

Q4 2018 Earnings Presentation



SPX

February 14, 2019

- Certain statements contained in this presentation that are not historical facts, including any statements as to future market conditions, results of operations, and financial projections, are forward-looking statements within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended, and are subject to the safe harbor created thereby. These forward-looking statements are subject to risks, uncertainties, and other factors which could cause actual results to differ materially from future express or implied results.
- Although SPX believes that the expectations reflected in its forward-looking statements are reasonable, it can give no assurance that such expectations will prove to be correct. In addition, estimates of future operating results are based on the company's existing operations and complement of businesses, which are subject to change.
- Particular risks facing SPX include risks relating to market specific cycles and weather related fluctuations; economic, business, and other risks stemming from changes in the economy; legal and regulatory risks; cost of raw materials; pricing pressures; our reliance on U.S. revenues and international operations; our 2015 spin-off transaction; the effectiveness, success, and timing of restructuring plans; 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; liabilities retained in connection with dispositions; and integration of acquisitions and achievement of anticipated synergies. 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 and presented in accordance with GAAP is available in the appendices of this presentation and our recent earnings release. We believe that these non-presentation includes non-GAAP financial measures, noted as "Adjusted" or "organic." A reconciliation of the non-GAAP financial measures with the most comparable measures calculated GAAP measures are useful to investors in evaluating our operating performance and our management of business from period to period.
- Adjusted results are non-GAAP financial measures and excludes, among other items, results of the Heat Transfer and South African operations categorized as "All Other" in the company's reporting structure. We have not reconciled non-GAAP financial measures guidance to their nearest GAAP equivalents because we do not provide guidance for items that we do not consider indicative of our on-going performance and that are out of our control and/or cannot be reasonably predicted. Accordingly, a reconciliation of the non-GAAP financial measure guidance to the corresponding GAAP financial measures is not available without unreasonable effort.

Introductory Comments

Gene Lowe

February 14, 2019



Performance Highlights

Full-Year 2018

- Adjusted EPS* of \$2.20, +26%
 - Adjusted segment income* grew \$22 million
 - Robust demand and volumes in HVAC
 - Solid Detection & Measurement margin performance
- Solid financial condition provides substantial capital for value creation initiatives
 - Adjusted Free Cash Flow* conversion of 125% of Adjusted net income*
 - Net leverage toward lower end of long-term target range
- Well positioned to deliver on double digit earnings growth and value creation strategy

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

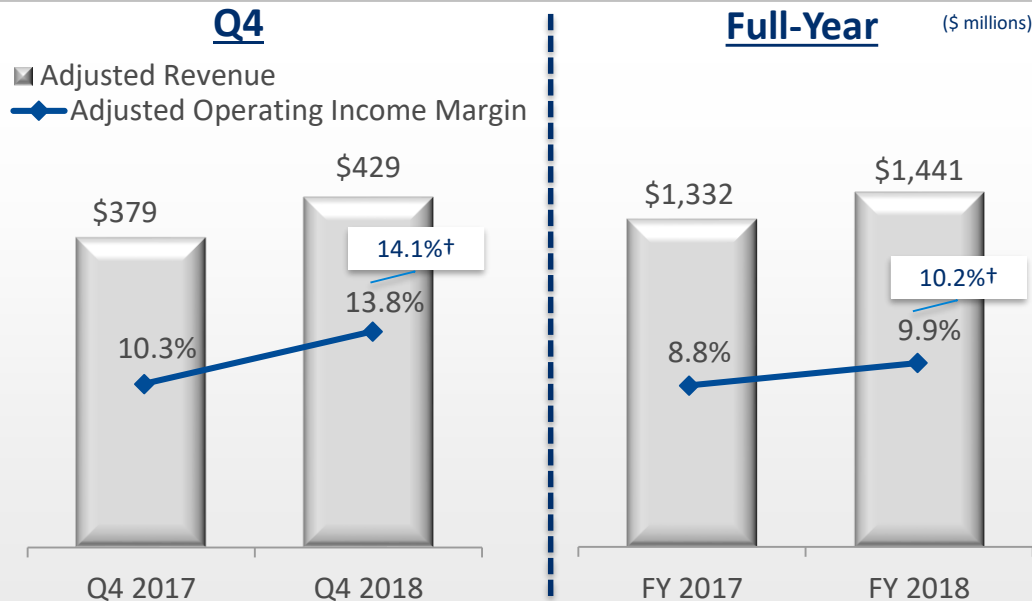
Note: We have not reconciled non-GAAP financial measures guidance to their nearest GAAP equivalents because we do not provide guidance for items that we do not consider indicative of our on-going performance and that are out of our control and/or cannot be reasonably predicted. Accordingly, a reconciliation of the non-GAAP financial measure guidance to the corresponding GAAP financial measures is not available without unreasonable effort.

**Introducing Full-Year 2019 Adjusted EPS* Guidance in a Range of \$2.50-2.65;
Excluding Amortization and Including Sabik Acquisition**

Adjusted Results Q4 2018 and Full-Year 2018

Year-over-Year Analysis

- Adjusted Q4 operating income growth of 52%
- Adjusted Q4 operating income margin expansion of 350 basis points driven by HVAC and Detection and Measurement
- Adjusted full-year operating income growth of 22% driven by HVAC and Detection & Measurement performance



Note: Adjusted results are non-GAAP financial measures that exclude, among other items, the results of the South African and Heat Transfer operations categorized as "All Other" in the company's reporting structure. Reconciliations from US GAAP financial measures are available in the Appendix of the presentation.

†Adjusted Operating Income margin excluding amortization.

**Q4 Adjusted EPS of \$0.89; Full-Year Adjusted EPS of \$2.20;
Full-Year Adjusted EPS of \$2.27, Excluding Amortization**

