

Q3 2018 Earnings Presentation



S P X

November 1, 2018

- 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 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 appendices of this presentation and our applicable SEC filings. 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 "Engineered Solutions (Core)" results in this presentation are non-GAAP financial measures that exclude the results of the South African projects and Heat Transfer operations. We exclude the Heat Transfer business in addition to the South African projects in anticipation of reporting Heat Transfer business as a discontinued operation upon completion of the wind down, which we expect to be by the end of Q1 2019.

Introductory Comments

Gene Lowe

November 1, 2018



Performance and Accomplishments

- On track to achieve earning and cash flow guidance metrics
 - Adjusted EPS* of \$2.15-\$2.25
 - Core Free Cash Flow of at least 110% of adjusted net income
- Detection & Measurement and HVAC driving year-to-date profit growth
 - Sales growth in both HVAC Cooling and Heating
 - Strong project bookings and margin outlook in Detection & Measurement
- Acquisition integrations proceeding well; Active M&A pipeline

*Non-GAAP financial measure. 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.

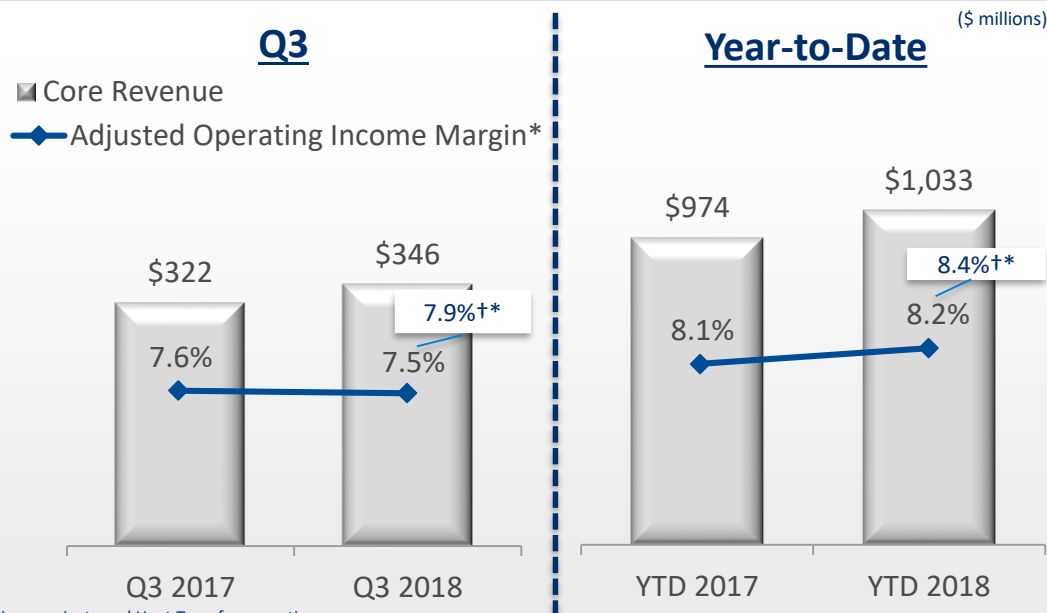
**Maintaining 2018 Adjusted EPS* Guidance Range of \$2.15 to \$2.25
(\$2.20-\$2.30 Ex Deal Amortization)**

Core Q3 2018 Results



Year-over-Year Analysis

- Core revenue increased 7.5%
- Adjusted operating income* grew 6%
- Adjusted operating income margin* similar to prior-year period



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

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

† Adjusted Operating Income margin excluding deal amortization.

Adjusted EPS* of \$0.37
(Adjusted EPS†* \$0.39 Ex Deal Amortization)

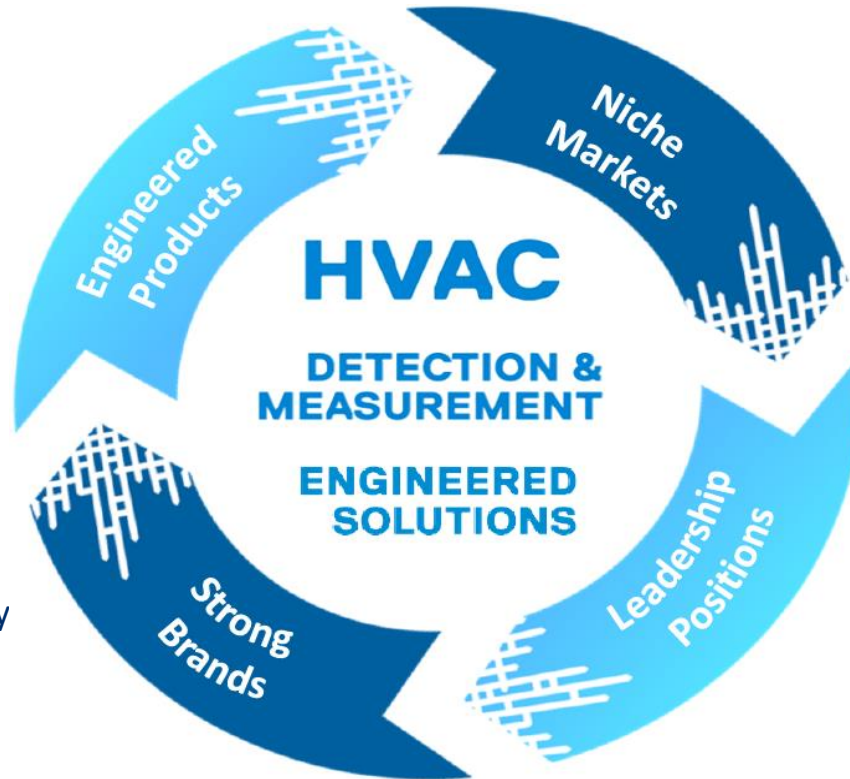
Value Creation Roadmap

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

Q3 Financial Review

Scott Sproule

November 1, 2018



Earnings Per Share



Q3 2018 Adjusted EPS

	<u>Q3 2018</u>	<u>Q3 2017</u>
GAAP EPS from continuing operations	\$0.15	\$0.50
South African projects	\$0.14	\$0.11
Heat Transfer	\$0.01	-
Acquisitions costs	\$0.06	-
Non-service pension items & other**	\$0.01	(\$0.25)
Adjusted EPS from continuing operations	\$0.37	\$0.36
Adjusted EPS excluding deal amortization	\$0.39	\$0.36

*Non-GAAP financial measure. 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 and stranded costs in 2018, gains related to contract settlement, and gain on post retirement plan in 2017.

