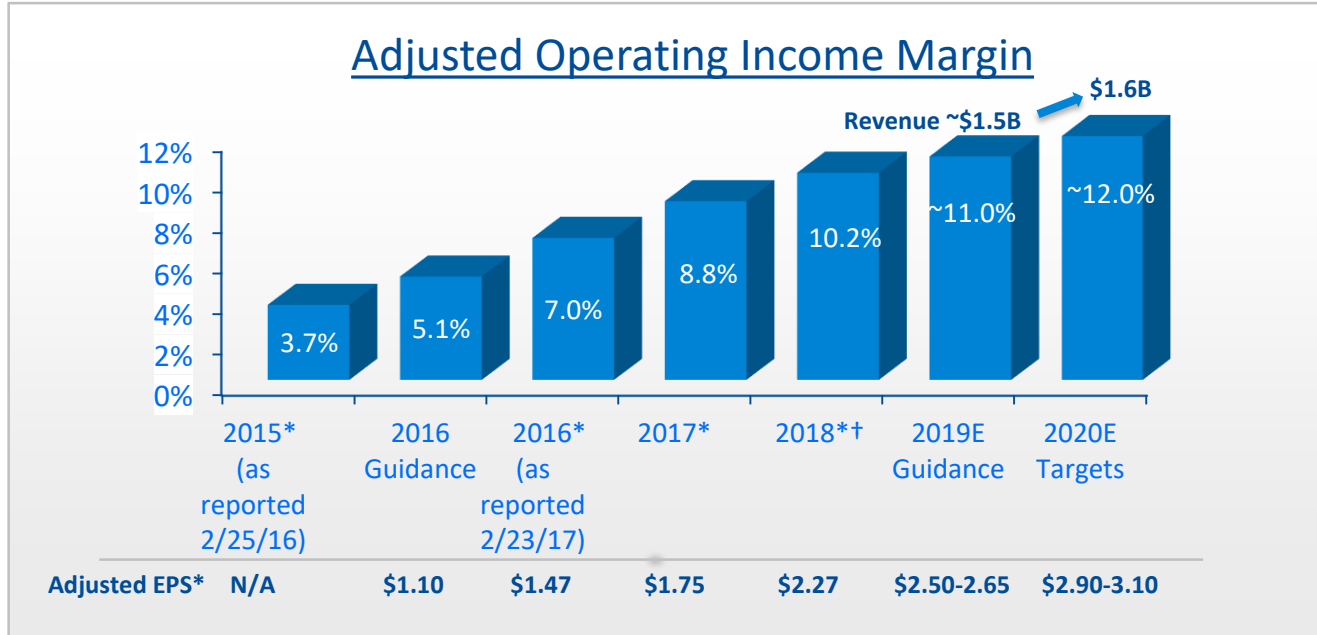
1) Non-GAAP financial measure. Reconciliations from US GAAP financial measures are available in the applicable earnings release on 2/25/2016.

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

3) Calculated as defined by SPX's credit facility agreement.

†Updated capacity at March 2019 Investor Event

# SPX Margin Transformation



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†Adjusted figures exclude amortization.

