

SPX

July 2018

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- 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. All references to 2018 guidance reflect the company's view of expected full-year results at the time this guidance was issued and/or updated in press releases and presentations made available in the investor relations section of the website SPX.com on July 2, 2018, June 7, 2018 and May 3, 2018. SPX disclaims any responsibility to update or revise such statements except as required by regulatory authorities.
- This presentation includes forward-looking non-GAAP financial measures, including "Adjusted earnings per share," "pro form Adjusted earnings per share," "EBITDA (Core)" of each segment, "Engineered Solutions (Core) segment income," "Detection & Measurement adjusted segment income," "Core Revenue," "Core Segment Income Margin," and "Adjusted Operating Margin." Each of these non-GAAP measures excludes items, which would be included in our financial measures presented in accordance with United States generally accepted accounting principles ("GAAP"), that we do not consider indicative of our on-going performance and are calculated by the company in a manner consistent with the presentation of similarly titled measures included in its May 3, 2018 press release announcing the results of operations for the first quarter of 2018, except that EBITDA (Core), which is not presented in such press release, is calculated by adding for each respective segment, its depreciation and amortization expense to segment income (for the HVAC segment), Detection & Measurement adjusted segment income (for the Detection & Measurement segment), and Engineered Solutions (Core) segment income (for the Engineered Solutions segment), and EBITDA margin, which is for each segment such segment's EBITDA (Core) divided by segment revenues (for the HVAC and Detection & Measurement segments), and Engineered Solutions (Core) revenues (for the Engineered Solutions segment. Because of the forward-looking nature of these items, it is impractical to present a quantitative reconciliation of such measure to a comparable GAAP measure, and accordingly no such GAAP measure is being presented.
- "Core" and "Engineered Solutions (Core)" results in this presentation are non-GAAP financial measures that exclude the results of the South African projects.

Gene Lowe  
President and CEO



Scott Sproule  
VP, CFO and  
Treasurer



# SPX Corporation Overview

July 2018

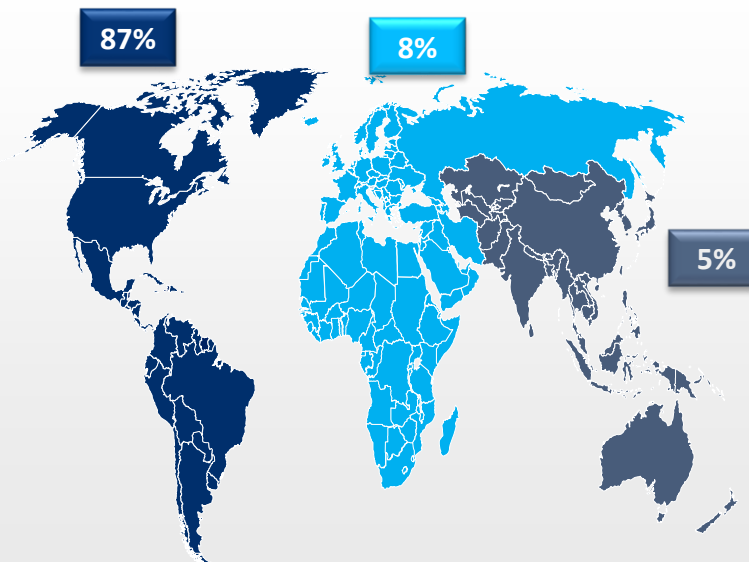


# Company Overview

## SPX Corporation

- Headquartered in Charlotte, NC
- A leading supplier of:
  - HVAC products,
  - Detection & Measurement technologies, and
  - Engineered Solutions
- ~\$1.4b Core Revenue\* in 2017
- ~5,000 employees
- NYSE Ticker: **SPXC**

### 2017 Core Revenue\* by Region



\*Non-GAAP financial measure. Excludes the results of the South African projects.

**SPX is a Leading Supplier of HVAC, Detection & Measurement and Engineered Solutions;  
Almost 90% of Revenue is Generated by Sales into North America**

## Executive Highlights

- Well-positioned to invest for sustainable double digit earnings growth
- Solid FCF\* conversion 100% to 110% of Core net income
- >\$400M remaining available capital to deploy through 2020
- Solid platform to expand (products, markets, channels)
- Completed two proprietary acquisitions YTD 2018

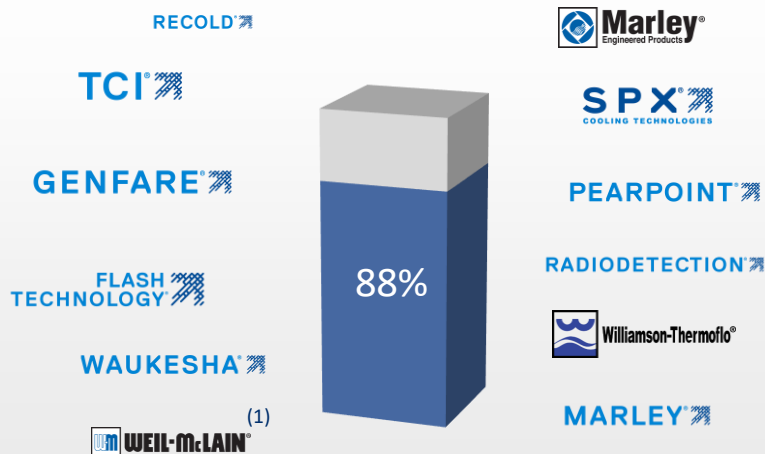
Note: Core results are non-GAAP financial measures that exclude the results of the South African projects.

**Continuing to Execute on Plan for Significant Value Creation**

# Strong Brands and Attractive Market Dynamics

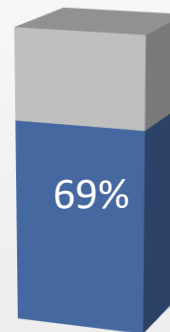
2017 Core Revenue\* ~\$1.4B

~88% of Revenue from  
#1 or #2 Market Position



Management Estimates

69% of Revenue from  
Replacement Sales



Management Estimates

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

(1) Weil-McLain, a division of The Marley-Wylain Company

## Key Product Offerings and Financial Profile by Segment

### HVAC

- ✓ Package cooling units
- ✓ Fluid coolers
- ✓ Residential and Non-Residential Boilers
- ✓ Electrical heating products

#### 2017:

- \$511m revenue
- Segment income margin 15%

### DETECTION & MEASUREMENT

- ✓ Locators
- ✓ Fare collection systems
- ✓ Communication technologies
- ✓ Obstruction lighting

#### 2017:

- \$260m revenue
- Segment income margin 24%

### ENGINEERED SOLUTIONS

- ✓ Power transformers
- ✓ Cooling towers
- ✓ Heat exchangers

#### 2017:

- \$625m Core revenue\*
- Core income margin\* 7%

\*Non-GAAP financial measure. Excludes the results of the South African projects.



