

# SPX Technologies

## Investor Presentation

August 2022



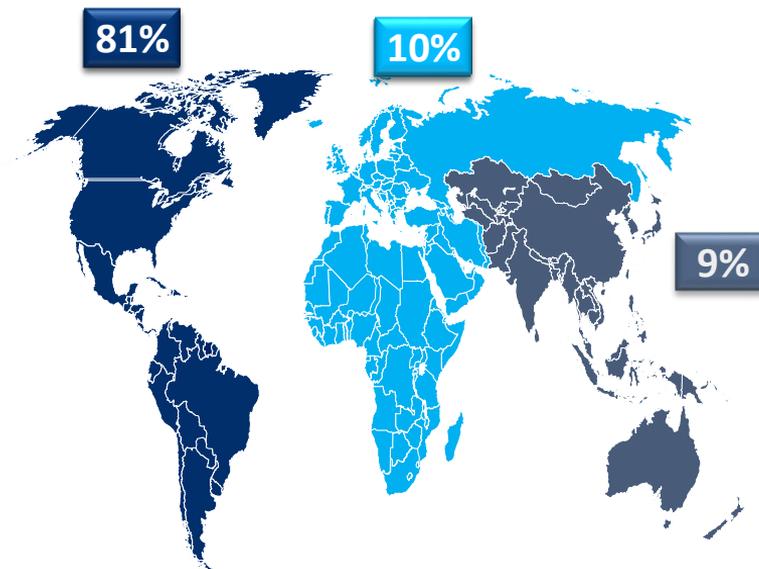
# SPX Technologies Overview

# Company Overview



- ❑ Headquartered in Charlotte, NC
- ❑ Focused, market-leading platforms:
  - ✓ HVAC
  - ✓ Detection & Measurement
- ❑ \$1.22B Revenue in 2021
- ❑ ~3,100 employees
- ❑ NYSE Ticker: **SPXC**

2021 Revenue by Region†



†Based on management estimates.

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

# Attractiveness of SPX for Long-Term Holders



## Attractive Core

Well positioned key platforms in growth markets

## Growth

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

## Cash Flow

Strong Free Cash Flow Conversion

## Business System

Consistent repeatable process to drive improvement

## Capital Deployment

Substantial available capital and liquidity

Well Positioned to Continue Growth Journey

## HVAC

- ✓ Cooling towers
- ✓ Refrigeration
- ✓ Process Cooling
- ✓ Boilers
- ✓ Electrical heating

## DETECTION & MEASUREMENT

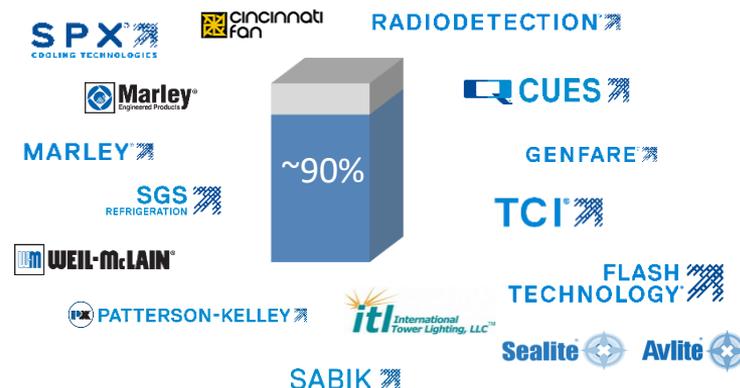
- ✓ Location & inspection
- ✓ Fare collection
- ✓ Communication technologies



## 2021 REVENUE FROM REPLACEMENT SALES†



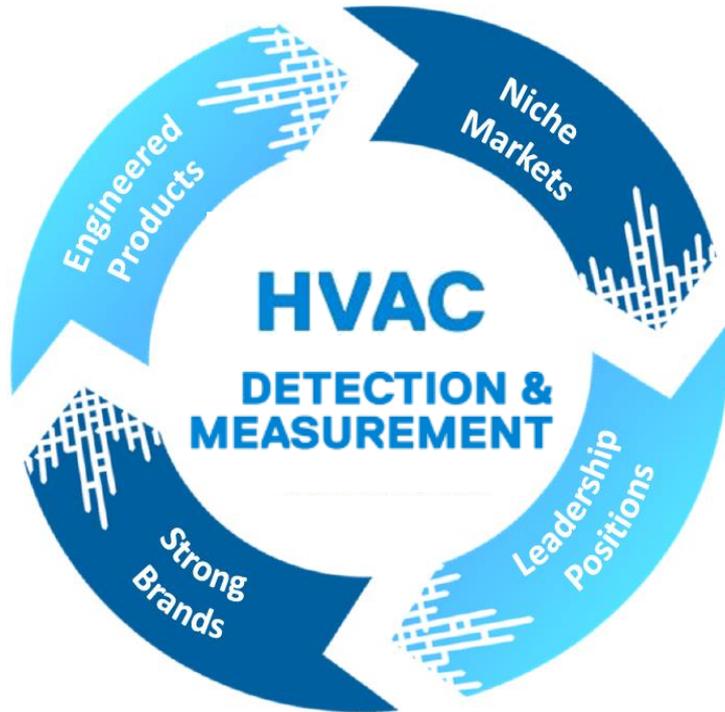
## 2020 REVENUE FROM #1 OR #2 MARKET POSITION†



\*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, LLC



## 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

- Integrity
- Results/accountability
- Diversity & Inclusion
- Employee development

## Revenue & Margin Enhancement - Tools & Drivers

### Product Innovation

### Technology

- Software
- Robotics
- AI

### M&A

- SCHONSTEDT
- CUES
- SABIK
- SGS REFRIGERATION
- PATTERSON-KELLEY
- ULC
- SENSORS & SOFTWARE
- Sealite
- Avlite
- Enterprise Control Systems Ltd
- cincinnati fan
- iti International Tower Lighting, LLC

### Channel

- Geography
- Service
- Digital
- Loyalty

### CI

- Lean
- 80/20
- Sourcing

## ...In What We Make...

*Our products enable*



Lower Emissions



Safety



Clean Water



Connectivity



Clean Energy

## ...And How We Make It...



Core Values



Diversity & Inclusion



Engagement



Continuous Improvement



Minimize Waste

# E

- Drive energy efficient HVAC solutions
- Keep water and gas lines safe and clean
- Recycle heat exchange media
- Issue annual sustainability report (GRI aligned)

# S

- Enable mobility in underserved communities
- Protect lives in construction & aviation
- Engage & develop employees
- Support & engage our communities

# G

- Independent & diverse Board (~44% female)
- Alignment with stakeholder interests
- Culture of integrity and compliance
- Responsible & ethical supply base

# Well-Positioned for Infrastructure Spending



- ✓ Water & Wastewater
- ✓ General Construction (heavy civil, housing)
- ✓ Public Transit
- ✓ Renewables (wind)
- ✓ Telecom (5G), Airports, Ports
- ✓ Institutional (K-12, gov't, healthcare)
- ✓ Infrastructure-centric R&D