**Q3 Adjusted EPS* of \$0.37, Compared to \$0.36 in Prior Year;
Acquisition-Related Amortization Headwind of ~\$0.02**

Core Q3 2018 Results



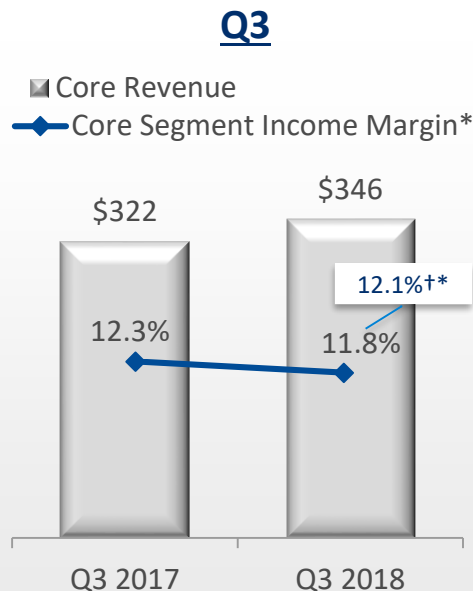
Year-over-Year Analysis

Q3 Core Revenue:

- 7.5% year-over-year increase:
 - 8.2% acquisition impact
 - (0.5%) decrease, net of acquisitions: Growth in HVAC offset by project timing in Detection & Measurement and a reduction in Engineered Solutions revenue
 - (0.2%) unfavorable currency impact

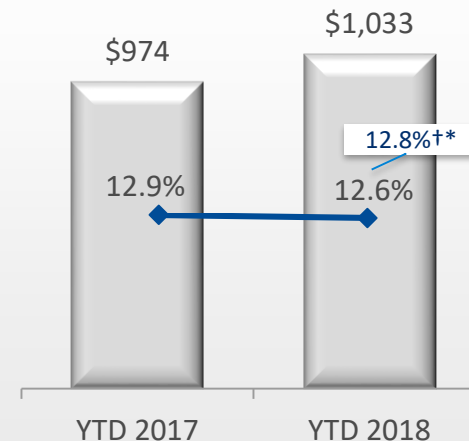
Q3 Core Segment Income and Margin:

- \$1.1m increase in Core segment income
- Core segment income margin decline of 50 basis points primarily due to acquisition-related amortization and hurricane impact



Year-to-Date

(\$ millions)



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

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

† Core Segment Income margin excluding deal amortization.

**Significant YTD Increase in Contribution
from HVAC and Detection & Measurement**

HVAC Q3 2018 Results



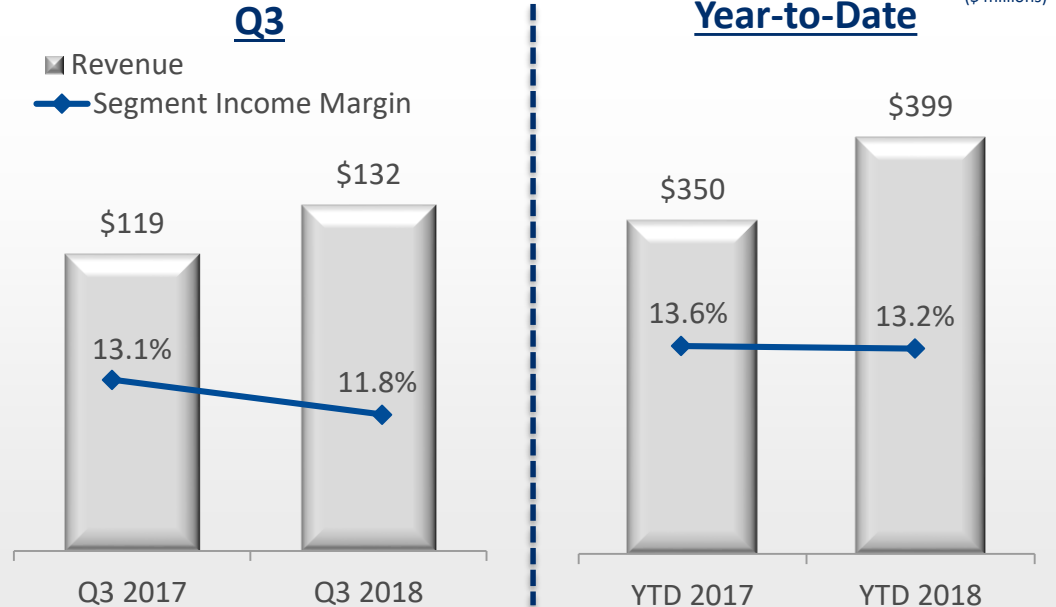
Year-over-Year Analysis

Q3 Revenue:

- 10.6% year-over-year increase:
 - 10.8% organic increase* driven by cooling product and, to a lesser extent, heating product shipments
 - (0.2%) unfavorable currency impact

Q3 Segment Income and Margin:

- Segment income flat year-on-year
- Segment margin declined 130 basis points due to the effect of higher input costs and sales mix