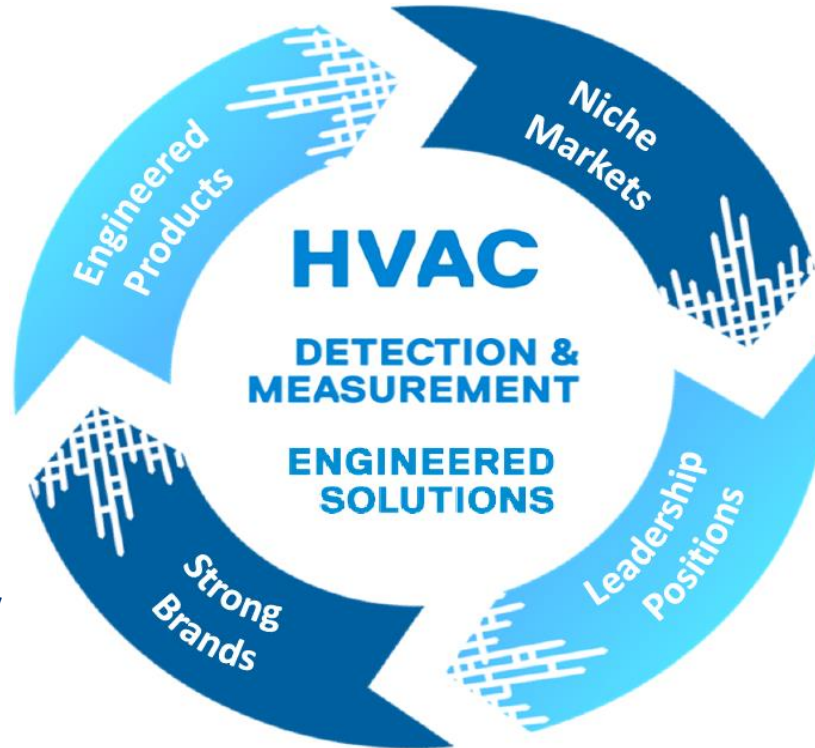
Value Creation Roadmap

Organic Growth

- New products
- New channels
- 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

- Leadership development
- Results/accountability
- Integrity

Q4 Financial Review

Scott Sproule

February 14, 2019



Earnings Per Share



Q4 and Full-Year 2018 Adjusted EPS

| | Q4 2018 | Q4 2017 | FY 2018 | FY 2017 |
|--|---------------|---------------|---------------|---------------|
| GAAP EPS from continuing operations | \$0.88 | \$1.35 | \$1.75 | \$1.91 |
| South Africa and Heat Transfer | (\$0.03) | (\$0.73) | \$0.26 | (\$0.11) |
| Acquisition-related | \$0.07 | NA | \$0.22 | NA |
| Non-service pension & other* | \$(0.03) | (\$0.03) | \$(0.03) | (\$0.06) |
| Adjusted EPS from continuing operations | \$0.89 | \$0.59 | \$2.20 | \$1.74 |
| Adjusted EPS excluding deal amortization | \$0.92 | \$0.59 | \$2.27 | \$1.75 |

Note: Adjusted results are non-GAAP financial measures that exclude, among other items, the results of the South African and Heat Transfer operations categorized as “All Other” in the company’s reporting structure. Reconciliations from US GAAP financial measures are available in the Appendix of the presentation.

* “Other” includes favorable discrete tax items in 2017 and 2018; loss on sale of Dry Cooling business in 2018; stranded costs and tax reform-related adjustments in 2018; loss on refinancing of senior credit agreement in 2017 and 2018; gain on interest rate swaps in 2017; adjustment for foreign currency losses associated with South African operations in 2017 and 2018; and tax effects associated with these adjustments.

Full-Year 2018 Adjusted EPS* growth of 26%

Adjusted Results Q4 2018 and Full-Year 2018

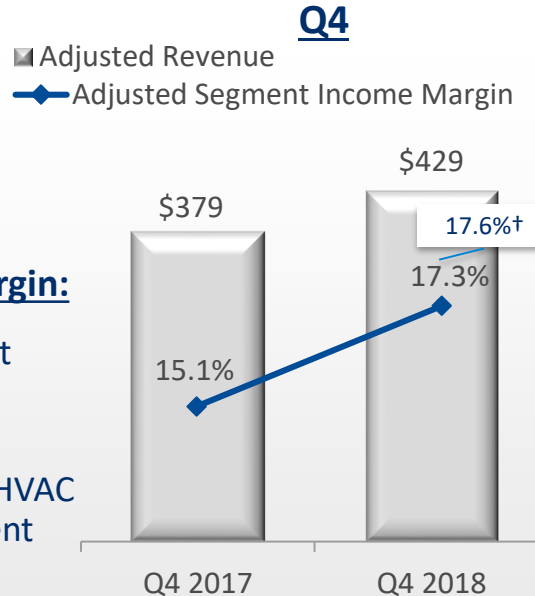
Year-over-Year Analysis

Q4 Adjusted Revenue:

- 13.0% year-over-year increase:
 - 6.3% acquisition impact
 - 6.7% increase primarily due to strong performance in HVAC segment

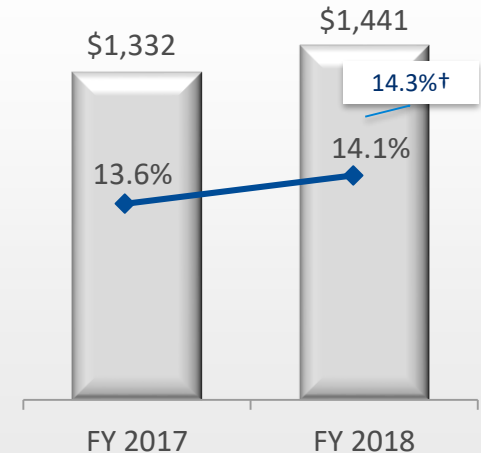
Q4 Adjusted Segment Income and Margin:

- \$17.1M increase in Adjusted segment income
- 220 basis points of Adjusted margin expansion due primarily to stronger HVAC heating and Detection & Measurement results



Full-Year

(\$ millions)



Note: Adjusted results are non-GAAP financial measures that exclude, among other items, the results of the South African and Heat Transfer operations categorized as "All Other" in the company's reporting structure. Reconciliations from US GAAP financial measures are available in the Appendix of the presentation.
†Adjusted Segment Income margin excluding amortization.

Full-Year 2018 Increase in Adjusted Segment Income of \$22M with 50 Basis Points of Expansion

