

# SPX Technologies

## Investor Presentation

September 2023

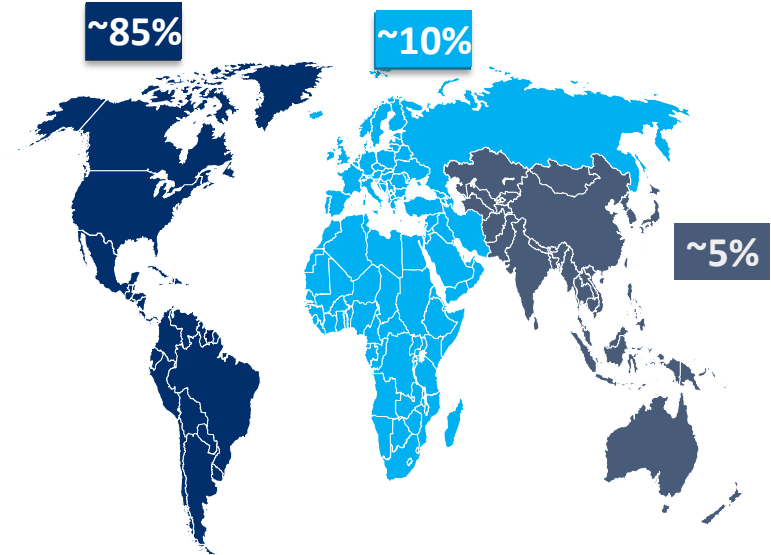


# SPX Technologies Overview

# Company Overview

- ❑ Headquartered in Charlotte, NC
- ❑ Focused, market-leading platforms:
  - ✓ HVAC
  - ✓ Detection & Measurement
- ❑ \$1.74B Revenue\*
- ❑ +4,000 employees
- ❑ NYSE Ticker: **SPXC**

## 2022 Revenue by Region†



\* Midpoint of 2023 guidance as presented August 2, 2023

†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

Solid 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

# Strong Product Offerings and Attractive Market Dynamics

## HVAC

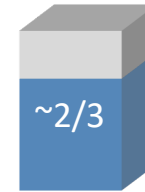
- ✓ Cooling towers
- ✓ Refrigeration
- ✓ Engineered air movement
- ✓ Process Cooling
- ✓ Boilers
- ✓ Electrical heating

## DETECTION & MEASUREMENT

- ✓ Location & inspection
- ✓ Aids to Navigation
- ✓ Fare collection
- ✓ Communication technologies

2023 <sup>1</sup>	
REVENUE	ADJUSTED EBITDA MARGIN
<b>\$1,135m</b>	<b>low-20s</b>
<b>\$598m</b>	<b>low-20s</b>

## REVENUE FROM REPLACEMENT SALES<sup>2</sup>

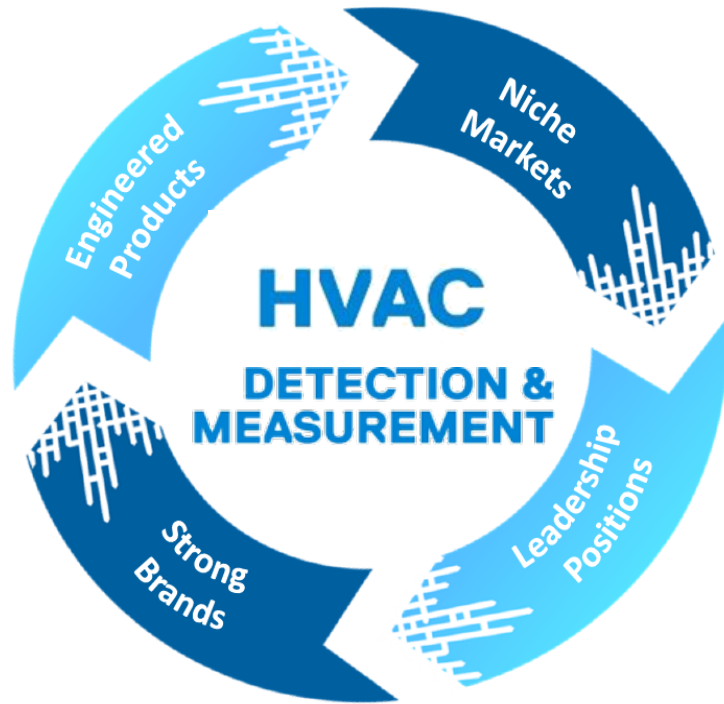


## REVENUE FROM #1 OR #2 MARKET POSITION<sup>2</sup>



1) Mid-Point of 2023E Guidance as presented August 2, 2023

2) Based on management estimates.



## Organic Growth

- New products
- Channel expansion
- Adjacent markets

## Inorganic Growth

- Strategic platform focus
- Significant capital to deploy
- Large target pipeline

## SPX Business System

- Digital initiatives
- Continuous Improvement
- 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
- PATTERSON-KELLEY
- ULC TECHNOLOGIES
- SENSORS & SOFTWARE
- SEALITE
- ECS
- CINCINNATI FAN
- ITL
- TAMCO
- ASPEQ HEATING GROUP

### Channel

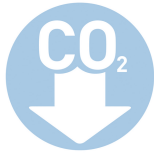
- Geography
- Service
- Digital
- Loyalty

### 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...



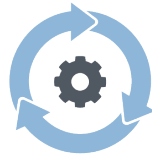
Core Values



Diversity & Inclusion



Engagement



Continuous Improvement



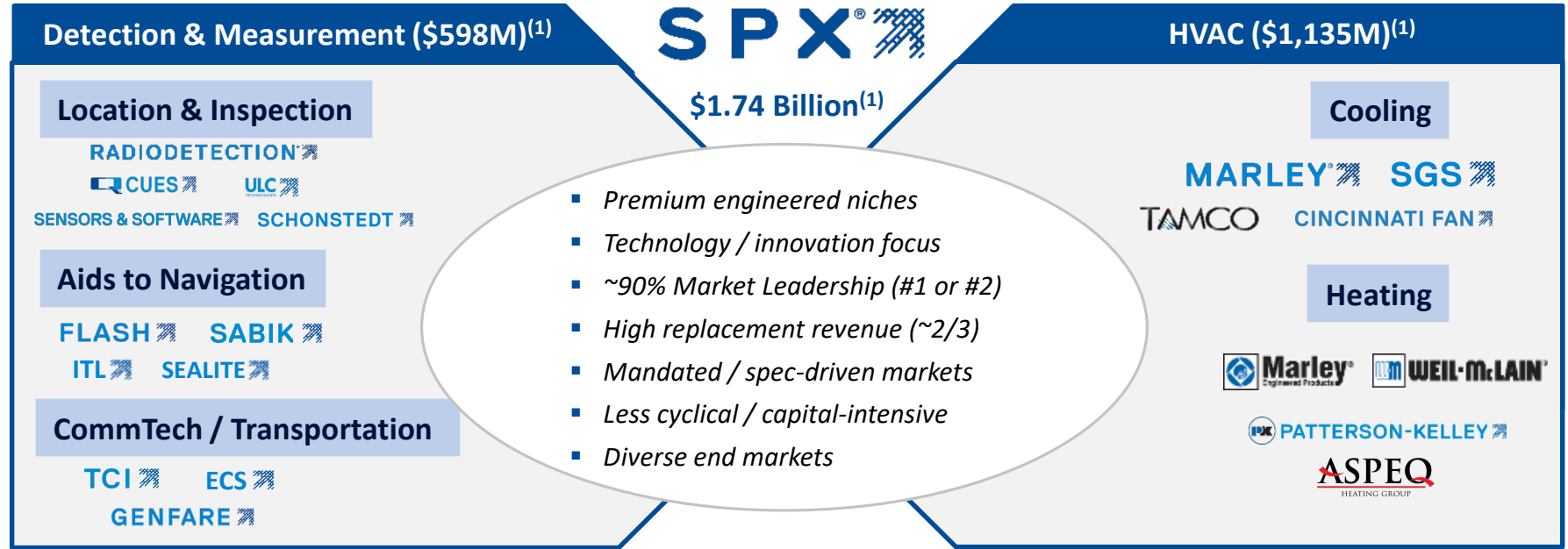
Minimize Waste



# 190 of 500



# Focused, Market-Leading Growth Platforms



1) Mid-Point of 2023E Guidance as presented August 2, 2023

## Simplified, Higher-Return Portfolio

Using technology to help our customers become safer, more efficient, and sustainable