## Transformation of SPX (Core) – 2015 Through 2017

\$ Ms (except per share data)	2015 <sup>1</sup>	2017
Core revenue	\$1,692	\$1,397
% Power generation end markets	>30%	<10%
Core segment income %	8.0%	13.1%
Adjusted operating income <sup>2</sup> %	3.7%	8.6%
South African projects (Status)	3 of 5 scopes remaining	1 of 5 scopes remaining
FCF conversion	Nominal	118%
Debt/EBITDA <sup>3</sup>	2.5x	1.5x
Expected liquidity to deploy	\$200 by 2018	>\$600 through 2020
Stock price (end of year)	\$9.33	\$31.39

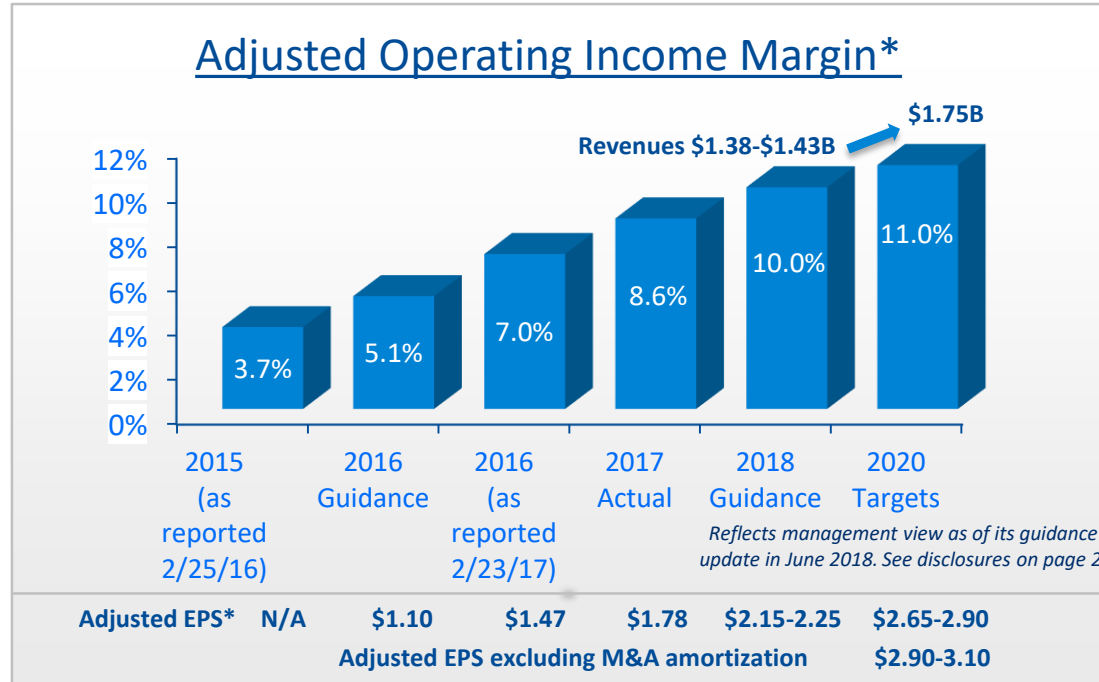
**Note:** Core results are non-GAAP financial measures that exclude the results of the South African projects. Additionally, YTD 2017 Core segment income also excludes a gain related to contract settlement within our Engineered Solutions segment.

1) As reported including effect of subsequently discontinued operations.

2) Non-GAAP financial measure.

3) Calculated as defined by SPX's credit facility agreement.

# SPX Margin Transformation



\*Non-GAAP financial measure. Excludes the results of the South African projects.

**Actions Taken Since Spin Have Significantly Strengthened SPX's Financial Profile**

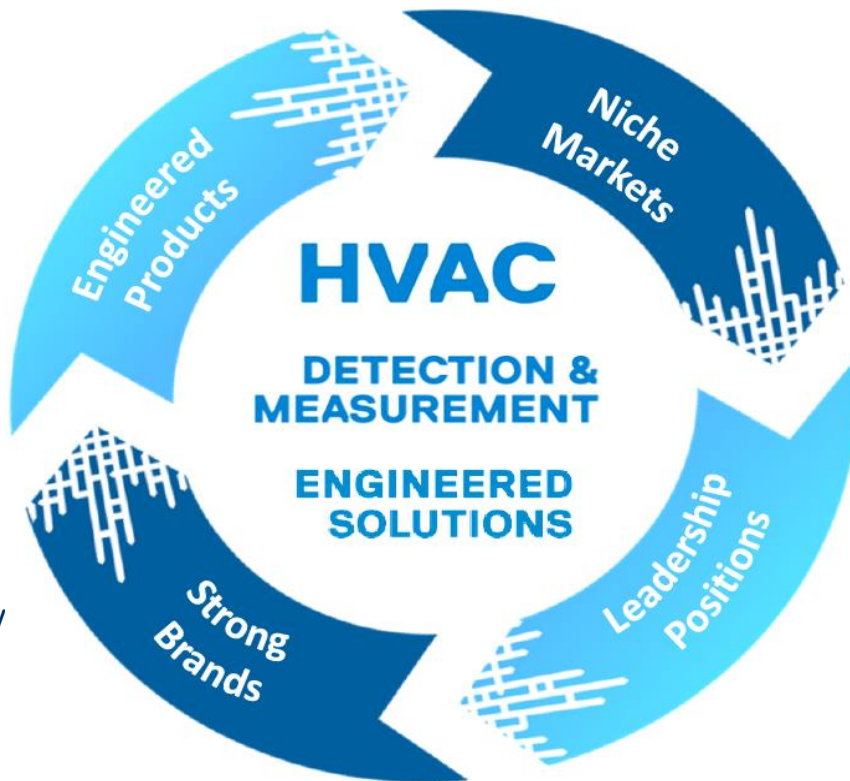
# Updated Value Creation Roadmap

## 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

# Segment Overview

July 2018



**HVAC**



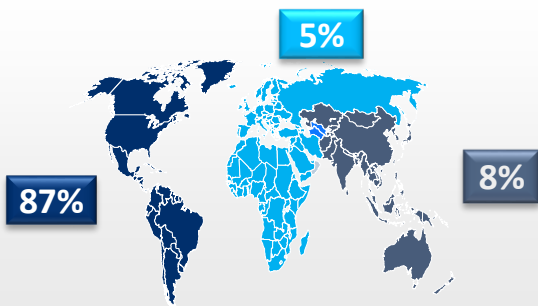
# HVAC Segment Overview



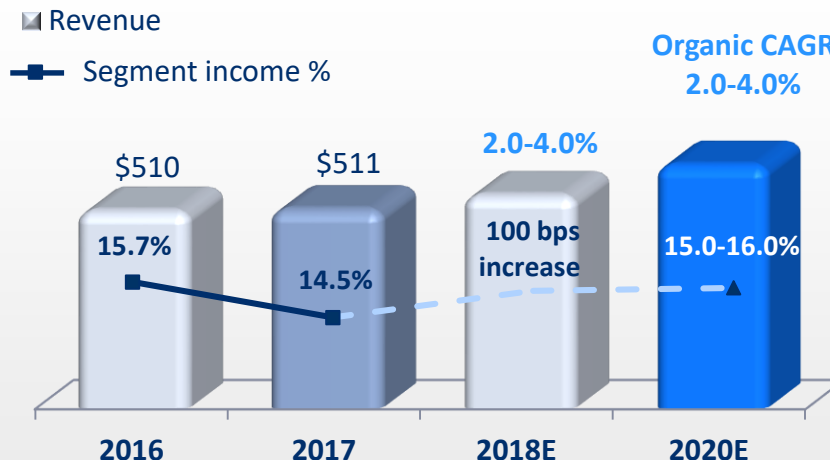
## 2017 Revenue by Product



## 2017 Revenue by Geography



Reflects management view as of its guidance update in June 2018. See disclosures on page 2.



