

---

---

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**FORM 8-K**

**CURRENT REPORT**

**Pursuant to Section 13 OR 15(d) of The Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported): **July 30, 2020**

**SPX CORPORATION**

(Exact name of registrant as specified in its charter)

**Delaware**  
(State or other jurisdiction  
of incorporation)

**1-6948**  
(Commission  
File Number)

**38-1016240**  
(IRS Employer  
Identification No.)

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

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

**NOT APPLICABLE**

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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

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

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (17 CFR §230.405) or Rule 12b-2 of the Securities Exchange Act of 1934 (17 CFR §240.12b-2).

Emerging growth company

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

---

---

## Item 2.02. Results of Operations and Financial Condition.

On July 30, 2020, SPX Corporation (the “Company”) issued the press release attached as [Exhibit 99.1](#) hereto and incorporated herein by reference.

The press release incorporated by reference into this Item 2.02 contains certain non-GAAP financial measures, including disclosure regarding “adjusted consolidated revenue” and “adjusted segment income (loss)”, defined as consolidated revenue and segment income (loss) for the Company excluding the “All Other” group of operating segments, with “All Other” comprised of the results of the South African and SPX Heat Transfer (“Heat Transfer”) operations. Due, in part, to certain wind-down activities, and the related decline in volumes, the South African and Heat Transfer operations have a diminishing impact on the Company’s operating results over the long term. As such, the Company’s management believes it is useful to investors to disclose revenues and segment income (loss) without the results of the “All Other” group of operating segments to provide investors with metrics that the Company’s management uses to measure the overall performance of its businesses. Additionally, the Company included adjustments to arrive at adjusted segment income (loss) by excluding (i) non-recurring charges associated with the step-up of inventory (to fair value) acquired in connection with the Sabik and Cues acquisitions that were completed on February 1, 2019 and June 7, 2018, respectively, (ii) acquisition related charges, and (iii) amortization expense associated with acquired intangible assets. Adjusted consolidated revenue and adjusted segment income (loss) do not provide investors with an accurate measure of, and should not be used as substitutes for, the Company’s revenues and segment income (loss) as determined in accordance with accounting principles generally accepted in the United States (“GAAP”), and may not be comparable to similarly titled measures reported by other companies.

The press release incorporated by reference into this Item 2.02 also contains disclosure regarding “adjusted segment income” for the Company’s Detection and Measurement reportable segment, with “adjusted segment income” defined as segment income for its Detection and Measurement reportable segment excluding the inventory step-up charges and amortization from acquired intangibles. The press release also contains disclosure regarding “adjusted segment income” for the Company’s HVAC reportable segment, defined as segment income for its HVAC reportable segment excluding acquisition related charges and amortization from acquired intangibles. Adjusted segment income for the Detection and Measurement and HVAC reportable segments do not provide investors with an accurate measure of, and should not be used as a substitute for, segment income of the Detection and Measurement and HVAC reportable segments as determined in accordance with GAAP, and may not be comparable to similarly titled measures reported by other companies.

The press release incorporated by reference into this Item 2.02 also contains disclosure regarding “adjusted operating income” and “adjusted earnings per share”, defined as operating income and diluted net income per share from continuing operations excluding the following items, as applicable: (a) results of the “All Other” group of operating segments, (b) non-service pension and postretirement expense (income), (c) acquisition related charges, (d) income and charges related to the prior sale of the Company’s Dry Cooling business, (e) amortization expense associated with acquired intangible assets, (f) gains on an equity security associated with a fair value adjustment, and (g) certain discrete income tax charges and benefits, as applicable, as well as (h) the income tax impact of items (a) through (f). In addition to the Company’s “All Other” group of operating segments, as described above, the Company’s management views the impact related to each of the other items as not indicative of the Company’s ongoing performance. The Company believes that inclusion of only the service cost and prior service cost components of pension and postretirement expense better reflects the ongoing costs of providing pension and postretirement benefits to its employees. Other components of GAAP pension and postretirement expense (income) are mainly driven by market performance, and the Company manages these separately from the operational performance of its business. The Company believes adjusted operating income and adjusted earnings per share, when read in conjunction with operating income and diluted net income per share from continuing operations, gives investors a useful tool to assess and understand the Company’s overall financial performance, because they exclude items of income or expense that the Company believes are not reflective of its ongoing operating performance, allowing for a better period-to-period comparison of operations of the Company. Additionally, the Company’s management uses adjusted operating income and adjusted earnings per share as measures of the Company’s performance. The adjusted operating income and adjusted earnings per share measures do not provide investors with an accurate measure of the actual operating income and diluted income per share from continuing operations reported by the Company and should not be considered as substitutes for operating income and diluted income per share from continuing operations as determined in accordance with GAAP, and may not be comparable to similarly titled measures reported by other companies.