HVAC Results Q4 2018 and Full-Year 2018



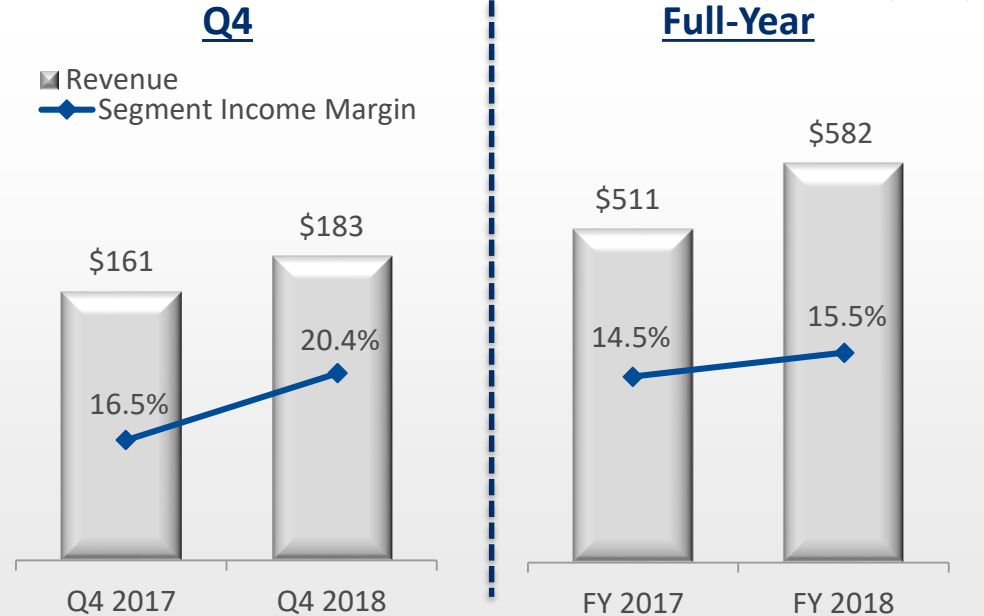
Year-over-Year Analysis

Q4 Revenue:

- 13.3% year-over-year increase
 - 13.9% organic increase*, with significant growth in heating volumes and solid cooling sales growth
 - (0.6%) unfavorable currency impact

Q4 Segment Income and Margin:

- \$10.7M increase in segment income; 390 basis points margin expansion
 - Leverage on strong seasonal demand and competitive wins
 - Prior year period impact of legal charge and lower plant utilization



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

Strong Margin Recovery in 2018

Detection & Measurement Adjusted Results Q4 2018 and Full-Year 2018



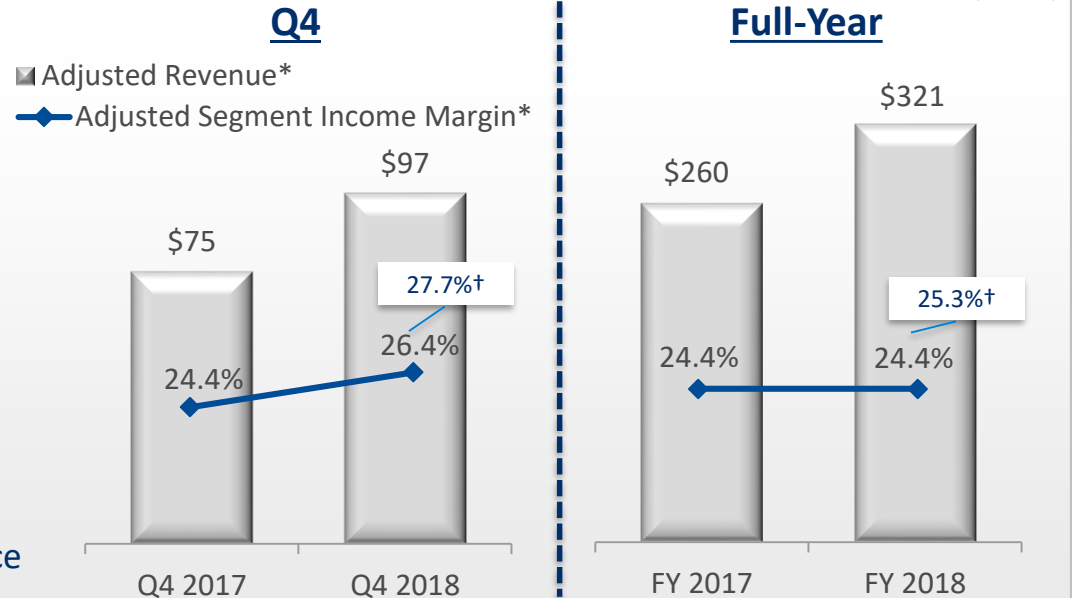
Year-over-Year Analysis

Q4 Adjusted Revenue:

- 28.7% year-over-year increase:
 - 31.9% increase from acquisitions
 - (2.3%) organic decrease* due to timing of project revenues
 - (0.9%) unfavorable currency impact

Q4 Adjusted Segment Income and Margin:

- \$7.2M increase in Adjusted segment income*
- 200 basis points of Adjusted segment margin* expansion due primarily to favorable mix and operational performance



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

†Adjusted Segment Income margin excluding deal amortization.

Acquisitions Significantly Reshaping Detection & Measurement

Engineered Solutions Q4 2018 and Full-Year 2018 Results



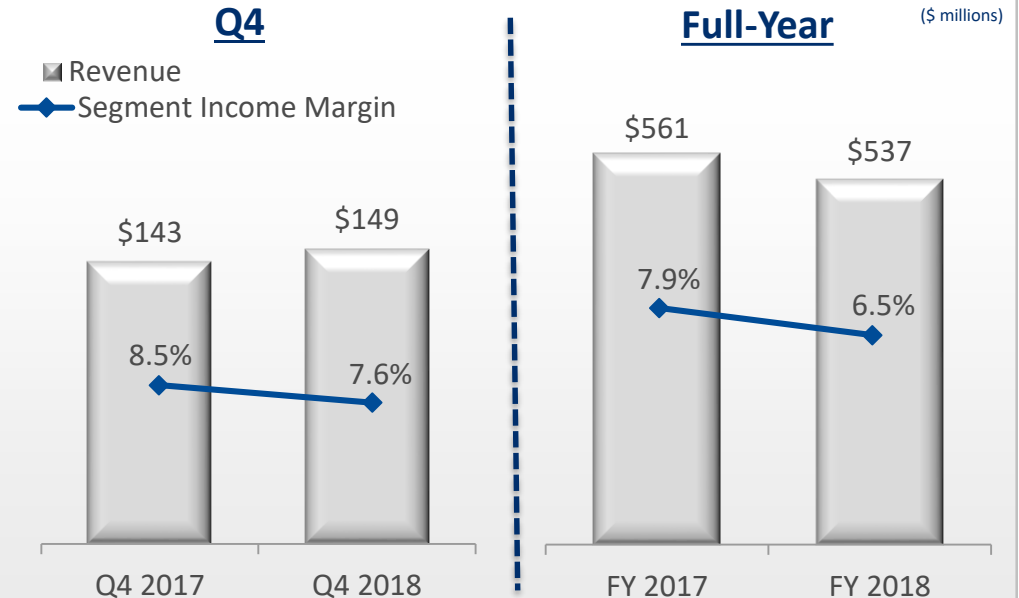
Year-over-Year Analysis

Q4 Revenue:

- 4.4% year-over-year increase:
 - Higher Process Cooling volumes; modestly higher Transformer revenues

Q4 Segment Income and Margin:

- \$0.8M decrease in segment income
- 90 basis points margin decline



**Strong Process Cooling Components Sales;
Anticipate Margin Improvement in 2019**

Financial Position, Liquidity Review and 2019 Guidance

Scott Sproule

February 14, 2019

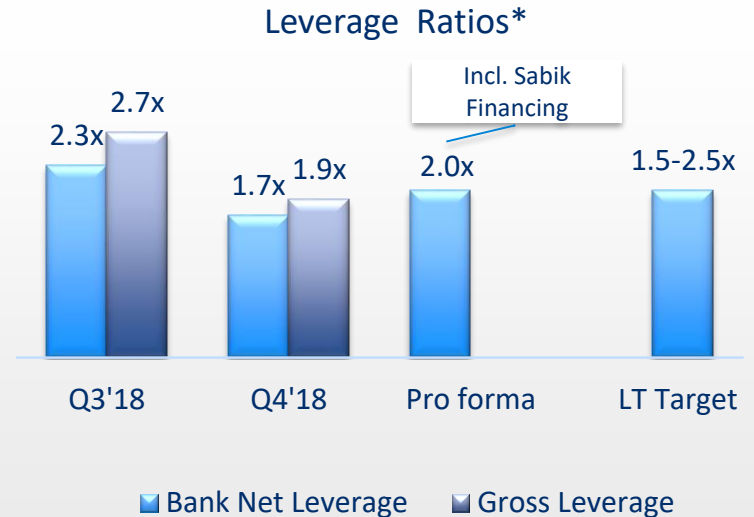


Financial Position



Capital Structure Update

| | FYE 2018 |
|--------------------------------------|-----------------|
| (\$ millions) | |
| Short-term debt | \$ 31.9 |
| Current maturities of long-term debt | 18.0 |
| Long-term debt | 331.9 |
| Total Debt | \$ 381.8 |
| Less: Cash on hand | (68.8) |
| Net Debt | \$ 313.0 |



*Calculated as defined by SPX's credit facility agreement.

Year-End Net Leverage Toward Lower End of Target Range of 1.5-2.5x

2019 Adjusted Guidance Excluding Amortization (Including Sabik)

| | Revenue | Segment Income Margin |
|------------------------------------|---|--|
| HVAC | <ul style="list-style-type: none"> In a range of \$570-580 million | <ul style="list-style-type: none"> In a range of 15.5-16.0%, or +25 bps at midpoint vs 2018 |
| Detection & Measurement | <ul style="list-style-type: none"> In a range of a \$385-395 million | <ul style="list-style-type: none"> In a range of 23-24%, ex amortization |
| Engineered Solutions | <ul style="list-style-type: none"> In a range of \$530-540 million | <ul style="list-style-type: none"> ~8%, or +150 bps vs 2018 |
| Total SPX Adjusted | <ul style="list-style-type: none"> ~\$1.50 billion | <ul style="list-style-type: none"> ~15%, ex amortization |

Note: Adjusted results are non-GAAP financial measures and excludes, among other items, results of the Heat Transfer and South African operations categorized as “All Other” in the company’s reporting structure. We have not reconciled non-GAAP financial measures guidance to their nearest GAAP equivalents because we do not provide guidance for items that we do not consider indicative of our on-going performance and that are out of our control and/or cannot be reasonably predicted. Accordingly, a reconciliation of the non-GAAP financial measure guidance to the corresponding GAAP financial measures is not available without unreasonable effort.

Excluding Amortization and Including Sabik Acquisition - Adjusted Operating Income in a Range of \$162-172 Million (~11% margin); Adjusted EPS in a Range of \$2.50-2.65

End Market Overview and Closing Remarks

Gene Lowe

February 14, 2019



| Market | Comments |
|-------------------------|--|
| HVAC | <ul style="list-style-type: none">➤ Cooling: Commercial and institutional markets remain healthy➤ Heating: 2018 seasonal demand above long-term average |
| Detection & Measurement | <ul style="list-style-type: none">➤ Strong project conversion; frontlog activity remains strong➤ Run-rate markets remain solid |
| Transformers | <ul style="list-style-type: none">➤ Key customer activity and bookings remain steady➤ Market pricing remains competitive |
| Process Cooling | <ul style="list-style-type: none">➤ Demand for components remains favorable➤ Some project timing moving forward into 2020 |

Core Markets Continue to Perform Well

- Operational and cash flow performance remains strong
- On track for sustainable double digit earnings growth
- Substantial available capital to deploy by end of 2020
- Acquisition integrations going well; M&A pipeline robust

