

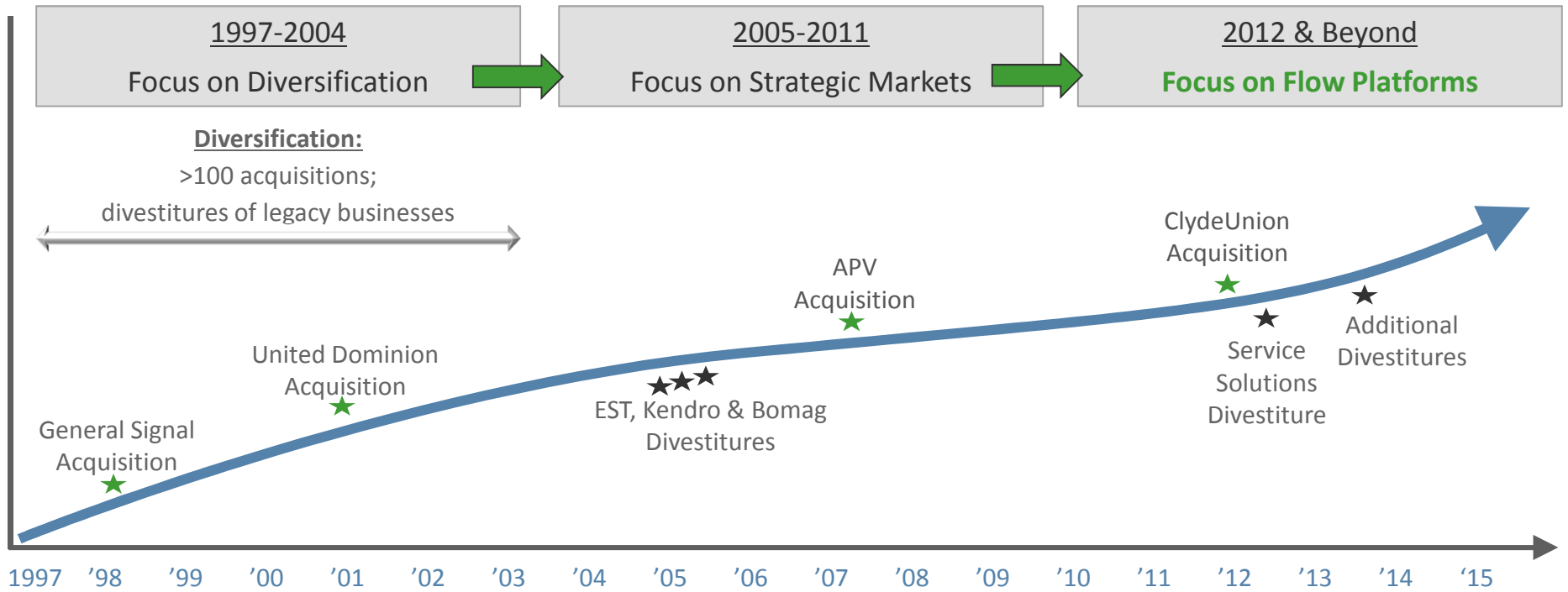


SPX Investor Presentation  
2013 Baird Industrial Conference



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

# Strategic Transformation



Note: Arrow is for illustration purposes only

**Transformation of SPX Continues With Strategic Focus on Flow Platforms**

### Key Investor Messages

- Improved operational performance in Q3:
  - Segment margins improved 70 points year-over-year and 140 points sequentially
  - \$141m of free cash flow
- Transitioning to new operational alignment and executing restructuring actions
- Backlog increased sequentially
- Divesting certain non-Flow assets
- Expect to be in a flexible financial position with significant liquidity as we enter 2014

Note: See appendix for reconciliation of all non-GAAP metrics

**Strategy Focused on Continuous Operating Improvement,  
Disciplined Capital Allocation and Further Developing Our Flow End Market Platforms**

## Financial Position



(\$ millions)	6/29/2013	9/28/2013
Cash	\$353	\$491
Accounts Receivable	\$1,237	\$1,200
Total Assets	\$6,400	\$6,549

Accounts Payable	\$527	\$482
Total Debt	\$1,692	\$1,687
Total Equity	\$2,012	\$2,142

### 2013 Capital Allocation Priorities

- 1) Operational improvements and organic growth initiatives:
  - Restructuring actions
  - Capital expenditures
  - Innovation
- 2) Annual dividend (\$1 per share, paid quarterly)
- 3) Share repurchases:
  - Complete \$200m of targeted repurchases (\$145m repurchased YTD)
- 4) Pension contribution:
  - ✓ Made \$250m voluntary pension contribution in Q2

