

Q3 2016 Earnings Presentation



SPX

November 3, 2016

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- Particular risks facing SPX include risks relating to economic, business and other risks stemming from changes in the economy, legal and regulatory risks, cost of raw materials, pricing pressures, our international operations, our recent spin-off transaction, the effectiveness, success and timing of restructuring and divestiture plans related to our power generation businesses, our ability to manage changes and measure and estimate the expected revenue and cost associated with our power projects in South Africa, pension funding requirements, and integration of acquisitions. More information regarding such risks can be found in SPX's Annual Report on Form 10-K and other SEC filings.
- Statements in this presentation are only as of the time made, and SPX disclaims any responsibility to update or revise such statements except as required by regulatory authorities.
- This presentation includes non-GAAP financial measures. A reconciliation of the non-GAAP financial measures with the most comparable measures calculated and presented in accordance with GAAP is available in the Appendix to this presentation. We believe that these non-GAAP measures are useful to investors in evaluating our operating performance and our management of business from period to period.
- "Core" and "Base Power" results in this presentation are non-GAAP financial measures that exclude the results of the South African projects.

Introductory Comments

Gene Lowe

November 3, 2016



Performance and Accomplishments

- Solid HVAC operating performance amid revenue headwinds (i.e., large cooling project in prior year, lower Heating orders)
- Detection & Measurement backlog solidifying with large projects; revenue timing will influence Q4 operating performance
- Transformer business continues to exceed operational goals offset by continued underperformance of Power Generation end markets
- On track to meet full-year leverage and liquidity targets

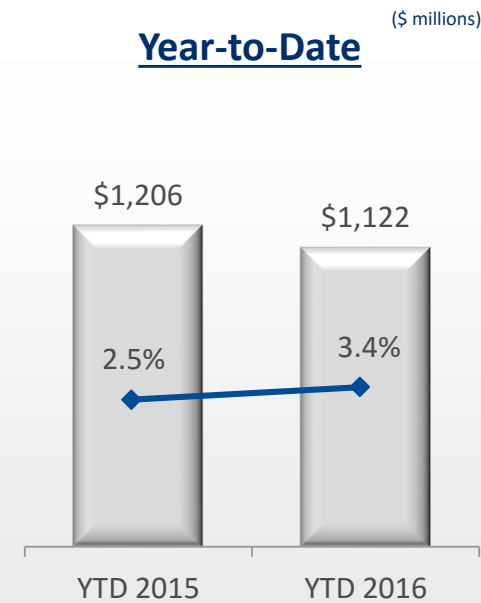
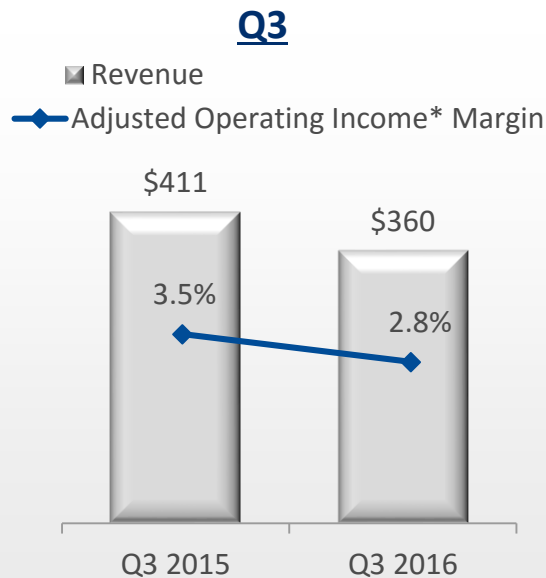
*Non-GAAP measure. Reconciliations from US GAAP measures are available in the Appendix of the presentation.

**YTD Adjusted EPS* on Track; Narrowing Full-Year 2016
Guidance Range to \$1.00-\$1.20; Maintaining Midpoint of \$1.10**

Core Q3 2016 Results

Year-over-Year Analysis

- Revenue comparison challenged by sale of Dry Cooling (Q1'2016) and a large HVAC Cooling project in Q3'2015
- Strong transformer performance and operational improvements partially offset margin headwinds from a challenging Power Generation market and lower Heating volumes
- Lower restructuring costs (\$6m) reflect significant actions taken in Power Generation during 2015



Note: Core results are non-GAAP financials measures that exclude the results of the South African projects.