## RADIODETECTION



# SPX 2025

# SPX Strategic Portfolio Transformation Continues



	Pre-Sale (2020A)	2021A	2025 Targets
<b>Revenue</b>	\$1.56B	\$1.22B	~\$2.0B
<b>Gross margin %</b>	31.0%	35.4%	~40%
<b>Adj. Segment Income %</b>	15.3%	16.4%	~20%
<b>Adj. Operating Income %</b>	10.9%	11.1%	~16%
<b>Long-term Growth %</b>	~1-4%	~2-5%	~3-5%

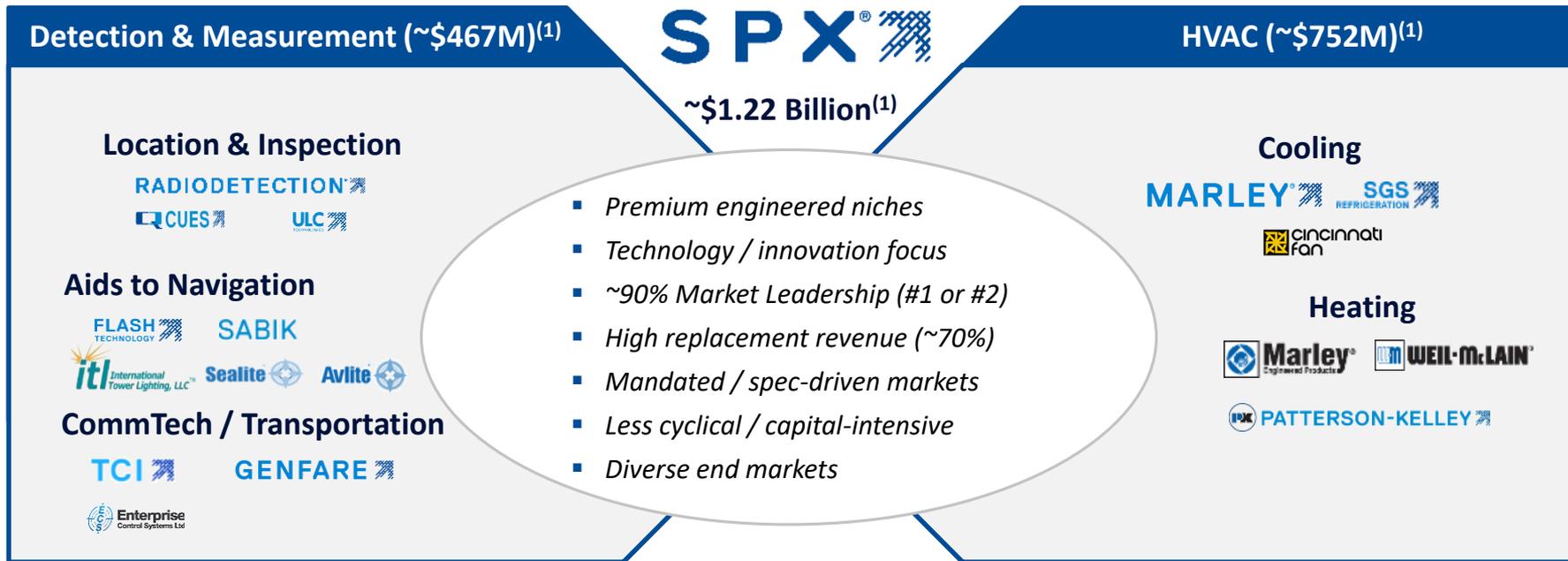
  

	2020A Revenue	2021A Revenue	Future Revenue

1) Process Cooling included in HVAC Segment Revenue Post-sale.

Note: Adjusted results are non-GAAP financial measures. Reconciliations of guidance measures to US GAAP financial measures are not predictable and accordingly are not included in the Appendix of the presentation.