**Generated \$141m of Free Cash Flow in Q3;  
Full Year Adjusted Free Cash Flow Guidance Now \$250 to \$280**

## 2013 Earnings Accretive Actions



Action	Estimated EPS Benefit
1) ~\$35m of annual cost savings from 2013 restructuring actions	Annualized: ~\$0.60 per share 2014E Incremental Benefit: ~\$0.35 per share
2) \$200m of share repurchases	Annualized: ~\$0.26 per share 2014E Incremental Benefit: ~\$0.10 per share
3) \$250m voluntary pension funding (\$160m net of cash tax benefit)	Annualized: ~\$0.24 per share 2014E Incremental Benefit: \$0.00 per share

Note: Annualized 2014E as of October 30, 2013

**2013 Actions Expected to Contribute ~\$1.10 Earnings Per Share on an Annualized Basis,  
Expect Full Benefit in 2014, Resulting in a ~\$0.45 Tailwind Year-Over-Year**

## Capital Allocation Discipline

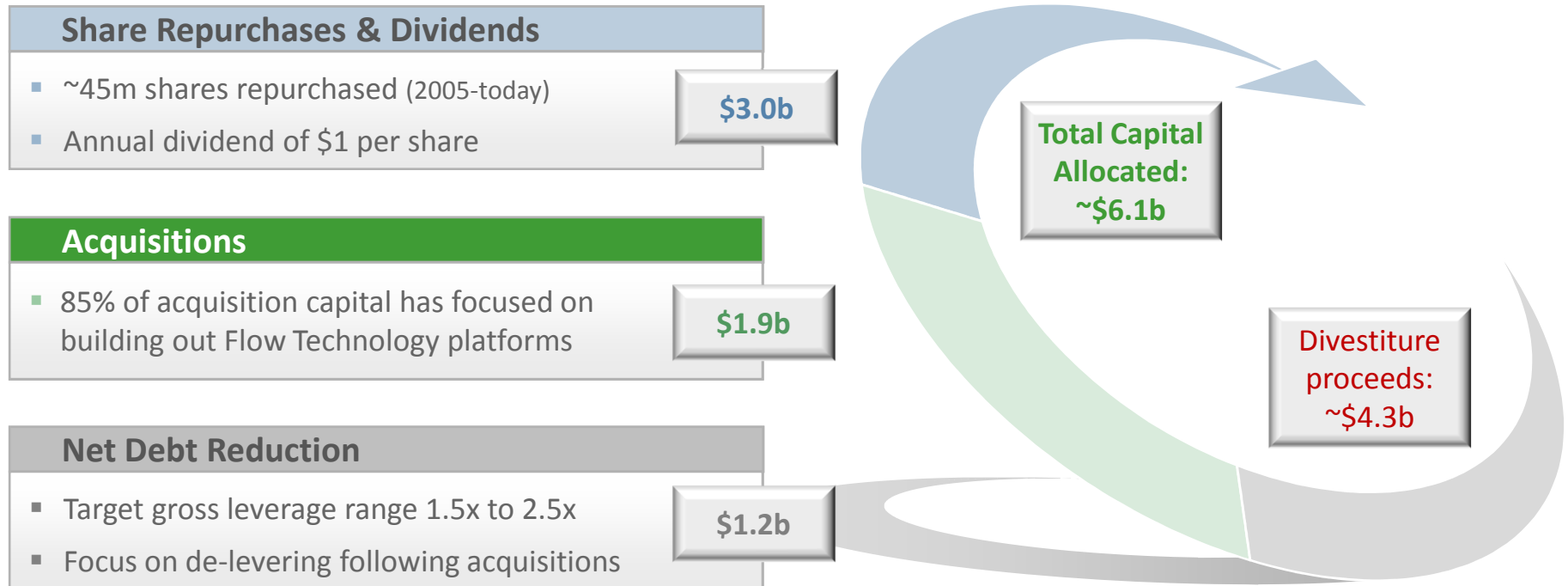


Methodology	Expected Outcome
1) Utilize strategic planning process to evaluate future revenue and earnings growth	<ul style="list-style-type: none"> <li>▪ Quantify projected future cash flows and estimate total company valuation</li> </ul>
2) Maintain target capital structure and fund regular dividend	<ul style="list-style-type: none"> <li>▪ Gross Debt to EBITDA<sup>(1)</sup> target range: <u>1.5x to 2.5x</u></li> <li>▪ Annual dividend of \$1 per share</li> </ul>
3) Invest available capital in highest, risk adjusted, return opportunities: <ul style="list-style-type: none"> <li>▪ <b>EVA models continue to drive allocation decision-making</b></li> </ul>	<ul style="list-style-type: none"> <li>▪ Organic growth and improvement opportunities</li> <li>▪ Strategic acquisitions <i>(not expected in the near term)</i></li> <li>▪ Share repurchases</li> <li>▪ Increase dividend</li> </ul>