Driving Customer Value Through Focus on Technology

# 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

CUES

SABIK

GENFARE

ULC  
TECHNOLOGIES

FLASH

SEALITE

TCI ECS

WEIL-M-LAIN Marley  
Engineered Products

PATTERSON-KELLEY

MARLEY

CINCINNATI FAN

TAMCO

ASPEQ  
HEATING GROUP



# SPX 2025

# SPX Strategic Portfolio Transformation Continues



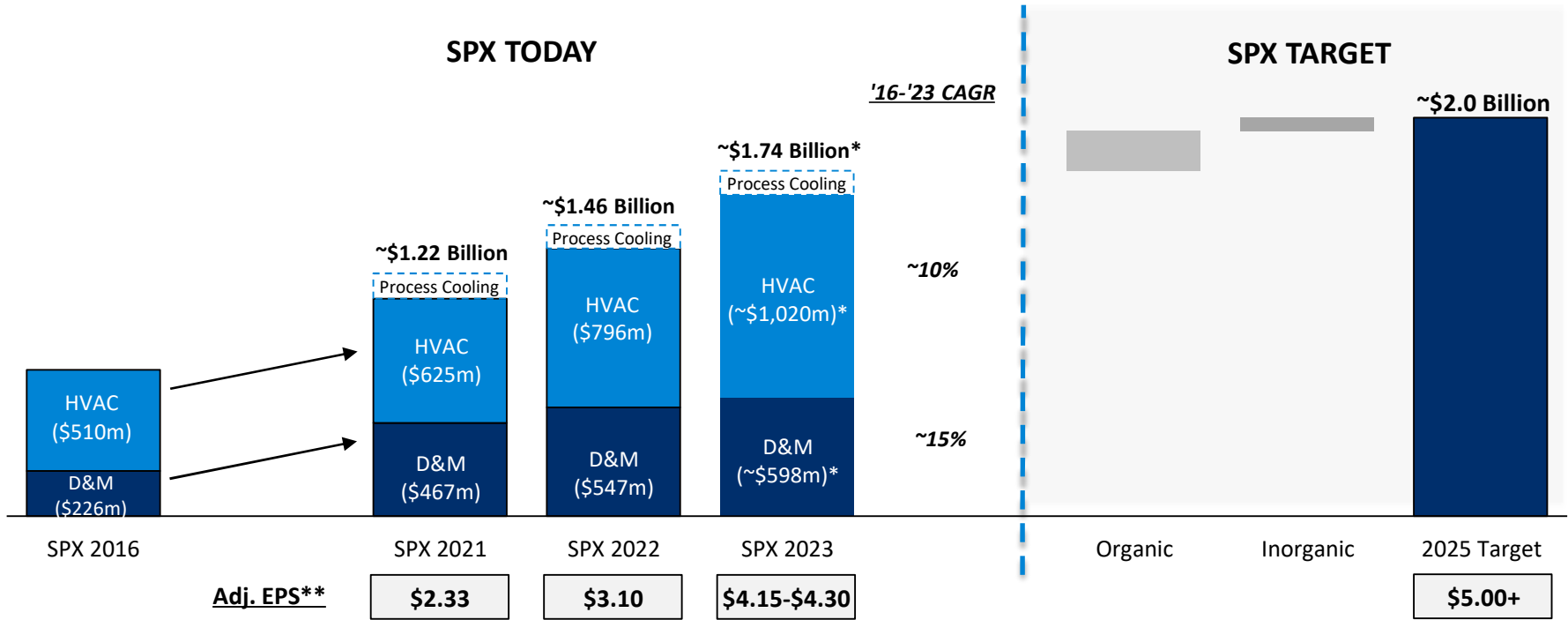
	2021	2023 Current Guidance *	2025 Targets
<i>Revenue</i>	\$1.22B	\$1.74B	~\$2.0B
<i>Gross margin %</i>	35.4%	~38%	~40%
<i>Segment Income %<sup>†</sup></i>	16.4%	~20%	~20% ✓
<i>Adj. Operating Income %<sup>†</sup></i>	11.1%	~16.1%	~16% ✓
<i>Long-term Growth %</i>	~2-4%	~3-5%	~3-5% ✓
<i>Adj. EPS</i>	\$2.33	~\$4.22	+\$5.00

\*Midpoint of Full-Year 2023 Guidance from August 2<sup>nd</sup>, 2023.

†Adjusted results and consolidated segment information 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.

Approaching SPX 2025 Targets

# SPX Long-Term Targets – Revenue



\*Guidance as of 8/2/23; Mid-point for revenue

\*\*Non-GAAP financial measure. Reconciliations from US GAAP historical financial measures are available in the Appendix of the presentation. Note: Process Cooling not included in '16-'23 HVAC CAGR calculation

Focused, Strategic Path to Long-term Targets

# Segment Overview

- ❑ HVAC
- ❑ Detection & Measurement

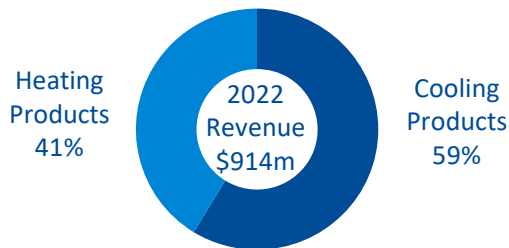
# HVAC



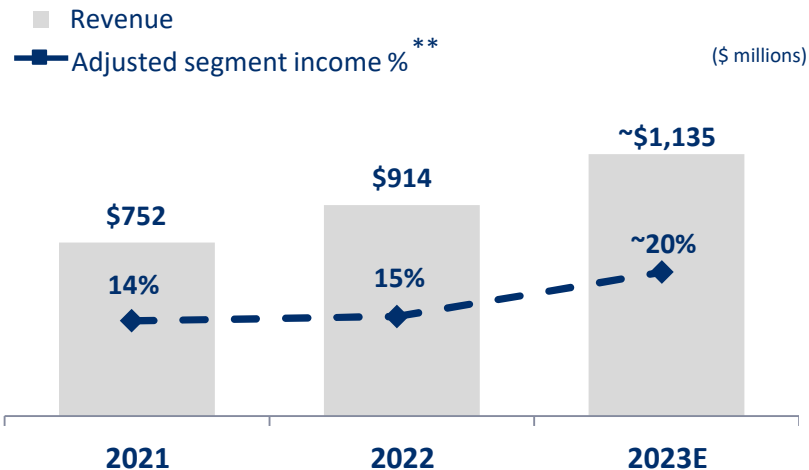
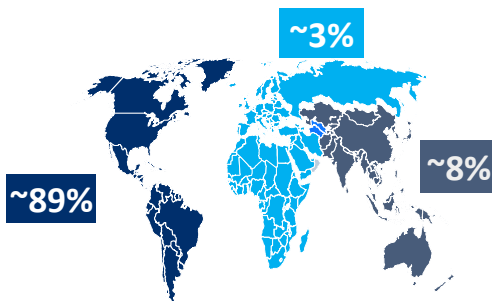
# HVAC Segment Overview



## 2022 Revenue by Product



## 2022 Revenue by Geography



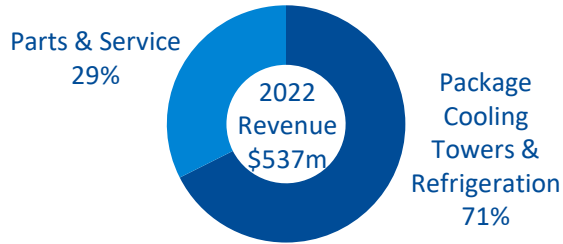
	2021	2022	2023E
Gross Margin%	30%	30%	-
Adjusted EBITDA*	\$116	\$145	-