Continuing to Execute on Plan for Significant Value Creation

Questions

February 14, 2019

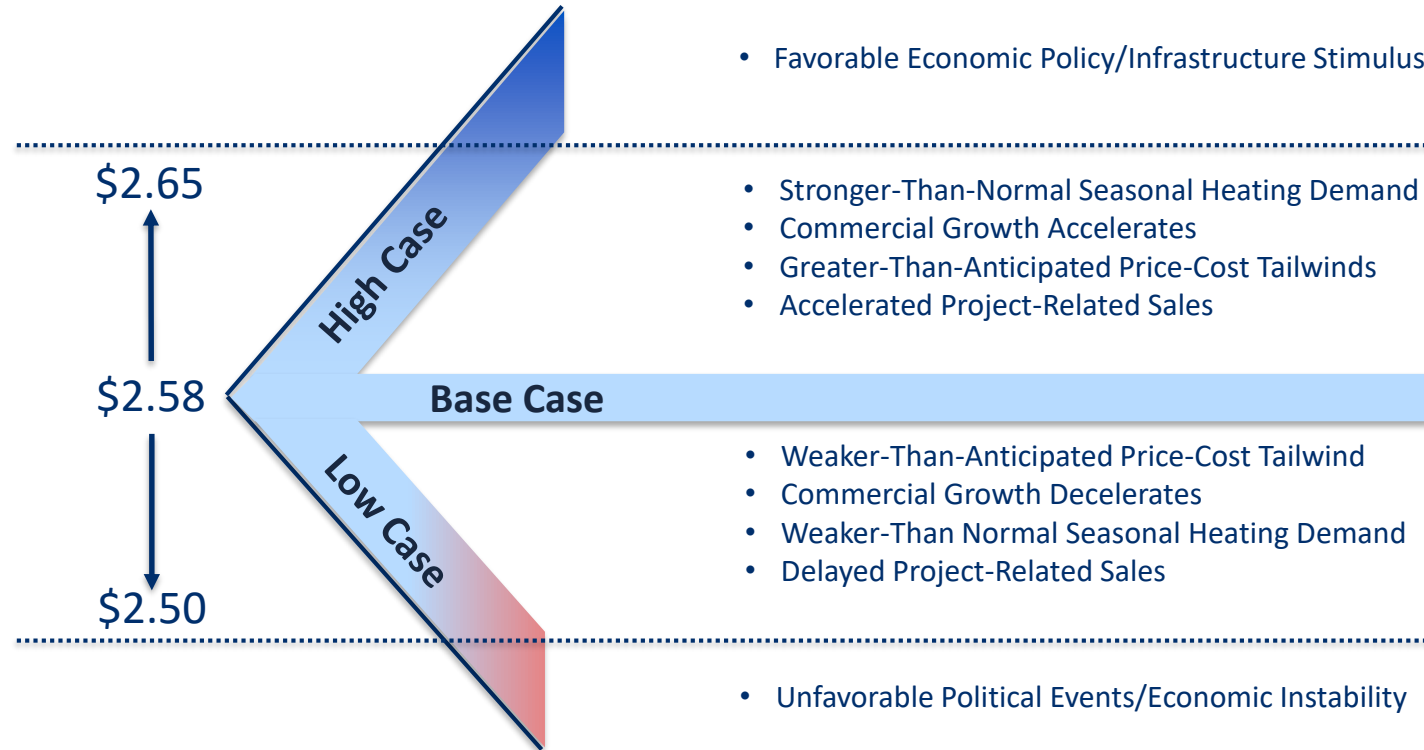


Appendix

February 14, 2019



2019 Adjusted EPS Guidance - Key Drivers

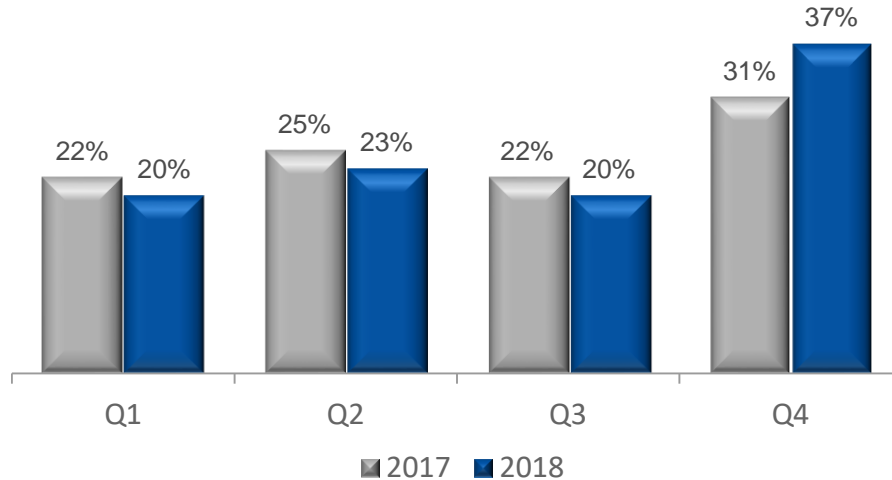


Note: Adjusted results are non-GAAP financial measures and excludes, among other items, results of the Heat Transfer and South African operations categorized as "All Other" in the company's reporting structure. We have not reconciled non-GAAP financial measures guidance to their nearest GAAP equivalents because we do not provide guidance for items that we do not consider indicative of our on-going performance and that are out of our control and/or cannot be reasonably predicted. Accordingly, a reconciliation of the non-GAAP financial measure guidance to the corresponding GAAP financial measures is not available without unreasonable effort.

Adjusted* Segment Income Phasing



(\$ millions)



GAAP
 Exclude: "All other"
 Exclude: One time acquisition related costs
Adjusted
% of full-year

| | Q1 2018 | Q2 2018 | Q3 2018 | Q4 2018 |
|---|---------------|---------------|---------------|---------------|
| GAAP | 37.0 | 41.0 | 29.6 | 70.9 |
| Exclude: "All other" | (4.1) | (4.4) | (8.0) | (2.4) |
| Exclude: One time acquisition related costs | (0.3) | (1.8) | (2.9) | (0.9) |
| Adjusted | \$41.4 | \$47.2 | \$40.5 | \$74.2 |
| <i>% of full-year</i> | <i>20%</i> | <i>23%</i> | <i>20%</i> | <i>37%</i> |

GAAP
 Exclude: "All other"
Adjusted
% of full-year

| | Q1 2017 | Q2 2017 | Q3 2017 | Q4 2017 |
|-----------------------|---------------|---------------|---------------|---------------|
| GAAP | 34.3 | 20.7 | 45.4 | 24.5 |
| Exclude: "All other" | (5.3) | (24.6) | 5.7 | (32.6) |
| Adjusted | \$39.6 | \$45.3 | \$39.7 | \$57.1 |
| <i>% of full-year</i> | <i>22%</i> | <i>25%</i> | <i>22%</i> | <i>31%</i> |

*Adjusted results are non-GAAP financial measures that exclude, among other items, the results of the South African and Heat Transfer operations categorized as "All Other" in the company's reporting structure. Reconciliations from US GAAP financial measures for 2018 and for 2017, are available in the Appendix of the presentation.

2019 Modeling Considerations



| Metric | Commentary/Assumptions |
|-----------------------------|---|
| Corporate costs | Low \$40Ms |
| Long-term incentive comp | \$14-15M |
| Restructuring costs | \$1M |
| Interest cost | \$21-22M |
| Equity earnings, other | \$4-5M |
| Tax rate | Approximately 23% |
| Capex | \$15-17M |
| Cash cost of pension + OPEB | Approximately \$16M |
| D&A | Approximately \$32M, mostly in COGS, including approximately \$6M of amortization |
| Share count | 45.0-45.5M |
| FCF Conversion | Targeting 110% of Adjusted Net Income |
| Currency effect | Topline sensitivity to USD-GBP rate |

2018 Engineered Solutions Quarterly Results



| | <u>Q1 2018</u> | <u>Q2 2018</u> | <u>Q3 2018</u> | <u>Q4 2018</u> | <u>FY 2018</u> |
|---------------------------------|----------------|----------------|----------------|----------------|----------------|
| REVENUE | \$ 127.9 | \$ 135.3 | \$ 124.7 | \$ 149.1 | \$ 537.0 |
| INCOME | \$ 6.9 | \$ 10.4 | \$ 6.4 | \$ 11.3 | \$ 35.0 |
| as a percent of segment revenue | 5.4 % | 7.7 % | 5.1 % | 7.6 % | 6.5 % |