The press release incorporated by reference into this Item 2.02 also contains disclosure regarding organic revenue growth (decline), defined as revenue growth (decline) excluding the effects of foreign currency fluctuations and acquisitions/divestitures, as applicable. The Company’s management believes that organic revenue growth (decline) is a useful financial measure for investors in evaluating operating performance for the periods presented, because excluding the effect of currency fluctuations and acquisitions/divestitures, when read in conjunction with the Company’s revenues, presents a useful tool to

evaluate the Company's ongoing operations and provides investors with a tool they can use to evaluate the Company's management of assets held from period to period. In addition, organic revenue growth (decline) is one of the factors the Company's management uses in internal evaluations of the overall performance of its business. This metric, however, should not be considered a substitute for revenue growth (decline) as determined in accordance with GAAP, and may not be comparable to similarly titled measures reported by other companies.

Refer to the tables included in the press release for the components of each of the Company's non-GAAP financial measures referred to above, and for the reconciliations of these numbers to their respective comparable GAAP measures.

The information in this Report is being furnished and shall not be deemed "filed" for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that Section. The information in this Report shall not be deemed incorporated by reference into any filing under the Securities Act of 1933, as amended, except as shall be expressly set forth by specific reference in such filing.

**Item 9.01. Financial Statements and Exhibits.**

(d) Exhibits.

<u>Exhibit Number</u>	<u>Description</u>
99.1	<a href="#">Press Release issued July 30, 2020, furnished solely pursuant to Item 2.02 of Form 8-K</a>
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

---

**SIGNATURES**

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

**SPX CORPORATION**

(Registrant)

Date: July 30, 2020

By: /s/ Scott W. Sproule

Scott W. Sproule

Vice President, Chief Financial Officer and  
Treasurer

## SPX Reports Second Quarter 2020 Results

### Q2 GAAP EPS of \$0.62; Adjusted EPS\* of \$0.64 Balanced Portfolio Supported Strong Q2 Results Successfully Navigating COVID-19 Challenges

CHARLOTTE, N.C., July 30, 2020 /Globe Newswire/ -- SPX Corporation (NYSE:SPXC) today reported results for the quarter ended June 27, 2020.

Gene Lowe, President and CEO, remarked, "I am very pleased with our second quarter performance, which reflects solid operational execution and highlights the strengths of our balanced portfolio and our business system, which has allowed us to quickly adapt to changing conditions. Although we experienced COVID-19 pandemic-related headwinds during Q2, we maintained stable revenues and adjusted operating income."

Mr. Lowe continued, "As we assess the key drivers of our performance for the second half of 2020, we see continued risks associated with the spread of COVID-19 in our largest market, the United States. However, we have multiple tools to continue successfully navigating through the pandemic, and anticipate generating significant cash and profits during the remainder of the year. We ended the second quarter with a very strong balance sheet and available liquidity, positioning us for continued capital deployment, including attractive acquisition opportunities that accelerate our strategic growth plans."

#### **Second Quarter 2020 Overview:**

For the second quarter of 2020, the company reported revenue of \$373.2 million and operating income of \$34.4 million, compared with revenue of \$372.4 million and operating income of \$26.3 million in the second quarter of 2019. Diluted income per share from continuing operations in the second quarter of 2020 was \$0.62, compared with a diluted income per share from continuing operations of \$0.43 in the second quarter of 2019.

SPX's adjusted revenue\* was \$371.2 million and adjusted operating income\* was \$41.5 million, compared with adjusted revenue\* of \$371.6 million and adjusted operating income\* of \$40.7 million in the second quarter of 2019. Adjusted income per share\* in the second quarter of 2020 was \$0.64, compared with \$0.67 in the second quarter of 2019.

Second Quarter and Year-to-Date Financial Comparison:

#### **GAAP Results:**

(\$ millions)	Q2 2020	Q2 2019	2020 YTD	2019 YTD
Revenue	\$ 373.2	\$ 372.4	\$ 742.5	\$ 716.0
Segment Income	47.6	41.4	94.8	62.2
Operating Income	34.4	26.3	67.1	29.3

#### **Adjusted Results:**

(\$ millions)	Q2 2020	Q2 2019	2020 YTD	2019 YTD
Adjusted Revenue*	\$ 371.2	\$ 371.6	\$ 736.5	\$ 723.1
Adjusted Segment Income*	54.2	54.7	108.0	101.0
Adjusted Operating Income*	41.5	40.7	80.7	72.6

\* Non-GAAP financial measure. See attached schedules for reconciliation to most comparable GAAP financial measure.

#### **HVAC**

Revenue for Q2 2020 was \$132.3 million, compared with \$130.9 million in Q2 2019, an increase of 1.1%, including a 10.4% increase from acquisitions and a 0.4% unfavorable impact related to currency fluctuation. Organic revenue\* decreased 8.9%, primarily reflecting an increase in international cooling volumes, more than offset by a decline in demand for heating products, including a negative impact of the COVID-19 pandemic on customer demand.

Segment income in Q2 2020 was \$18.2 million, compared to \$16.7 million in Q2 2019. Adjusted segment income\*, which excludes intangible amortization expense of \$0.7 million, was \$18.9 million, or 14.3% of revenue. This compares with adjusted segment income\* of \$16.8 million, or 12.8% of revenue in Q2 2019, which excludes intangible amortization expense of \$0.1 million. The increase in adjusted segment income\* and 150 basis points increase in adjusted segment income margin\* were due to stronger operational execution and a more favorable product mix in our domestic cooling business.