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

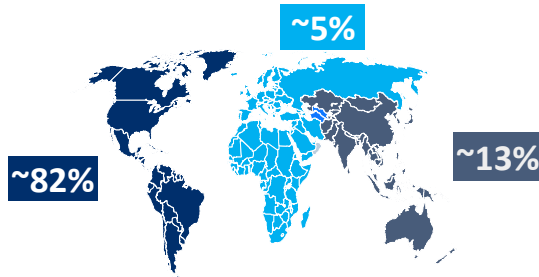
\*\* Guidance as of 8/2/23; Mid-point for revenue and segment income margin

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

## 2022 Revenue by Product



## 2022 Revenue by Geography



- ❑ Cooling products used in non-residential, commercial, industrial, 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

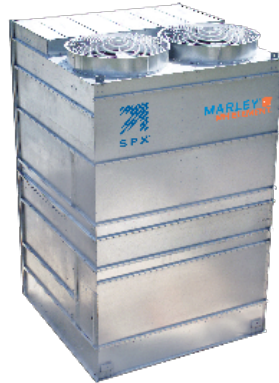
## Marley NC Cooling Tower

- ✓ 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



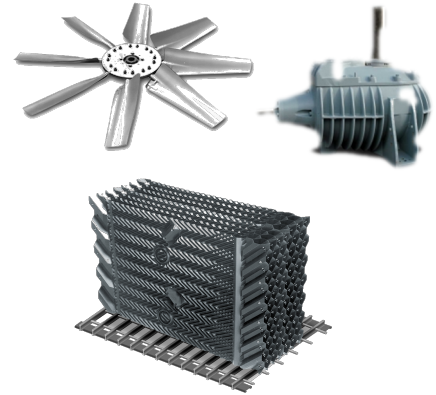
## Engineered Air Movement

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



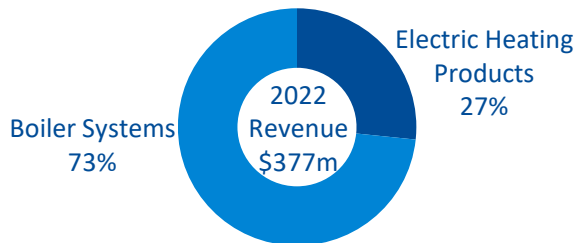
## High-Value Components

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

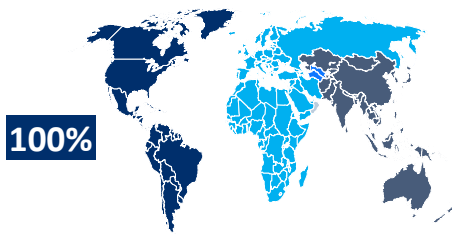


Strong Product Portfolio and Brands with Opportunities for Expansion

## 2022 Revenue by Product



## 2022 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

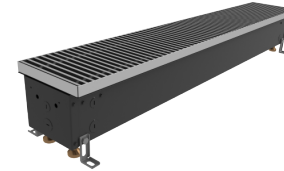
Wash-down, corrosion resistant heaters



Digital wall heaters



Trench heaters



Radiant heaters

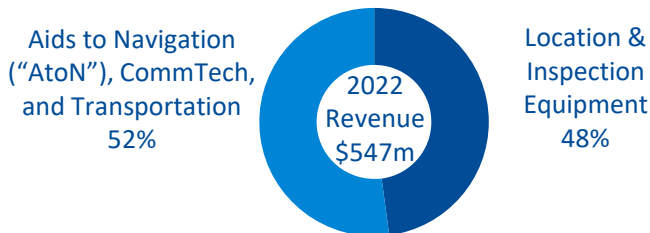


Broad Product Offering of Heating Solutions for Residential and Commercial Applications

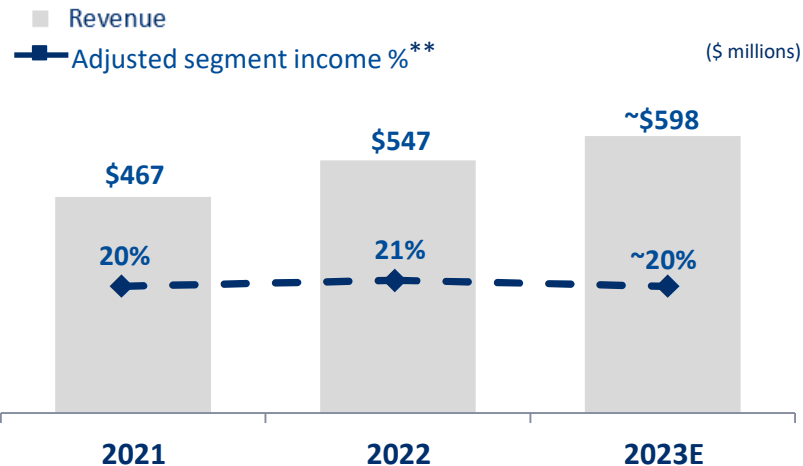
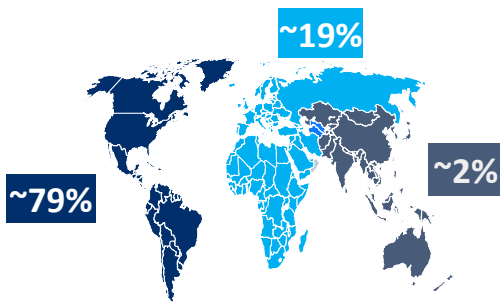
# Detection & Measurement

# Detection & Measurement Segment Overview

## 2022 Revenue by Product



## 2022 Revenue by Geography



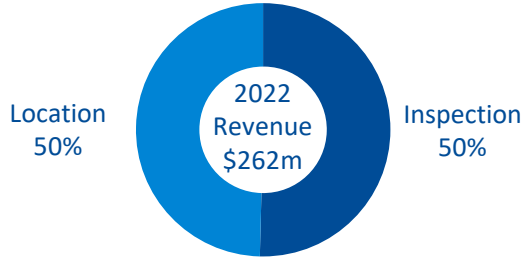
	2021	2022	2023E
Gross Margin%	44%	45%	-
Adjusted EBITDA*	\$103	\$121	-

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

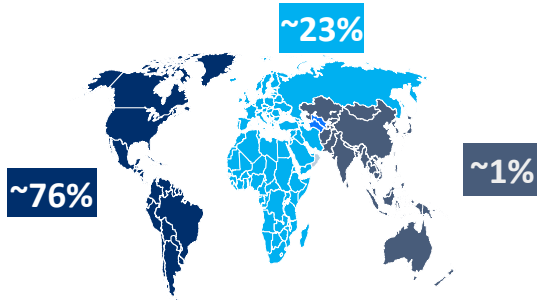
\*\* Guidance as of 8/2/23; Mid-point for revenue and segment income margin

Attractive Platform for Growth Investments in Niche High Margin Technologies

### 2022 Revenue by Product



### 2022 Revenue by Geography



- ❑ 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

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



## Location Equipment

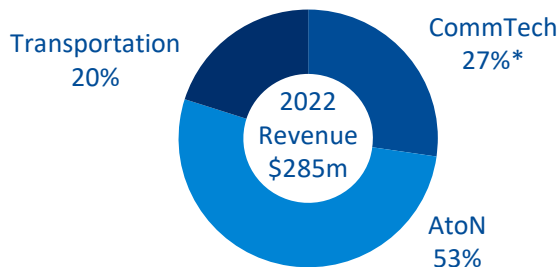


## Inspection Equipment

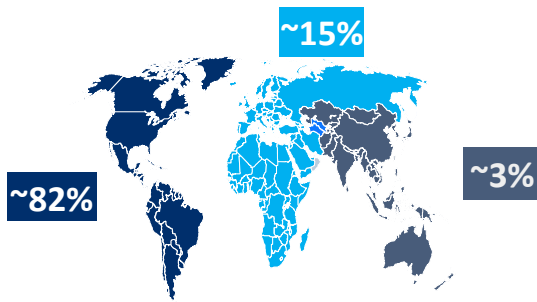


Full Lifecycle Infrastructure Solutions Provider for Location & Inspection Markets