Q4 2018 U.S GAAP to Adjusted Earnings Per Share Reconciliation



| | <u>GAAP</u> | <u>Adjustments</u> | <u>Adjusted</u> |
|---|----------------|--------------------|-----------------|
| Segment income ⁽¹⁾ | \$ 70.9 | \$ 3.3 | \$ 74.2 |
| Corporate expense ⁽²⁾ | (13.7) | 2.4 | (11.3) |
| Long-term incentive compensation expense | (3.1) | — | (3.1) |
| Special charges, net ⁽³⁾ | (1.7) | 1.0 | (0.7) |
| Loss on sale of dry cooling | (0.2) | 0.2 | — |
| Operating income | <u>52.2</u> | <u>6.9</u> | <u>59.1</u> |
| Other expense, net ⁽⁴⁾ | (11.5) | 7.3 | (4.2) |
| Interest expense, net | (5.8) | — | (5.8) |
| Loss on amendment/refinancing of senior credit agreement ⁽⁵⁾ | (0.4) | 0.4 | — |
| Income from continuing operations before income taxes | <u>34.5</u> | <u>14.6</u> | <u>49.1</u> |
| Income tax (provision) benefit ⁽⁶⁾ | 4.8 | (14.2) | (9.4) |
| Income from continuing operations | <u>39.3</u> | <u>0.4</u> | <u>39.7</u> |
| Dilutive shares outstanding | 44.652 | | 44.652 |
| Earnings per share from continuing operations | <u>\$ 0.88</u> | | <u>\$ 0.89</u> |

(\$ millions, except per share values)

⁽¹⁾ Adjustment represents the removal of operating losses associated with the South Africa and Heat Transfer businesses, and the inventory step-up charge and backlog amortization related to the Cues acquisition.

⁽²⁾ Adjustment represents the removal of acquisition related expenses incurred during the period and corporate costs allocated to Heat Transfer that will remain post wind-down.

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

⁽⁴⁾ Adjustment represents the removal of non-service pension and postretirement items and removal of foreign currency losses associated with the South Africa and Heat Transfer businesses.

⁽⁵⁾ Adjustment represents the removal of a non-cash charge associated with an amendment to our senior credit agreement.

⁽⁶⁾ Adjustment represents the tax impact of items (1) through (5) above and the removal of certain income tax benefits that are considered non-recurring.

Q4 2017 U.S GAAP to Adjusted Earnings Per Share Reconciliation



| | GAAP | Adjustments | Adjusted | (\$ millions, except per share values) |
|---|----------------|---------------|----------------|--|
| Segment income ⁽¹⁾ | \$ 24.5 | \$ 32.6 | \$ 57.1 | |
| Corporate expense | (12.5) | (0.3) | (12.8) | |
| Long-term incentive compensation expense | (5.4) | — | (5.4) | |
| Special charges, net ⁽²⁾ | (0.7) | 0.7 | — | |
| Operating income | 5.9 | 33.0 | 38.9 | |
| Other expense, net ⁽³⁾ | (3.1) | 2.9 | (0.2) | |
| Interest expense, net ⁽⁴⁾ | (3.8) | 0.1 | (3.7) | |
| Loss on early extinguishment of debt ⁽⁵⁾ | (0.9) | 0.9 | — | |
| Income (loss) from continuing operations before income taxes | (1.9) | 36.9 | 35.0 | |
| Income tax (provision) benefit ⁽⁶⁾ | 61.9 | (70.6) | (8.7) | |
| Income from continuing operations | 60.0 | (33.7) | 26.3 | |
| Dilutive shares outstanding | 44.401 | | 44.401 | |
| Earnings per share from continuing operations | \$ 1.35 | | \$ 0.59 | |

⁽¹⁾ Adjustment represents the removal of operating losses associated with the South Africa business and the operating income of the Heat Transfer business.

⁽²⁾ Adjustment represents removal of restructuring charges associated with the South Africa and Heat Transfer businesses.

⁽³⁾ Adjustment represents removal of a gain on interest rate swaps, as these swaps no longer qualified for hedge accounting in connection with an amendment to our senior credit agreement, foreign currency losses associated with the South Africa and Heat Transfer businesses, and non-service pension and post-retirement items.

⁽⁴⁾ Adjustment relates to the removal of interest expense incurred in connection with borrowings under a line of credit in South Africa.

⁽⁵⁾ Adjustment represents the removal of a non-cash charge associated with an amendment to our senior credit agreement.

⁽⁶⁾ Adjustment represents the tax impact of items (1) through (5) above and the removal of certain income tax benefits that are considered non-recurring.

FY 2018 U.S GAAP to Adjusted Earnings Per Share Reconciliation



(\$ millions, except per share values)

| | GAAP | Adjustments | Adjusted |
|---|----------------|-------------|----------------|
| Segment income ⁽¹⁾ | \$ 178.5 | \$ 24.8 | \$ 203.3 |
| Corporate expense ⁽²⁾ | (48.5) | 4.9 | (43.6) |
| Long-term incentive compensation expense | (15.5) | — | (15.5) |
| Special charges, net ⁽³⁾ | (6.3) | 5.0 | (1.3) |
| Loss on sale of dry cooling | (0.6) | 0.6 | — |
| Operating income | 107.6 | 35.3 | 142.9 |
| Other income (expense), net ⁽⁴⁾ | (7.6) | 8.5 | 0.9 |
| Interest expense, net | (20.0) | — | (20.0) |
| Loss on amendment/refinancing of senior credit agreement ⁽⁵⁾ | (0.4) | 0.4 | — |
| Income from continuing operations before income taxes | 79.6 | 44.2 | 123.8 |
| Income tax provision ⁽⁶⁾ | (1.4) | (24.0) | (25.4) |
| Income from continuing operations | 78.2 | 20.2 | 98.4 |
| Dilutive shares outstanding | 44.660 | | 44.660 |
| Earnings per share from continuing operations | \$ 1.75 | | \$ 2.20 |

⁽¹⁾ Adjustment represents the removal of operating losses associated with the South Africa and Heat Transfer businesses, and the inventory step-up charge and backlog amortization related to the Cues and Schonstedt acquisitions.

⁽²⁾ Adjustment represents the removal of acquisition related expenses incurred during the period partially offset by corporate costs allocated to Heat Transfer that will remain post wind-down.

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

⁽⁴⁾ Adjustment represents the removal of non-service pension and postretirement items and removal of foreign currency losses associated with the South Africa and Heat Transfer businesses.