(\$ millions)	2016	2017	2018E
Segment GM%	34%	32%	+ ~200 bps
Segment EBITDA*	\$86	\$80	+ ~10%

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

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

# Strategic Growth Initiatives



## New Product Development

- Commercialize NC Everest (Cooling)
- Grow Evergreen (high-efficiency boiler)



## Adjacent Markets

- Expand refrigeration – Evaporative Condenser; LS Fluid Cooler
- Grow combi-boilers (Aquabalance™)



## Channel Development

- Expand geographic and vertical market channels
- Execute multi-level sales activities
  - End user, architect/engineer, mechanical contractor

## Operational Excellence

- Drive strategic sourcing, productivity initiatives

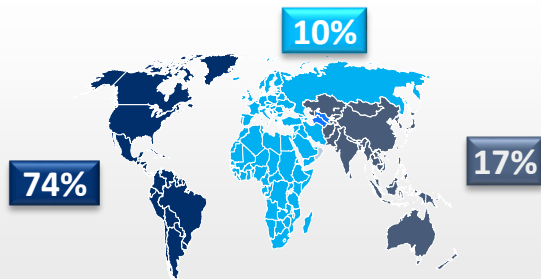


**Several Attractive Opportunities to Expand and Grow HVAC Platform**

## 2017 Revenue Breakdown



## 2017 Revenue by Geography



- Cooling products used in non-residential, commercial construction, 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

**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



### Recold Fluid Cooler

- ✓ High performance design
- ✓ Low cost of ownership



**Strong Product Portfolio of Cooling Technologies with Opportunity for Expansion**

## Marley MD Everest Tower

- ✓ Launched in July 2018 for larger applications
- ✓ 85% more cooling capacity than any other pre-assembled tower
- ✓ Installation 80% faster than field erected cooling towers



## Marley LW Fluid Cooler

- ✓ Launched in Q4 2016
- ✓ High efficiency, low height fluid cooler
- ✓ Awarded first order in Q4 2016



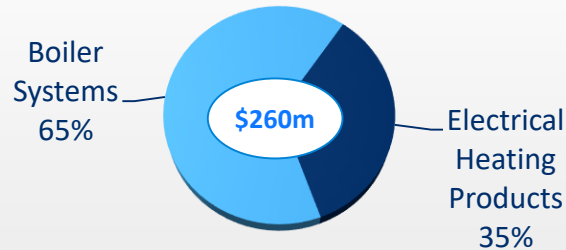
## Evaporative Condenser

- ✓ Launched in 2015
- ✓ Adjacent product and market (refrigeration)



**Strong Brand Identity and Well Established Channel Support a Broader NPI Impact**

## 2017 Revenue Breakdown



- North American businesses with strong brands
- Products used in residential and non-residential markets and sold primarily through distributors
- Demand for boiler systems is seasonal:
  - Concentrated in the fourth quarter
- Approximately 80% 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

Digital  
wall heaters



Wash-down, corrosion  
resistant heaters



Aluminum  
convection heaters

**Broad Product Offering of Heating Solutions for Residential  
and Light Commercial Applications**

## Growth Oriented Initiatives

### New Product Development:

- Evergreen® floor standing/wall mount modulating condensing boiler, launched in Q3 2015:
  - ❑ **95% efficiency** meets Department of Energy regulations and achieves **Energy Star** rating to maximize customer rebates
  - ❑ Sizes cover residential and light commercial applications
  - ❑ 2016 Dealer Design Awards (DDA) Gold winner
- High-growth market segment

<sup>(1)</sup> Weil-McLain, a division of The Marley-Wylain Company

### Weil-McLain<sup>(1)</sup> Evergreen® Condensing Boiler



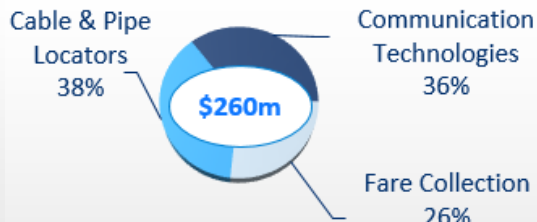
## Award Winning New High Efficiency Product Launch



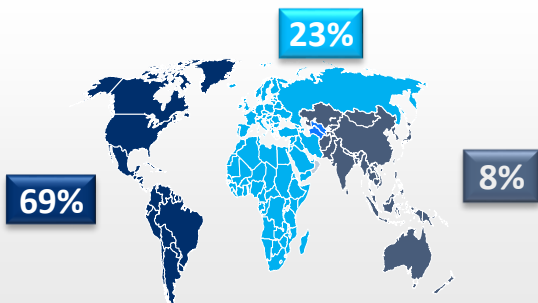
# Detection & Measurement

# Detection & Measurement Segment Overview

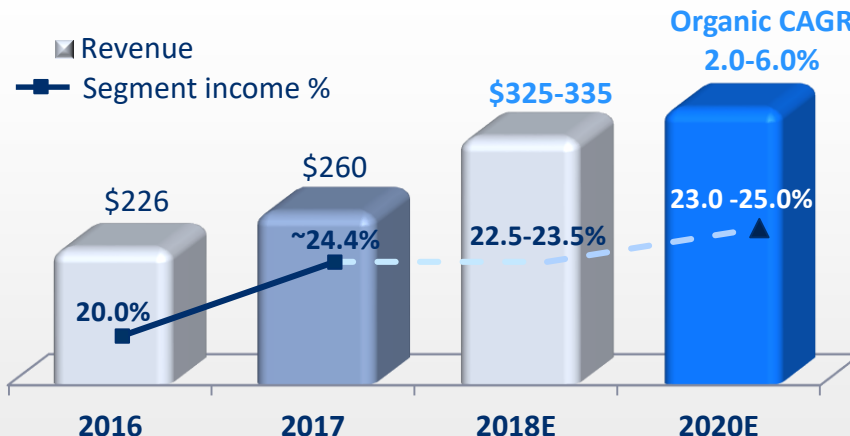
## 2017 Revenue by Product



## 2017 Revenue by Geography



Reflects management view as of its guidance update in June 2018. See disclosures on page 2.



(\$ millions)

	2016	2017	2018E
Segment GM%	46%	46%	Moderate Decline
Segment EBITDA*	\$49	\$67	~\$90

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

**Long-Term Targets Include 2% to 6% Annual Organic Revenue Growth and Moderate of Margin Expansion**

# Strategic Growth Initiatives

## New Product Development

- Scale new GPS-enabled locator
- Grow fare-collection solutions platform

## Adjacent Markets

- Build out geographic and vertical channels
- New LED Red lighting solution

## Upgrade Installed Base

- Aged bus fleet (fare collection)
- Communication technologies infrastructure

## Operational Excellence

- Drive productivity and sourcing initiatives
- Internet of Things (IOT)



**Several Attractive Opportunities to Expand and Grow Detection & Measurement Platform**

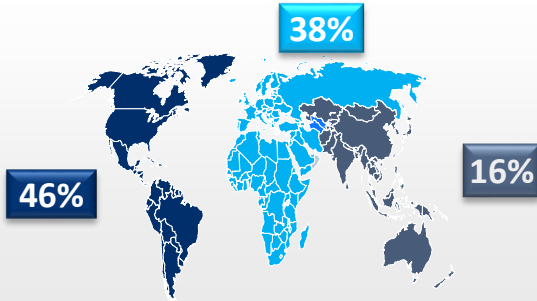


# Radiodetection Overview

## 2017 Revenue by Product



## 2017 Revenue by Geography



- Based in the U.K., a leading global supplier of underground cable and pipe locators, and inspection equipment
- Continuous new product enhancement and loyal customer base
- Key demand drivers:
  - ❑ Global infrastructure growth
  - ❑ Construction growth
  - ❑ Health & Safety Legislation



**Radiodetection is a Leading Global Supplier of Equipment to Locate and Inspect Buried Cables & Pipes**

# Radiodetection – Key New Products

Pipeline Mapper



Cable Avoidance

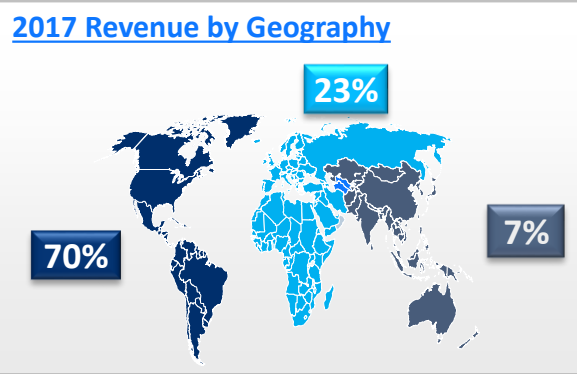
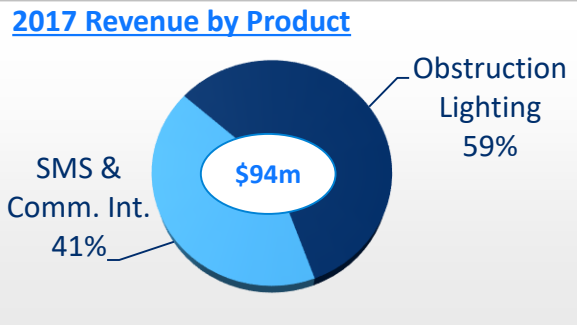