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

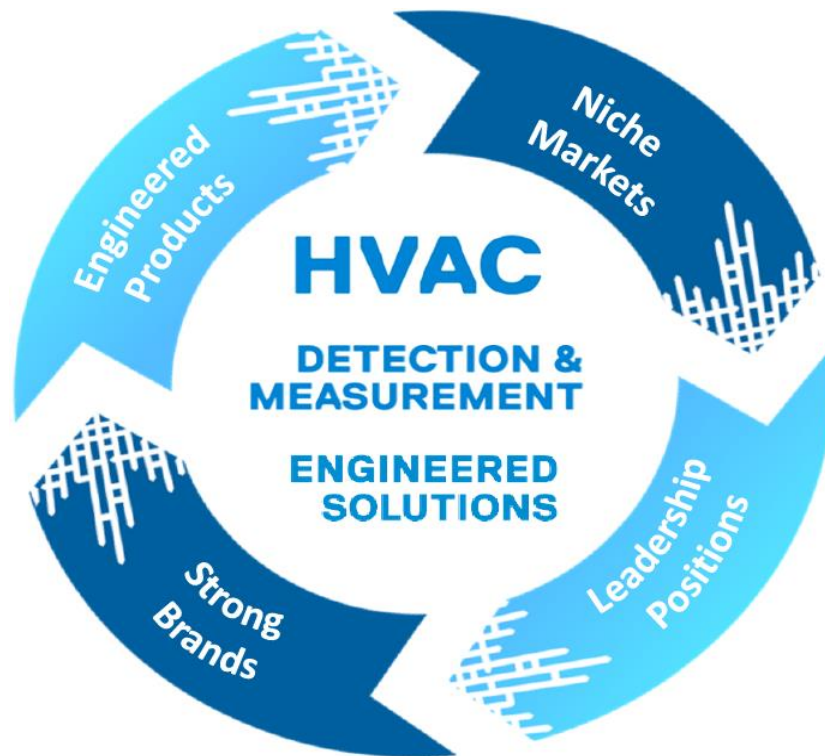
# Value Creation Roadmap

## 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

March 2019



**HVAC**



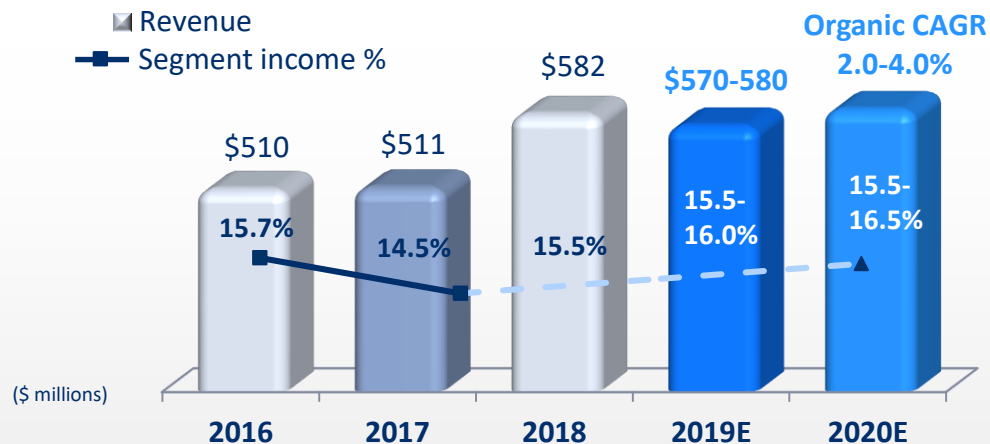
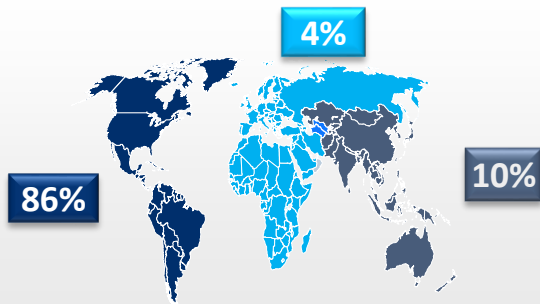
# HVAC Segment Overview



## 2018 Revenue by Product



## 2018 Revenue by Geography



Segment GM%	34%	32%	Low 30's	Low 30's
Segment EBITDA*	\$86	\$80	\$95	\$95-100

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**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

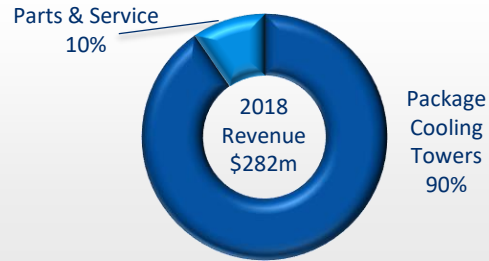
- Drive strategic sourcing, productivity initiatives



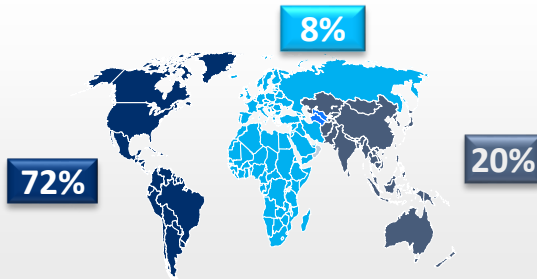
**Several Attractive Opportunities to Expand and Grow HVAC Platform**

# 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**



## Cooling Product Examples

### Marley NC Cooling Tower

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



### Recold Fluid Cooler

- ✓ High performance design
- ✓ Low cost of ownership



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

## 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



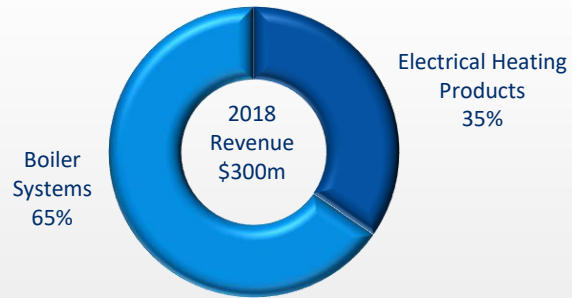
## Evaporative Condenser

- ✓ 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**

## Heating Product Examples

### 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**

## 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



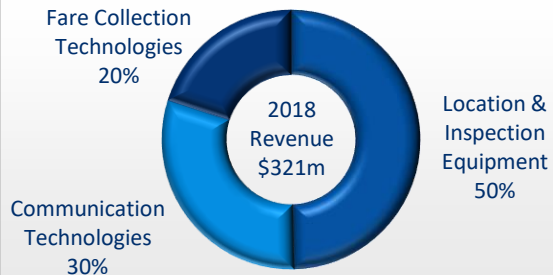
Several New Successful High Efficiency Product Launches