⁽⁵⁾ Adjustment represents the removal of a non-cash charge associated with an amendment to our senior credit agreement.

⁽⁶⁾ Adjustment represents the tax impact of items (1) through (5) above and the removal of certain income tax benefits that are considered non-recurring.

FY 2017 U.S GAAP to Adjusted Earnings Per Share Reconciliation



| | GAAP | Adjustments | Adjusted | (\$ millions, except per share values) |
|---|----------------|--------------|----------------|---|
| Segment income ⁽¹⁾ | \$ 124.9 | \$ 56.8 | \$ 181.7 | |
| Corporate expense | (46.2) | (0.9) | (47.1) | |
| Long-term incentive compensation expense | (15.8) | — | (15.8) | |
| Pension service cost | (0.3) | — | (0.3) | |
| Special charges, net ⁽²⁾ | (2.7) | 1.5 | (1.2) | |
| Operating income | 59.9 | 57.4 | 117.3 | |
| Other expense, net ⁽³⁾ | (7.1) | 5.4 | (1.7) | |
| Interest expense, net ⁽⁴⁾ | (15.8) | 0.6 | (15.2) | |
| Loss on amendment/refinancing of senior credit agreement ⁽⁵⁾ | (0.9) | 0.9 | — | |
| Income from continuing operations before income taxes | 36.1 | 64.3 | 100.4 | |
| Income tax provision (benefit) ⁽⁶⁾ | 47.9 | (72.0) | (24.1) | |
| Income from continuing operations | 84.0 | (7.7) | 76.3 | |
| Dilutive shares outstanding | 43.905 | | 43.905 | |
| Earnings per share from continuing operations | \$ 1.91 | | \$ 1.74 | |

⁽¹⁾ Adjustment represents the removal of operating losses associated with the South Africa business and the operating income of the Heat Transfer business.

⁽²⁾ Adjustment represents removal of restructuring charges associated with the South Africa and Heat Transfer businesses.

⁽³⁾ Adjustment represents removal of a gain on interest rate swaps, as these swaps no longer qualified for hedge accounting in connection with an amendment to our senior credit agreement, foreign currency losses associated with the South Africa and Heat Transfer businesses, and the removal of non-service pension and postretirement items.

⁽⁴⁾ Adjustment relates to the removal of interest expense incurred in connection with borrowings under a line of credit in South Africa.

⁽⁵⁾ Adjustment represents the removal of a non-cash charge associated with an amendment to our senior credit agreement.

⁽⁶⁾ Adjustment represents the tax impact of items (1) through (5) above and the removal of certain income tax benefits that are considered non-recurring.

Q4 and FY 2018 and 2017 U.S. GAAP to Adjusted Operating Income Reconciliation



(\$ millions)

| | Three months ended | | Fiscal Year | |
|--|--------------------|-------------------|-------------------|-------------------|
| | December 31, 2018 | December 31, 2017 | December 31, 2018 | December 31, 2017 |
| Operating income | \$ 52.2 | \$ 5.9 | \$ 107.6 | \$ 59.9 |
| Exclude: | | | | |
| Aggregate losses of the South Africa and Heat Transfer businesses ⁽¹⁾ | (3.1) | (33.0) | (23.2) | (57.4) |
| One time acquisition related costs ⁽²⁾ | (3.6) | — | (11.5) | — |
| Loss on sale of Dry Cooling | (0.2) | — | (0.6) | — |
| Adjusted operating income | <u>\$ 59.1</u> | <u>\$ 38.9</u> | <u>\$ 142.9</u> | <u>\$ 117.3</u> |
| as a percent of Adjusted revenues ⁽³⁾ | 13.8 % | 10.3 % | 9.9 % | 8.8 % |

⁽¹⁾ Represents the removal of the financial results of these businesses, inclusive of "special charges" of \$1.0 and \$0.7 during the three months ended December 31, 2018 and 2017, respectively, and \$5.0 and \$1.5 during the twelve months ended December 31, 2018 and 2017, respectively.

⁽²⁾ Represents charges for the Cues acquisition during the three months ended December 31, 2018 associated with inventory step-up of \$0.2, backlog amortization of \$0.2, and integration and transaction costs of \$3.2, and charges during the twelve months ended December 31, 2018 associated with the Cues acquisition (inventory step-up of \$4.3, backlog amortization of \$0.8, and integration and transaction costs of \$5.4) and Schonstedt acquisition (inventory step-up of \$0.3 and transaction-related fees of \$0.7).

⁽³⁾ See "Results of Reportable and Other Operating Segments" from our Q4 earnings release for applicable percentages based on U.S. GAAP results.

Q4 2018 U.S. GAAP Revenue to Organic Revenue Reconciliation



| | <u>Three months ended December 31, 2018</u> | |
|----------------------------------|---|------------------------------------|
| | <u>HVAC</u> | <u>Detection & Measurement</u> |
| Net Revenue Growth | 13.3 % | 28.7 % ** |
| Exclude: Foreign Currency | (0.6) % | (0.9) % |
| Exclude: Acquisitions | — % | 31.9 % |
| Organic Revenue Growth (Decline) | <u>13.9 %</u> | <u>(2.3) %</u> |

** Represents revenue growth based on adjusted revenue. See separate summary for a reconciliation of U.S. GAAP revenue to adjusted revenue.

Q4 and FY 2018 and 2017 U.S. GAAP to Adjusted Revenue and Adjusted Segment Income Reconciliation



CONSOLIDATED SPX:

| | Three months ended | | Fiscal Year | |
|--|--------------------|-------------------|-------------------|-------------------|
| | December 31, 2018 | December 31, 2017 | December 31, 2018 | December 31, 2017 |
| Consolidated revenue | \$ 445.0 | \$ 387.0 | \$ 1,538.6 | \$ 1,425.8 |
| Exclude: "All Other" operating segments ⁽¹⁾ | 16.8 | 7.7 | 98.6 | 93.8 |
| Acquisition accounting adjustment to acquired deferred revenue | (0.5) | — | (0.5) | — |
| Adjusted consolidated revenue | <u>\$ 428.7</u> | <u>\$ 379.3</u> | <u>\$ 1,440.5</u> | <u>\$ 1,332.0</u> |
| Total segment income | \$ 70.9 | \$ 24.5 | \$ 178.5 | \$ 124.9 |
| Exclude: "All Other" operating segments ⁽¹⁾ | (2.4) | (32.6) | (18.9) | (56.8) |
| Exclude: One time acquisition related costs | (0.9) | — | (5.9) | — |
| Adjusted segment income | <u>\$ 74.2</u> | <u>\$ 57.1</u> | <u>\$ 203.3</u> | <u>\$ 181.7</u> |
| as a percent of Adjusted consolidated revenues ⁽²⁾ | 17.3 % | 15.1 % | 14.1 % | 13.6 % |