Video Inspection



**New Product Introduction Continues to Drive Radiodetection's Performance**

# Communication Technologies Overview



- **TCI** : A leading global supplier of spectrum monitoring, communication intelligence and geolocation technology
- **Flash Technology**: A leading North American supplier of obstruction lighting products
- Key demand drivers:
  - ❑ Global growth of wireless usage
  - ❑ Increased spectrum provisioning and monitoring
  - ❑ Anti-terrorism and drug interdiction efforts
  - ❑ Compliance with government & industry regulations
  - ❑ Approximately two-thirds of sales are replacements

**TCI and Flash Technology are Leaders in Their Respective Markets**

## SMS & Communications Intelligence



## Flash Lighting Systems



**Our Communication Technologies Solutions are Adapting to  
Serve Evolving and Complex Customer Needs**



- A leading North American supplier in fare collection:
  - Historical market position concentrated on fare box installations
- Rapidly evolving technology in the market has driven a transformation in our business:
  - Evolved from “farebox supplier” to “fare collection system provider”
  - Invested in software, product development, program management and marketing
  - Strategic relationships with larger public infrastructure system integrators
- New product introductions have expanded product offering to include:
  - Mobile ticketing
  - Cloud-based data hosting
  - Remote ticket validator
  - Point-of-sale delivery systems



**Genfare is a Leading North American Supplier in Fare Collection**

# Genfare Products: Next Generation Fare Collection



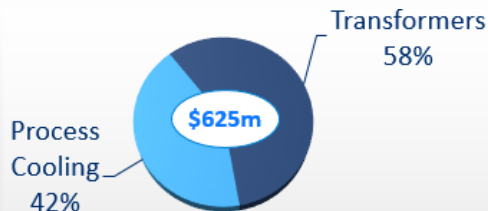
**Fare Collection Suite of Products Integrated with Back-End Support;  
We Believe This is The New Industry Standard**

# Engineered Solutions

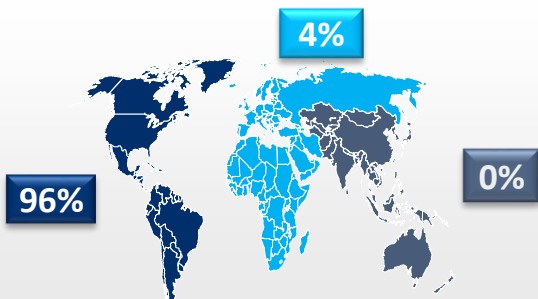


# Engineered Solutions (Core) Segment Overview

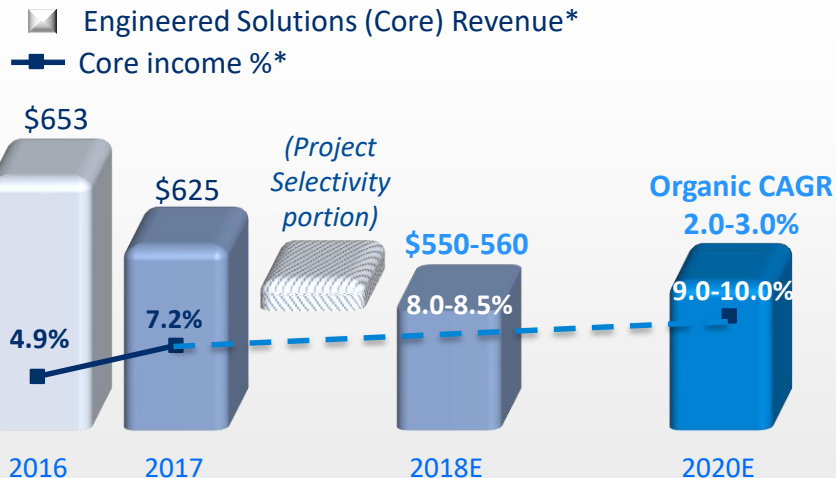
## 2017 Revenue by Product



## 2017 Revenue by Geography



Reflects management view as of its guidance updates in June and July 2018. See disclosures on page 2.



(\$ millions)

Segment GM%	16%	17%	+ ~200 bps
Segment EBITDA*	\$47	\$58	+ ~5%

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

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

**Large Installed Base, Strong Product Offering and Brands;  
Well-Positioned to Achieve Margin Improvement**



# Strategic Growth Initiatives

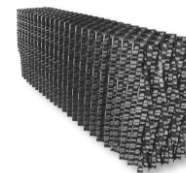
## New Product Development

- Broaden component offerings
- Commercialize proprietary load tap changer (LTC)



## Evolve Business Model

- Expand service and components
- More selective on process cooling projects



## Expand Market Presence

- Large voltage/EHV transformers
- Supply to OEM customers



## Operational Excellence

- Continue operational excellence initiatives
- Strategic sourcing, productivity and Lean

**Several Attractive Opportunities to Grow Profitability of Segment**

## Transformer Business

- SPX is a leading supplier of power transformers into North America with strong brand equity
- Customers include:
  - Public and private electric utilities
  - Independent power producers
  - Large industrial sites
- Two primary manufacturing locations:
  - Waukesha, WI
  - Goldsboro, NC
- Service and Components center in Dallas, TX



**A Leading North American Supplier of Power Transformers**

# Transformers Overview - North American Market

- Demand largely driven by replacement of aging installed base:
  - Average age of installed base is ~40 years
- Electricity demand has been flat over the past decade, however new T&D construction continues driving demand for power transformers:
  - Utility-scale solar and wind grid connections
  - New capacity of natural gas power plants
  - Grid reliability initiatives: Transmission projects, spare units
- Regulatory standards have influence on customer spending habits:
  - Energy Policy Act of 2005
  - FERC Electric Reliability Standards (2007 and Order 1000)
  - American Reinvestment and Recovery Act of 2009



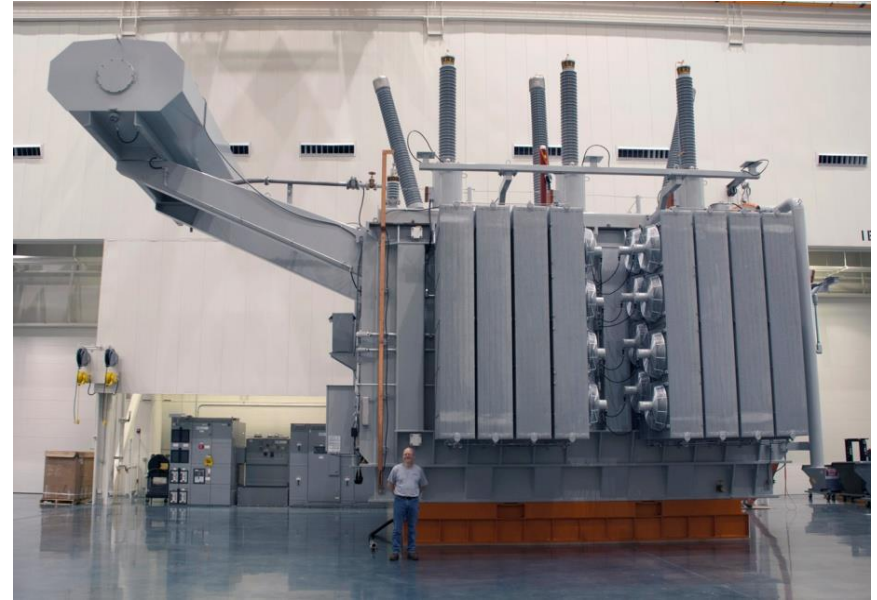
**Replacement Transformers Expected to be Primary Demand Driver**