Focused Platforms with Higher Margin and Growth Opportunities



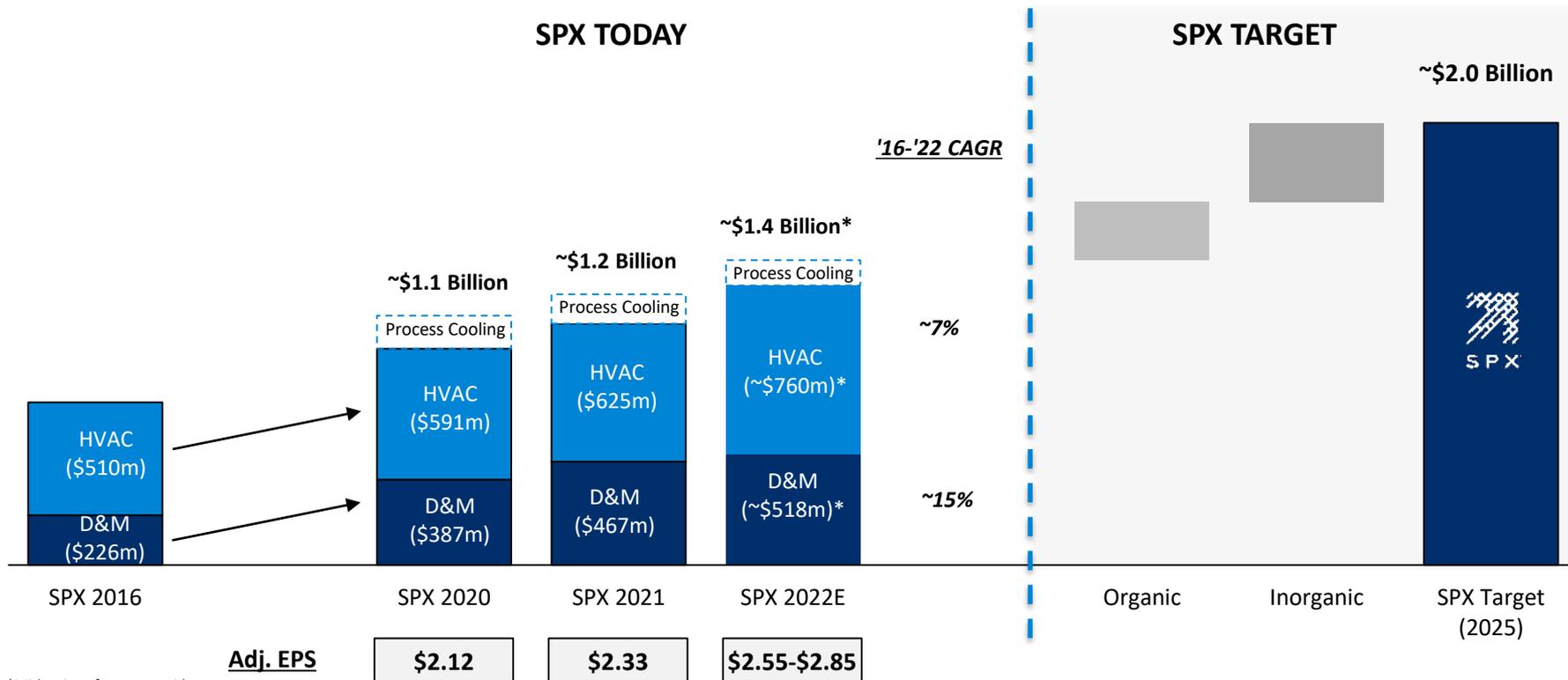
1) 2021 revenue

Simplified, Higher-Return Portfolio

# SPX Long-Term Targets - Revenue



## SPX TODAY



\*Mid-point of current guidance range

Note: Process Cooling not included in '16-'22 HVAC CAGR calculation

Focused, Strategic Path to Long-term Targets

# Segment Overview

- HVAC
- Detection & Measurement

HVAC

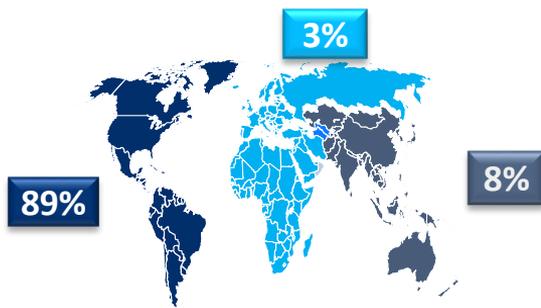
# HVAC Segment Overview



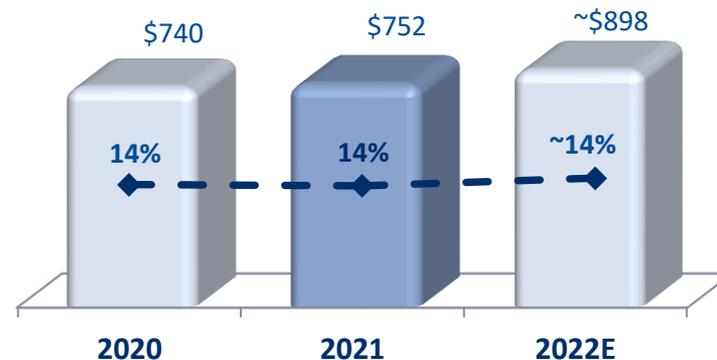
## 2021 Revenue by Product



## 2021 Revenue by Geography



■ 2020 ■ 2021 ■ 2022E  
 — Adjusted segment income\* % (\$ millions)



	2020	2021	2022E
Gross Margin%	30%	30%	-
Segment EBITDA*	\$114	\$116	-

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

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

## 2021 Revenue by Product



## 2021 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
- ❑ Growing component and aftermarket opportunities

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



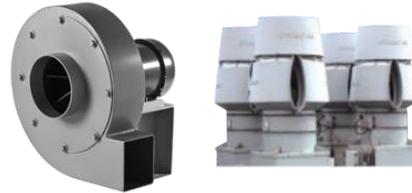
## Marley MH Element Fluid Cooler

- ✓ Industrial and process cooling
- ✓ High performance copper coils
- ✓ Most efficient system in its class



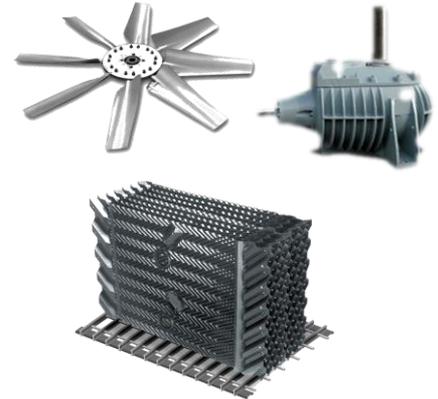
## Engineered Air Quality

- ✓ Custom Fans & Blowers
- ✓ Two stage filtration Dust Collectors
- ✓ Portable Fume Exhauster Blowers



## High-Value Components

- ✓ Gearboxes, motors, drives
- ✓ Fans and cylinders
- ✓ Heat Transfer Media



Strong Product Portfolio and Brands with Opportunities for Expansion

## 2021 Revenue by Product



## 2021 Revenue by Geography



- ❑ North American businesses with strong brands
- ❑ Large installed base / established spec position
- ❑ Products used in residential and non-residential markets and sold primarily through distributors
- ❑ Demand for boiler systems is seasonal:
  - ✓ Concentrated in the fourth quarter
- ❑ High level of 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



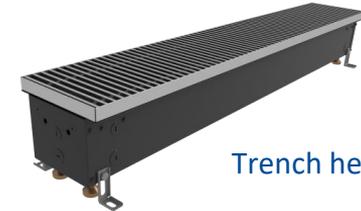
## Electrical Heating Products



Digital wall heaters



Wash-down, corrosion resistant heaters



Trench heaters

Broad Product Offering of Heating Solutions for Residential and Commercial Applications

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

# Detection & Measurement

# Detection & Measurement Segment Overview

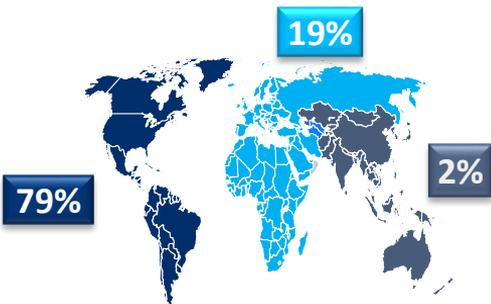
## 2021 Revenue by Product

Aids to Navigation (“AtoN”), CommTech, and Transportation  
45%

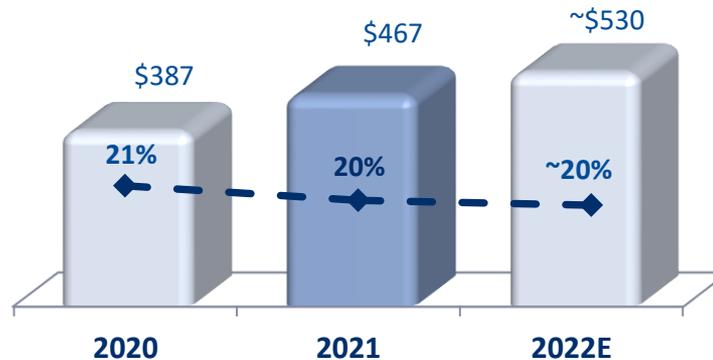


Location & Inspection Equipment  
55%

## 2021 Revenue by Geography



■ 2020 ■ 2021 ■ 2022E  
— Adjusted segment income\* % (\$ millions)



	2020	2021	2022E
Gross Margin%	44%	44%	-
Segment EBITDA*	\$85	\$99	-

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

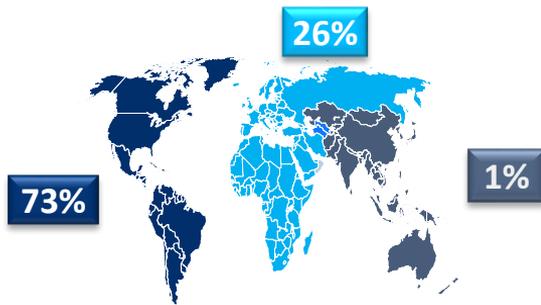
Attractive Platform for Growth Investments; Long-Term Targets Include  
2% to 6% Annual Organic Revenue Growth

## 2021 Revenue by Product



- ❑ A leading global supplier of location & inspection equipment for underground infrastructure
- ❑ Global distribution / established channels
- ❑ Integrated hardware and software solutions
- ❑ Leading technology competencies (data analytics, robotics, AI)
- ❑ Key demand drivers:
  - ✓ Global infrastructure growth
  - ✓ Construction growth
  - ✓ Health & safety legislation

## 2021 Revenue by Geography



Leading Global Supplier of Equipment to Locate and Inspect Buried Utility Cables & Pipes