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

Strong Revenue Growth; Margin Moderated by Geographic Mix and Effect of Recapturing Higher Input Costs

Detection & Measurement Adjusted Q3 2018 Results



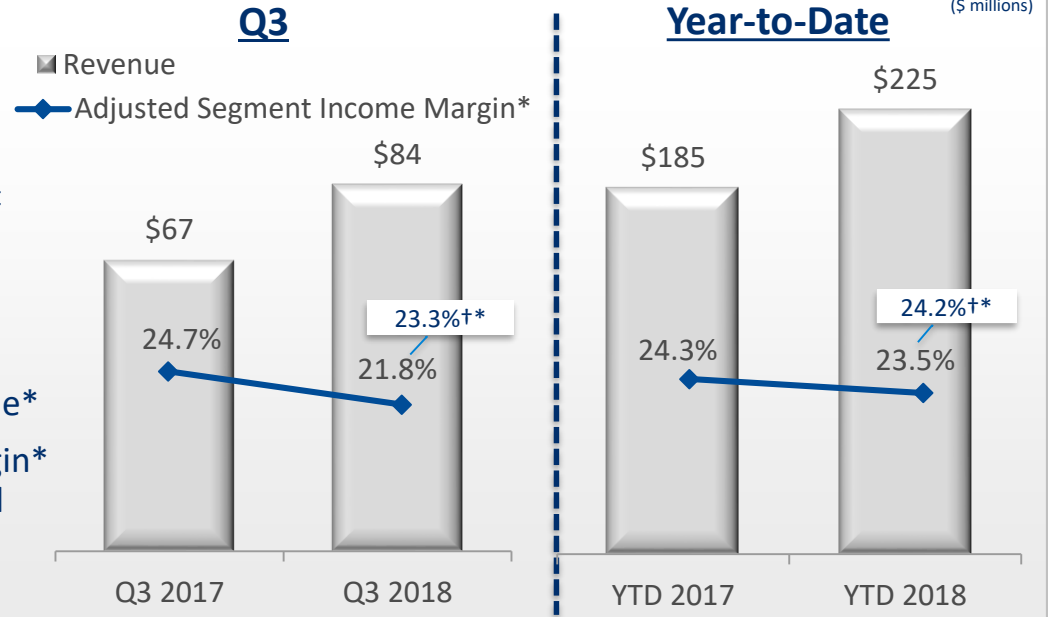
Year-over-Year Analysis

Q3 Revenue:

- 26.0% year-over-year increase:
 - 39.6% impact of Schonstedt and CUES acquisitions
 - (13.3%) organic decrease* due primarily to project timing in Communications Technologies
 - (0.3%) unfavorable currency impact

Q3 Segment Income and Margin:

- \$1.9m increase in Adjusted segment income*
- 290 basis points of Adjusted segment margin* decline primarily due to acquisition-related amortization and product mix



*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.

**Larger Platform Driving Operating Profit Growth;
Experiencing Higher Project Activity in Q4**

Engineered Solutions (Core) Q3 2018 Results



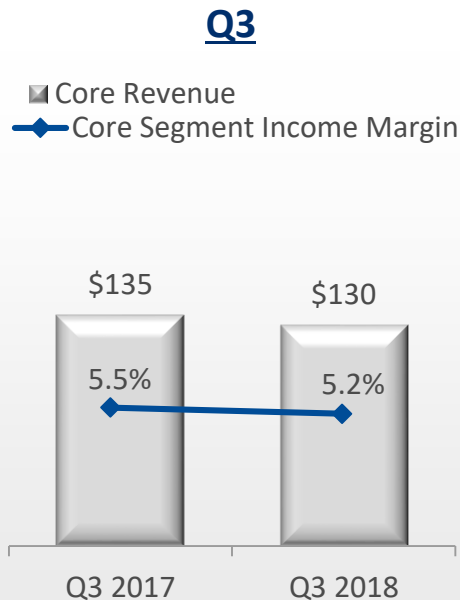
Year-over-Year Analysis

Q3 Core Revenue:

- (4.3%) year-over-year decline:
 - (4.5%) decline*
 - Business model shift in Process Cooling
 - Hurricane impact
 - (0.2%) unfavorable currency impact

Q3 Core Segment Income and Margin:

- \$0.8m decrease in Core segment income
- Approximately 30 basis points of Core segment margin decline due primarily to hurricane impact (~100 bps), and higher input costs for Transformers, partially offset by higher Process Cooling margin



Year-to-Date

(\$ millions)



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

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

Anticipating Strong 2018 Exit Rate Performance

Financial Position & Liquidity Review

Scott Sproule

November 1, 2018

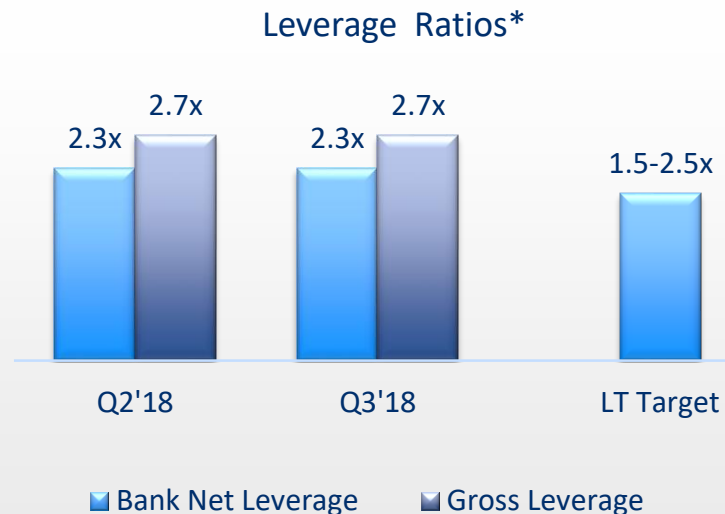


Financial Position



Capital Structure Update

(\$ millions)	Q3 2018
Short-term debt	\$ 113.1
Current maturities of long-term debt	9.3
Long-term debt	340.6
Total Debt	\$ 463.0
Less: Cash on hand	(61.9)
Net Debt	\$ 401.1