# Transformer Product and Service Examples

Transformer Service



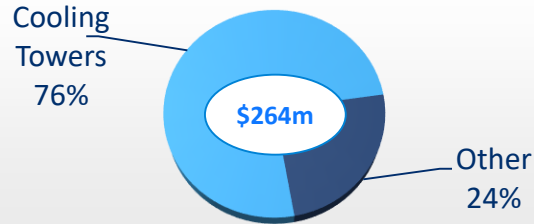
Large Power (High Voltage) Transformer



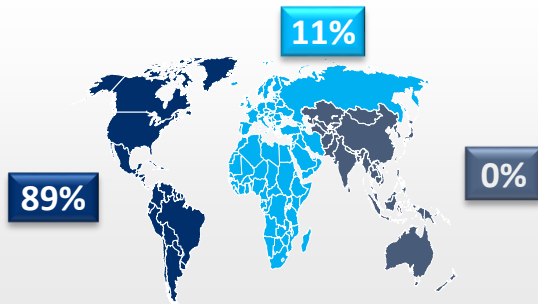
**Leading North American Supplier of Medium Power Transformers**

# Process Cooling Overview

## 2017 Revenue by Product



## 2017 Revenue by Geography



- Based in the U.S., a leading global manufacturer of cooling towers and parts & components
- Continuous new product enhancements and exceptional quality equipment for more than a century
- Large installed base in U.S. and abroad
- Growing component and aftermarket opportunities
- Greater selectivity in projects



**Repositioning Business for Greater Aftermarket Opportunities**



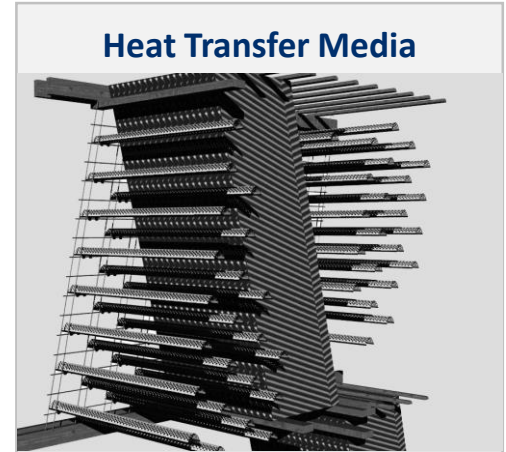
**Gear Reducer**



**Air Flow Components**



**Heat Transfer Media**



**Aftermarket Service and Components is Focus  
Area of New Product Initiatives**

# Financial Position & Capital Allocation

July 2018



# Capital Allocation Discipline

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

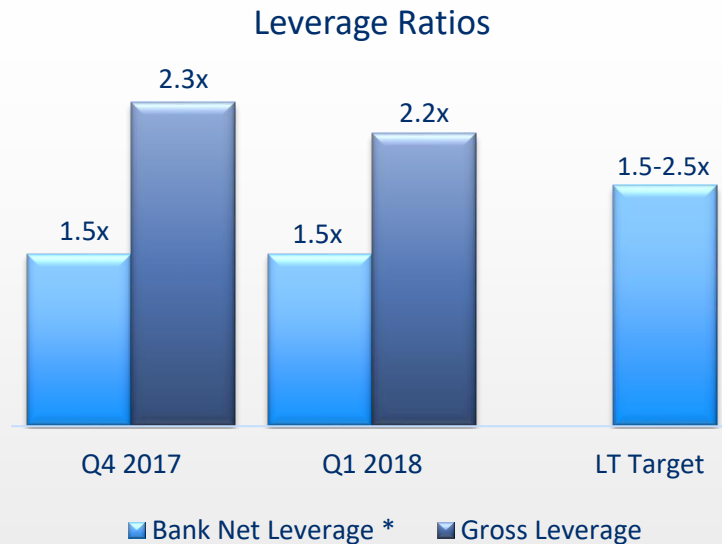
<sup>(1)</sup> Net Debt and EBITDA as defined in SPX Corporation's credit agreement



# Capital Structure



(\$millions)	Q4 2017	Q1 2018
Short-term debt	\$7.0	\$6.8
Current maturities of long-term debt	0.5	4.9
Long-term debt	349.3	344.9
<b>Total Debt</b>	<b>\$356.8</b>	<b>\$356.6</b>
Less: Cash on hand	(124.3)	(103.7)
<b>Net Debt</b>	<b>\$232.5</b>	<b>\$252.9</b>

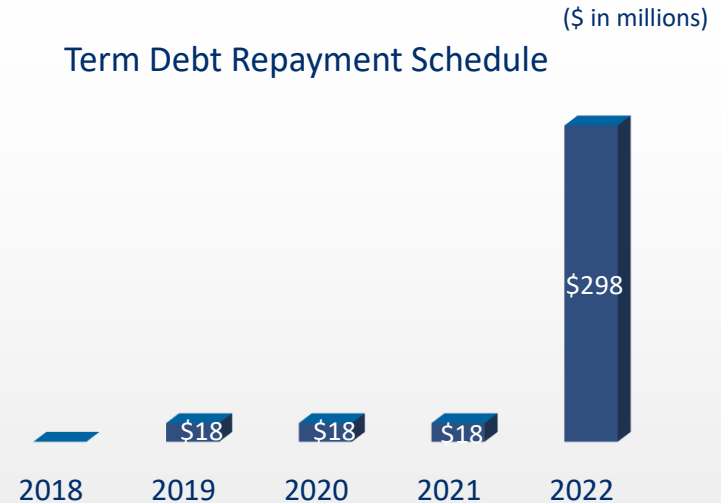


\* Calculated as defined by SPX's credit facility agreement.

# Cash Flow & Liquidity



- Targeting 110% Core Free Cash Flow\* Conversion
- Projecting >\$400 million remaining 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.

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

## SPX Acquisition Approach

Qualitative	Quantitative
<ul style="list-style-type: none"><li>■ Focused on building existing platforms<ul style="list-style-type: none"><li>□ Existing markets or close adjacencies</li></ul></li><li>■ Engineered products</li><li>■ Attractive growth opportunities<ul style="list-style-type: none"><li>□ Secular growth drivers</li><li>□ Fragmented market with consolidation opportunities</li></ul></li><li>■ Differentiated offering through technology, brand or channel</li></ul>	<ul style="list-style-type: none"><li>■ Revenue transaction size \$20-\$100 million (primary focus); opportunistically consider larger targets</li><li>■ Cash ROIC <math>\geq</math> double digits 3-5 yrs</li><li>■ Accretive to adjusted EPS in year 1, GAAP EPS in year 2</li></ul>

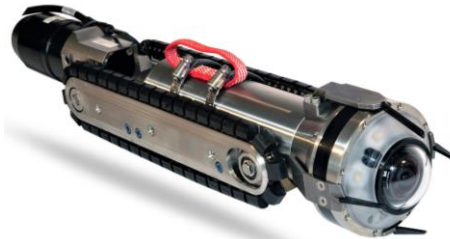
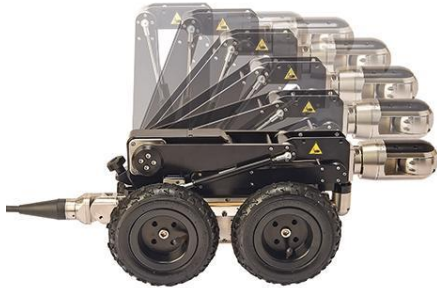
# Strategic Impact of Acquisitions



**Strengthens Global Leadership in Location Equipment**

**Radiodetection Global Leader in Locators**

**Schonsted Market Leading Magnetometer Products**



**Global Leader in Inspection Equipment**

**Radiodetection Inspection Equipment**

**CUES Market Leading Inspection Equipment**

# Schonstedt Overview



## Company Profile

2017 Sales: \$9M

**Purchase multiple\*:** <7x post-synergies

**Description:** Manufacturer of magnetic locator products used for locating underground utilities and other buried objects.