# Location & Inspection - Key Products

## Location Equipment



## Inspection Equipment

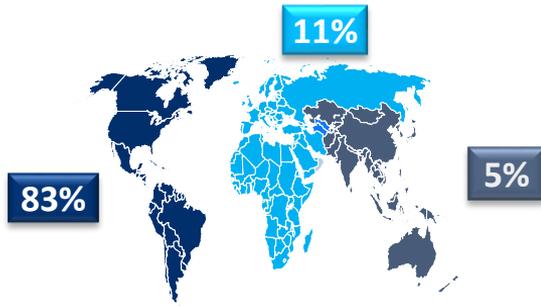


Full Lifecycle Infrastructure Solutions Provider for Location & Inspection Markets

## 2021 Revenue by Product



## 2021 Revenue by Geography



- ❑ **CommTech** : A leading global supplier of spectrum monitoring, communication intelligence and geolocation technologies
- ❑ **Aids to Navigation**: Global Leader in terrestrial obstruction lighting, marine aids-to-navigation, and airfield ground lighting solutions
- ❑ **Transportation**: North American farebox leader with growing software solution
- ❑ Key demand drivers:
  - ✓ Global growth of wireless usage
  - ✓ Increased spectrum provisioning and monitoring
  - ✓ Anti-terrorism and drug interdiction effort
  - ✓ Compliance with government & industry regulations
  - ✓ Infrastructure funding
  - ✓ Urbanization

AtoN, CommTech, and Transportation Platforms are Leaders in Niche End Markets

\*Spectrum Monitoring Solutions and Communications Intelligence products

# Aids to Navigation - Key End Markets

## Terrestrial Obstruction Lighting



## Marine Obstruction Lighting



## Airfield Ground Lighting



Global Leader with Full Product Range

## Spectrum Monitoring (SMS)



## Communications Intelligence



Spectrum monitoring leader with expanding COMINT presence

# Transportation - Next Generation Fare Collection



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

# 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 Technologies' credit agreement



## 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

# Building Strategic Platforms

## Disciplined Business System

### Strategic Organic Sales Growth

(Innovation, Product Mgmt.)

### Continuous Improvement

(Lean, 80/20)

### Talent Development

(360 Leadership)

### Digital

(Software, Productivity)

## Strategic Acquisition Approach

*SPX has acquired  
~\$365M of revenue  
in ~4 years*



*Average EV/EBITDA Multiple Paid:*

Pre-Synergy

~10.5x

Post-Synergy

~8.5x

## Superior Performance

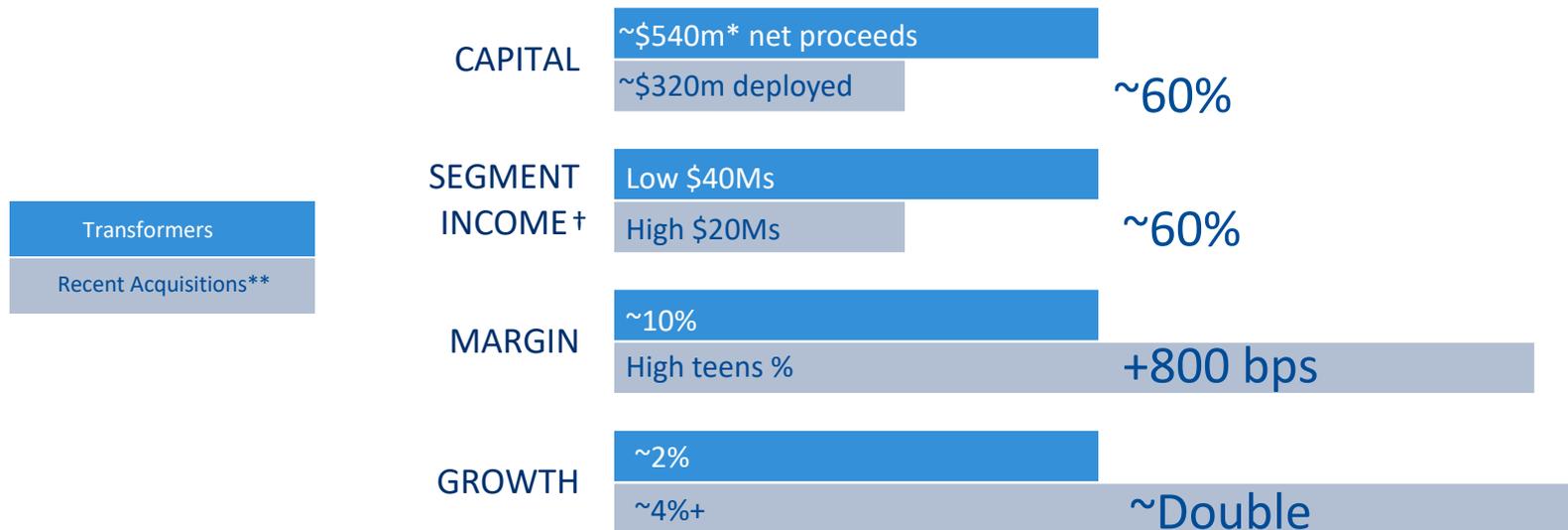
Organic / Inorganic  
Revenue Growth

Margin Expansion

Cash Flow Generation

Established Model for Sustainable Growth

# Reinvesting Proceeds of Transformers Sale



• Net after-tax proceeds received for sale of Transformer Solutions (Oct '21)

\*\* Sealite, ECS, Cincinnati Fan, and ITL

† For Transformers: annual average of 2018-2021 (management estimate used for 2021). For "Recent Acquisitions": approximate run-rate at time of acquisition.

Efficiently Redeploying Capital for Higher Margin/Higher Growth

# Building Strategic Platforms - Location & Inspection



RADIODETECTION SCHONSTEDT SENSORS & SOFTWARE

CUES

ULC TECHNOLOGIES

Location Equipment

Inspection Equipment

\$~100m

\$~10m\*

\$~10m\*

\$~100m\*

\$~40m\*

Location & Inspection Equipment

Specialized Ferrous Locators

GPR Location Equipment

Water & Waste Water Pipeline Inspection Equipment

Gas Utility Pipeline Inspection & Remediation

**Transformed ~\$100m  
Locator Business into  
~\$260m Full Life Cycle  
Infrastructure Solutions  
Provider**



Accelerating Momentum with Broad Range of Opportunities

\*Approximate annualized run-rate revenue at time of acquisition for Sensors & Software and ULC. Historical run-rate revenue for others.

# Building Strategic Platforms - Aids to Navigation

FLASH TECHNOLOGY

SABIK MARINE

Sealite Avlite

itl International Tower Lighting, LLC

\$~40-50m

\$~25-30m\*

\$~30-40m\*

~\$18m\*

Terrestrial Obstruction Lighting

Marine Obstruction Lighting

Airfield Ground and Marine Obstruction Lighting

Bolt-on Terrestrial Obstruction Lighting

Transformed ~\$40-50m Obstruction Lighting Business into ~\$150m Global Leader in Aids to Navigation Solutions



Global Leader with Full Product Range

\*Approximate annualized run-rate revenue at time of acquisition for Sabik, Sealite, and ITL. Historical run-rate revenue for Flash.