### 2022 Revenue by Product



### 2022 Revenue by Geography



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

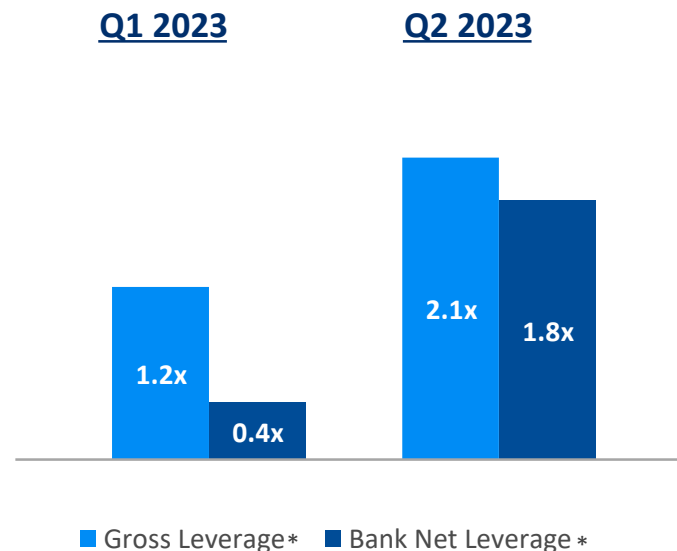
Methodology	Expected Outcome
1) Utilize strategic planning process to evaluate future revenue and earnings growth	<ul style="list-style-type: none"><li>▪ Quantify projected future cash flows and estimate total company valuation</li></ul>
2) Maintain target capital structure	<ul style="list-style-type: 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

# Financial Position - Capital Structure & Liquidity Update

(\$ millions)

(\$millions)	Q1 2023	Q2 2023
Short-term debt	\$69	\$132
Current maturities of long-term debt	3	11
Long-term debt	242	533
<b>Total Debt</b>	<b>\$314</b>	<b>\$676</b>
Less: Cash on hand **	(213)	(95)
<b>Net Debt</b>	<b>\$101</b>	<b>\$581</b>



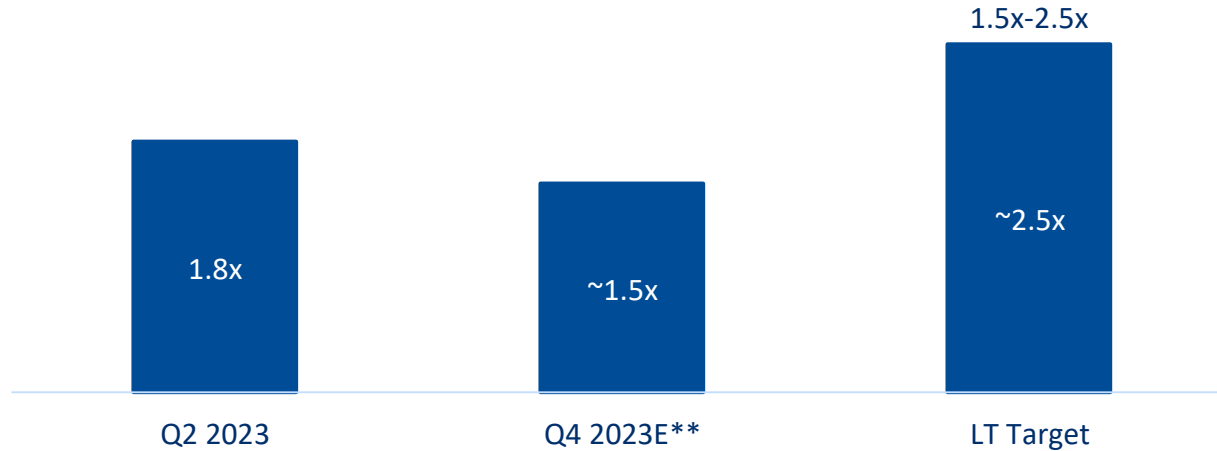
**Well-Positioned to Continue Growth Initiatives**

\* Calculated as provided in SPX Technologies' credit facility agreement.

\*\* Includes cash related to discontinued operations of ~\$8m in Q1 2023 and ~\$9m in Q2 2023.



## Bank Net Leverage\*



Anticipate Low-End of Target Leverage Range by Year-End

\* Calculated as provided in SPX Technologies' credit facility agreement.

\*\* Based on management estimate debt pay down and cash conversion.

## 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

# SPX Business Value Model

## 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 ~\$535M of revenue in ~5 years*



*Average EV/EBITDA Multiple Paid:*

Pre-Synergy  
~10.6x

Post-Synergy  
~9x

## Superior Performance

**Organic / Inorganic Revenue Growth**

**Margin Expansion**

**Cash Flow Generation**

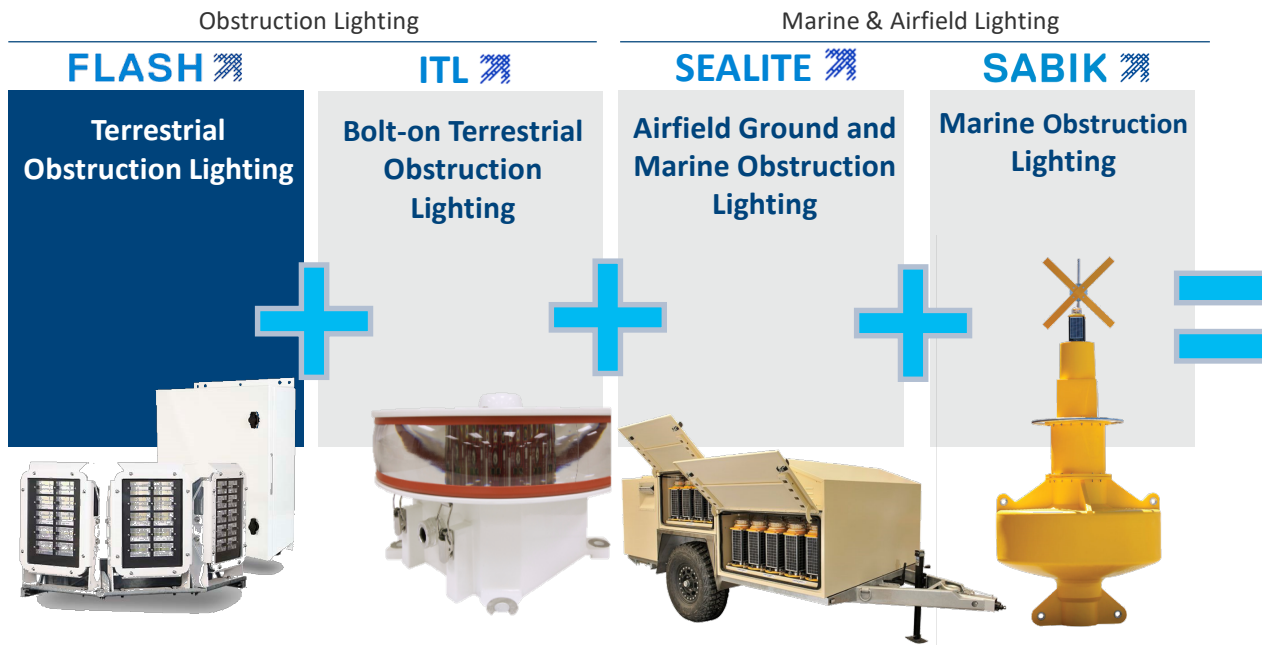
**Established Model for Sustainable Growth**