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

Q3 Adjusted EPS* of \$0.14

Value Creation in Core Businesses



HVAC

Grow HVAC platform:

- ❑ New product development
- ❑ Channel development
- ❑ Geographic expansion
- ❑ Leverage synergies

Grow Detection & Measurement platform:

- ❑ Continue to upgrade installed base
- ❑ New product launches in 2016
- ❑ Expand vertically and geographically
- ❑ Extend product offering into adjacent markets

Detection & Measurement

Substantial
Growth
in Earnings and
Cash Flow

POWER
Transformers

Improve efficiency of power transformer business:

- ❑ Increase sales of new, value-engineered power transformer design
- ❑ Productivity initiatives

Reduce complexity, risk and cost in power generation business:

- ❑ Reposition business
- ❑ Project execution and selectivity
- ❑ Focus on working capital

POWER
Generation

Expanding in Attractive Markets While Reducing Exposure to Lower Return Markets

SPX “Year 1” Key Value Creation Accomplishments



HVAC

Delivering Operational Excellence

- ✓ Driving year-over-year margin expansion

Growing in Adjacent Markets

- ✓ New evaporative condenser product (industrial refrigeration)

Expanding Product Breadth

- ✓ Launch of new high-efficiency boiler (residential heating)

Innovating Transformative Solutions

- ✓ Launch of NC Everest cooling tower

DETECTION & MEASUREMENT

Building Large Project Backlog

- ✓ Awarded two of largest jobs in several years

Enhancing Product Offerings

- ✓ Launch of RD8100 GPS-enabled cable and pipe locator
- ✓ Launch of Model 709 Compact Spectrum Monitoring System (CSMS)

Leveraging Technology Investments

- ✓ New Genfare Link fare collection system live in key reference market

POWER

Driving Operational Initiatives

- ✓ Transformer business tracking ahead of schedule to achieve long-term margin target of 10%

Reducing Exposure to Power Gen

- ✓ Completed sale of Dry Cooling business in Q1 2016
- ✓ Engaged BNP Paribas to pursue sale of European-based portion of our Power Generation business

Reducing Project Risk

- ✓ South African Projects: Agreement with customer in Q4'15 to reduce future scope of work

Substantial Progress Achieved on Key Value Creation Initiatives

Power Generation Sale Process

- In May 2016, SPX announced the hiring of BNP Paribas to pursue the sale of the European-based portion of our Power Gen business. Simultaneously announced plan to restructure the US portion of power generation (heat exchanger) business
- Process progressing; expect to have clear path forward before the end of 2016
- The elimination of the underperforming portions of base power businesses would add >\$0.30 per share to full-year 2016 adjusted EPS* midpoint guidance of \$1.10

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

Committed to Taking Action to Eliminate Losses

Segment/Business	Commentary
HVAC Segment	<ul style="list-style-type: none">➤ Cooling: Steady demand in commercial markets➤ Heating: Effect of unseasonably warm 2015 winter
Detection & Measurement Segment	<ul style="list-style-type: none">➤ Steady run-rate demand in primary markets➤ Large projects converting to backlog despite extended sales cycle
Transformer Business	<ul style="list-style-type: none">➤ Stable lead times and pricing➤ Taking orders into late 2017
Power Generation Business	<ul style="list-style-type: none">➤ Markets remain challenged, especially in Europe/heat exchange products➤ Committed to repositioning the business to eliminate losses

**Well Positioned in Mixed Market Environment; Repositioning Business
Away from Challenged Power Generation Markets**

Q3 Financial Review

Scott Sproule

November 3, 2016



Earnings Per Share



Q3 2016 Adjusted EPS

GAAP EPS from Continuing Operations	\$0.06
South African Projects	\$0.08
Adjustment to Gain on Sale of Dry Cooling	(\$0.04)
Loss on early extinguishment of debt	\$0.02
Non-Service Pension Items	\$0.02
Adjusted EPS	<u>\$0.14</u>

In addition to usual adjustments:

- Adjustment to the gain on sale of the Dry Cooling business
- Loss on early extinguishment of debt related to reduction of capacity on unused credit facility