**TCI**

~\$40-60m

Spectrum Monitoring  
and COMINT Solutions



**Enterprise**  
Control Systems Ltd

~\$14m\*

Tactical Data Links and  
RF Countermeasures



**Broad Provider of  
Spectrum Monitoring  
and COMINT Solutions**

Significant Runway to Grow Presence in COMINT

\* Approximate annualized run-rate revenue at time of acquisition for ECS. Historical run-rate revenue for TCI.

# Building Strategic Platforms - HVAC Cooling



**MARLEY**

\$~430m

Leading Position in  
Packaged Cooling and  
Field Erected Towers



**SGS**  
REFRIGERATION

\$~15m\*

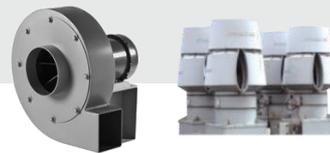
Industrial  
Refrigeration Products



**cincinnati**  
fan

\$~60-70m\*

Custom fans, blowers,  
and critical exhaust  
systems



**Strengthened Industrial  
Refrigeration Solutions  
and Accelerated  
Growth Strategy in  
Engineered Air Quality**

Opportunity for Expansion into Adjacent Cooling Markets

\*Approximate annualized run-rate revenue at time of acquisition for SGS and Cincinnati Fan



~\$180-200m

Leading Position in Residential Boilers



~\$40m\*

High-efficiency Commercial Boilers



Accelerated Growth Strategy in Commercial High Efficiency Boilers

Opportunity for Core Consolidation / Product Add-Ons

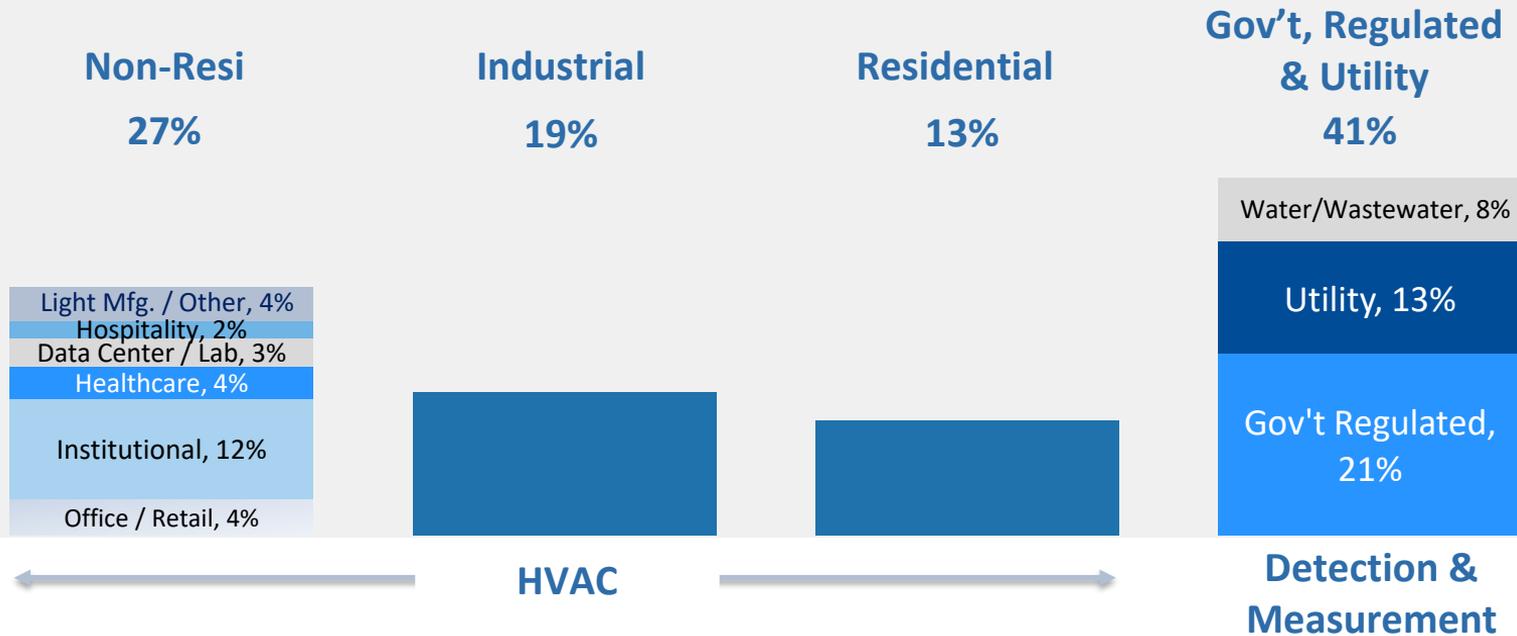
\* Approximate annualized run-rate revenue at time of acquisition for Patterson-Kelley.

# Executive Summary

# End Market Exposure



**~\$1.4 Billion\***  
(~2/3 Replacement Revenue)



\* 2022E revenue. Breakdowns based on Management estimates

- ❑ Balanced business portfolio with attractive and diverse end market drivers
- ❑ Strong balance sheet, significant capital availability, and cash generation
- ❑ Effective business system and continued focus on growth accelerators, including inorganic opportunities

Significant Value Creation Opportunity

# Appendix

# 2022 Guidance (Updates in Bold)



	Revenue	Segment Income Margin
HVAC	<ul style="list-style-type: none"> <li>▪ <b>\$885-\$910m (+\$25m)</b> (\$855-\$890m prior)</li> </ul>	<ul style="list-style-type: none"> <li>▪ <b>~14.0%</b> (14.0-14.5% prior)</li> </ul>
Detection & Measurement	<ul style="list-style-type: none"> <li>▪ <b>\$520-\$540m (+\$13m)</b> (\$500-\$535m prior)</li> </ul>	<ul style="list-style-type: none"> <li>▪ 19.0%-21.0% (19.0-21.0% prior)</li> </ul>
Total SPX	<ul style="list-style-type: none"> <li>▪ <b>\$1.41-\$1.45B (+\$38m)</b> (\$1.36-\$1.43B prior)</li> </ul>	<ul style="list-style-type: none"> <li>▪ <b>~16.0-16.5%</b> (16.0-17.0% prior)</li> </ul>

Adj. Operating Income of **\$162-177m (+\$7m)**, **11.5%-12.0%** margin (prior 11-12%);  
Adj. EPS\* of **\$2.70-2.85 (+\$.08)**

Note: Adjusted results are non-GAAP financial measures. Reconciliations of guidance measures to US GAAP financial measures are not predictable and accordingly are not included in the Appendix of the presentation.