# Building Strategic Platforms – Location & Inspection



Accelerating Momentum with Broad Range of Opportunities

# Building Strategic Platforms – Aids to Navigation



Transformed ~\$40-50m  
obstruction lighting  
business into ~\$150m  
global leader in aids to  
navigation solutions

Global Leader with Full Product Range

**TCI** 

**Spectrum Monitoring  
and COMINT Solutions**



**ECS** 

**Tactical Data Links and  
RF Countermeasures**



**Broad provider of  
spectrum monitoring  
and COMINT solutions**

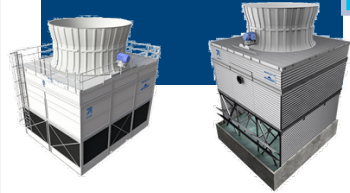
**Product/Technology Synergies Driving Substantial Growth**

# Building Strategic Platforms - Cooling

Open and Close Loop Cooling

**MARLEY**

Leading Position in  
Packaged Cooling  
Towers



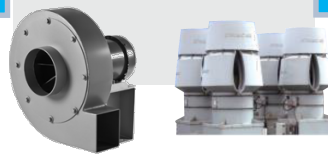
**SGS**

Industrial  
Refrigeration  
Products



**CINCINNATI FAN**

Custom fans,  
blowers, and  
critical exhaust  
systems



**TAMCO**

High Performance  
Industrial and  
Commercial Air  
Control Solutions



>\$660m Revenue\*  
Comprehensive  
solutions for high-  
value cooling and air  
movement  
applications

Extending Positioning in Attractive Engineered Air Movement Space

\*Includes estimated annualized run-rate for TAMCO for 2023



# Building Strategic Platforms – HVAC Heating

## Hydronic Heating



Leading Position  
in Residential  
Boilers



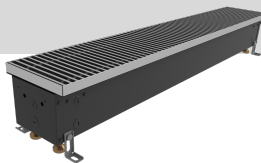
High-efficiency  
Commercial  
Boilers



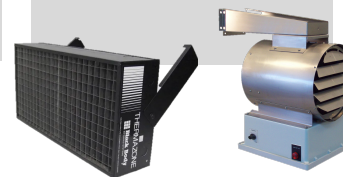
## Electrical Heating



Leader in  
Supplemental  
Electric Heat for  
Commercial  
Applications



High-quality  
Electric Heating  
for Industrial and  
Commercial  
Applications



>\$500M high-value  
hydronic and  
electrical heating  
solutions provider  
with significant  
expansion potential

Well-Positioned for Decarbonization Trends with Access to Attractive Adjacencies

# Executive Summary

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

Significant Value Creation Opportunity

# Appendix

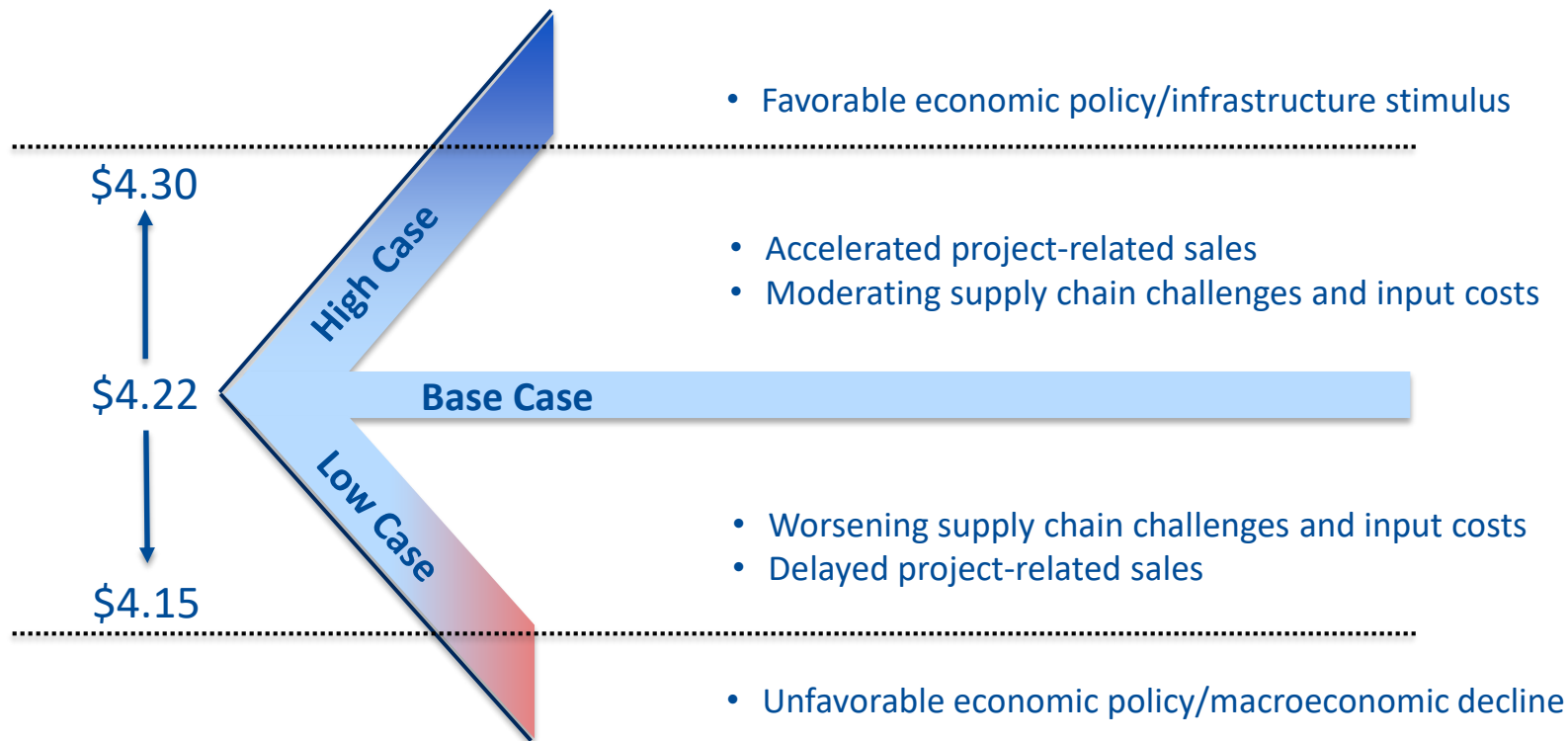
	Total SPX	HVAC	Detection & Measurement
Revenue	<b>\$1.72-1.75b</b>	<b>\$1,125-\$1,145m</b>	<b>\$590-\$605m</b>
<i>Prior</i>	<i>\$1.68-1.72b</i>	<i>\$1,110-\$1,130m</i>	<i>\$570-\$590m</i>
Segment Income Margin %	<b>~20%</b>	<b>~20%</b>	<b>~20%</b>
<i>Prior</i>	<i>18.75%-19.75%</i>	<i>18.00%-19.00%</i>	<i>20.50%-21.50%</i>
<hr/>			
Adj. Operating Income*	<b>\$277-\$285m</b>	<b>SPX 2025 Targets</b> Revenue \$2.0B Segment Income % ~20% Adj. Operating Income %* ~16% Adj. EPS* \$5.00+	
<i>Prior</i>	<i>\$255-\$270m</i>		
Adj. Operating Income Margin*	<b>16.00-16.25%</b>		
<i>Prior</i>	<i>15.00%-15.75%</i>		
Adj. EPS	<b>\$4.15-\$4.30</b>		
<i>Prior</i>	<i>\$3.90-\$4.05</i>		

\*Adjusted results and consolidated segment income margin are non-GAAP financial measures. Reconciliations of guidance measures to US GAAP financial measures are not practicable and accordingly are not included in the Appendix of the presentation.