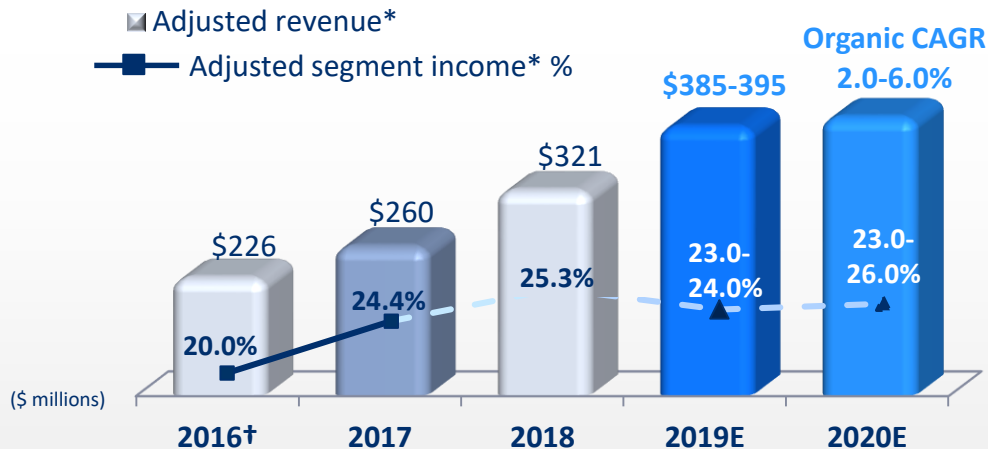
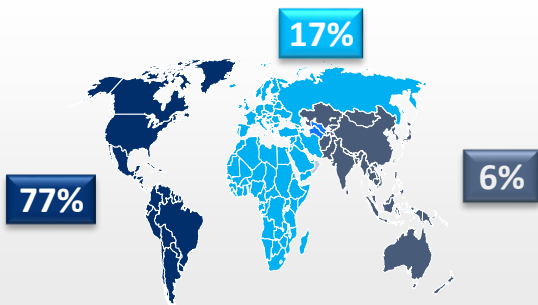
# Detection & Measurement

# Detection & Measurement Segment Overview

## 2018 Revenue by Product



## 2018 Revenue by Geography



	2016+	2017	2018	2019E	2020E
Segment GM%	46%	46%	Mid 40's	Mid 40's	
Segment EBITDA*	\$49	\$68	\$86	\$95-100	

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†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
- New LED Red lighting solution

## Upgrade Installed Base

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

## Operational Excellence

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

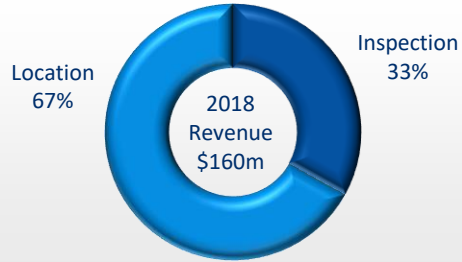


**Several Attractive Opportunities to Expand and Grow Detection & Measurement Platform**

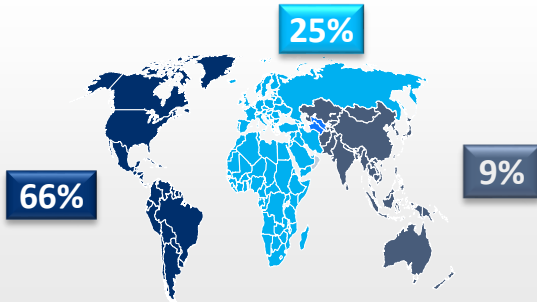


# Location & Inspection Overview

## 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



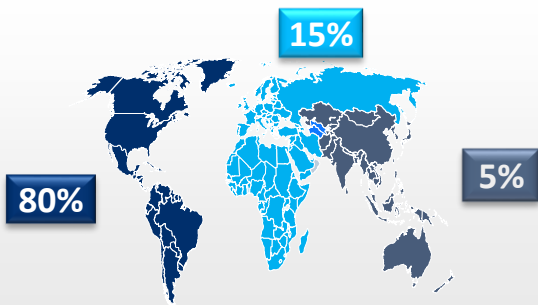
**New Product Introduction Continues to Drive Performance**