<sup>(1)</sup> Gross Debt and EBITDA as defined in our credit facility

**Projecting ~\$625m of Cash on Hand at Year End;  
Expect Additional Liquidity in 2014 From Divestiture Proceeds**

# Historical Capital Allocation



~50% of Total Capital Allocated has Been Returned To Shareholders



## New Operational Leadership Alignment



### Key Leadership Changes

- Two senior operational positions created:
  - David Kowalski promoted to President of Global Manufacturing Operations
  - Ross Skelton promoted to Chief Commercial Officer
  
- The Flow Technology segment's reporting units are now aligned by end market:
  - Tony Renzi promoted to President of Flow Power & Energy
  - Marc Michael promoted to President of Flow Food & Beverage
  - David Wilson promoted to President of Flow Industrial

**New Operational Alignment Designed to  
Improve Operating Efficiency and Enhance Our Customer Focus**



Flow Technology: End Market Trends  
Ross Skelton, Chief Commercial Officer



# Attractiveness of Flow Space



## Definition of Flow Space

- Market sectors that require highly engineered system solutions and components which enable our customers to:
  - process, transport, meter, filter or dehydrate...
  - ...fluids, gases and powders across a variety of applications

## Strategic Rationale for Flow

- High growth, high margin potential
- Aftermarket model
- Technology adaptable across multiple end markets
- Fragmented industry
- Generally, a higher valuation potential than multi-industrial companies

## Technology Examples

pumps



valves



heat exchangers



mixers



separation



air treatment



**Many Attractive Characteristics to the Flow Space and End Markets  
Representing Significant Growth Opportunities for SPX**