# Modeling Considerations – Full Year 2023

Metric	Considerations
Corporate expense	\$51-52m
Long-term incentive comp	\$13-14m
Restructuring costs	\$0-1m
Interest cost	~\$25m
Other income/(expense), and Non-service pension benefit/(expense)	\$3-5m
Tax rate	23.5-24.5%
Capex	~\$25m
Cash cost of pension + OPEB	\$10-11m
Depreciation & Amortization	~\$66-68m
Share count	~46.6-46.7m
Currency effect	Topline sensitivity to USD-GBP rate

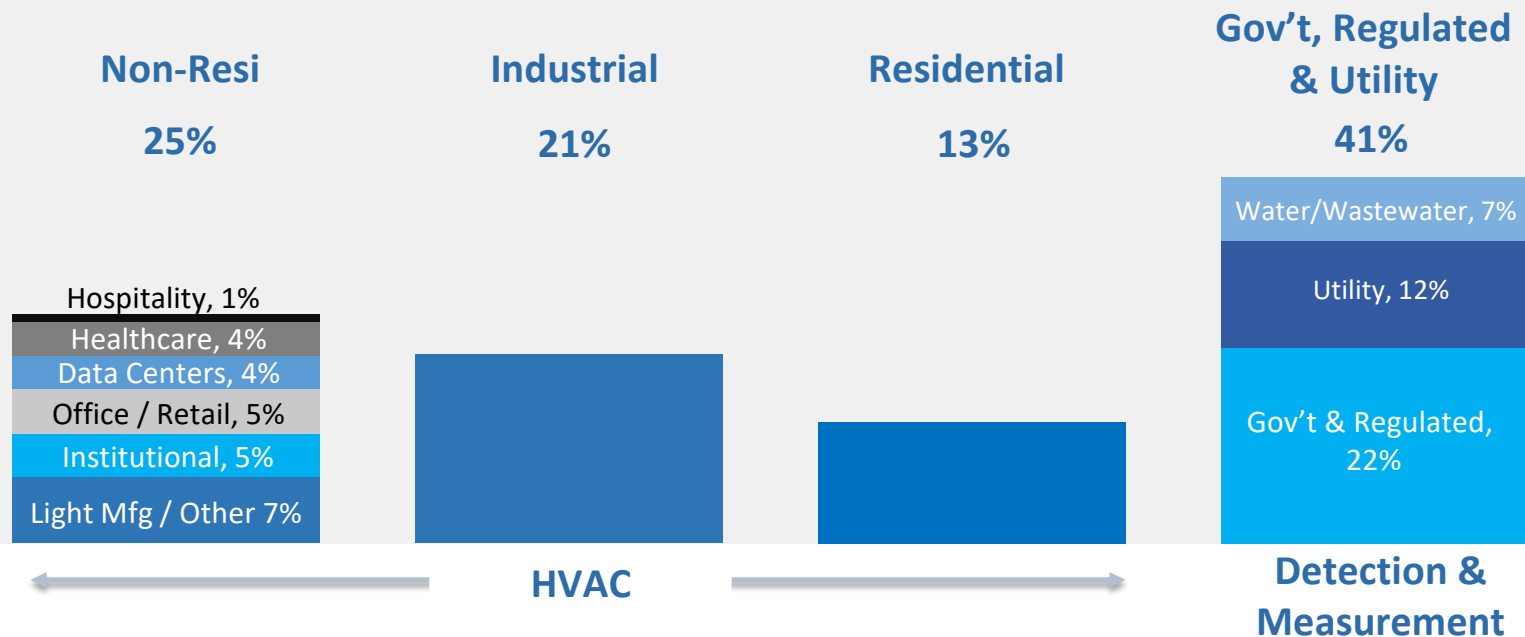
# 2023 Adjusted EPS Guidance - Key Drivers



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

# End Market Exposure

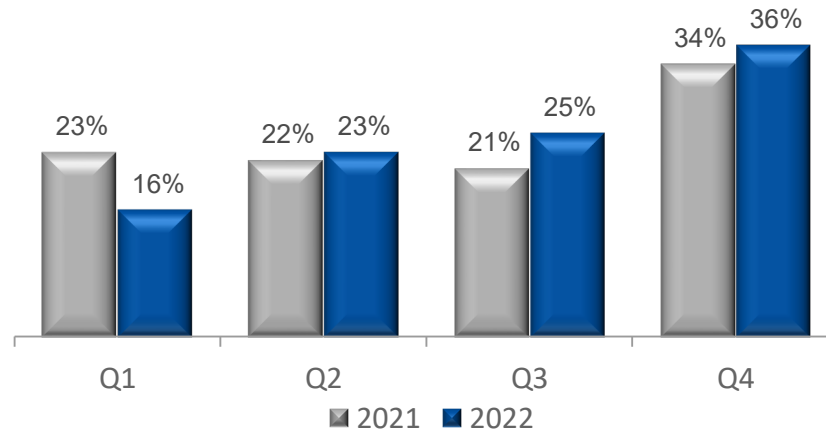
**~\$1.74 Billion\***  
*(~2/3 Replacement Revenue)*



\* 2023 Midpoint revenue guidance. Breakdowns based on Management estimates



# Segment Income Phasing



# GAAP Reconciliation Results by Quarter



(\$ millions)

	2021					2022				
	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY
Segment income	\$ 47.0	\$ 44.7	\$ 41.6	\$ 67.3	\$ 200.6	\$ 39.6	\$ 56.1	\$ 63.4	\$ 90.5	\$ 249.6
Corporate expense	(14.4)	(13.6)	(11.9)	(20.6)	(60.5)	(16.6)	(16.4)	(17.2)	(18.4)	(68.6)
Acquisition related and other costs	(0.7)	(0.9)	(3.2)	(0.3)	(5.1)	(0.1)	(0.9)	(0.1)	(0.8)	(1.9)
Long-term incentive compensation expense	(2.7)	(3.3)	(3.4)	(3.4)	(12.8)	(3.1)	(2.5)	(2.1)	(3.2)	(10.9)
Intangible amortization	(4.0)	(6.5)	(5.5)	(5.6)	(21.6)	(9.3)	(7.1)	(6.7)	(5.4)	(28.5)
Impairment of goodwill and intangible assets	-	-	(24.3)	(5.7)	(30.0)	-	-	-	(13.4)	(13.4)
Special charges, net	(0.2)	(0.6)	0.1	(0.3)	(1.0)	-	(0.1)	-	(0.3)	(0.4)
Other operating income (expense), net	-	(2.7)	24.3	(17.5)	4.1	0.9	(1.9)	-	(73.9)	(74.9)
<b>Operating income (loss)</b>	<b>25.0</b>	<b>17.1</b>	<b>17.7</b>	<b>13.9</b>	<b>73.7</b>	<b>11.4</b>	<b>27.2</b>	<b>37.3</b>	<b>(24.9)</b>	<b>51.0</b>
Other income (expense), net	7.4	6.4	3.8	(8.6)	9.0	6.5	(1.7)	(24.6)	4.6	(15.2)
Interest expense, net	(4.1)	(3.2)	(3.4)	(1.9)	(12.6)	(2.3)	(2.0)	(1.6)	(1.7)	(7.6)
Loss on amendment/refinancing of senior credit agreement	-	(0.2)	-	-	(0.2)	-	-	(1.1)	-	(1.1)
<b>Income (loss) from continuing operations before income taxes</b>	<b>28.3</b>	<b>20.1</b>	<b>18.1</b>	<b>3.4</b>	<b>69.9</b>	<b>15.6</b>	<b>23.5</b>	<b>10.0</b>	<b>(22.0)</b>	<b>27.1</b>
Income tax (provision) benefit	(5.3)	(2.4)	(4.2)	1.0	(10.9)	(2.6)	(4.4)	2.5	(2.8)	(7.3)
<b>Income (loss) from continuing operations</b>	<b>23.0</b>	<b>17.7</b>	<b>13.9</b>	<b>4.4</b>	<b>59.0</b>	<b>13.0</b>	<b>19.1</b>	<b>12.5</b>	<b>(24.8)</b>	<b>19.8</b>
Income (loss) from discontinued operations, net of tax	4.6	40.1	(35.3)	(3.7)	5.7	-	-	-	-	-
Income (loss) on disposition of discontinued operations, net of tax	(0.8)	4.1	351.7	5.7	360.7	(1.6)	(6.1)	(9.4)	(2.5)	(19.6)
<b>Income (loss) from discontinued operations, net of tax</b>	<b>3.8</b>	<b>44.2</b>	<b>316.4</b>	<b>2.0</b>	<b>366.4</b>	<b>(1.6)</b>	<b>(6.1)</b>	<b>(9.4)</b>	<b>(2.5)</b>	<b>(19.6)</b>
<b>Net income (loss)</b>	<b>\$ 26.8</b>	<b>\$ 61.9</b>	<b>\$ 330.3</b>	<b>\$ 6.4</b>	<b>\$ 425.4</b>	<b>\$ 11.4</b>	<b>\$ 13.0</b>	<b>\$ 3.1</b>	<b>\$ (27.3)</b>	<b>\$ 0.2</b>