# Communication Technologies Overview

## 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

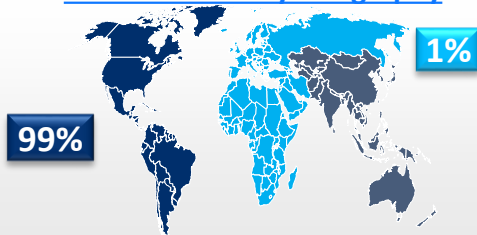


# Engineered Solutions Segment Overview

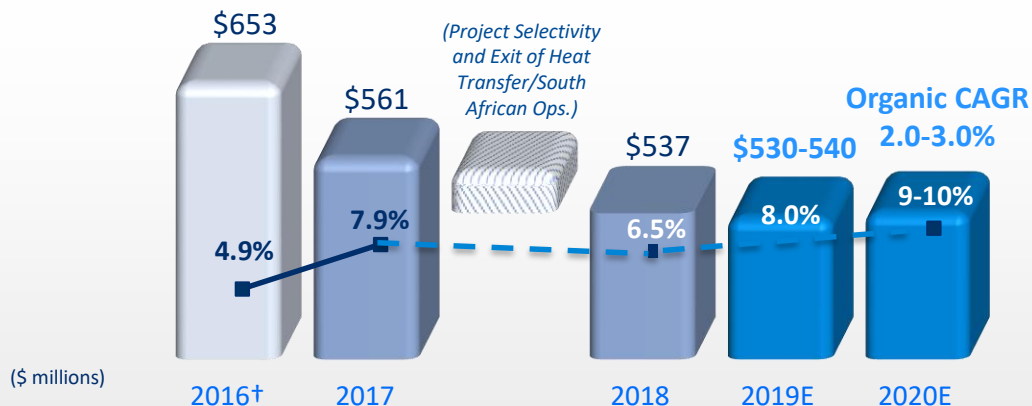
## 2018 Revenue by Product



## 2018 Revenue by Geography



Engineered Solutions revenue    Segment income %



	2016+	2017	2018	2019E	2020E
Segment GM%	16%	17%	Mid-teens	Mid-teens	
Segment EBITDA*	\$47	\$55	\$46	\$50-55	

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



# Strategic Growth Initiatives

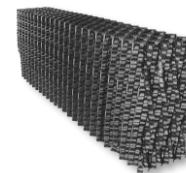
## New Product Development

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



## 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



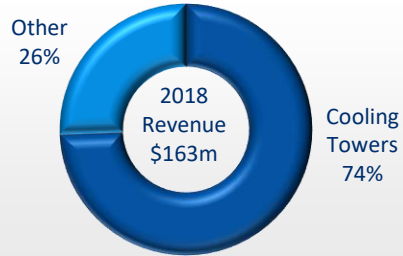
Large Power (High Voltage) Transformer



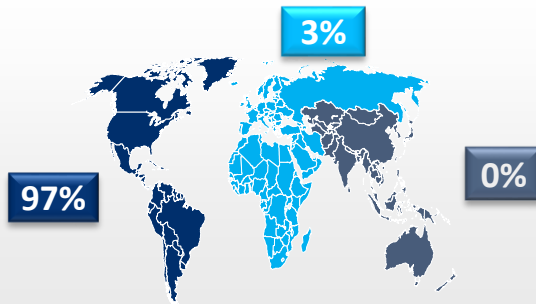
**Leading North American Supplier of Medium Power Transformers**