### Acquisition Rationale:

- Strengthens Detection & Measurement
- Highly complementary locator technology
- Market leader
- Attractive growth profile



XTpc Pipe and Cable Locator



Rex Multi-Frequency  
Pipe & Cable Locator



GA-92XTd  
Magnetic  
Locator

\*Purchase price, net cash acquired, divided by 2017 EBITDA plus expected synergies over a 3-year period.

# CUES Overview

## Company Profile

**2017 Sales:** ~\$86M

**Purchase multiple\*:** <10x post-synergies

**Description:** Leading manufacturer of inspection and rehabilitation equipment.

### Acquisition Rationale:

- Strengthens Detection & Measurement
- Significantly increases presence in inspection market
- Market leading product portfolio
- Attractive growth profile

CUES Digital Universal Camera



"The Standard of the Industry"



Mobile Inspection Units

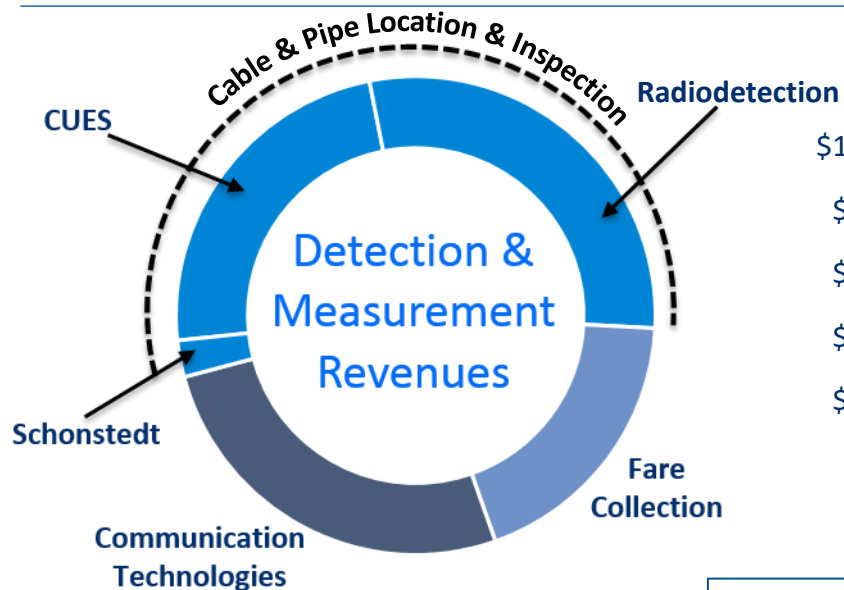


CUES SPiDER Scanner

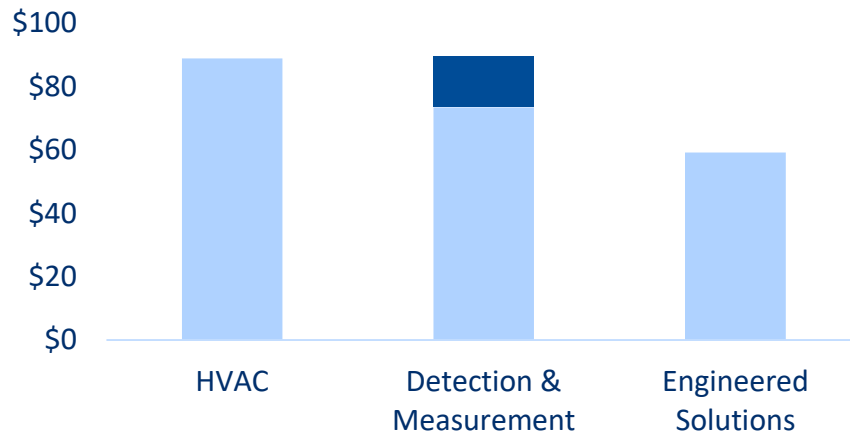


\*Purchase price, net cash acquired, divided by 2017 EBITDA plus expected synergies over a 3-year period.

# Impact of Acquisitions on Segments – 2018 Pro Forma\*



## Segment EBITDA (Core)\*\*



Segment	EBITDA Margin
HVAC	~17%
Detection & Measurement	~24%
Engineered Solutions	~10%

**Note:** Core results are non-GAAP financial measures that exclude the results of the South African projects. \*Based on 2018 midpoint guidance updated in June 2018 with acquisitions treated as if owned beginning 01/01/18. See disclosure on page 2.

\*\*Represents, respectively, segment income for the HVAC segment, Engineered Solutions (Core) segment income for the Engineered Solutions segment, and Detection & Measurement adjusted segment income for the Detection & Measurement segment, in each case adjusted to add back the segment's depreciation and amortization expense, with EBITDA margin representing such amount, divided by, respectively by segment revenues for the HVAC segment, Engineered Solutions (Core) revenues for the Engineered Solutions segment, and Detection & Measurement revenues for the Detection & Measurement segment, on a pro forma basis for the acquisitions.

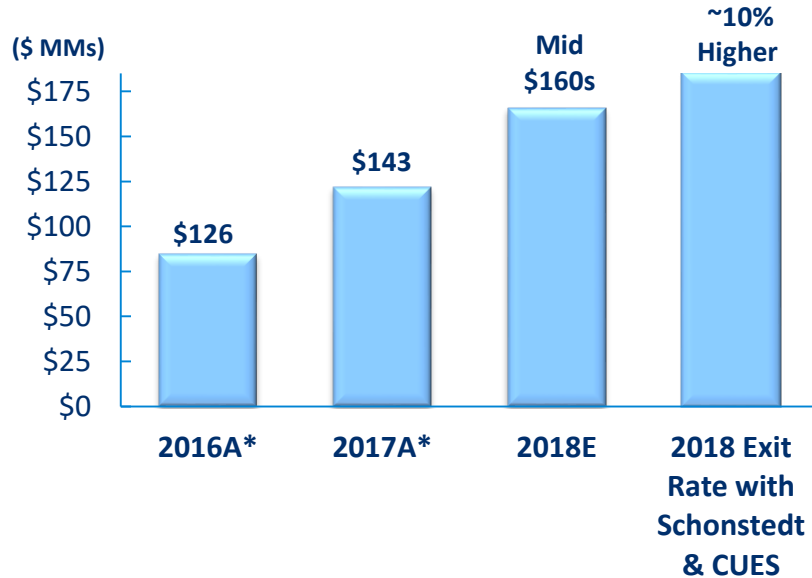
## Detection & Measurement Becoming Most Profitable Segment

# 2016-2018 SPX Adjusted EBITDA Performance

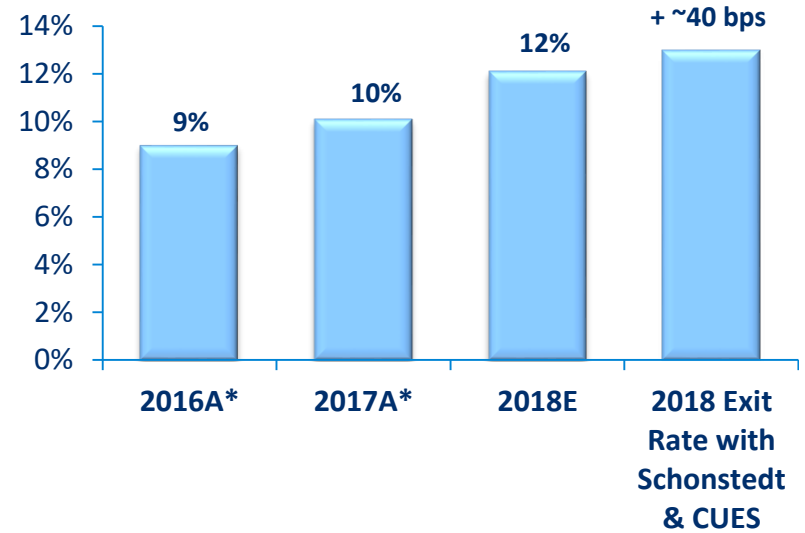
Reflects management view as of its guidance update in June 2018. See disclosures on page 2.