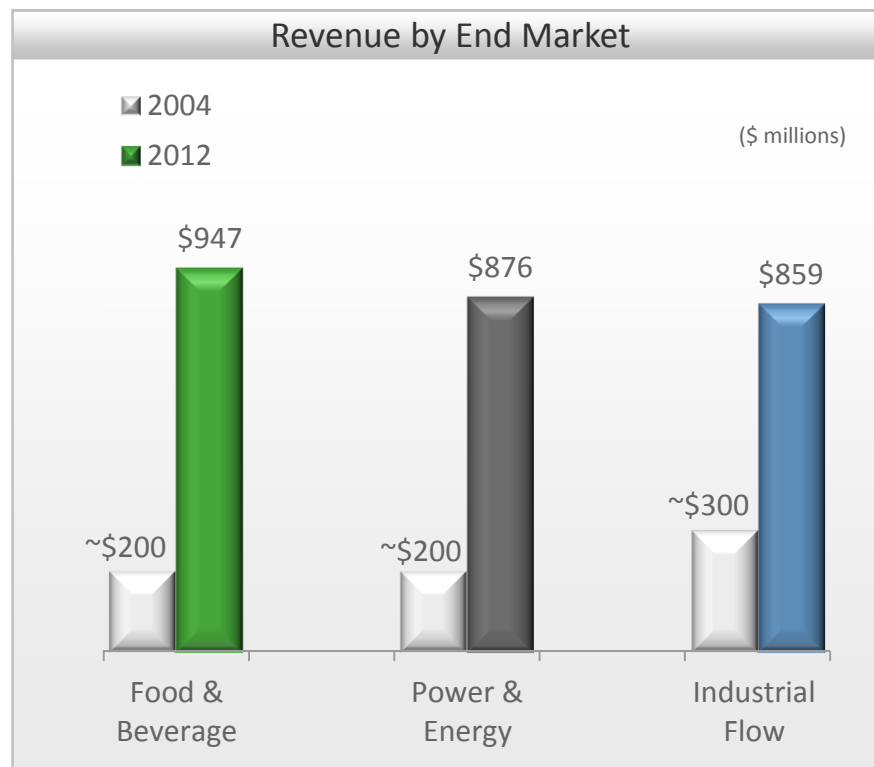
# Flow End Market Development



## Flow Acquisitions

<u>Year</u>	<u>Business</u>	<u>Primary Market</u>
1998	Lightnin Mixers	Industrial Flow
2000	Copes Vulcan Valves	Power & Energy
2001	Waukesha Cherry-Burrell	Food & Beverage
2001	Bran & Luebbe Pumps	Power & Energy
2001	Dollinger Filtration	Power & Energy
2001	The Plenty Group	Power & Energy
2002	M&J Valve	Power & Energy
2003	Hankinson	Industrial Flow
2006	Johnson Pump	Industrial Flow
2007	APV	Food & Beverage
2010	Gerstenberg	Food & Beverage
2010	Anhydro	Food & Beverage
2010	Murdoch	Food & Beverage
2011	ClydeUnion Pumps	Power & Energy
2011	e&e	Food & Beverage
2012	Seital	Food & Beverage

## Revenue by End Market



Significantly Expanded Global Presence Across Key End Markets

# Flow Technology Segment Overview



**Food & Beverage**



2012 Revenue: \$947m

Key Products

- Pumps
- Valves
- Heat Exchangers
- Mixers
- Dispersion
- Separation
- Filtration
- Dehydration
- Drying & Evaporation
- Full-Line Systems

**Power & Energy**




2012 Revenue: \$876m

Key Products

- Pumps
- Valves
- Heat Exchangers
- Filtration
- Chemical Injection Skids

**Industrial Flow**



2012 Revenue: \$859m

Key Products

- Pumps
- Heat Exchangers
- Mixers
- Filtration
- Dehydration

SPX Flow Technology is Well Positioned Across All Three Broad End Markets

# Key Flow Technology Food & Beverage Offerings




### Full Line Systems

Liquid Processing



Drying & Evaporation



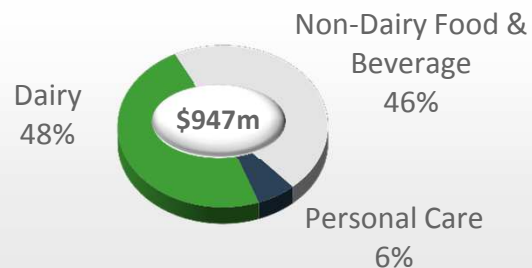
Extraction & Distillation

### Components

Separation & Clarification	Dispersion	Mixing
		
Pumps	Valves	Heat Exchangers
		

Our Technology Offerings Include Full-Line Process Systems and Process Components

## Flow's 2012 Food & Beverage Revenue



## Customer Examples



## Market Overview

- Regulated, global industry in which customers demand highly engineered, turn-key solutions
- Competitors include GEA, Tetra Pak, Alfa Laval, Sudmo (Pentair) and Fristam
- Key demand drivers:
  - Emerging market capacity expansion
  - Sustainability & productivity
  - Customer product innovation
  - Safety

Well Positioned as a Leading Global Supplier of Food & Beverage Systems and Aftermarket Services

# Key Flow Technology Power & Energy Offerings



multi-stage pumps



valves



closures



reciprocating oil pump



multi-stage, vertical pump

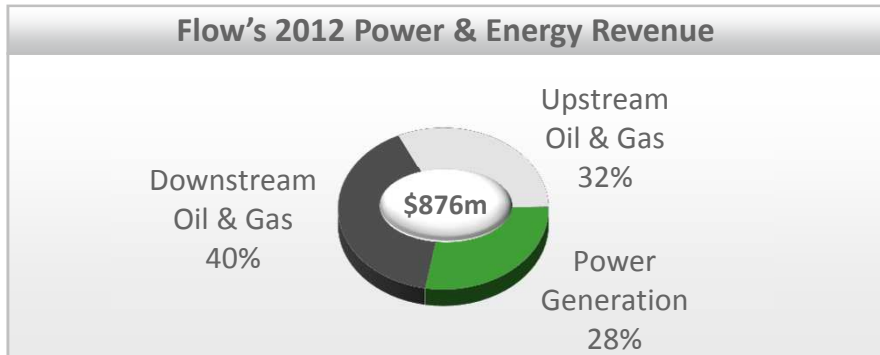


dehydration & filtration



Complementary Products With Very Good Potential for Revenue Synergies Through Cross-Selling Opportunities, Channel Combinations and Key Customer Account Management