# 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**

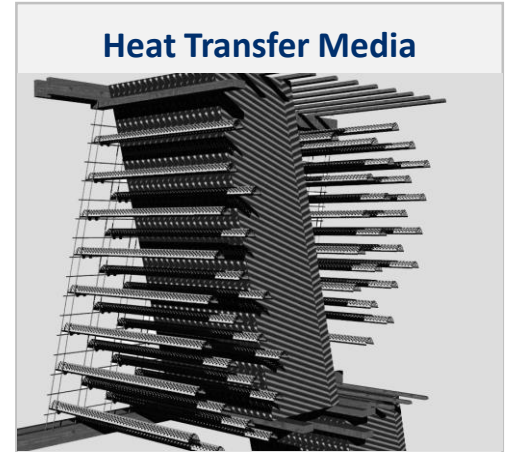
**Gear Reducer**



**Air Flow Components**



**Heat Transfer Media**



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

# Financial Position & Capital Allocation

March 2019



# Capital Allocation Discipline

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

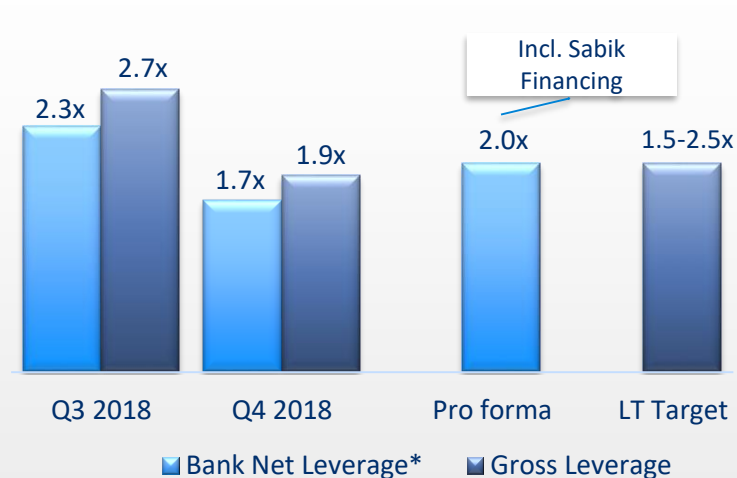
<sup>(1)</sup> Net Debt and EBITDA as defined in SPX Corporation's credit agreement



# Capital Structure



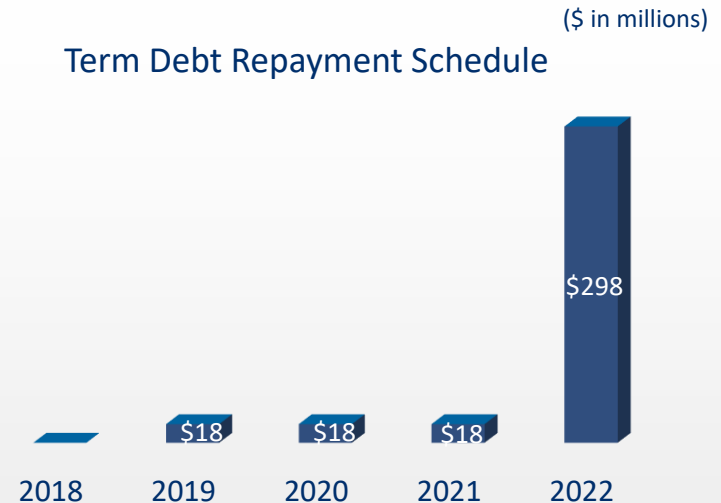
## Leverage Ratios



(\$millions)	Q3 2018	FYE 2018
Short-term debt	\$113.1	\$31.9
Current maturities of long-term debt	9.3	18.0
Long-term debt	340.6	331.9
<b>Total Debt</b>	<b>\$463.0</b>	<b>\$381.8</b>
Less: Cash on hand	(61.9)	(68.8)
<b>Net Debt</b>	<b>\$401.1</b>	<b>\$313.0</b>

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

- Targeting more than 110% Free Cash Flow\* Conversion
- Substantial capital available after addressing bank debt and South African Project obligations
- Projecting ~\$500 million of capacity for capital allocation through 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.

## SPX Acquisition Approach

### Qualitative

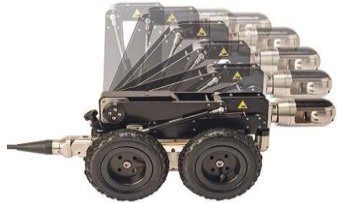
- Focused on building existing platforms
  - Existing markets or close adjacencies
- Engineered products
- Attractive growth opportunities
  - Secular growth drivers
  - Fragmented market with consolidation opportunities
- Differentiated offering through technology, brand or channel

### 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**

# Schonstedt Overview



## 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.

# CUES Overview

## 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



CUES SPiDER Scanner



Mobile Inspection Units



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

# Sabik Overview



## 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

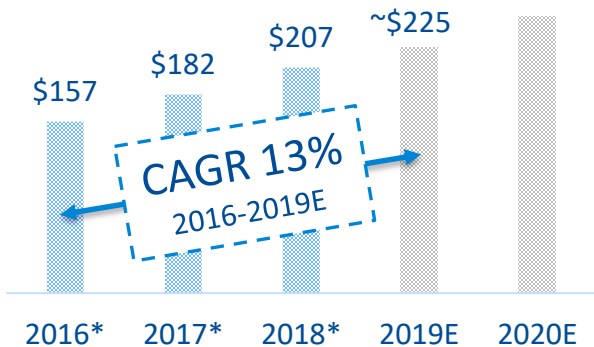


\*Purchase price, net cash acquired, divided by 2018 EBITDA plus expected synergies over a 3-year period.