### Adjusted EBITDA



### Adjusted EBITDA Margin %



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

Continuous Delivery of Value Creation Since Spin



# Financial Targets

July 2018



## Long-Term Financial Targets (all targets are Non-GAAP financial measures)

### 2020 Financial Targets

- \$1.7 - \$1.8B Core Revenue
- 10.5-11.5% Adjusted Operating Income Margin
- \$2.65 - \$2.90 Adjusted EPS
- \$2.90 - \$3.10 Adjusted EPS excluding M&A amortization
- 100-110% FCF Conversion of Adjusted Net Income

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

**>\$400M of Capital Available to Deploy Through 2020; Clear Line of Sight to Sustainable Double Digit Adjusted EPS Growth**

# Appendix

July 2018



# SPX Key Value Creation Accomplishments

## HVAC

### Growing in Adjacent Markets

- ✓ New evaporative condenser product (industrial refrigeration)

### Expanding Product Breadth

- ✓ New high-efficiency boiler (residential heating)

### Innovating Transformative Solutions

- ✓ New NC Everest cooling tower
- ✓ Launch of MD Everest cooling tower

## DETECTION & MEASUREMENT

### Enhancing Product Offerings

- ✓ New RD8100 GPS-enabled cable and pipe locator
- ✓ New Model 709 Compact Spectrum Monitoring System (CSMS)
- ✓ Launch of new gCAT4 Plus Underground Cable Locator

### Leveraging Technology Investments

- ✓ New Genfare Link fare collection system
- ✓ Launch of new Drone detection system

## ENGINEERED SOLUTIONS

### Driving Operational Initiatives

- ✓ Transformer business achieved long-term margin target of 10%

### Reducing Exposure to Power Gen

- ✓ Reduced % of Power generation end markets from >30% in 2015 to <10% in 2017

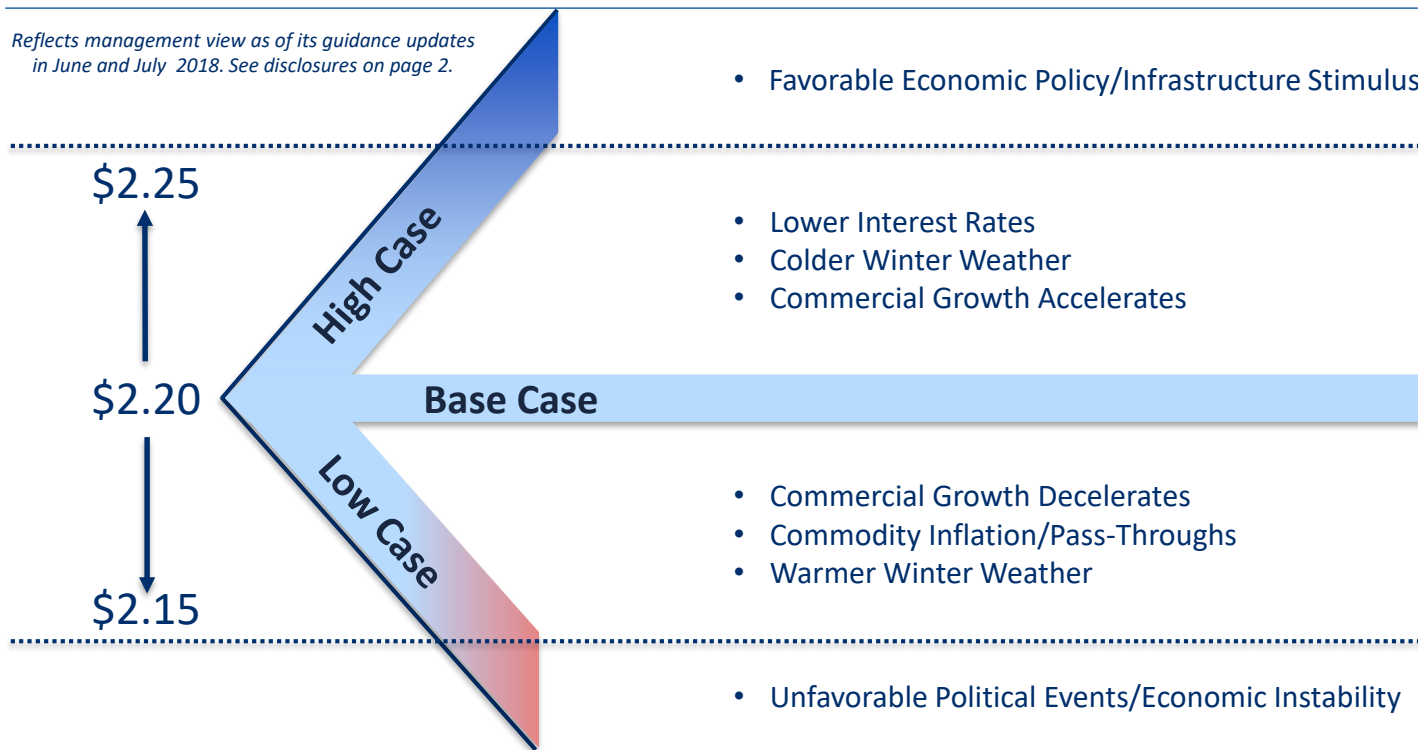
### Reducing South African Project Cash Outflows and Timing on Track

- ✓ Lowered remaining projected cash usage to \$25-\$30M
- ✓ Final scope approximately 75% complete – substantial completion by end of 2019

**Substantial Progress Achieved on Key Value Creation Initiatives**

# 2018 Adjusted EPS\* Guidance - Key Drivers

*Reflects management view as of its guidance updates in June and July 2018. See disclosures on page 2.*



\*Non-GAAP financial measure.

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

Metric	Commentary/Assumptions
Corporate costs	Low \$40Ms
Long-term incentive comp	\$16-17M
Restructuring costs	\$1-2M
Interest cost	\$19-20M, including \$2.5M related to acquisition financing
Equity earnings, other	\$2M
Tax rate	Approximately 22% effective rate; maintaining long-term modelling rate of 23%
Capex	\$12-14M
Cash cost of pension + OPEB	Approximately \$18M: ongoing cash cost approximately \$16M
D&A	Approximately \$30M, mostly in COGS, including \$3M of acquisition-related amortization
Share count	Approximately 45M
FCF Conversion	Targeting 110% of Adjusted Net Income (i.e., ex South African projects)
Currency effect	Topline sensitivity to USD-GBP rate

*Reflects management view as of its guidance updates in June and July 2018. See disclosures on page 2.*

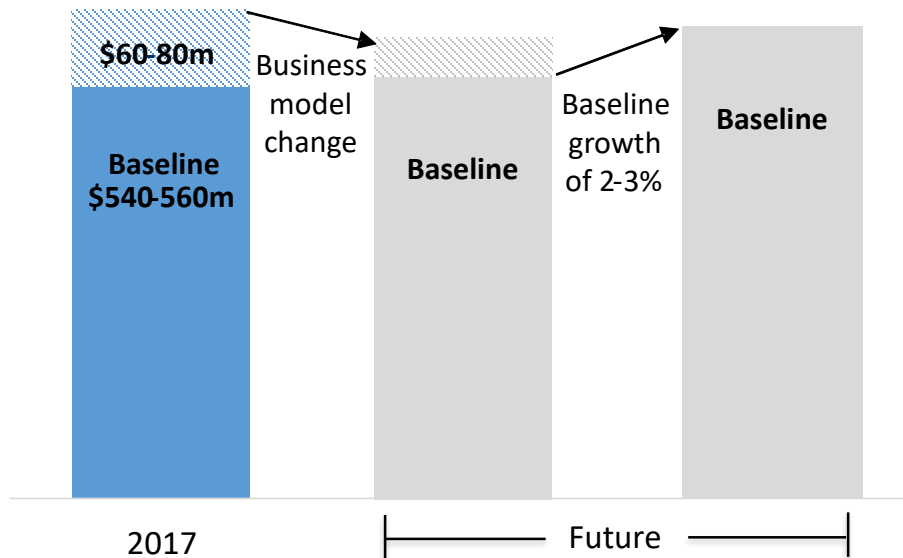
# Organic Segment Financial Targets (Core)