# GAAP Reconciliation Results by Quarter



(\$ millions)

	2022					2023		
	Q1	Q2	Q3	Q4	FY	Q1	Q2	YTD
Segment income*	\$ 39.6	\$ 56.1	\$ 63.4	\$ 90.5	\$ 249.6	\$ 74.4	\$ 84.4	\$ 158.8
Corporate expense	(16.6)	(16.4)	(17.2)	(18.4)	(68.6)	(14.6)	(16.6)	(31.2)
Acquisition related and other costs	(0.1)	(0.9)	(0.1)	(0.8)	(1.9)	(0.6)	(1.5)	(2.1)
Long-term incentive compensation expense	(3.1)	(2.5)	(2.1)	(3.2)	(10.9)	(3.1)	(3.5)	(6.6)
Intangible amortization	(9.3)	(7.1)	(6.7)	(5.4)	(28.5)	(6.3)	(11.5)	(17.8)
Impairment of goodwill and intangible assets	-	-	-	(13.4)	(13.4)	-	-	-
Special charges, net	-	(0.1)	-	(0.3)	(0.4)	-	-	-
Other operating income (expense), net	0.9	(1.9)	-	(73.9)	(74.9)	-	-	-
<b>Operating income (loss)</b>	<b>11.4</b>	<b>27.2</b>	<b>37.3</b>	<b>(24.9)</b>	<b>51.0</b>	<b>49.8</b>	<b>51.3</b>	<b>101.1</b>
Other income (expense), net	6.5	(1.7)	(24.6)	4.6	(15.2)	2.5	-	2.5
Interest expense, net	(2.3)	(2.0)	(1.6)	(1.7)	(7.6)	(1.9)	(5.2)	(7.1)
Loss on amendment/refinancing of senior credit agreement	-	-	(1.1)	-	(1.1)	-	-	-
<b>Income (loss) from continuing operations before income taxes</b>	<b>15.6</b>	<b>23.5</b>	<b>10.0</b>	<b>(22.0)</b>	<b>27.1</b>	<b>50.4</b>	<b>46.1</b>	<b>96.5</b>
Income tax (provision) benefit	(2.6)	(4.4)	2.5	(2.8)	(7.3)	(11.3)	(7.8)	(19.1)
<b>Income (loss) from continuing operations</b>	<b>13.0</b>	<b>19.1</b>	<b>12.5</b>	<b>(24.8)</b>	<b>19.8</b>	<b>39.1</b>	<b>38.3</b>	<b>77.4</b>
Income (loss) from discontinued operations, net of tax	-	-	-	-	-	-	-	-
Income (loss) on disposition of discontinued operations, net of tax	(1.6)	(6.1)	(9.4)	(2.5)	(19.6)	3.7	(2.3)	1.4
<b>Income (loss) from discontinued operations, net of tax</b>	<b>(1.6)</b>	<b>(6.1)</b>	<b>(9.4)</b>	<b>(2.5)</b>	<b>(19.6)</b>	<b>3.7</b>	<b>(2.3)</b>	<b>1.4</b>
<b>Net income (loss)</b>	<b>\$ 11.4</b>	<b>\$ 13.0</b>	<b>\$ 3.1</b>	<b>\$ (27.3)</b>	<b>\$ 0.2</b>	<b>\$ 42.8</b>	<b>\$ 36.0</b>	<b>\$ 78.8</b>

\*Segment income margin for a period is calculated by dividing segment income for the period by revenue for the period

## Segment Results – 2021-2022

	HVAC		D&M	
	2021	2022	2021	2022
Revenue	752.1	913.8	467.4	547.1
Segment income	107.7	135.5	92.9	114.1
<i>% of revenue</i>	<i>14.3%</i>	<i>14.8%</i>	<i>19.9%</i>	<i>20.9%</i>
Depreciation	8.1	9.0	9.8	6.5
Adjusted EBITDA	115.8	144.5	102.7	120.6
<i>% of revenue</i>	<i>15.4%</i>	<i>15.8%</i>	<i>22.0%</i>	<i>22.0%</i>

# Q2 2023 U.S. GAAP to Adjusted EPS Reconciliation



(\$ millions,  
except per  
share values)

	GAAP	Adjustments	Adjusted
Segment income	\$ 84.4	\$ —	\$ 84.4
Corporate expense <sup>(1)</sup>	(16.6)	5.1	(11.5)
Acquisition-related costs <sup>(2)</sup>	(1.5)	1.5	—
Long-term incentive compensation expense	(3.5)	—	(3.5)
Amortization of intangible assets <sup>(3)</sup>	(11.5)	11.5	—
<b>Operating income</b>	<b>51.3</b>	<b>18.1</b>	<b>69.4</b>
Other income, net <sup>(4)</sup>	—	1.2	1.2
Interest expense, net	(5.2)	—	(5.2)
<b>Income from continuing operations before income taxes</b>	<b>46.1</b>	<b>19.3</b>	<b>65.4</b>
Income tax provision <sup>(5)</sup>	(7.8)	(8.1)	(15.9)
<b>Income from continuing operations</b>	<b>38.3</b>	<b>11.2</b>	<b>49.5</b>
Diluted shares outstanding	46.627		46.627
<b>Earnings per share from continuing operations</b>	<b>\$ 0.82</b>		<b>\$ 1.06</b>

<sup>(1)</sup> Adjustment represents the removal of acquisition and strategic/transformation related expenses (\$5.0) and a reclassification of transition services income (\$0.1) from “Other income, net.”

<sup>(2)</sup> Adjustment represents the removal of (i) an inventory step-up charge of \$1.1 related to the ASPEQ acquisition and (ii) integration costs of \$0.4 within the HVAC reportable segment.

<sup>(3)</sup> Adjustment represents the removal of amortization expense associated with acquired intangible assets of \$4.3 and \$7.2 within the Detection & Measurement and HVAC reportable segments, respectively.

<sup>(4)</sup> Adjustment represents the removal of (i) non-service pension and postretirement charges of \$1.2, (ii) the reclassification of income related to a transition services agreement (\$0.1) to “Corporate expense,” and (iii) the removal of a charge related to the Asbestos Portfolio Sale (\$0.1).

<sup>(5)</sup> Adjustment primarily represents the tax impact of items (1) through (4) above and the removal of certain discrete income tax benefits that are considered non-recurring.

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

(\$ millions,  
except per  
share values)

	GAAP	Adjustments	Adjusted
Segment income	\$ 56.1	\$ —	\$ 56.1
Corporate expense <sup>(1)</sup>	(16.4)	5.1	(11.3)
Acquisition-related costs <sup>(2)</sup>	(0.9)	0.9	—
Long-term incentive compensation expense	(2.5)	—	(2.5)
Amortization of intangible assets <sup>(3)</sup>	(7.1)	7.1	—
Special charges, net	(0.1)	—	(0.1)
Other operating expense, net <sup>(4)</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>(5)</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>(6)</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>

<sup>(1)</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>(2)</sup> Adjustment represents the removal of an inventory step-up charge related to the ITL acquisition of \$0.9 within the Detection & Measurement reportable segment.