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

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

2018 Core Guidance (Changes in Bold)

	Revenue	Segment Income Margin
HVAC	<ul style="list-style-type: none"> Organic growth in a range of 11-12% (~\$570 at the midpoint) (vs up 7-8% prior) 	<ul style="list-style-type: none"> ~15% (vs ~15.5% prior)
Detection & Measurement	<ul style="list-style-type: none"> In a range of \$320-325 million (vs \$325-335 million prior) 	<ul style="list-style-type: none"> ~24% (~25% ex deal amortization) (vs 22.5-23.5% prior)
Engineered Solutions (Core)*	<ul style="list-style-type: none"> In a range of \$550-560 million 	<ul style="list-style-type: none"> ~7% (vs 8% prior)
Total SPX Core*	<ul style="list-style-type: none"> ~\$1.4 billion 	<ul style="list-style-type: none"> ~14% (14-14.5% prior)

*Non-GAAP financial measure.

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

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 Operating Income Margin* of ~10%;
Adjusted EPS* Guidance \$2.15-\$2.25 (\$2.20-\$2.30 Ex Deal Amortization)

Market Outlook & Executive Summary

Gene Lowe

November 1, 2018



Market	Comments
HVAC	<ul style="list-style-type: none">➤ Cooling: Continued healthy activity in commercial and institutional markets➤ Heating: Solid run rate orders; initial pre-season indications favorable
Detection & Measurement	<ul style="list-style-type: none">➤ Significant frontlog activity; large projects converting➤ 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">➤ Components continue to see favorable customer demand➤ Completing structural business model shift in 2018

Solid Trends Continue in Core End Markets

Executive Summary

- On track to achieve 2018 Core EPS and Free Cash Flow guidance
- HVAC and Detection & Measurement driving year-to-date profit growth
- Continued strength in end markets
- Balance sheet and liquidity support capital allocation optionality
- Executing on plans to drive sustainable double-digit earnings growth