### Power & Energy Overview

- Large, global markets in which customers demand highly engineered technology solutions
- Competitors include Flowserve, Sulzer, KSB, Cameron, Goulds Pumps and Ebara
- Key demand drivers:
  - ❑ Global energy consumption
  - ❑ Crude oil & natural gas pricing
  - ❑ Global rig count
  - ❑ Global shale activity
  - ❑ New power plant investments and replacement of aged power plant equipment

### Customer Examples

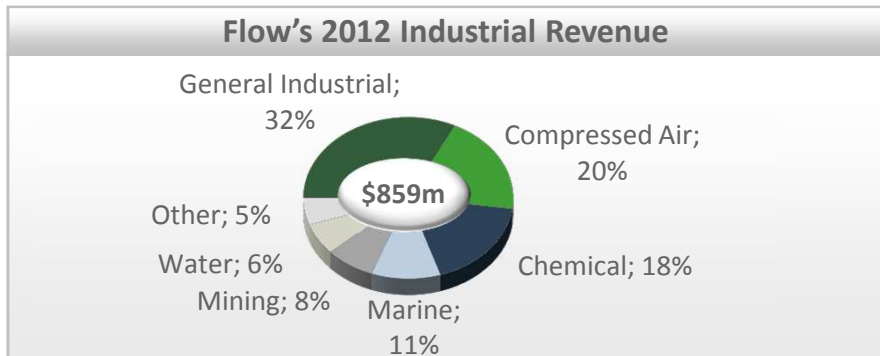
**72% of Flow's 2012 Power & Energy Revenue  
From Sales Into the Oil & Gas End Market**

# Key Flow Technology Industrial Offerings



mixers	pumps	heat exchangers	air treatment	strategic growth opportunities
				<ul style="list-style-type: none"> <li>Expand product offerings <u>geographically</u></li> <li>Add <u>adjacent technologies</u> to broaden product portfolio</li> <li>Extend vertically in select <u>end markets</u></li> <li>Fragmented competitor and adjacent supplier environment results in broad opportunities for acquisitions over time</li> </ul>

**Broad Opportunities for Strategic Growth in Highly Engineered Industrial Flow Applications**



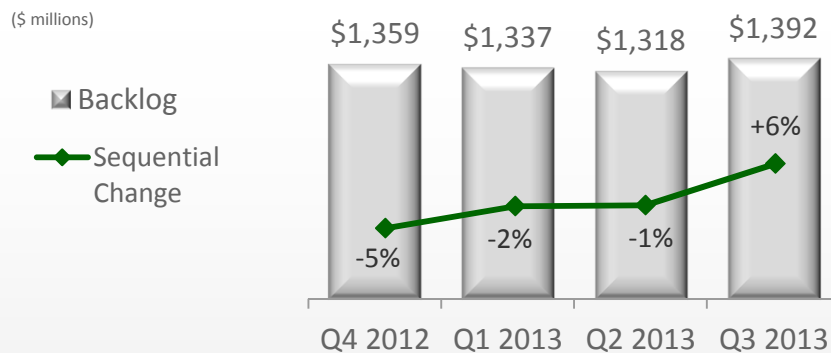
- ### Industrial Flow Markets Overview
- Large, global markets in which customers demand highly engineered technology solutions
  - Fragmented, regional competitor base
  - Key demand drivers:
    - ❑ Global GDP growth
    - ❑ Manufacturing expansion
    - ❑ Industrial capital spending
    - ❑ Metal pricing
    - ❑ Shipbuilding



# Flow Technology Sequential Analysis



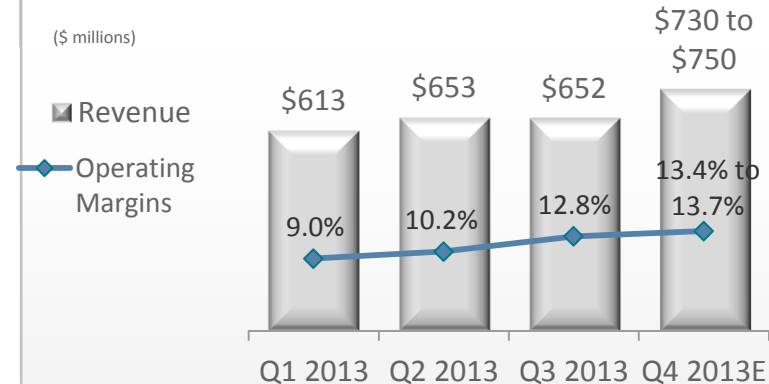
## Sequential Backlog Change



- Q3 backlog up 6% sequentially:
  - Increase in large project awards for food & beverage systems and oil & gas pumps
- Record order intake in Q3 2013 with orders up 21% year-over-year