<sup>(3)</sup> Adjustment represents the removal of amortization expense associated with acquired intangible assets of \$2.7 and \$4.4 within the HVAC and Detection & Measurement reportable segments, respectively.

<sup>(4)</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>(5)</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>(6)</sup> Adjustment represents the tax impact of items (1) through (5) above.

# U.S. GAAP to Adjusted Operating Income Reconciliation

	Three months ended		Six months ended	
	July 1, 2023	July 2, 2022	July 1, 2023	July 2, 2022
Operating income	\$ 51.3	\$ 27.2	\$ 101.1	\$ 38.6
Include - TSA Income <sup>(1)</sup>	0.1	0.9	0.2	1.8
Exclude:				
Acquisition-related and other costs <sup>(2)</sup>	(6.5)	(5.1)	(8.6)	(9.5)
Other operating expense <sup>(3)</sup>	—	(1.9)	—	(1.0)
Amortization expense <sup>(4)</sup>	(11.5)	(7.1)	(17.8)	(16.4)
Adjusted operating income	\$ 69.4	\$ 42.2	\$ 127.7	\$ 67.3
as a percent of revenues	16.4 %	11.9 %	15.5 %	10.2 %

<sup>(1)</sup> Represents transition services income related to the Asbestos Portfolio Sale for the three and six months ended July 1, 2023 and the Transformer Solutions disposition for the three and six months ended July 2, 2022. Amounts recorded in non-operating income for U.S. GAAP purposes. The Asbestos Portfolio Sale and Transformer Solutions disposition are described in the Company's most recent Form 10-K.

<sup>(2)</sup> For the three and six months ended July 1, 2023, represents (i) acquisition and strategic/transformation related costs of \$5.0 and \$6.5, respectively, (ii) certain integration costs of \$0.4 and \$1.0, respectively, and (iii) an inventory step-up charge of \$1.1 related to the ASPEQ acquisition. For the three and six months ended July 2, 2022, represents (i) acquisition and strategic/transformation related costs of \$4.0 and \$8.1, 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) inventory step-up charges of \$0.9 and \$1.0, respectively, related to our ITL acquisition.

<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.

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

# Adjusted SPX 2021 Results by Quarter



(\$ millions)

	Q1	Q2	Q3	Q4	2021
HVAC segment income	\$ 23.0	\$ 26.6	\$ 23.6	\$ 34.5	\$ 107.7
Detection & Measurement segment income	24.0	18.1	18.0	32.8	92.9
Consolidated segment income	<u>\$ 47.0</u>	<u>\$ 44.7</u>	<u>\$ 41.6</u>	<u>\$ 67.3</u>	<u>\$ 200.6</u>
Operating income from continuing operations	\$ 25.0	\$ 17.1	\$ 17.7	\$ 13.9	\$ 73.7
Exclude: "Other" operating adjustments <sup>(1)</sup>	5.6	11.6	9.7	34.5	61.4
Adjusted operating income	<u>\$ 30.6</u>	<u>\$ 28.7</u>	<u>\$ 27.4</u>	<u>\$ 48.4</u>	<u>\$ 135.1</u>
Net income from continuing operations	\$ 23.0	\$ 17.7	\$ 13.9	\$ 4.4	\$ 59.0
Exclude: "Other" income adjustments <sup>(2)</sup>	(0.2)	6.1	6.8	36.5	49.2
Adjusted net income	<u>\$ 22.8</u>	<u>\$ 23.8</u>	<u>\$ 20.7</u>	<u>\$ 40.9</u>	<u>\$ 108.2</u>
Adjusted EPS	\$0.49	\$0.51	\$0.44	\$0.88	\$2.33

<sup>(1)</sup> Excludes amortization expense associated with acquired intangible assets, acquisition-related costs (including inventory step-up charges), asset impairment charges, costs associated with our Transformers Solutions and South Africa businesses that could not be allocated to discontinued operations for U.S. GAAP purposes, revisions of liabilities associated with contingent consideration on acquisitions, and charges resulting from changes in estimates associated with asbestos product liability matters. In addition, includes a reclassification of transition services income from "Other non-operating income/expense".

<sup>(2)</sup> Excludes items noted above, gains on an equity security associated with a fair value adjustments, non-service pension items, and the tax impacts of these items, as well as certain discrete tax items.



# Q1 2023 Debt Reconciliation

(\$ millions)

	<u>Q1 2023</u>
Short-term debt	\$ 68.9
Current maturities of long-term debt	3.5
Long-term debt	<u>241.5</u>
Gross debt	313.9
plus: adjustment associated with credit agreement <sup>(1)</sup>	(1.2)
Adjusted gross debt	312.7
less: cash and equivalents	<u>(212.2)</u>
Adjusted net debt	<u>\$ 100.5</u>

(1) Includes unamortized debt issuance costs associated with term loan of \$0.7 and excludes purchase card debt of \$1.9.

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

## Q2 2023 Debt Reconciliation

	<u>Q2 2023</u>
Short-term debt	\$ 132.0
Current maturities of long-term debt	10.5
Long-term debt	<u>533.1</u>
Gross debt	675.6
plus: adjustment associated with credit agreement <sup>(1)</sup>	(0.1)
Adjusted gross debt	675.5
less: cash and equivalents	<u>(94.8)</u>
Adjusted net debt	<u>\$ 580.7</u>

(1) Includes unamortized debt issuance costs associated with term loan of \$1.9 and excludes purchase card debt of \$2.0.

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

# Adjusted EBITDA\* Reconciliation



(\$ millions)

	2022		2023		LTM**
	Q3	Q4	Q1	Q2	
Net income (loss)	\$ 3.1	\$ (27.3)	\$ 42.8	\$ 36.0	\$ 54.6
Income tax provision (benefit)	(2.5)	2.8	11.3	7.8	19.4
Interest expense	2.6	2.0	2.4	5.4	12.4
Income (loss) before interest and taxes	3.2	(22.5)	56.5	49.2	86.4
Depreciation and amortization	11.3	9.5	10.7	16.0	47.5
EBITDA	14.5	(13.0)	67.2	65.2	133.9
Adjustments:					
Income (loss) from discontinued operations, net of tax	9.4	2.5	(3.7)	2.3	10.5
Impairments & other organizational costs	-	13.4	-	-	13.4
Non-cash compensation	3.8	4.9	6.4	5.5	20.6
Pension adjustments	2.0	(8.3)	0.2	0.2	(5.9)
Extraordinary non-recurring, non-cash charges, net	24.6	0.3	(3.6)	1.1	22.4
Extraordinary non-recurring cash charges, net	0.4	73.9	-	-	74.3
Material acquisition / disposition related fees, costs, or expenses, net	-	0.8	2.0	5.0	7.8
Pro forma effect of acquisitions and divestitures, and other	15.6	11.8	12.6	5.4	45.4
Adjusted EBITDA	\$ 70.3	\$ 86.3	\$ 81.1	\$ 84.7	\$ 322.4

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

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

\*\*Amounts for the last 12 months are derived by adding, for each respective item, the amounts presented for "2022 Q3" plus "2022 Q4" plus "2023 Q1" and "2023 Q2".

# Q2 2023 Adjusted Free Cash Flow Reconciliation



(\$ millions)

	<u>Q2 2023</u>
Operating cash flow from continuing operations	\$ 73.8
Capital expenditures	<u>(4.7)</u>
Free cash flow from continuing operations	69.1
Adjustments*	<u>5.5</u>
Adjusted free cash flow from continuing operations	<u>\$ 74.6</u>

\*Adjustments represent the removal of acquisition and strategic/transformation related expenses (\$5.0), integration costs of (\$0.4) within the HVAC reportable segment, and costs related to the Asbestos Portfolio Sale (\$0.1).



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