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

Executing on Value Creation Roadmap

Questions

November 1, 2018

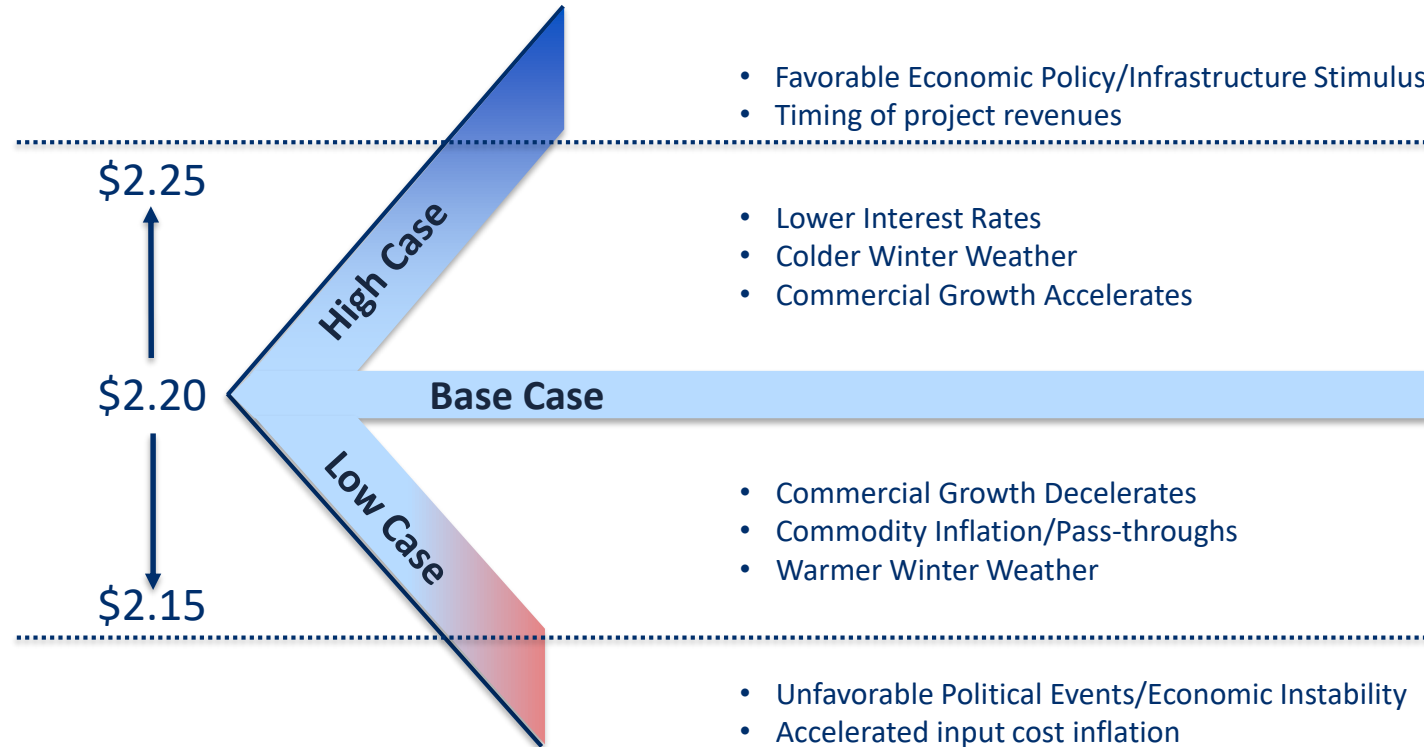


Appendix

November 1, 2018



2018 Adjusted EPS* Guidance - Key Drivers

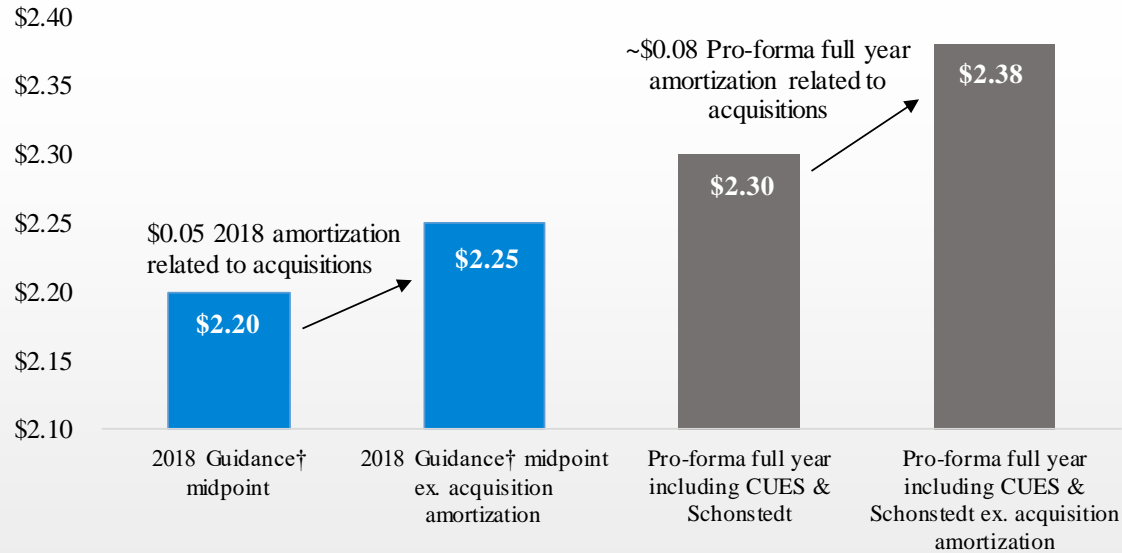


*Non-GAAP financial measure.

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

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.

2018/Full Year Adjusted EPS* Excluding Acquisition Amortization



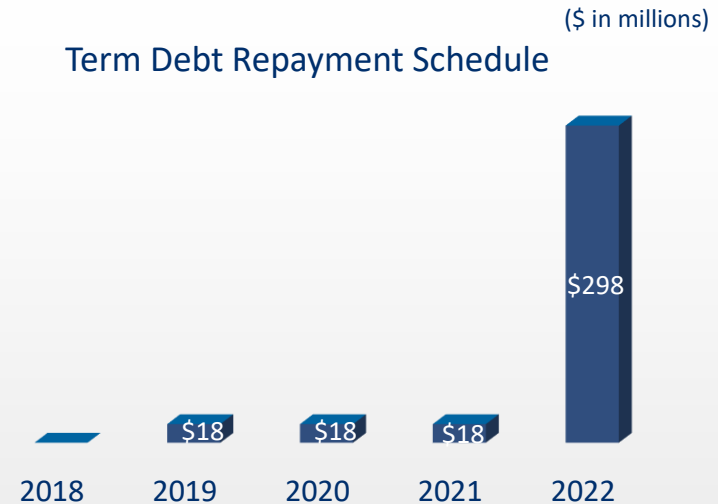
*Non-GAAP financial measure. We have not reconciled non-GAAP financial measures guidance to their nearest GAAP equivalents because we do not provide guidance for items that we do not consider indicative of our on-going performance and that are out of our control and/or cannot be reasonably predicted.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

†2018 EPS Guidance includes financing costs of \$0.04 related to the CUES acquisition

Cash Flow & Liquidity



- Core Free Cash Flow* generation of ~\$16M during third quarter
- Targeting at least 110% Core Free Cash Flow* Conversion
- Projecting \$400 million of capacity for capital allocation through 2020
 - ❑ Growth investments in Core businesses
 - ❑ Active M&A pipeline
 - ❑ Return of capital to shareholders



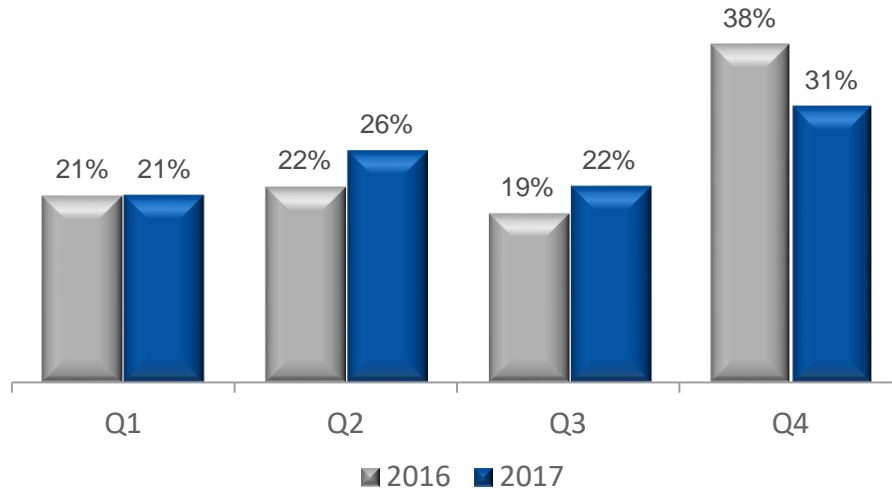
Note: Core results are non-GAAP financial measures that exclude the results of the South African projects and Heat Transfer operations.

*Non-GAAP financial measure. Reconciliation to its nearest US GAAP financial measure is available elsewhere in the Appendix of the presentation.