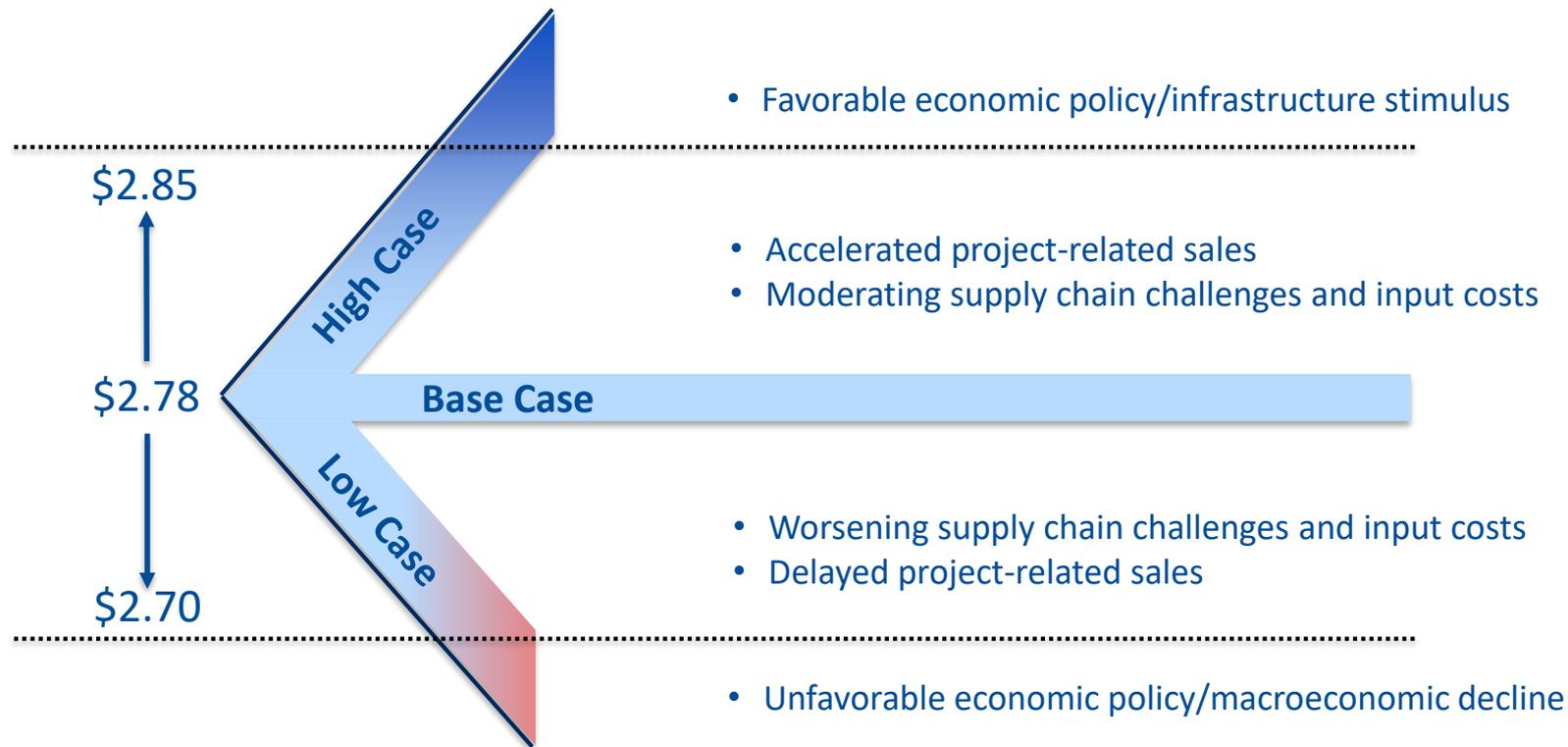
\* Prior to capital deployment. Management estimates that using cash balances to repay debt would increase the \$2.70-\$2.85 Adjusted EPS guidance range to \$2.73-2.88.

# Modeling Considerations - Full Year 2022



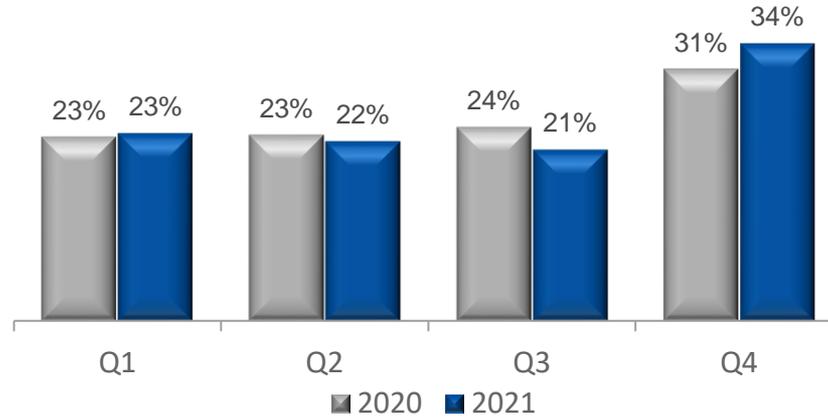
Metric	Considerations
Corporate expense	\$48-50m
Long-term incentive comp	~\$12-13m
Restructuring costs	\$1m
Interest cost	~\$9m
Other income/(expense), and Non-service pension benefit/(expense)	\$4-6m
Tax rate	20-22%
Capex	~\$15m
Cash cost of pension + OPEB	\$12-13m
D&A	\$47-48m
Share count	~47m
Currency effect	Topline sensitivity to USD-GBP rate

# 2022 Adjusted EPS Guidance - Key Drivers



Note: Adjusted results are non-GAAP financial measures. Reconciliations of guidance measures to US GAAP financial measures are not practicable and accordingly are not included in this Appendix.

# Adjusted Segment Income Phasing and Reconciliations



# Adjusted SPX Results by Quarter



(\$ millions)

	Q1	Q2	Q3	Q4	2021	Q1	Q2	2022
Segment Income	\$ 42.3	\$ 37.3	\$ 32.9	\$ 61.4	\$ 173.9	\$ 30.2	\$ 48.1	\$ 78.3
Exclude: One time acquisition related costs	0.7	0.9	3.2	0.3	5.1	0.1	0.9	1.0
Exclude: Intangible amortization	4.0	6.5	5.5	5.6	21.6	9.3	7.1	16.4
Adjusted Segment Income	<u>\$ 47.0</u>	<u>\$ 44.7</u>	<u>\$ 41.6</u>	<u>\$ 67.3</u>	<u>\$ 200.6</u>	<u>\$ 39.6</u>	<u>\$ 56.1</u>	<u>\$ 95.7</u>
Operating Income from Continuing Operations	\$ 25.0	\$ 17.1	\$ 17.7	\$ 13.9	\$ 73.7	\$ 11.4	\$ 27.2	\$ 38.6
Exclude: "Other" operating adjustments <sup>(1)</sup>	5.6	11.6	9.7	34.5	61.4	13.7	15.0	28.7
Adjusted Operating Income	<u>\$ 30.6</u>	<u>\$ 28.7</u>	<u>\$ 27.4</u>	<u>\$ 48.4</u>	<u>\$ 135.1</u>	<u>\$ 25.1</u>	<u>\$ 42.2</u>	<u>\$ 67.3</u>
Income from Continuing Operations	\$ 23.0	\$ 17.7	\$ 13.9	\$ 4.4	\$ 59.0	\$ 13.0	\$ 19.1	\$ 32.1
Exclude: "Other" income adjustments <sup>(2)</sup>	(0.1)	6.2	6.6	36.5	49.2	5.8	13.9	19.7
Adjusted Net Income	<u>\$ 22.9</u>	<u>\$ 23.9</u>	<u>\$ 20.5</u>	<u>\$ 40.9</u>	<u>\$ 108.2</u>	<u>\$ 18.8</u>	<u>\$ 33.0</u>	<u>\$ 51.8</u>
Adjusted EPS	\$0.49	\$0.51	\$0.44	\$0.88	\$2.33	\$0.40	\$0.71	\$1.12

<sup>(1)</sup> Excludes acquisition-related costs and charges resulting from changes in estimates associated with asbestos product liability matters and (for Q3 and Q4 2021 and Q1 and Q2 2022) includes transition services income included in non-operating income for GAAP purposes.