Q3 Adjusted EPS of \$0.14

Core Q3 2016 Results



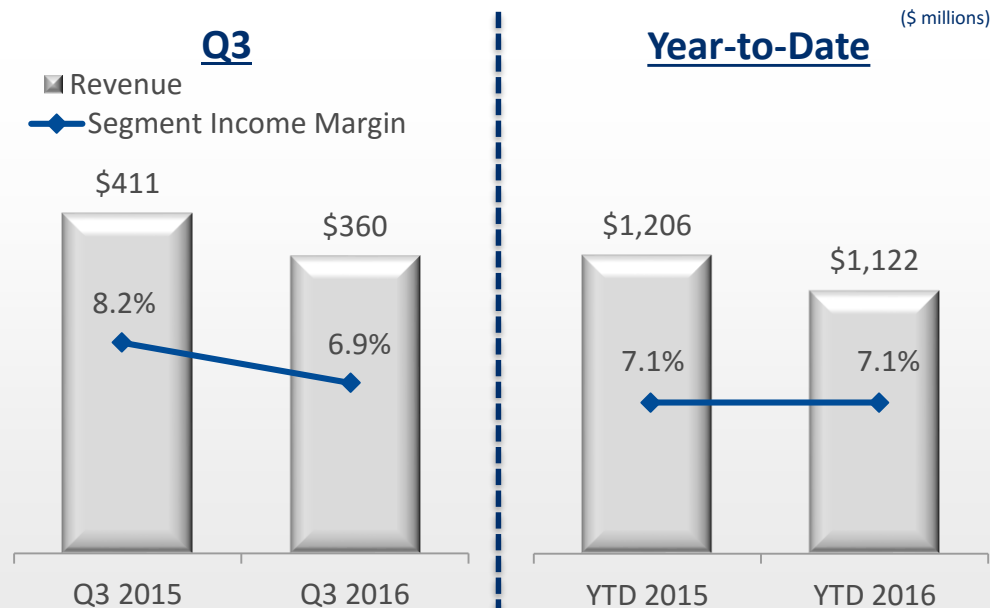
Year-over-Year Analysis

Q3 Revenue:

- (12.4%) year-over-year decline:
 - (6.4%) organic decrease* from HVAC and Power Generation partially offset by growth in Transformers
 - (4.9%) decline from sale of Dry Cooling business
 - (1.1%) currency impact

Q3 Segment Income and Margin:

- Decrease in segment income (\$8.8m) and margin (130 bps) largely driven by the operating leverage effect of lower organic revenues* in HVAC segment



Note: Core results are non-GAAP financials measures that exclude the results of the South African projects.
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Q3 Adjusted EPS* of \$0.14

HVAC Q3 2016 Results



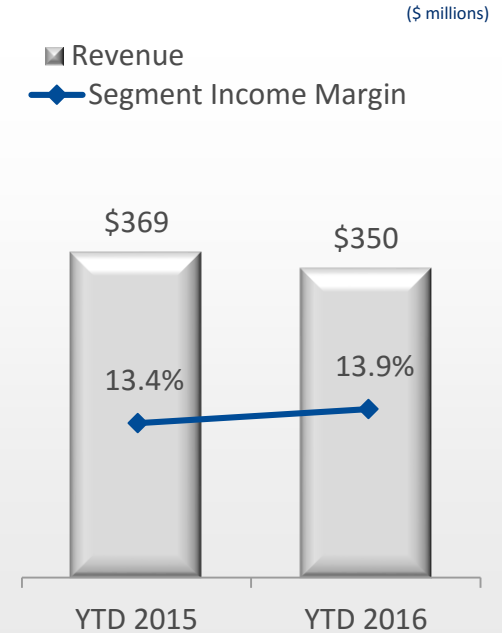
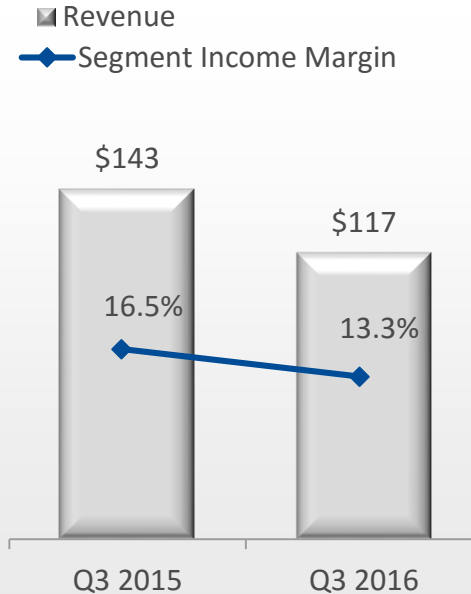
Year-over-Year Analysis