Core Segment Income Phasing



(\$ millions)



	Q1 2017	Q2 2017	Q3 2017	Q4 2017
GAAP	34.3	20.7	45.4	24.5
Exclude: South African Projects	(4.4)	(26.6)	(4.2)	(32.8)
Exclude: Heat Transfer	(0.4)	0.4	(0.3)	0.7
Exclude: Contract Settlement	-	-	10.2	-
Core	39.1	46.9	\$39.7	56.6
<i>% of full-year</i>	<i>21%</i>	<i>26%</i>	<i>22%</i>	<i>31%</i>

	Q1 2016	Q2 2016	Q3 2016	Q4 2016
GAAP	29.8	32.2	26.0	54.8
Exclude: South African Projects	(3.4)	(2.9)	(3.5)	(4.7)
Exclude: Heat Transfer	(1.5)	(1.5)	(2.0)	(0.9)
Core	\$34.7	\$36.6	\$31.5	\$60.4
<i>% of full-year</i>	<i>21%</i>	<i>22%</i>	<i>19%</i>	<i>37%</i>

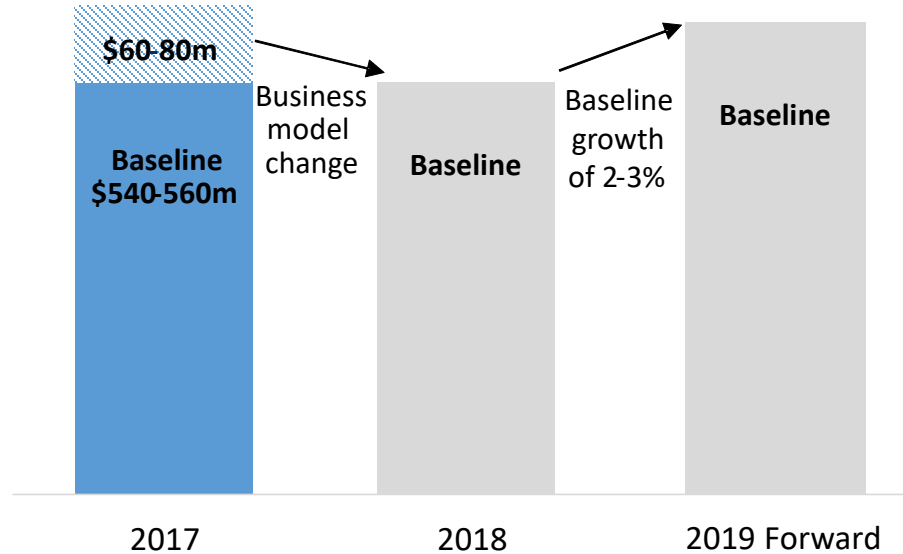
Note: Core results are non-GAAP financial measures that exclude the results of the South African projects and Heat Transfer operations. Additionally, Q3 2017 Core segment income also excludes a gain related to contract settlement within our Engineered Solutions segment.

2018 Modeling Considerations



Metric	Commentary/Assumptions
Corporate costs	\$42-44M
Long-term incentive comp	\$16M
Restructuring costs	\$1M
Interest cost	\$20M, including \$2.5M related to acquisition financing
Equity earnings, other	\$2-3M
Tax rate	21% effective rate for 2018, including 1% of favorable items
Capex	\$12-14M
Cash cost of pension + OPEB	Approximately \$18M: ongoing cash cost approximately \$16M
D&A	Approximately \$28M, mostly in COGS, including \$3M of acquisition-related amortization
Share count	Approximately 45M
FCF Conversion	At least 110% of Adjusted Net Income (i.e., ex South African projects)
Currency effect	Topline sensitivity to USD-GBP rate

Engineered Solutions Business Model Shift – Pro Forma Revenues



Note: Pro Forma for illustrative purposes only. Based on management estimates.

Growth to Resume in 2019

Q3 2018 GAAP to Adjusted Earnings Per Share U.S. GAAP Reconciliation



(\$ millions, except per share values)

	<u>GAAP</u>	<u>Adjustments</u>	<u>Adjusted</u>
Segment income ⁽¹⁾	\$ 29.6	\$ 11.1	\$ 40.7
Corporate expense ⁽²⁾	(10.5)	0.3	(10.2)
Long-term incentive compensation expense	(4.3)	—	(4.3)
Special charges, net ⁽³⁾	(1.0)	0.8	(0.2)
Loss on sale of dry cooling	<u>(0.4)</u>	<u>0.4</u>	<u>—</u>
Operating income	13.4	12.6	26.0
Other income, net ⁽⁴⁾	0.7	0.5	1.2
Interest expense, net	<u>(5.6)</u>	<u>—</u>	<u>(5.6)</u>
Income from continuing operations before income taxes	8.5	13.1	21.6
Income tax provision ⁽⁵⁾	<u>(1.7)</u>	<u>(3.2)</u>	<u>(4.9)</u>
Income from continuing operations	6.8	9.9	16.7
Dilutive shares outstanding	44.904		44.904
Earnings per share from continuing operations	\$ 0.15		\$ 0.37

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

⁽²⁾ Adjustment represents 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 Heat Transfer.

⁽⁴⁾ Adjustment represents removal of non-service pension and postretirement items and removal of foreign currency losses associated with the South African projects.