#### **Detection & Measurement**

Revenue for Q2 2020 was \$92.1 million, compared with \$101.7 million in Q2 2019, a decrease of 9.4%, including a 0.5% unfavorable impact related to currency fluctuation. Organic revenue\* decreased 8.9%, largely due to lower sales of Communication Technologies and Locators products, with a significant portion of the decrease attributable to lower customer demand and project order delays associated with the COVID-19 pandemic.

Segment income in Q2 2020 was \$16.0 million, compared to \$21.7 million in Q2 2019. Adjusted segment income\*, which excludes intangible amortization expense of \$1.7 million, was \$17.7 million, or 19.2% of revenue. This compares with adjusted segment income\* of \$24.9 million, or 24.5% of revenue, in Q2 2019, which excludes intangible amortization expense of \$2.3 million and acquisition-related costs of \$0.9 million. The 530 basis points decrease in adjusted segment income margin\* was driven primarily by the decrease in volumes noted above and a less favorable business mix associated with lower shipments of higher margin products.

### **Engineered Solutions**

Revenue in Q2 2020 was \$146.8 million, compared with \$139.0 million in Q2 2019, an increase of 5.6%, which included an organic increase of 5.9% and a 0.3% unfavorable impact related to currency fluctuation. The organic increase was driven by higher revenue in our Transformers business, associated with higher manufacturing throughput due to improved execution.

Segment income in Q2 2020 was \$17.6 million, or 12.0% of revenue, compared with segment income of \$13.0 million, or 9.4% of revenue, in Q2 2019. The increase in income and margin was driven by a more favorable sales mix, improved pricing discipline, and improved throughput at the Transformers business's manufacturing facilities.

### *All Other*

All Other, which includes the South African and Heat Transfer operations, had revenue of \$2.0 million in Q2 2020, compared with \$0.8 million in Q2 2019. The increase was due largely to a prior-year adjustment that reduced the cumulative revenue associated with the South African projects by \$6.0 million in Q2 2019.

All Other incurred a loss in Q2 2020 of \$4.2 million, compared with a loss of \$10.0 million in Q2 2019. The decrease in the loss was due primarily to the revenue adjustment noted above associated with the South African projects in the prior year period.

### **Financial Update:**

As of June 27, 2020, SPX had total outstanding debt of \$517.9 million and total cash of \$190.2 million. During Q2 2020, SPX generated net operating cash from continuing operations of \$27.1 million. Net leverage, as calculated under the company's bank credit agreement, was 1.5x, a modest reduction from Q1 2020.

**Non-GAAP Presentation:** To provide additional clarity to its operating results, the company discusses results that include "adjusted" non-GAAP financial measures. Adjusted results for the company exclude, among other items, the effect of the South African and Heat Transfer operations, categorized as "All Other" in the company's segment reporting structure. The company reports separately on the results of the "All Other" category. The company anticipates reporting the results of businesses included in the "All Other" category as discontinued operations, at such time as they meet the accounting requirements for this treatment.

**Form 10-Q:** The company expects to file its quarterly report on Form 10-Q for the quarter ended June 27, 2020 with the Securities and Exchange Commission on or before August 6, 2020. This press release should be read in conjunction with that filing, which will be available on the company's website at [www.spx.com](http://www.spx.com), in the Investor Relations section.

**Conference Call:** SPX will host a conference call at 4:45 p.m. (EDT) today to discuss first quarter results. The call will be simultaneously webcast via the company's website at [www.spx.com](http://www.spx.com) and the slide presentation will be available in the Investor Relations section of the site.

#### Conference call

Dial in: 877-341-7727

From outside the United States: +1 262-558-6098

Participant code: 3089269

A replay of the call will be available by telephone through Thursday, August 6<sup>th</sup>.

#### To listen to a replay of the call

Dial in: 855-859-2056

From outside the United States: +1 404-537-3406

Participant code: 3089269

**Upcoming Investor Events:** Company management plans to conduct virtual meetings with investors during the third quarter of 2020 and SPX will also be virtually participating in the Ideas Conference on August 27<sup>th</sup>, the Vertical Annual Global Industrials Conference on September 9<sup>th</sup>, and the Sidoti Fall Conference on September 23<sup>rd</sup>.

**About SPX Corporation:** SPX Corporation is a supplier of highly engineered products and technologies, holding leadership positions in the HVAC, detection and measurement, and engineered solutions markets. Based in Charlotte, North Carolina, SPX Corporation had approximately \$1.5 billion in annual revenue in 2019 and over 4,500 employees in 17 countries. SPX Corporation is listed on the New York Stock Exchange under the ticker symbol "SPXC." For more information, please visit [www.spx.com](http://www.spx.com).

\*Non-GAAP financial measure. See attached schedules for reconciliation to most comparable GAAP financial measure.