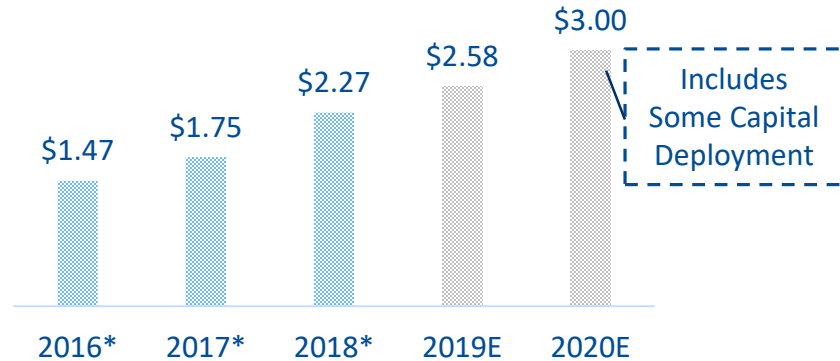


# 2016-2020E SPX Adjusted Profit Measures

### ADJUSTED SEGMENT INCOME (\$M)



### ADJUSTED EPS



\*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.

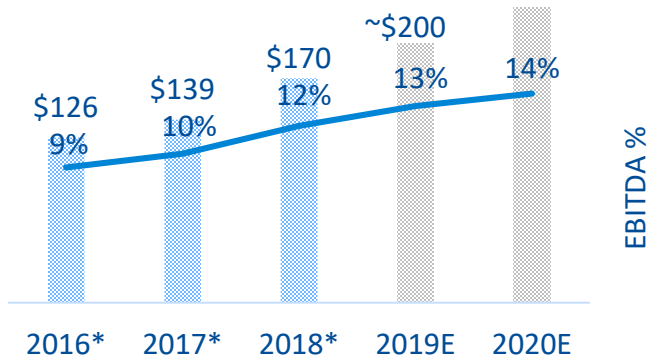
## Continuous Delivery of Value Creation



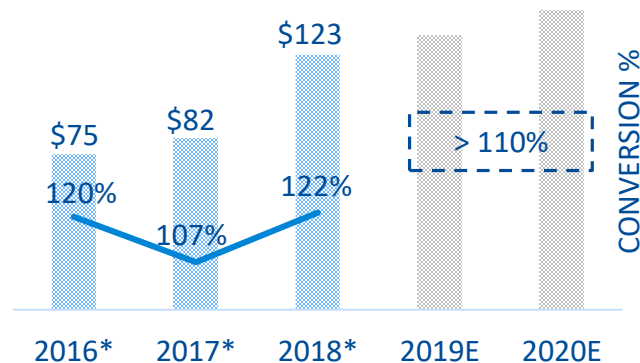


# 2016-2020E SPX Adjusted Profit Measures

### ADJUSTED EBITDA (\$M)



### ADJUSTED FREE CASH FLOW (\$M)



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

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## Continuous Delivery of Value Creation

# Financial Targets

March 2019



## Long-Term Financial Targets

### 2020 Financial Targets

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

\*Non-GAAP financial measure.