Q3 Revenue:

- (18.1%) year-over-year decline:
 - (16.8)% organic decline*
 - Lower Heating orders
 - High value project in prior-year period
 - (1.3%) currency impact

Q3 Segment Income and Margin:

- \$7.9m decrease in segment income
- 320 basis points of margin decline
 - ~70 basis points of margin decline excluding impact of high value project



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

**Operational Initiatives Mitigated Margin
Effect of Lower Heating Volumes**

Detection & Measurement Q3 2016 Results



Year-over-Year Analysis

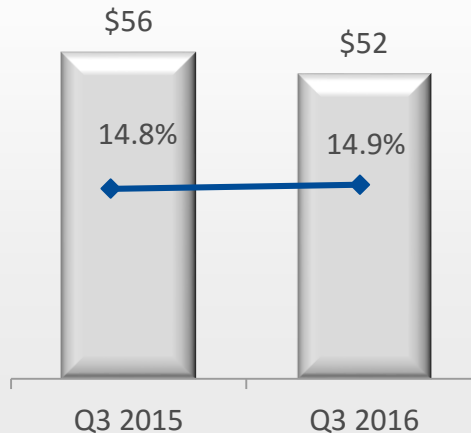
Q3 Revenue:

- (6.4%) year-over-year decline:
 - (3.5%) organic decline* largely due to elongated sales cycle in certain project oriented end markets
 - (2.9%) currency impact

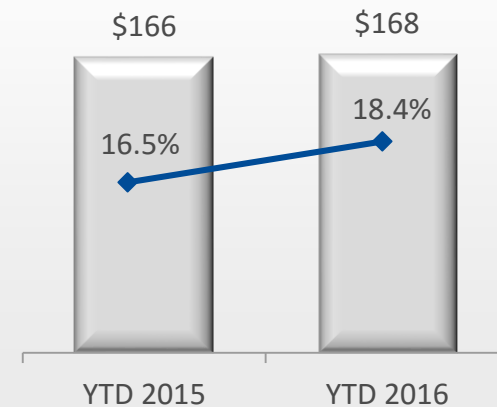
Q3 Segment Income and Margin:

- \$0.5m decrease in segment income
- Margin profile similar to prior-year period

■ Revenue
◆ Segment Income Margin



■ Revenue
◆ Segment Income Margin



(\$ millions)

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**Performance Steady For Short Cycle Products;
Large Project Awards Converting to Backlog**

Base Power Q3 2016 Results

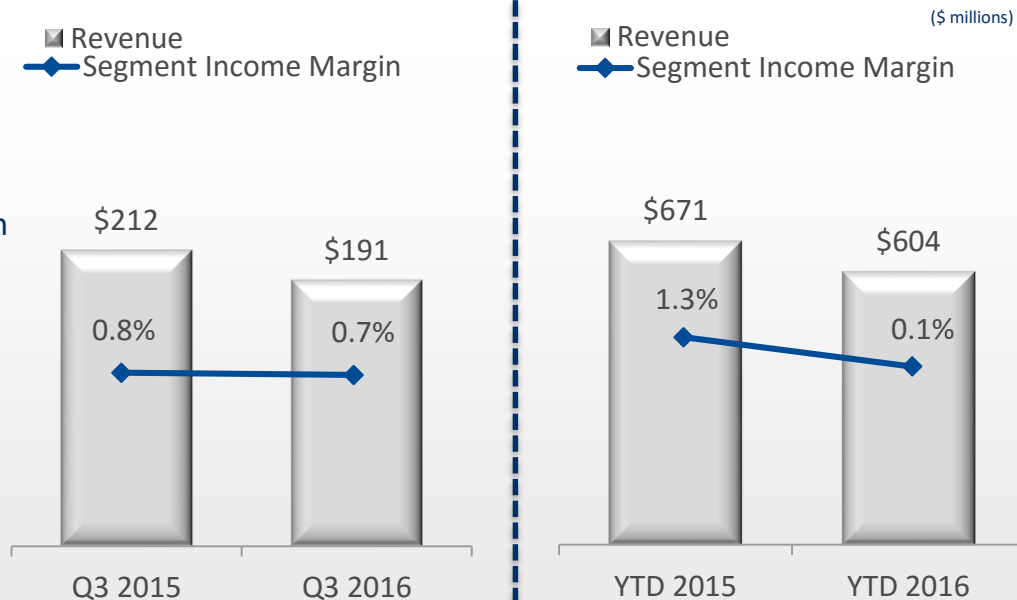
Year-over-Year Analysis

Q3 Revenue:

- (10.1%) year-over-year decline:
 - (9.5%) decline from sale of Dry Cooling
 - Flat organic revenues* with growth in Transformers, offset by Power Generation declines
 - (0.6%) currency impact

Q3 Segment Income and Margin:

- \$0.4m decrease in segment income
- Margins similar to prior-year period
 - Strong transformer performance offset by lower Power Generation results



Note: Base Power results are non-GAAP financial measures that exclude the results of the South African projects.

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**Strong Growth in Transformer Business Revenues and Margins;
European Power Generation Sale Process Ongoing**

Financial Position & Guidance

Scott Sproule

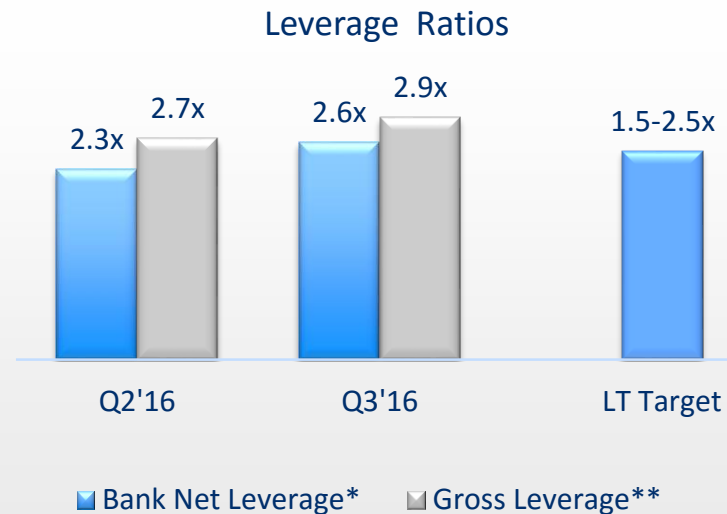
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Financial Position

Capital Structure Update

(\$ millions)	Q2 2016	Q3 2016
Short-term debt	\$22	\$15
Current maturities of long-term debt	18	18
Long-term debt	334	331
Gross Debt	\$374	\$364
Less: Cash on hand	(102)	(83)
Net Debt	\$272	\$281



*Calculated as defined by SPX's credit facility agreement. Net debt subtracts cash in excess of \$50 million.

** Uses gross debt and LTM EBITDA as defined by SPX's credit facility agreement.

**On Track to Achieve Year-End 2016 Targeted
Net Leverage Around Mid-Point of Long-Term Range**

2016 Core Guidance Update (Changes in Bold)



	Revenue	Segment Income Margin
HVAC	<ul style="list-style-type: none"> ▪ Flattish organic revenue* with variability based on winter heating demand 	<ul style="list-style-type: none"> ▪ Approaching 16%
Detection & Measurement	<ul style="list-style-type: none"> ▪ Organic growth* rate at lower end of long-term target of 2-6%; variability driven by project-related revenue 	<ul style="list-style-type: none"> ▪ 20-21%
Base Power	<ul style="list-style-type: none"> ▪ Transformer revenues up modestly ▪ Decline in Power Generation revenues ▪ Sale of Dry Cooling (completed in Q1) 	<ul style="list-style-type: none"> ▪ ~200 bps improvement in Transformer business ▪ Continued challenges in Power Generation operating environment
Total SPX Core	<ul style="list-style-type: none"> ▪ In the range of \$1.5 to \$1.6 billion 	<ul style="list-style-type: none"> ▪ Lower end of 9-10% range

Note: Core results are non-GAAP financial measures that exclude the results of the South African projects. Non-service pension items, the gain on the sale of Dry Cooling, a non-cash impairment of intangible assets, a loss on the early extinguishment of debt and an adjustment related to the value of the minority interest stake in our South African subsidiary have also been excluded from 9 month results.