Certain statements in this press release 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 the safe harbor created thereby. Actual results may differ materially from these statements. The words "believe," "expect," "anticipate," "project" and similar expressions identify forward-looking statements. Please read these forward-looking statements in conjunction with the company's documents filed with the Securities and Exchange Commission, including the company's most recent annual report on Form 10-K and its most recent quarterly report on Form 10-Q. These filings identify important risk factors and other uncertainties that could cause actual results to differ from those contained in the forward-looking statements. In addition to the risks and uncertainties

identified in those filings, the forward-looking statements contained in this press release are subject to risks and uncertainties related to the COVID-19 pandemic, including the impact of the pandemic or related government responses on the company's businesses, the businesses of its customers and vendors, and whether the company's businesses and those of its customers and vendors will continue to be treated as "essential" operations under government orders restricting business activities or, even if so treated, whether health and safety concerns might otherwise require certain of the company's operations to be halted for some period of time. Although the company 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, forward-looking statements are based on the company's current complement of businesses, which is subject to change.

Statements in this press release speak only as of the date of this press release, and SPX disclaims any responsibility to update or revise such statements.

SOURCE SPX Corporation.

**Investor and Media Contacts:**

Paul Clegg, VP, Investor Relations and Communications

Phone: 980-474-3806

E-mail: [spx.investor@spx.com](mailto:spx.investor@spx.com)

Pat Uotila, Manager, Investor Relations

Phone: 980-474-3806

E-mail: [spx.investor@spx.com](mailto:spx.investor@spx.com)

**SPX CORPORATION AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS**  
(Unaudited; in millions, except per share amounts)

	Three months ended		Six months ended	
	June 27, 2020	June 29, 2019	June 27, 2020	June 29, 2019
Revenues	\$ 373.2	\$ 372.4	\$ 742.5	\$ 716.0
Costs and expenses:				
Cost of products sold	259.2	264.2	514.4	524.6
Selling, general and administrative	75.8	78.2	154.7	154.9
Intangible amortization	2.4	2.4	5.0	4.0
Special charges, net	1.4	1.3	1.7	1.4
Other operating (income) expense	—	—	(0.4)	1.8
Operating income	34.4	26.3	67.1	29.3
Other income, net	5.8	1.9	6.5	9.1
Interest expense	(4.8)	(5.3)	(9.5)	(10.6)
Interest income	0.1	0.6	0.1	0.9
Income from continuing operations before income taxes	35.5	23.5	64.2	28.7
Income tax provision	(7.1)	(4.1)	(13.1)	(8.7)
Income from continuing operations	28.4	19.4	51.1	20.0
Income (loss) from discontinued operations, net of tax	—	—	—	—
Loss on disposition of discontinued operations, net of tax	(1.3)	(0.2)	(1.3)	(1.6)
Loss from discontinued operations, net of tax	(1.3)	(0.2)	(1.3)	(1.6)
Net income	\$ 27.1	\$ 19.2	\$ 49.8	\$ 18.4
Basic income per share of common stock:				
Income from continuing operations	\$ 0.64	\$ 0.44	\$ 1.15	\$ 0.46
Loss from discontinued operations	(0.03)	—	(0.03)	(0.04)
Net income per share	\$ 0.61	\$ 0.44	\$ 1.12	\$ 0.42
Weighted-average number of common shares outstanding — basic	44.590	43.914	44.452	43.767
Diluted income per share of common stock:				
Income from continuing operations	\$ 0.62	\$ 0.43	\$ 1.12	\$ 0.45
Loss from discontinued operations	(0.03)	—	(0.03)	(0.04)
Net income per share	\$ 0.59	\$ 0.43	\$ 1.09	\$ 0.41
Weighted-average number of common shares outstanding — diluted	45.648	44.892	45.620	44.750



**SPX CORPORATION AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**  
(Unaudited; in millions)

	June 27, 2020	December 31, 2019
<b>ASSETS</b>		
Current assets:		
Cash and equivalents	\$ 190.2	\$ 54.7
Accounts receivable, net	239.5	265.9
Contract assets	65.5	63.4
Inventories, net	181.6	154.9
Other current assets (includes income taxes receivable of \$24.9 and \$23.0 at June 27, 2020 and December 31, 2019, respectively)	92.2	93.2
Total current assets	769.0	632.1
Property, plant and equipment:		
Land	19.2	18.7
Buildings and leasehold improvements	120.6	121.9
Machinery and equipment	349.6	342.6
	489.4	483.2
Accumulated depreciation	(311.3)	(304.1)
Property, plant and equipment, net	178.1	179.1
Goodwill	451.0	449.3
Intangibles, net	246.5	251.7
Other assets	603.6	605.9
Deferred income taxes	8.2	16.4
<b>TOTAL ASSETS</b>	<b>\$ 2,256.4</b>	<b>\$ 2,134.5</b>
<b>LIABILITIES AND EQUITY</b>		
Current liabilities:		
Accounts payable	\$ 137.9	\$ 141.6
Contract liabilities	91.1	100.8
Accrued expenses	201.4	220.4
Income taxes payable	2.7	2.2
Short-term debt	266.8	142.6
Current maturities of long-term debt	4.1	1.0
Total current liabilities	704.0	608.6
Long-term debt	247.0	249.9
Deferred and other income taxes	26.3	26.3
Other long-term liabilities	727.0	747.3
Total long-term liabilities	1,000.3	1,023.5
Equity:		
Common stock	0.5	0.5
Paid-in capital	1,303.4	1,302.4
Retained deficit	(535.5)	(584.8)
Accumulated other comprehensive income	235.3	244.3
Common stock in treasury	(451.6)	(460.0)
Total equity	552.1	502.4
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>\$ 2,256.4</b>	<b>\$ 2,134.5</b>