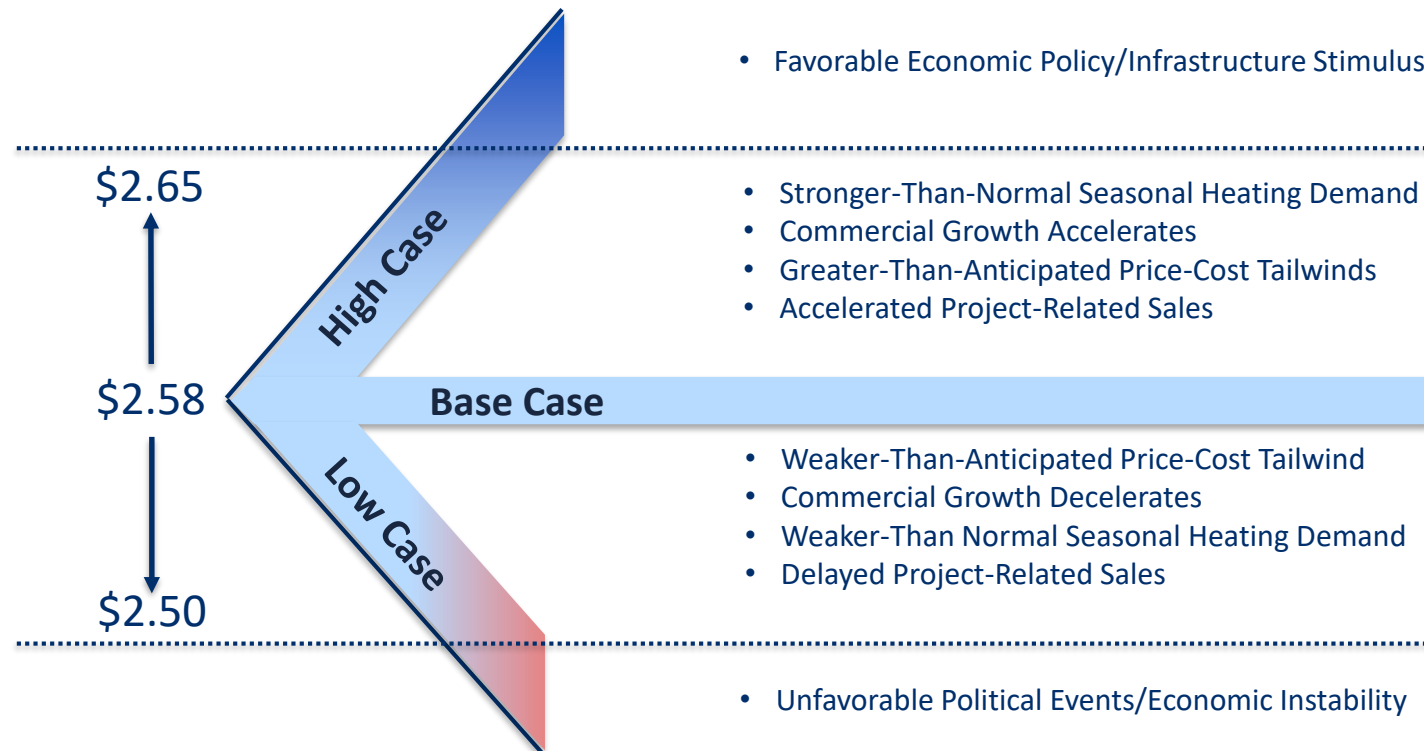
**~\$500M of Capital Available to Deploy Through 2020; Clear Line of Sight to Sustainable Double Digit Adjusted EPS\* Growth**

# Appendix

March 2019



# 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 available without unreasonable effort.

## 2019 Modeling Considerations

Metric	Commentary/Assumptions
Corporate costs	Low \$40Ms
Long-term incentive comp	\$14-15M
Restructuring costs	\$1M
Interest cost	\$21-22M
Equity earnings, other	\$4-5M
Tax rate	Approximately 23%
Capex	\$15-17M
Cash cost of pension + OPEB	Approximately \$16M
D&A	Approximately \$32M, mostly in COGS, including approximately \$6M 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 Outlook



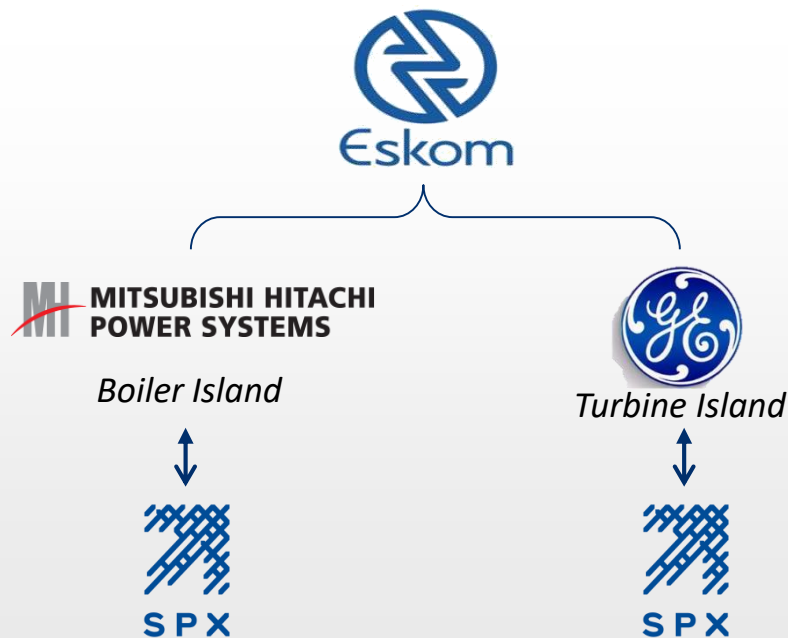
	HVAC	Adjusted Detection & Measurement*	Engineered Solutions	SPX Total Adjusted*
2019 Revenue	~\$575m	~\$390m	~\$535m	\$1.5b
<b><i>Long-term Modeling Target</i></b> <b>Total Organic Revenue Growth</b>	<b>2% to 4%</b>	<b>2% to 6%</b>	<b>2% to 3%</b>	<b>2% to 4%</b>
2019 Segment Income %	15.5-16.0%	23-24%	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.