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**Adjusted Operating Income* Towards Lower End of \$80-\$100 million;
Narrowing Adjusted EPS* to \$1.00-\$1.20 (from \$0.95-\$1.25)**

Executive Summary

Gene Lowe

November 3, 2016



- **Accomplishments Post-Spin “Year 1”**: Substantial progress achieved on key value creation goals including successful new product solutions and operational initiatives
- **Commitment to Earnings Growth**: Remain committed to eliminating losses in power generation business to drive full earnings potential of strategic platforms
 - Power generation headwind in 2016 of more than \$0.30 per share
- **Market Conditions**: Well positioned in mixed market environment
- **2016 Outlook**: Meeting Adjusted EPS* commitment; narrowing range and maintaining mid-point of \$1.10

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**SPX Continuing to Execute on Transformational
Plan to Drive Substantial Earnings Growth**

Questions

November 3, 2016



Appendix

November 3, 2016



Q3 2016 Power Segment Results



(\$ millions)

	Q3 2016		Q3 2015	
	Revenue	Segment Income	Revenue	Segment Income
Power Segment	216.0	(2.2)	175.5	(96.5)
Exclude: South African Projects	25.4	(3.5)	(36.4)	(98.2)
Base Power	\$190.6	\$1.3	\$211.9	\$1.7

- South African Projects: Q3 2015 includes a \$95 million charge (~\$71 million, net of minority interest) primarily related to revised estimates of revenue and costs
 - Reduces revenue and segment income by ~\$57m and \$95m, respectively

South African Projects Q3 2016 Results In-Line with Expectations

2016 Modeling Considerations



Metric	Commentary/Assumptions
Corporate costs	~\$40M
Long-term incentive comp	\$13-15M
Restructuring costs	~\$5M
Interest cost	\$13-14M
Tax rate	30-35%, jurisdictionally sensitive
Capex	\$18-20M
Cash cost of pension + OPEB	~\$16M ongoing cash cost
D&A	~\$30M, mostly in COGS
Share count	42-43M
FCF Conversion	~100% of Core Net Income (i.e., ex South African projects)
Currency effect	Topline sensitivity to USD-GBP rates and USD-Euro rates; Significant power gen losses in Euros

Core Revenue & Segment Income Reconciliation



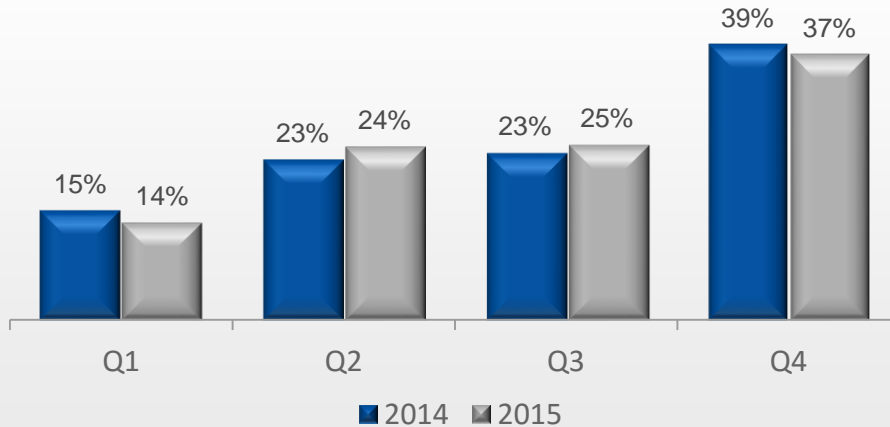
(\$ millions)

	Q3 2016			Q3 2015		
	GAAP	SA Projects	Core	GAAP	SA Projects	Core
Revenue						
HVAC	116.9		116.9	142.7		142.7
D&M	52.3		52.3	55.9		55.9
Power	216.0	25.4	190.6	175.5	(36.4)	211.9
Total SPX	\$385.2	\$25.4	\$359.8	\$374.1	(\$36.4)	\$410.5
Segment Income						
HVAC	15.6		15.6	23.5		23.5
D&M	7.8		7.8	8.3		8.3
Power	(2.2)	(3.5)	1.3	(96.5)	(98.2)	1.7
Total SPX	\$21.2	(\$3.5)	\$24.7	(\$64.7)	(\$98.2)	\$33.5
	YTD 2016			YTD 2015		
	GAAP	SA Projects	Core	GAAP	SA Projects	Core
Revenue						
HVAC	350.4		350.4	368.7		368.7
D&M	167.8		167.8	166.0		166.0
Power	669.2	65.5	603.7	675.1	4.0	671.1
Total SPX	\$1,187.4	\$65.5	\$1,121.9	\$1,209.8	\$4.0	\$1,205.8
Segment Income						
HVAC	48.6		48.6	49.4		49.4
D&M	30.9		30.9	27.4		27.4
Power	(9.5)	(9.8)	0.3	(106.3)	(114.9)	8.6
Total SPX	\$70.0	(\$9.8)	\$79.8	(\$29.5)	(\$114.9)	\$85.4