<sup>(2)</sup> Excludes costs and charges noted above, gains from equity investment, and non-service pension items, as well as the tax impact of the above items.

# HVAC Segment Results - 2021-2022



(\$ millions)

	Q1	Q2	Q3	Q4	2021	Q1	Q2	2022
Revenue	\$175.6	\$185.4	\$179.3	\$211.8	\$752.1	\$193.1	\$218.7	\$411.8
GAAP Segment Income	22.3	25.9	23.0	33.0	104.2	15.2	25.6	40.8
Exclude: Acquisition related costs	-	-	-	0.1	0.1	-	-	-
Exclude: Intangible amortization	0.7	0.7	0.6	1.4	3.4	5.4	2.7	8.1
Adjusted Segment Income	\$23.0	\$26.6	\$23.6	\$34.5	\$107.7	\$20.6	\$28.3	\$48.9
	13%	14%	13%	16%	14%	11%	13%	12%

# D&M Segment Results - 2021-2022



(\$ millions)

	Q1	Q2	Q3	Q4	2021	Q1	Q2	2022
Revenue	\$111.6	\$111.2	\$106.4	\$138.2	\$467.4	\$114.0	\$135.3	\$249.3
GAAP Segment Income	20.0	11.4	9.9	28.4	69.7	15.0	22.5	37.5
Exclude: Acquisition related costs	0.7	0.9	3.2	0.2	5.0	0.1	0.9	1.0
Exclude: Intangible amortization	3.3	5.8	4.9	4.2	18.2	3.9	4.4	8.3
Adjusted Segment Income	\$24.0	\$18.1	\$18.0	\$32.8	\$92.9	\$19.0	\$27.8	\$46.8
	22%	16%	17%	24%	20%	17%	21%	19%

# Q2 2022 U.S. GAAP to Adjusted EPS Reconciliation



	<u>GAAP</u>	<u>Adjustments</u>	<u>Adjusted</u>
Segment income <sup>(1)</sup>	\$ 48.1	\$ 8.0	\$ 56.1
Corporate expense <sup>(2)</sup>	(16.4)	5.1	(11.3)
Long-term incentive compensation expense	(2.5)	-	(2.5)
Special charges, net	(0.1)	-	(0.1)
Other operating expense, net <sup>(3)</sup>	(1.9)	1.9	-
<b>Operating income</b>	<b>27.2</b>	<b>15.0</b>	<b>42.2</b>
Other income (expense), net <sup>(4)</sup>	(1.7)	2.9	1.2
Interest expense, net	(2.0)	-	(2.0)
<b>Income from continuing operations before income taxes</b>	<b>23.5</b>	<b>17.9</b>	<b>41.4</b>
Income tax provision <sup>(5)</sup>	(4.4)	(4.0)	(8.4)
<b>Income from continuing operations</b>	<b>19.1</b>	<b>13.9</b>	<b>33.0</b>
Diluted shares outstanding	46.289		46.289
<b>Earnings per share from continuing operations</b>	<b>\$ 0.41</b>		<b>\$ 0.71</b>

(millions)

<sup>(1)</sup> Adjustment represents the removal of (i) amortization expense associated with acquired intangible assets (\$7.1) and (ii) an inventory step-up charge of \$0.9 related to our ITL acquisition.

<sup>(2)</sup> Adjustment represents the removal of acquisition and strategic/transformation related expenses (\$4.0), costs associated with our South Africa business that could not be allocated to discontinued operations for U.S. GAAP purposes (\$0.2), as well as a reclassification of transition services income (\$0.9) from "Other income (expense), net."

<sup>(3)</sup> Adjustment represents the removal of (i) a charge of \$2.3 related to revisions of recorded liabilities for asbestos-related claims and (ii) a gain of \$0.4 related to a revision of the liability associated with contingent consideration on a recent acquisition.

<sup>(4)</sup> Adjustment represents the removal of a pension plan settlement and mark-to-market pension losses of \$3.8, partially offset by the reclassification of income related to a transition services agreement (\$0.9) to "Corporate expense."

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

# Q2 2021 U.S. GAAP to Adjusted EPS Reconciliation



	GAAP	Adjustments	Adjusted
Segment income <sup>(1)</sup>	\$ 37.3	\$ 7.4	\$ 44.7
Corporate expense <sup>(2)</sup>	(13.6)	1.5	(12.1)
Long-term incentive compensation expense	(3.3)	-	(3.3)
Special charges, net	(0.6)	-	(0.6)
Other operating expense, net <sup>(3)</sup>	(2.7)	2.7	-
<b>Operating income</b>	<b>17.1</b>	<b>11.6</b>	<b>28.7</b>
Other income, net <sup>(4)</sup>	6.4	(2.6)	3.8
Interest expense, net <sup>(5)</sup>	(3.4)	0.3	(3.1)
<b>Income from continuing operations before income taxes</b>	<b>20.1</b>	<b>9.3</b>	<b>29.4</b>
Income tax provision <sup>(6)</sup>	(2.4)	(3.1)	(5.5)
<b>Income from continuing operations</b>	<b>17.7</b>	<b>6.2</b>	<b>23.9</b>
Diluted shares outstanding	46,545		46,545
<b>Earnings per share from continuing operations</b>	<b>\$ 0.38</b>		<b>\$ 0.51</b>

(millions)

<sup>(1)</sup> Adjustment represents the removal of (i) amortization expense associated with acquired intangible assets (\$6.5) and (ii) an inventory step-up charge related to the Sealite acquisition of (\$0.9).

<sup>(2)</sup> Adjustment represents the removal of acquisition related expenses incurred during the period (\$1.2) and costs associated with our South Africa business that could not be allocated to discontinued operations for U.S. GAAP purposes (\$0.3).

<sup>(3)</sup> Adjustment represents the removal of a charge of \$2.7 related to revisions of recorded assets for asbestos-related claims.

<sup>(4)</sup> Adjustment represents the removal of (i) a gain on an equity security associated with a fair value adjustment (\$2.2) and (ii) non-service pension and postretirement income (\$0.4).

<sup>(5)</sup> Adjustment relates primarily to the removal of a charge associated with the write-off of deferred finance costs in connection with a reduction of our credit facilities primarily used to support our South Africa business.

<sup>(6)</sup> Adjustment primarily represents the tax impact of items (1) through (5) above.

# U.S. GAAP to Adjusted Operating Income Reconciliation



	Three months ended		Six months ended		(\$ millions)
	July 2, 2022	July 3, 2021	July 2, 2022	July 3, 2021	
Operating income	\$ 27.2	\$ 17.1	\$ 38.6	\$ 42.1	
Include - TSA Income <sup>(1)</sup>	0.9	-	1.8	-	
Exclude:					
Acquisition related and other costs <sup>(2)</sup>	(5.1)	(2.4)	(9.5)	(4.0)	
Other operating expense <sup>(3)</sup>	(1.9)	(2.7)	(1.0)	(2.7)	
Amortization expense <sup>(4)</sup>	(7.1)	(6.5)	(16.4)	(10.5)	
Adjusted operating income	<u>\$ 42.2</u>	<u>\$ 28.7</u>	<u>\$ 67.3</u>	<u>\$ 59.3</u>	
as a percent of revenues <sup>(5)</sup>	11.9 %	9.7 %	10.2 %	10.2 %	

<sup>(1)</sup> Represents transition services income related to the Transformer Solutions disposition. Amount recorded in non-operating income for U.S. GAAP purposes.