DETECTION & MEASUREMENT SEGMENT:

| | Three months ended | | Fiscal Year | |
|---|--------------------|-------------------|-------------------|-------------------|
| | December 31, 2018 | December 31, 2017 | December 31, 2018 | December 31, 2017 |
| Detection & Measurement segment revenue | \$ 96.4 | \$ 75.3 | \$ 320.9 | \$ 260.3 |
| Acquisition accounting adjustment to acquired deferred revenue | (0.5) | — | (0.5) | — |
| Detection & Measurement adjusted segment revenue | <u>\$ 96.9</u> | <u>\$ 75.3</u> | <u>\$ 321.4</u> | <u>\$ 260.3</u> |
| Detection & Measurement segment income | \$ 24.7 | \$ 18.4 | \$ 72.4 | \$ 63.4 |
| Exclude: One time acquisition related costs ⁽³⁾ | (0.9) | — | (5.9) | — |
| Detection & Measurement adjusted segment income | <u>\$ 25.6</u> | <u>\$ 18.4</u> | <u>\$ 78.3</u> | <u>\$ 63.4</u> |
| as a percent of Detection & Measurement Adjusted segment revenues | 26.4 % | 24.4 % | 24.4 % | 24.4 % |

⁽¹⁾ Represents the removal of the financial results of our South Africa and Heat Transfer businesses. Note: These businesses are now being reported as an "All Other" group of operating segments for U.S. GAAP purposes due to certain wind-down activities that are occurring within these businesses.

⁽²⁾ See "Results of Reportable and Other Operating Segments" from our Q4 earnings release for applicable percentages based on GAAP results.

⁽³⁾ Primarily represents additional "Cost of products sold" and "Intangibles amortization" recorded during the three and twelve months ended December 31, 2018 related to the step-up of inventory (to fair value) and customer backlog amortization, respectively, acquired in connection with the Cues and Schonstedt acquisitions.

Q4 and FY 2018 Adjusted Income Excluding Deal Related Amortization



| | <u>Q4 2018</u> | <u>FY 2018</u> | (\$ millions) |
|--|----------------|-----------------|---------------|
| ADJUSTED OPERATING INCOME | | | |
| Adjusted operating income | \$ 59.1 | \$ 142.9 | |
| Exclude: | | | |
| Deal related amortization cost | <u>1.5</u> | <u>3.3</u> | |
| Adjusted operating income excluding deal amortization cost | <u>\$ 60.5</u> | <u>\$ 146.2</u> | |
| as a percent of Adjusted revenue | 14.1 % | 10.2 % | |
| ADJUSTED SEGMENT INCOME | | | |
| Adjusted segment income | \$ 74.2 | \$ 203.3 | |
| Exclude: | | | |
| Deal related amortization cost | <u>1.3</u> | <u>3.4</u> | |
| Adjusted segment income excluding deal amortization cost | <u>\$ 75.5</u> | <u>\$ 206.7</u> | |
| as a percent of Adjusted revenue | 17.6 % | 14.3 % | |
| DETECTION & MEASUREMENT SEGMENT INCOME | | | |
| Adjusted segment income | \$ 25.6 | \$ 78.3 | |
| Exclude: | | | |
| Deal related amortization cost | <u>1.2</u> | <u>2.9</u> | |
| Segment income excluding deal amortization cost | <u>\$ 26.8</u> | <u>\$ 81.2</u> | |
| as a percent of Adjusted segment revenue | 27.7 % | 25.3 % | |
| ADJUSTED NET INCOME | | | |
| Adjusted net income | \$ 39.7 | \$ 98.4 | |
| Exclude: | | | |
| Deal related amortization cost net of tax | <u>1.10</u> | <u>2.6</u> | |
| Adjusted net income excluding deal amortization cost | <u>\$ 40.8</u> | <u>\$ 101.0</u> | |
| Adjusted EPS excluding deal amortization cost | \$ 0.92 | \$ 2.27 | |
| Diluted Shares Outstanding | 44.652 | 44.660 | |

Q4 2018 Debt Reconciliation



(\$ millions)

| | <u>Q4 2018</u> |
|---|-----------------|
| Short-term debt | \$ 31.9 |
| Current maturities of long-term debt | 18.0 |
| Long-term debt ⁽¹⁾ | <u>331.9</u> |
| Gross debt | 381.8 |
| Less: Purchase card program and extended payables | <u>(2.5)</u> |
| Adjusted gross debt | 379.3 |
| Less: Cash and equivalents | (68.8) |
| Adjusted net debt | <u>\$ 310.5</u> |

1) Excludes unamortized debt issuance costs associated with term loan of \$1.9m.

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

FY 2018 Consolidated Adjusted EBITDA Reconciliation



| | <u>FY 2018</u> | (\$ millions) |
|---|-----------------|---------------|
| Net income from continuing operations attributable to SPX Corporation common shareholders | \$ 78.2 | |
| Income tax provision (benefit) | \$ 1.4 | |
| Interest expense | <u>21.5</u> | |
| Income from continuing operations before interest and taxes | 101.1 | |
| Depreciation and amortization | <u>29.2</u> | |
| EBITDA | 130.3 | |
| Adjustments: | | |
| Non-cash compensation | 21.0 | |
| Pension adjustments | 8.2 | |
| Extraordinary non-cash charges, (gains), net | (2.5) | |
| Extraordinary non-recurring cash charges, net | 23.3 | |
| Material acquisition/disposition related fees, costs, or expenses, net | 3.3 | |
| Pro forma effect of acquisitions and divestitures, and other | 7.3 | |
| Adjusted EBITDA | <u>\$ 190.9</u> | |

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

FY 2018 U.S. GAAP to Adjusted Free Cash Flow from Continuing Operations



(\$ millions)

| | <u>FY 2018</u> |
|--|-----------------|
| Net operating cash flow from continuing operations | \$ 112.9 |
| Capital expenditures - continuing operations | (12.4) |
| Free cash flow used in continuing operations | <u>100.5</u> |
| Adjustment for "All other" | 22.3 |
| Adjusted free cash flow from continuing operations | <u>\$ 122.8</u> |

Note: Adjusted results are non-GAAP financial measures that exclude, among other items, the results of the South African and Heat Transfer operations categorized as "All Other" in the company's reporting structure. Reconciliations from US GAAP financial measures are available in the Appendix of the presentation.