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

Q3 2017 GAAP to Adjusted Earnings Per Share Reconciliation



(\$ millions, except per share values)

	<u>GAAP</u>	<u>Adjustments</u>	<u>Adjusted</u>
Segment income ⁽¹⁾	\$ 45.4	\$ (5.8)	\$ 39.6
Corporate expense ⁽²⁾	(11.0)	(0.2)	(11.2)
Pension and postretirement expense	(0.1)	—	(0.1)
Long-term incentive compensation expense	(3.6)	—	(3.6)
Special charges, net ⁽³⁾	<u>(1.0)</u>	<u>0.8</u>	<u>(0.2)</u>
Operating income	29.7	(5.2)	24.5
Other income, net ⁽⁴⁾	1.2	(1.0)	0.2
Interest expense, net	<u>(4.1)</u>	<u>—</u>	<u>(4.1)</u>
Income from continuing operations before income taxes	26.8	(6.2)	20.6
Income tax provision ⁽⁵⁾	<u>(4.8)</u>	<u>0.2</u>	<u>(4.6)</u>
Income from continuing operations	22.0	(6.0)	16.0
Dilutive shares outstanding	44.064		44.064
Earnings per share from continuing operations	\$ 0.50		\$ 0.36

⁽¹⁾ Adjustment represents the removal of the combined net operating losses associated with the South African projects and Heat Transfer.

⁽²⁾ Adjustment represents corporate costs allocated to Heat Transfer that will remain post wind-down.

⁽³⁾ Adjustment represents removal of restructuring charges associated with South African projects.

⁽⁴⁾ Adjustment represents removal of non-service pension and postretirement items and removal of foreign currency losses associated with the South African projects.

⁽⁵⁾ Adjustment represents the tax impact of items (1) through (4) above and the removal of certain favorable discrete tax items related to the resolution of legacy tax matters.

Q3 2018 and YTD Adjusted Operating Income U.S. GAAP Reconciliation



	Three months ended		Nine months ended		(\$ millions)
	September 29, 2018	September 30, 2017	September 29, 2018	September 30, 2017	
Operating income	\$ 13.4	\$ 29.7	\$ 55.4	\$ 54.0	
Exclude:					
Losses from South African projects ⁽¹⁾	(8.1)	(5.0)	(17.9)	(36.0)	
Income (losses) from Heat Transfer ⁽²⁾	(0.7)	—	(3.5)	0.6	
One time acquisition related costs ⁽³⁾	(3.4)	—	(7.9)	—	
Loss on sale of dry cooling business	(0.4)	—	(0.4)	—	
Contract settlement gain	—	10.2	—	10.2	
Adjusted operating income	<u>\$ 26.0</u>	<u>\$ 24.5</u>	<u>\$ 85.1</u>	<u>\$ 79.2</u>	
as a percent of Core revenues ⁽⁴⁾	7.5 %	7.6 %	8.2 %	8.1 %	

⁽¹⁾ Represents removal of financial results for South African projects, inclusive of "special charges" of \$1.9 recorded during the nine months ended September 29, 2018 and charges of \$0.8 recorded during the three months ended September 30, 2017.

⁽²⁾ Represents removal of Heat Transfer's financial results, inclusive of "special charges" of \$0.8 and \$1.9, respectively, during the three and nine months ended September 29, 2018 and professional fees included in "corporate expense" of \$0.2 during the nine months ended September 29, 2018 and exclusive of corporate costs allocated to Heat Transfer that will remain post-wind down of \$0.2 for the three months ended September 29, 2018 and September 30, 2017, and \$0.6 for the nine months ended September 29, 2018 and September 30, 2017.

⁽³⁾ Represents charges for the Cues acquisition during the three months ended September 29, 2018 associated with inventory step-up of (\$2.5), backlog amortization of (\$0.4), and integration-related fees of (\$0.5). Charges during the nine months ended September 29, 2018 associated with the Cues acquisition (inventory step-up of \$4.1, backlog amortization of \$0.6, and transaction and integration related fees of \$2.2) and Schonstedt acquisition (inventory step-up charges of \$0.3 and transaction-related fees of \$0.7).

⁽⁴⁾ See "Results of Reportable Segments" for applicable percentages based on GAAP results.

Q3 2018 Organic Revenue U.S. GAAP Reconciliation



	Three months ended September 29, 2018	
	HVAC	Detection & Measurement
Net Revenue Growth	10.6 %	26.0 %
Exclude: Foreign Currency	(0.2) %	(0.3) %
Exclude: Acquisitions	— %	39.6 %
Organic Revenue Growth (Decline)	<u>10.8 %</u>	<u>(13.3) %</u>

Core Revenue and Segment Income U.S. GAAP Reconciliation



CONSOLIDATED SPX:

	Three months ended		Nine months ended	
	September 29, 2018	September 30, 2017	September 29, 2018	September 30, 2017
Consolidated revenue	\$ 362.5	\$ 348.5	\$ 1,093.6	\$ 1,038.8
Exclude: South African projects	9.8	17.7	38.8	37.9
Exclude: Heat Transfer	6.8	9.1	22.2	27.2
Core revenue	<u>\$ 345.9</u>	<u>\$ 321.7</u>	<u>\$ 1,032.6</u>	<u>\$ 973.7</u>
Total segment income	\$ 29.6	\$ 45.4	\$ 107.6	\$ 100.4
Exclude: Losses from South African projects	(8.1)	(4.2)	(16.0)	(35.2)
Exclude: Losses from Heat Transfer	(0.1)	(0.2)	(2.0)	—
Exclude: Contract settlement gain	—	10.2	—	10.2
Exclude: One time acquisition related costs ⁽¹⁾	(2.9)	—	(5.0)	—
Core segment income	<u>\$ 40.7</u>	<u>\$ 39.6</u>	<u>\$ 130.6</u>	<u>\$ 125.4</u>
as a percent of Core revenues ⁽²⁾	11.8 %	12.3 %	12.6 %	12.9 %

DETECTION & MEASUREMENT SEGMENT:

Detection & Measurement Segment income	\$ 15.5	\$ 16.5	\$ 47.7	\$ 45.0
Exclude: One time acquisition related costs ⁽¹⁾	(2.9)	—	(5.0)	—
Detection & Measurement adjusted segment income	<u>\$ 18.4</u>	<u>\$ 16.5</u>	<u>\$ 52.7</u>	<u>\$ 45.0</u>
as a percent of Detection & Measurement revenues ⁽²⁾	21.8 %	24.7 %	23.5 %	24.3 %

ENGINEERED SOLUTIONS SEGMENT:

Engineered Solutions revenue	\$ 146.2	\$ 162.2	\$ 469.7	\$ 504.0
Exclude: South African projects	9.8	17.7	38.8	37.9
Exclude: Heat Transfer	6.8	9.1	22.2	27.2
Engineered Solutions (Core) revenue	<u>\$ 129.6</u>	<u>\$ 135.4</u>	<u>\$ 408.7</u>	<u>\$ 438.9</u>
Engineered Solutions Segment income (loss)	\$ (1.5)	\$ 13.3	\$ 7.2	\$ 7.9
Exclude: Losses from South African projects	(8.1)	(4.2)	(16.0)	(35.2)
Exclude: Losses from Heat Transfer	(0.1)	(0.2)	(2.0)	—
Exclude: Contract settlement gain	—	10.2	—	10.2
Engineered Solutions (Core) income	<u>\$ 6.7</u>	<u>\$ 7.5</u>	<u>\$ 25.2</u>	<u>\$ 32.9</u>
as a percent of Engineered Solutions (Core) revenues ⁽²⁾	5.2 %	5.5 %	6.2 %	7.5 %

⁽¹⁾ Represents additional "Cost of products sold" and "Intangibles amortization" recorded during the three and nine months ended September 29, 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.

⁽²⁾ See "Results of Reportable Segments" for applicable percentages based on GAAP results.

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

Q3 and YTD Adjusted Income Excluding Deal Related Amortization



	<u>Q3 2018</u>	<u>YTD 2018</u>
CORE OPERATING INCOME		
Core operating income	\$ 26.0	\$ 85.1
Exclude:		
Deal related amortization cost	<u>1.2</u>	<u>1.7</u>
Core operating income excluding deal amortization cost	<u>\$ 27.2</u>	<u>\$ 86.8</u>
as a percent of Core revenues	7.9 %	8.4 %
CORE SEGMENT INCOME		
Core segment income	\$ 40.7	\$ 130.6
Exclude:		
Deal related amortization cost	<u>1.2</u>	<u>1.7</u>
Core segment income excluding deal amortization cost	<u>\$ 41.9</u>	<u>\$ 132.3</u>
as a percent of Core revenues	12.1 %	12.8 %
DETECTION & MEASUREMENT SEGMENT INCOME		
Adjusted segment income	\$ 18.4	\$ 52.7
Exclude:		
Deal related amortization cost	<u>1.2</u>	<u>1.7</u>
Segment income excluding deal amortization cost	<u>\$ 19.6</u>	<u>\$ 54.4</u>
as a percent of segment revenues	23.3 %	24.2 %
CORE NET INCOME		
Core net income	\$ 16.7	\$ 60.4
Exclude:		
Deal related amortization cost net of tax	<u>0.93</u>	<u>1.3</u>
Core net income excluding deal amortization cost	<u>\$ 17.6</u>	<u>\$ 61.7</u>
Core EPS excluding deal amortization cost	\$ 0.39	\$ 1.38
Diluted Shares Outstanding	44,904	44,648

(\$ millions)

Debt Reconciliation



(\$ millions)

	<u>Q3 2018</u>
Short-term debt	\$ 113.1
Current maturities of long-term debt	9.3
Long-term debt ⁽¹⁾	<u>340.6</u>
Gross debt	463.0
Less: Purchase card program and extended payables	<u>(2.4)</u>
Adjusted gross debt	460.6
Less: Cash and equivalents	(61.9)
Adjusted net debt	<u>\$ 398.7</u>

1) Excludes unamortized debt issuance costs associated with term loan of \$2.0m.

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

Consolidated EBITDA Reconciliation



(\$ millions)

	<u>Q4 2017</u>	<u>Q1 2018</u>	<u>Q2 2018</u>	<u>Q3 2018</u>	<u>LTM</u>
Net income from continuing operations attributable to SPX Corporation common shareholders	\$ 60.0	\$ 12.4	\$ 19.7	\$ 6.8	
Income tax provision (benefit)	(61.9)	4.1	0.4	1.7	
Interest expense	4.2	4.3	5.1	5.9	
Income from continuing operations before interest and taxes	2.3	20.8	25.2	14.4	
Depreciation and amortization	6.3	6.6	6.8	7.9	
EBITDA	8.6	27.4	32.0	22.3	
Adjustments:					
Non-cash compensation	5.1	5.9	5.2	5.4	
Pension adjustments	5.3	(0.7)	(0.7)	(0.7)	
Extraordinary non-cash charges, (gains), net	10.4	(3.5)	(1.5)	3.5	
Extraordinary non-recurring cash charges, net	23.6	5.7	4.7	4.7	
Material acquisition/disposition related fees, costs, or expenses, net	-	1.1	1.3	0.2	
Pro forma effect of acquisitions and divestitures, and other	2.6	2.9	3.5	0.2	
Adjusted EBITDA	\$ 55.6	\$ 38.9	\$ 44.5	\$ 35.6	\$ 174.6

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

U.S. GAAP to Core Free Cash Flow from Continuing Operations



(\$ millions)

	<u>Q3 2018</u>
Net operating cash flow from continuing operations	\$ 9.2
Capital expenditures - continuing operations	(2.6)
Free cash flow used in continuing operations	<u>6.6</u>
Adjustment for South African projects	9.1
Core free cash flow from continuing operations	<u>\$ 15.7</u>

*Core results are non-GAAP financial measures that exclude the results of the South African projects and Heat Transfer operations.