**SPX CORPORATION AND SUBSIDIARIES**  
**RESULTS OF REPORTABLE AND OTHER OPERATING SEGMENTS**  
(Unaudited; in millions)

	Three months ended				Six months ended			
	June 27, 2020	June 29, 2019	Δ	%/bps	June 27, 2020	June 29, 2019	Δ	%/bps
<b>HVAC reportable segment</b>								
Revenues	\$ 132.3	\$ 130.9	\$ 1.4	1.1%	\$ 250.8	\$ 259.3	\$ (8.5)	(3.3)%
Gross profit	44.1	40.9	3.2		84.5	82.5	2.0	
Selling, general and administrative expense	25.2	24.1	1.1		49.8	47.2	2.6	
Intangible amortization expense	0.7	0.1	0.6		1.5	0.2	1.3	
Income	\$ 18.2	\$ 16.7	\$ 1.5	9.0%	\$ 33.2	\$ 35.1	\$ (1.9)	(5.4)%
as a percent of revenues	13.8 %	12.8 %		100 bps	13.2 %	13.5 %		-30 bps
<b>Detection &amp; Measurement reportable segment</b>								
Revenues	\$ 92.1	\$ 101.7	\$ (9.6)	(9.4)%	\$ 184.0	\$ 186.8	\$ (2.8)	(1.5)%
Gross profit	37.8	46.6	(8.8)		79.7	86.0	(6.3)	
Selling, general and administrative expense	20.1	22.6	(2.5)		42.0	43.5	(1.5)	
Intangible amortization expense	1.7	2.3	(0.6)		3.5	3.8	(0.3)	
Income	\$ 16.0	\$ 21.7	\$ (5.7)	(26.3)%	\$ 34.2	\$ 38.7	\$ (4.5)	(11.6)%
as a percent of revenues	17.4 %	21.3 %		-390 bps	18.6 %	20.7 %		-210 bps
<b>Engineered Solutions reportable segment</b>								
Revenues	\$ 146.8	\$ 139.0	\$ 7.8	5.6%	\$ 301.7	\$ 277.0	\$ 24.7	8.9%
Gross profit	32.4	26.2	6.2		64.1	47.8	16.3	
Selling, general and administrative expense	14.8	13.2	1.6		28.6	26.8	1.8	
Income	\$ 17.6	\$ 13.0	\$ 4.6	35.4%	\$ 35.5	\$ 21.0	\$ 14.5	69.0%
as a percent of revenues	12.0 %	9.4 %		260 bps	11.8 %	7.6 %		420 bps
<b>All Other</b>								
Revenues	\$ 2.0	\$ 0.8	\$ 1.2	150.0%	\$ 6.0	\$ (7.1)	\$ 13.1	184.5%
Gross profit (loss)	(0.3)	(5.5)	5.2		(0.2)	(24.9)	24.7	
Selling, general and administrative expense	3.9	4.5	(0.6)		7.9	7.7	0.2	
Loss	\$ (4.2)	\$ (10.0)	\$ 5.8	(58.0)%	\$ (8.1)	\$ (32.6)	\$ 24.5	(75.2)%
<b>Consolidated Revenues</b>								
	\$ 373.2	\$ 372.4	\$ 0.8	0.2%	\$ 742.5	\$ 716.0	\$ 26.5	3.7%
<b>Consolidated Segment Income</b>								
	47.6	41.4	6.2	15.0%	94.8	62.2	32.6	52.4%
as a percent of revenues	12.8 %	11.1 %		170 bps	12.8 %	8.7 %		410 bps
<b>Total segment income</b>								
	\$ 47.6	\$ 41.4	\$ 6.2		\$ 94.8	\$ 62.2	\$ 32.6	
Corporate expense	8.5	10.5	(2.0)		19.6	22.9	(3.3)	
Long-term incentive compensation expense	3.3	3.3	—		6.8	6.8	—	
Special charges, net	1.4	1.3	0.1		1.7	1.4	0.3	
Other operating (income) expense	—	—	—		(0.4)	\$ 1.8	(2.2)	
<b>Consolidated operating income</b>	\$ 34.4	\$ 26.3	\$ 8.1	30.8%	\$ 67.1	\$ 29.3	\$ 37.8	129.0%
as a percent of revenues	9.2 %	7.1 %		210 bps	9.0 %	4.1 %		490 bps