# South African Projects Overview

## Medupi & Kusile Power Stations

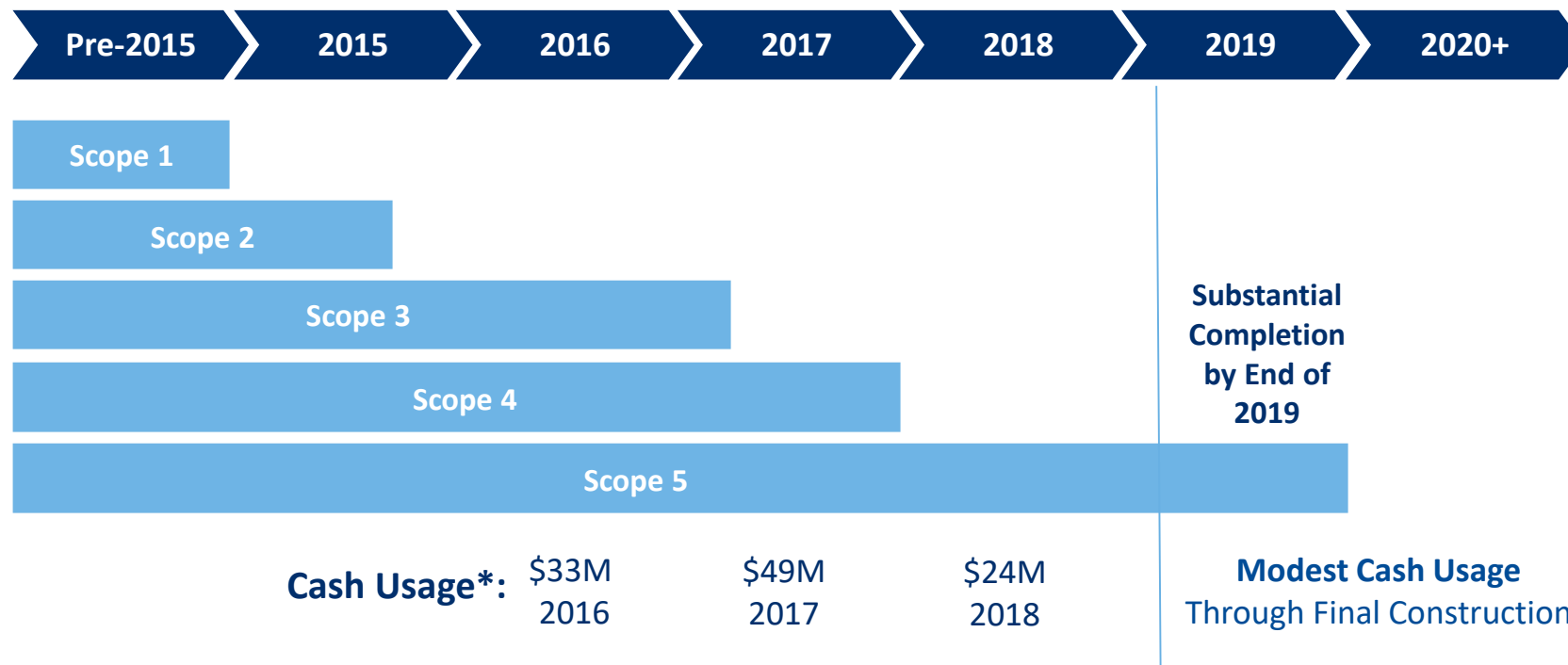
- Two mega-projects sites:
  - **Twelve 800 mega-watt coal-fired plants (six at each project site)**
- Total project value of ~\$1.3B
- Eskom is a state-owned South African utility
- GE/Alstom and Mitsubishi Hitachi are our customers
- One scope of work remaining (of five original scopes)



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



# South African Projects Status



\*Net of U.S. tax benefits related to South Africa for 2017 forward

**Project Execution Finalizing/Engaged in Dispute Resolutions**

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



(\$ millions)

	<b>FY 2016</b>
<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%



## FY 2016 Consolidated EBITDA to U.S. GAAP Reconciliation

(\$ 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)

## HVAC Segment

	FY 2018	FY 2017	FY 2016
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>

## Detection & Measurement Segment

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>

## Engineered Solutions Segment

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	(\$ millions)
Segment income <sup>(1)</sup>	\$ 178.5	\$ 24.8	\$ 203.3	
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	(\$ millions)
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>	

<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



	FY 2018	FY 2017	(\$ millions)
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	<u>\$ 74.8</u>
as a percent of adjusted net income	120%