Core Segment Income Phasing



(\$ millions)



	Q1 2014	Q2 2014	Q3 2014	Q4 2014
GAAP	25.6	30.5	38.0	35.5
Less: South African Projects	(0.4)	6.3	0.3	27.7
Core	\$25.2	\$36.8	\$38.3	\$63.2
<i>% of full-year</i>	15%	23%	23%	39%

	Q1 2015	Q2 2015	Q3 2015	Q4 2015
GAAP	10.4	24.8	(64.7)	45.2
Less: South African Projects	8.4	8.3	98.2	5.6
Core	\$18.8	\$33.1	\$33.5	\$50.8
<i>% of full-year</i>	14%	24%	25%	37%

Note: Core results are non-GAAP financial measures that exclude the results of the South African projects.

Core Revenue and Segment Income Phasing



(\$ millions)

	2015			
	Q1	Q2	Q3	Q4
Revenue				
HVAC	107.7	118.3	142.7	160.4
D&M	51.9	58.2	55.9	66.3
Base Power	202.7	256.4	211.9	259.5
Core SPX	\$362.3	\$432.9	\$410.5	\$486.2
Segment Income				
HVAC	12.9	13.0	23.5	30.8
D&M	8.9	10.2	8.3	18.6
Base Power	(3.0)	9.9	1.7	1.4
Core SPX	\$18.8	\$33.1	\$33.5	\$50.8

Note: Core & Base Power results are non-GAAP financial measures that exclude the results of the South African projects.

Q3 2016 GAAP to Adjusted Earnings Per Share Reconciliation



(\$ millions, except per share values)

	<u>GAAP</u>	<u>Adjustments</u>	<u>Adjusted</u>
Segment income	\$ 21.2	\$ 3.5	\$ 24.7
Corporate expense	(9.2)	—	(9.2)
Pension and postretirement income (expense)	(0.9)	1.1	0.2
Long-term incentive compensation expense	(4.2)	—	(4.2)
Special charges, net	(1.5)	—	(1.5)
Gain on sale of dry cooling business	1.7	(1.7)	—
Operating income	<u>7.1</u>	<u>2.9</u>	<u>10.0</u>
Other income, net ⁽¹⁾	0.3	0.5	0.8
Interest expense, net	(3.8)	—	(3.8)
Loss on early extinguishment of debt	(1.3)	1.3	—
Equity earnings in joint ventures	0.3	—	0.3
Income from continuing operations before income taxes	<u>2.6</u>	<u>4.7</u>	<u>7.3</u>
Income tax provision	—	(1.5)	(1.5)
Income from continuing operations	<u>2.6</u>	<u>3.2</u>	<u>5.8</u>
Dilutive shares outstanding	42.475		42.475
Earnings per share from continuing operations	\$ 0.06		\$ 0.14

(1) Adjustment represents removal of foreign currency losses associated with the South African projects.

Adjusted Operating Income Reconciliation



(\$ millions)

	Three months ended		Nine months ended	
	October 1, 2016	September 26, 2015	October 1, 2016	September 26, 2015
Operating income (loss)	\$ 7.1	\$ (113.6)	\$ 37.1	\$ (166.9)
Adjustments:				
South African projects	3.5	98.2	9.8	114.9
Non-service pension and postretirement items	1.1	6.4	5.1	4.0
Certain corporate expenses ⁽¹⁾	—	20.9	—	76.2
Spin-related costs ⁽²⁾	—	2.3	—	2.3
Gain on sale of Dry Cooling	(1.7)	—	(18.4)	—
Non-cash impairment of intangible assets	—	—	4.0	—
Adjusted operating income	<u>\$ 10.0</u>	<u>\$ 14.2</u>	<u>\$ 37.6</u>	<u>\$ 30.5</u>
as a percent of Core revenues	2.8 %	3.5 %	3.4 %	2.5 %
GAAP operating income margin	1.8 %	(30.4)%	3.1 %	(13.8)%

(1) Represents an estimate of the corporate costs related to the support provided to SPX Flow. These costs were eliminated in connection with the spin-off.