**SPX CORPORATION AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(Unaudited; in millions)

	Three months ended		Six months ended	
	June 27, 2020	June 29, 2019	June 27, 2020	June 29, 2019
<b>Cash flows from (used in) operating activities:</b>				
Net income	\$ 27.1	\$ 19.2	\$ 49.8	\$ 18.4
Less: Loss from discontinued operations, net of tax	(1.3)	(0.2)	(1.3)	(1.6)
Income from continuing operations	28.4	19.4	51.1	20.0
Adjustments to reconcile income from continuing operations to net cash from operating activities:				
Special charges, net	1.4	1.3	1.7	1.4
Gain on change in fair value of equity security	(5.3)	(1.6)	(5.3)	(7.9)
Deferred and other income taxes	7.1	1.9	11.0	4.4
Depreciation and amortization	9.3	8.5	18.5	16.6
Pension and other employee benefits	1.4	2.3	3.6	5.1
Long-term incentive compensation	3.3	3.3	6.8	6.8
Other, net	1.7	0.3	2.4	0.6
Changes in operating assets and liabilities, net of effects from acquisitions:				
Accounts receivable and other assets	25.0	23.5	48.8	71.0
Inventories	(5.4)	(3.6)	(28.1)	(18.0)
Accounts payable, accrued expenses and other	(38.5)	(37.6)	(78.9)	(69.8)
Cash spending on restructuring actions	(1.3)	(1.2)	(1.8)	(2.2)
Net cash from continuing operations	27.1	16.5	29.8	28.0
Net cash used in discontinued operations	(0.4)	(0.6)	(3.5)	(1.5)
Net cash from operating activities	26.7	15.9	26.3	26.5
<b>Cash flows from (used in) investing activities:</b>				
Proceeds from company-owned life insurance policies, net	—	1.9	1.1	2.4
Business acquisition, net of cash acquired	—	(0.2)	—	(77.2)
Net proceeds from sales of assets	—	—	—	5.5
Capital expenditures	(5.8)	(2.5)	(9.4)	(6.2)
Net cash used in continuing operations	(5.8)	(0.8)	(8.3)	(75.5)
Net cash from discontinued operations	—	—	—	—
Net cash used in investing activities	(5.8)	(0.8)	(8.3)	(75.5)
<b>Cash flows from (used in) financing activities:</b>				
Borrowings under senior credit facilities	—	12.3	178.7	101.6
Repayments under senior credit facilities	—	(22.3)	(88.7)	(86.8)
Borrowings under trade receivables financing arrangement	10.0	5.0	65.0	45.0
Repayments under trade receivables financing arrangement	(3.0)	(15.0)	(30.0)	(44.0)
Net borrowings (repayments) under other financing arrangements	(0.7)	(0.1)	(1.4)	2.7
Payment of contingent consideration	—	—	(1.5)	—
Minimum withholdings paid on behalf of employees for net share settlements, net of proceeds from the exercise of employee stock options	0.5	1.1	(2.3)	(4.8)
Net cash from (used in) continuing operations	6.8	(19.0)	119.8	13.7
Net cash from discontinued operations	—	—	—	—
Net cash from (used in) financing activities	6.8	(19.0)	119.8	13.7
Change in cash and equivalents due to changes in foreign currency exchange rates	(0.6)	(0.5)	(2.3)	1.1
Net change in cash and equivalents	27.1	(4.4)	135.5	(34.2)
Consolidated cash and equivalents, beginning of period	163.1	39.0	54.7	68.8
Consolidated cash and equivalents, end of period	\$ 190.2	\$ 34.6	\$ 190.2	\$ 34.6

**SPX CORPORATION AND SUBSIDIARIES**  
**CASH AND DEBT RECONCILIATION**  
(Unaudited; in millions)

	Six months ended June 27, 2020
Beginning cash and equivalents	\$ 54.7
Cash from continuing operations	29.8
Capital expenditures	(9.4)
Proceeds from company-owned life insurance policies, net	1.1
Borrowings under senior credit facilities	178.7
Repayments under senior credit facilities	(88.7)
Net borrowings under other financing arrangements	33.6
Payment of contingent consideration	(1.5)
Minimum withholdings paid on behalf of employees for net share settlements, net of proceeds from the exercise of employee stock options	(2.3)
Cash used in discontinued operations	(3.5)
Change in cash due to changes in foreign currency exchange rates	(2.3)
Ending cash and equivalents	<u>\$ 190.2</u>

	Debt at December 31, 2019	Borrowings	Repayments	Other	Debt at June 27, 2020
Revolving loans	\$ 140.0	\$ 178.7	\$ (88.7)	\$ —	\$ 230.0
Term loan	250.0	—	—	—	250.0
Trade receivables financing arrangement	—	65.0	(30.0)	—	35.0
Other indebtedness	5.3	—	(1.4)	0.6	4.5
Less: Deferred financing costs associated with the term loan	(1.8)	—	—	0.2	(1.6)
Totals	<u>\$ 393.5</u>	<u>\$ 243.7</u>	<u>\$ (120.1)</u>	<u>\$ 0.8</u>	<u>\$ 517.9</u>

**SPX CORPORATION AND SUBSIDIARIES**  
**NON-GAAP RECONCILIATION - ORGANIC REVENUE**  
HVAC, DETECTION & MEASUREMENT AND ENGINEERED SOLUTIONS REPORTABLE SEGMENTS  
(Unaudited)