<sup>(2)</sup> For the three and six months ended July 2, 2022, represents (i) cost incurred in connection with acquisitions and strategic/transformation initiatives (\$4.0 and \$8.2, respectively), (ii) costs associated with our South Africa business that could not be allocated to discontinued operations for U.S. GAAP purposes of \$0.2 and \$0.4, respectively, and (iii) an inventory step-up charge of \$0.9 related to our ITL acquisition. For the three and six months ended July 3, 2021, represents (i) cost incurred in connection with acquisitions, including inventory step-up charges of \$0.9 and \$1.6, respectively, (ii) costs associated with acquisition and integration efforts of \$1.2 and \$1.9, respectively, and (iii) costs associated with our South Africa business that could not be allocated to discontinued operations for U.S. GAAP purposes of \$0.3 and \$0.5, respectively.

<sup>(3)</sup> For the three and six months ended July 2, 2022, represents (i) a gain of \$0.4 and \$1.3, respectively, related to a revision of the liability associated with contingent consideration on a recent acquisition and (ii) a charge of \$2.3 related to revisions of recorded liabilities for asbestos-related claims. For the three and six months ended July 3, 2021, represents a charge of \$2.7 related to revisions of recorded assets for asbestos-related claims.

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

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

# Q2 2022 Non-GAAP Reconciliation - Organic Revenue



	Three months ended July 2, 2022		
	HVAC	Detection & Measurement	Consolidated
Net Revenue Growth	18.0 %	21.7 %	19.4 %
Exclude: Foreign Currency	(0.7) %	(3.2) %	(1.6) %
Exclude: Acquisitions	9.8 %	12.5 %	10.8 %
Organic Revenue Growth	8.9 %	12.4 %	10.2 %

# U.S. GAAP Adjusted Segment Income Reconciliation



(\$ millions)

## CONSOLIDATED SPX:

	Three months ended		Six months ended	
	July 2, 2022	July 3, 2021	July 2, 2022	July 3, 2021
Total segment income	\$ 48.1	\$ 37.3	\$ 78.3	\$ 79.6
Exclude: Acquisition related costs <sup>(1)</sup>	(0.9)	(0.9)	(1.0)	(1.6)
Exclude: Amortization expense <sup>(2)</sup>	(7.1)	(6.5)	(16.4)	(10.5)
Adjusted segment income	<u>\$ 56.1</u>	<u>\$ 44.7</u>	<u>\$ 95.7</u>	<u>\$ 91.7</u>
as a percent of revenues	15.8 %	15.1 %	14.5 %	15.7 %

<sup>(1)</sup> Includes cost incurred in connection with acquisitions during the periods herein, including integration costs and "Cost of products sold" related to the step-up of inventory (to fair value) acquired in connection with the ITL acquisition of \$0.9 and \$1.0 during the three and six months ended July 2, 2022, respectively, and inventory step-up charges of \$0.9 and \$1.6 during the three and six months ended July 3, 2021, respectively, related to the Sealite and Sensors & Software acquisitions.

<sup>(2)</sup> Represents amortization expense associated with acquired intangible assets.

# U.S. GAAP to Adjusted Segment Income Reconciliations



(\$ millions)

## HVAC REPORTABLE SEGMENT:

	Three months ended	
	July 2, 2022	July 3, 2021
Segment income	\$ 25.6	\$ 25.9
Exclude: Acquisition related costs	-	-
Exclude: Amortization expense <sup>(2)</sup>	(2.7)	(0.7)
Adjusted segment income	<u>\$ 28.3</u>	<u>\$ 26.6</u>
as a percent of segment revenues	12.9 %	14.3 %

## DETECTION & MEASUREMENT REPORTABLE SEGMENT:

	Three months ended	
	July 2, 2022	July 3, 2021
Segment income	\$ 22.5	\$ 11.4
Exclude: Acquisition related costs <sup>(1)</sup>	(0.9)	(0.9)
Exclude: Amortization expense <sup>(2)</sup>	(4.4)	(5.8)
Adjusted segment income	<u>\$ 27.8</u>	<u>\$ 18.1</u>
as a percent of segment revenues	20.5 %	16.3 %

<sup>(1)</sup> Includes "Cost of products sold" related to the step-up of inventory (to fair value) acquired in connection with the ITL acquisition of \$0.9 during the three months ended July 2, 2022, and inventory step-up charges of \$0.9 during the three months ended July 3, 2021, related to the acquisition.

<sup>(2)</sup> Represents amortization expense associated with acquired intangible assets.

# Q2 2022 Debt Reconciliation



(\$ millions)

	<u>Q2 2022</u>
Short-term debt	\$ 2.1
Current maturities of long-term debt	13.0
Long-term debt	<u>224.5</u>
Gross debt	239.6
plus: Adjustments per Senior Credit Agreement(1)	(1.2)
Adjusted gross debt	238.4
less: cash and equivalents	<u>(194.8)</u>
Adjusted net debt	<u>\$ 43.6</u>

(1) Includes the unamortized debt issuance costs associated with term loan of \$0.9, and excludes purchase card debt of \$2.1.

(2) **Excludes restricted cash of \$0.4.**

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

# Q2 2022 Consolidated Adjusted EBITDA\* Reconciliation



	12 Months Ended July 2, 2022**	(\$ millions)
Income from continued operations	\$ 38.5	
Income tax provision	9.7	
Interest expense	10.4	
Depreciation and amortization	48.1	
	<hr/>	
EBITDA	106.7	
Adjustments:		
(Gains)/Losses on disposition of assets outside the ordinary course of business	5.7	
Impairments & other organizational costs	5.7	
Non-cash compensation	21.5	
Pension adjustments	(11.2)	
Extraordinary non-recurring, non-cash charges (gains), net	33.3	
Extraordinary non-recurring cash charges, net	0.5	
Material acquisition / disposition related fees, costs, or expenses, net	4.7	
Pro forma effect of acquisitions and divestitures, and other	5.7	
	<hr/>	
Adjusted EBITDA	\$ 172.6	

\*Adjusted EBITDA includes pro-forma impact related to acquisitions closed during the last 12 months.

\*\* Amounts for the 12 months ended July 2, 2022 are calculated by adding the respective amounts for the six months ended July 2, 2022 and the fiscal year ended December 31, 2021 and subtracting the respective amounts for the six months ended July 3, 2021.

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

# Q2 2022 Adjusted Free Cash Flow Reconciliation



(\$ millions)

	<b>Three Months Ended July 2, 2022</b>
Operating cash used in continuing operations	\$ (34.9)
Capital Expenditures	(3.9)
Free Cashflow used in continuing Operations	(38.8)
Adjustment*	44.6
Adjusted free cash flow from continuing operations	<u>\$ 5.8</u>

\* Adjustments align with our reconciliation of GAAP to Adjusted EPS excluding the impact of non-cash adjustments. Adjustments include the tax paid on the gain of the sale of Transformer Solutions