(2) Represents non-recurring charges incurred in connection with the spin-off.

Q3 2016 Organic Revenue Reconciliation



	<u>HVAC</u>	<u>Detection & Measurement</u>	<u>Power</u>	<u>Consolidated</u>
Net Revenue Growth (Decline)	(18.1) %	(6.4) %	23.1 %	3.0 %
Adjustment for South African projects	- %	- %	33.2 %	15.4 %
Core Revenue Decline	<u>(18.1) %</u>	<u>(6.4) %</u>	<u>(10.1) %</u>	<u>(12.4) %</u>
Exclude: Foreign Currency	(1.3) %	(2.9) %	(0.6) %	(1.1) %
Exclude: Effects of Disposition	- %	- %	(9.5) %	(4.9) %
Core Organic Revenue Decline	<u><u>(16.8) %</u></u>	<u><u>(3.5) %</u></u>	<u><u>- %</u></u>	<u><u>(6.4) %</u></u>

Note: Core results are non-GAAP financial measures that exclude the results of the South African projects.

Q3 2016 Year-to-Date Organic Revenue Reconciliation



	<u>HVAC</u>	<u>Detection & Measurement</u>	<u>Power</u>	<u>Consolidated</u>
Net Revenue Growth (Decline)	(5.0) %	1.1 %	(0.9) %	(1.0) %
Adjustment for South African projects	- %	- %	9.1 %	6.0 %
Core Revenue Growth (Decline)	<u>(5.0) %</u>	<u>1.1 %</u>	<u>(10.0) %</u>	<u>(7.0) %</u>
Exclude: Foreign Currency	(1.2) %	(1.9) %	(0.9) %	(1.1) %
Exclude: Effects of Disposition	- %	- %	(9.3) %	(5.2) %
Core Organic Revenue Growth (Decline)	<u><u>(3.8) %</u></u>	<u><u>3.0 %</u></u>	<u><u>0.2 %</u></u>	<u><u>(0.7) %</u></u>

Note: Core results are non-GAAP financial measures that exclude the results of the South African projects.

Debt Reconciliation



(\$ millions)

	<u>October 1, 2016</u>
Short-term debt	\$ 14.9
Current maturities of long-term debt	17.9
Long-term debt ⁽¹⁾	<u>332.9</u>
Adjusted Gross Debt	365.7
Less: Purchase card program and extended payables	<u>(3.7)</u>
Adjusted Gross Debt	362.0
Less: Cash in excess of \$50.0	(33.4)
Adjusted Net Debt	<u><u>\$ 328.6</u></u>

(1) Excludes unamortized debt issuance costs associated with the Term loan of \$1.7m

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

Consolidated EBITDA Reconciliation



	Q4 2015	1H 2016	Q3 2016	LTM	(\$ millions)
Net income (loss) attributable to SPX Corporation common shareholders	\$ (9.5)	\$ 17.0	\$ 1.9		
Income tax provision (benefit)	(3.2)	6.1	-		
Interest expense	3.5	7.3	3.8		
Income (loss) before interest and taxes	(9.2)	30.4	5.7		
Depreciation and amortization	8.0	14.2	7.5		
EBITDA	(1.2)	44.6	13.2		
Adjustments:					
Non-cash compensation	5.9	11.0	5.6		
Pension adjustments	10.3	4.0	1.1		
Extraordinary non-cash charges	22.2	6.6	2.3		
Extraordinary non-recurring cash charges	7.8	(0.3)	0.9		
Net (gains) and losses on disposition of assets outside of the ordinary course of business	3.7	(15.2)	(1.0)		
Pro forma effect of acquisitions and divestitures, and other	1.0	3.6			
Consolidated EBITDA	\$ 49.7	\$ 54.3	\$ 22.1	\$ 126.1	

Note: Consolidated EBITDA as defined by SPX's current credit facility agreement

Free Cash Flow



(\$ millions)

	<u>October 1, 2016</u>
Net cash used in continuing operations	\$ (6.0)
Capital expenditures - continuing operations	<u>(4.1)</u>
Free cash flow used in continuing operations	<u><u>\$ (10.1)</u></u>