	Three months ended June 27, 2020					
	HVAC		Detection & Measurement		Engineered Solutions	
Net Revenue Growth (Decline)	1.1	%	(9.4)	%	5.6	%
Exclude: Foreign Currency	(0.4)	%	(0.5)	%	(0.3)	%
Exclude: Acquisitions	10.4	%	—	%	—	%
Organic Revenue Growth (Decline)	<u>(8.9)</u>	<u>%</u>	<u>(8.9)</u>	<u>%</u>	<u>5.9</u>	<u>%</u>

**SPX CORPORATION AND SUBSIDIARIES**  
**NON-GAAP RECONCILIATION - REVENUE AND SEGMENT INCOME**  
(Unaudited; in millions)

**CONSOLIDATED SPX:**

	Three months ended		Six months ended	
	June 27, 2020	June 29, 2019	June 27, 2020	June 29, 2019
Consolidated revenue	\$ 373.2	\$ 372.4	\$ 742.5	\$ 716.0
Exclude: "All Other" operating segments <sup>(1)</sup>	2.0	0.8	6.0	(7.1)
Adjusted consolidated revenue	\$ 371.2	\$ 371.6	\$ 736.5	\$ 723.1
Total segment income	\$ 47.6	\$ 41.4	\$ 94.8	\$ 62.2
Exclude: "All Other" operating segments <sup>(1)</sup>	(4.2)	(10.0)	(8.1)	(32.6)
Exclude: One time acquisition related costs <sup>(2)</sup>	—	(0.9)	(0.1)	(2.2)
Exclude: Amortization expense <sup>(3)</sup>	(2.4)	(2.4)	(5.0)	(4.0)
Adjusted segment income	\$ 54.2	\$ 54.7	\$ 108.0	\$ 101.0
as a percent of adjusted revenues <sup>(4)</sup>	14.6 %	14.7 %	14.7 %	14.0 %

**HVAC REPORTABLE SEGMENT:**

	Three months ended	
	June 27, 2020	June 29, 2019
HVAC segment income	\$ 18.2	\$ 16.7
Exclude: One time acquisition related costs <sup>(2)</sup>	—	—
Exclude: Amortization expense <sup>(3)</sup>	(0.7)	(0.1)
HVAC adjusted segment income	\$ 18.9	\$ 16.8
as a percent of HVAC segment revenues <sup>(4)</sup>	14.3 %	12.8 %

**DETECTION & MEASUREMENT REPORTABLE SEGMENT:**

	Three months ended	
	June 27, 2020	June 29, 2019
Detection & Measurement segment income	\$ 16.0	\$ 21.7
Exclude: One time acquisition related costs <sup>(2)</sup>	—	(0.9)
Exclude: Amortization expense <sup>(3)</sup>	(1.7)	(2.3)
Detection & Measurement adjusted segment income	\$ 17.7	\$ 24.9
as a percent of Detection & Measurement segment revenues <sup>(4)</sup>	19.2 %	24.5 %

<sup>(1)</sup> Represents the removal of the financial results of our South Africa and Heat Transfer businesses. Note: These businesses are 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> Represents one-time acquisition related costs during the six months ended June 27, 2020 related to the HVAC reportable segment and additional "Cost of products sold" recorded during the three and six months ended June 29, 2019 related to the step-up of inventory (to fair value) acquired in connection with the Sabik and Cues acquisitions.

<sup>(3)</sup> Represents amortization expense associated with acquired intangible assets.

<sup>(4)</sup> See "Results of Reportable and Other Operating Segments" for applicable percentages based on GAAP results.

**SPX CORPORATION AND SUBSIDIARIES**  
**NON-GAAP RECONCILIATION - OPERATING INCOME**  
(Unaudited; in millions)

	Three months ended		Six months ended	
	June 27, 2020	June 29, 2019	June 27, 2020	June 29, 2019
Operating income	\$ 34.4	\$ 26.3	\$ 67.1	\$ 29.3
Exclude:				
Aggregate operating losses of the South Africa and Heat Transfer businesses <sup>(1)</sup>	(4.6)	(10.9)	(8.7)	(33.5)
One-time acquisition related costs <sup>(2)</sup>	(0.1)	(1.1)	(0.3)	(4.0)
Other operating income/expense <sup>(3)</sup>	—	—	0.4	(1.8)
Amortization expense <sup>(4)</sup>	(2.4)	(2.4)	(5.0)	(4.0)
Adjusted operating income	<u>\$ 41.5</u>	<u>\$ 40.7</u>	<u>\$ 80.7</u>	<u>\$ 72.6</u>
as a percent of adjusted revenues <sup>(5)</sup>	<u>11.2 %</u>	<u>11.0 %</u>	<u>11.0 %</u>	<u>10.0 %</u>

<sup>(1)</sup> Represents the removal of the financial results of these businesses, inclusive of "special charges" of \$0.4 and \$0.9 during the three months ended June 27, 2020 and June 29 2019, respectively, and \$0.6 and \$0.9 during the six months ended June 27, 2020 and June 29 2019, respectively.