Note: Q4 2013E as of October 30, 2013

## Sequential Revenue & Margins



- Margins improved 260 points from Q2 to Q3
- Key sequential drivers for Q4 2013:
  - Seasonal increase in aftermarket sales
  - Strong Q3 order intake
  - Cost reduction benefits from restructuring actions

**Q3 Order Intake Expected to Drive Increased Sequential Revenue in Q4  
With Q4 Margins Expected to be Within The Long Term Margin Range**



Questions?





## Appendix



## 2013 Full Year Targets



(\$ millions)

	2012 Revenue & Segment Income % <sup>(1)</sup>	2013E Targets
<b>Flow Technology</b>	\$2,682 10.6%	(1%) to 0% 11.4% to 11.6%
<b>Thermal Equipment &amp; Services</b>	\$1,491 7.2%	(9%) to (11%) 6.0% to 6.2%
<b>Industrial Products &amp; Services</b>	\$658 12.3%	+11% to +12% 14.8% to 15.0%
<b>Consolidated</b>	\$4,831 9.8%	(1%) to (3%) 10.4% to 10.6%

<sup>(1)</sup> Restated to exclude all discontinued operations

Note: 2013E as of October 30, 2013

### Full Year EPS from Continuing Operations Mid-Point Guidance Model

	<b>2013E</b>
Revenue	\$4,736
Segment income %	10.5%
Corporate expense	(\$109)
Pension & post retirement health care	(\$25)
Stock-based compensation	(\$34)
Special charges	(\$35)
Asset Impairment	(\$2)
<b>Operating Income</b>	<b>\$295</b>
Equity earnings in joint ventures	\$43
Interest expense, net	(\$103)
Other income or (expense)	(\$4)
<b>Income before taxes</b>	<b>\$230</b>
Income tax provision	(\$47)
<b>Income from continuing operations</b>	<b>\$183</b>
Minority interest, net of taxes	(\$4)
<b>Net income from continuing operations</b>	<b>\$179</b>
<b>Mid-Point EPS from continuing operations</b>	<b>\$3.88</b>

**2013E EPS Guidance Range: \$3.80 to \$3.95**

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**Generated \$141m of Free Cash Flow in Q3;  
Full Year Adjusted Free Cash Flow Guidance Now \$250 to \$280**



## Projected Liquidity



### Projected Liquidity

(\$ millions)	<u>Amount</u>
<b>Cash on Hand at September 28, 2013</b>	<b>\$491</b>
<b><u>Q4 2013E Cash Outflows and Inflows</u></b>	
2013 targeted share repurchases remaining	(\$55)
Planned dividend payments	(\$12)
Q4 projected free cash flow from continuing operations	\$183
Q4 projected free cash flow from discontinued operations	<u>\$18</u>
<b>Projected Cash on Hand at December 31, 2013</b>	<b>\$625</b>
Available lines of credit	<u>\$581</u>
<b>Total projected liquidity (prior to divestiture proceeds)</b>	<b><u>\$1,206</u></b>
Net proceeds from planned divestitures	TBD

Note: Projections as of October 30, 2013

**Projecting ~\$625m of Cash on Hand with ~\$1.2b of Total Liquidity;  
Expect Additional Liquidity in 2014 With Proceeds from Planned Divestitures**

## 2013 Adjusted Free Cash Flow Reconciliation



### 2013 Adjusted Free Cash Flow

(\$ millions)

	<u>Three Months Ended September 28, 2013</u>	<u>Nine Months Ended September 28, 2013</u>	<u>Full Year 2013E</u>	
Net cash from continuing operations	<b>\$149</b>	<b>(\$150)</b>	<b>\$45</b>	<b>to \$75</b>
Tax payment on the gain from the sale of Service Solutions	\$0	\$115	\$115	\$115
Voluntary pension contribution, net of ~\$90m tax benefit	\$0	\$160	\$160	\$160
Capital expenditures	<u>(\$8)</u>	<u>(\$43)</u>	<u>(\$70)</u>	<u>(\$70)</u>
Adjusted free cash flow from continuing operations	<u><b>\$141</b></u>	<u><b>\$82</b></u>	<u><b>\$250</b></u>	<u><b>to \$280</b></u>

Note: 2013E as of October 30, 2013