<sup>(2)</sup> Represents one-time acquisition related costs during the three months ended June 27, 2020 and June 29, 2019 associated with (i) inventory step-up of \$0.0 and \$0.9, respectively, and (ii) integration and transaction costs of \$0.1 and \$0.2, respectively, and one-time acquisition related costs during the six months ended June 27, 2020 and June 29, 2019 associated with (i) inventory step-up of \$0.0 and \$2.2, respectively, and (ii) integration and transaction costs of \$0.3 and \$1.8, respectively.

<sup>(3)</sup> Represents income/expense associated with revisions to estimates of certain liabilities retained in connection with the 2016 sale of the dry cooling business.

<sup>(4)</sup> Represents amortization expense associated with acquired intangible assets.

<sup>(5)</sup> See "Results of Reportable and Other Operating Segments" for applicable percentages based on GAAP results.

**SPX CORPORATION AND SUBSIDIARIES**  
**NON-GAAP RECONCILIATION - EARNINGS PER SHARE**  
**Three Months Ended June 27, 2020**  
**(Unaudited; in millions, except per share values)**

	GAAP	Adjustments	Adjusted
Segment income <sup>(1)</sup>	\$ 47.6	\$ 6.6	\$ 54.2
Corporate expense <sup>(2)</sup>	(8.5)	0.1	(8.4)
Long-term incentive compensation expense	(3.3)	—	(3.3)
Special charges, net <sup>(3)</sup>	(1.4)	0.4	(1.0)
<b>Operating income</b>	<b>34.4</b>	<b>7.1</b>	<b>41.5</b>
Other income, net <sup>(4)</sup>	5.8	(5.1)	0.7
Interest expense, net	(4.7)	—	(4.7)
<b>Income from continuing operations before income taxes</b>	<b>35.5</b>	<b>2.0</b>	<b>37.5</b>
Income tax provision <sup>(5)</sup>	(7.1)	(1.3)	(8.4)
<b>Income from continuing operations</b>	<b>28.4</b>	<b>0.7</b>	<b>29.1</b>
Dilutive shares outstanding	45.648		45.648
<b>Earnings per share from continuing operations</b>	<b>\$ 0.62</b>		<b>\$ 0.64</b>

<sup>(1)</sup> Adjustment primarily represents the removal of (i) operating losses associated with the South Africa and Heat Transfer businesses (\$4.2) and (ii) amortization expense associated with acquired intangible assets (\$2.4).

<sup>(2)</sup> Adjustment represents the removal of acquisition related expenses incurred during the period.

<sup>(3)</sup> Adjustment represents the removal of restructuring charges associated with the Heat Transfer business.

<sup>(4)</sup> Adjustment represents the removal of (i) a gain on an equity security associated with a fair value adjustment (\$5.3) and (ii) non-service pension and postretirement charges (\$0.2).

<sup>(5)</sup> Adjustment represents the tax impact of items (1) through (5) above.

**SPX CORPORATION AND SUBSIDIARIES**  
**NON-GAAP RECONCILIATION - EARNINGS PER SHARE**  
**Three Months Ended June 29, 2019**  
**(Unaudited; in millions, except per share values)**

	GAAP	Adjustments	Adjusted
Segment income <sup>(1)</sup>	\$ 41.4	\$ 13.3	\$ 54.7
Corporate expense <sup>(2)</sup>	(10.5)	0.2	(10.3)
Long-term incentive compensation expense	(3.3)	—	(3.3)
Special charges, net <sup>(3)</sup>	(1.3)	0.9	(0.4)
<b>Operating income</b>	<b>26.3</b>	<b>14.4</b>	<b>40.7</b>
Other income, net <sup>(4)</sup>	1.9	(0.4)	1.5
Interest expense, net	(4.7)	—	(4.7)
<b>Income from continuing operations before income taxes</b>	<b>23.5</b>	<b>14.0</b>	<b>37.5</b>
Income tax provision <sup>(5)</sup>	(4.1)	(3.1)	(7.2)
<b>Income from continuing operations</b>	<b>19.4</b>	<b>10.9</b>	<b>30.3</b>
Dilutive shares outstanding	44.892		44.892
<b>Earnings per share from continuing operations</b>	<b>\$ 0.43</b>		<b>\$ 0.67</b>

<sup>(1)</sup> Adjustment represents the removal of (i) operating losses associated with the South Africa and Heat Transfer businesses (\$10.0), (ii) inventory step-up charges related to the Cues and Sabik acquisitions (\$0.9), and (iii) amortization expense associated with acquired intangible assets (\$2.4).

<sup>(2)</sup> Adjustment represents the removal of acquisition related expenses incurred during the period.

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

<sup>(4)</sup> Adjustment represents the removal of (i) a gain on an equity security associated with a fair value adjustment (\$1.6), (ii) non-service pension and postretirement charges (\$1.0) and (iii) removal of foreign currency losses associated with the South African projects (\$0.2).

<sup>(5)</sup> Adjustment represents the tax impact of items (1) through (4) above.