(\$ millions)	HVAC	Detection & Measurement	Engineered Solutions (Core)*	SPX Total (Core)*
2017 Revenue	\$511	\$260	\$625	\$1,397
<b>Long-term Modeling Target Organic Revenue* CAGR</b>	+2% to +4%	+2% to +6%	+2% to +3%	+2% to +3%
<b>Business Model Change</b>	-	-	~(5%)	~(2%)
<b>Total Revenue Growth</b>	+2% to +4%	+2% to +6%	(2%) to (3%)	Flat to +1%
2017 Segment Income %	14.5%	24.4%	7.2%	13.1%
<b>Long-term Modeling Target Segment Income %</b>	<b>15% to 16%</b>	<b>23% to 25%</b>	<b>9% to 10%</b>	<b>~15%</b>

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

# Engineered Solutions Business Model Shift – Pro Forma Revenues



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

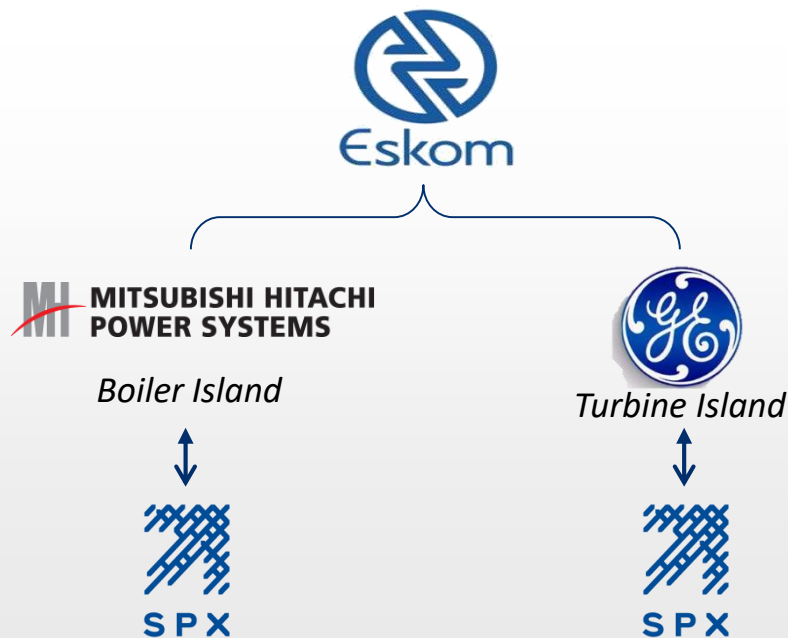
**Baseline Growth of 2% to 3%**



# South African Projects Overview

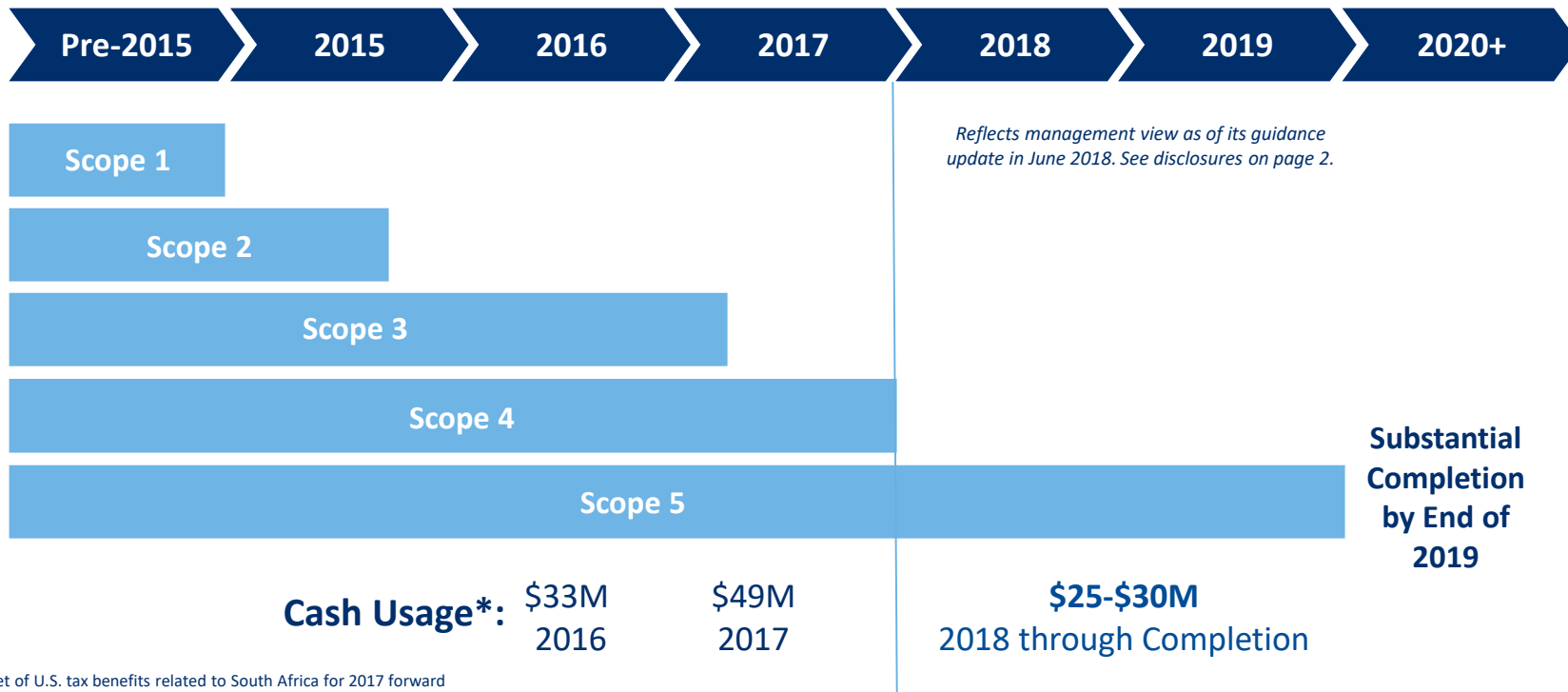
## Medupi & Kusile Power Stations

- Two mega-projects sites:
  - Twelve 800 mega-watt coal-fired plants (six at each project site)
- Total project value of ~\$1.3B (>85% complete)
- Eskom is a state-owned South African utility
- GE/Alstom and Mitsubishi Hitachi are our customers
- One scope of work remaining (of five original scopes)



**These Two Power Stations Expected to Add  
~10 GW of Power Capacity When Completed**

# South African Projects Status



\*Net of U.S. tax benefits related to South Africa for 2017 forward

**Estimate of Cash Usage Through Completion of \$25-\$30 Million**

## Full-Year Gross Margins to U.S. GAAP Reconciliation

### Engineered Solutions segment

	<u>FYE 2017</u>	<u>FYE 2016</u>
Engineered Solutions gross profit	47.7	97.7
as a percent of revenues	7%	13%
Exclude: South African projects <sup>(1)</sup>	<u>(59.1)</u>	<u>(5.8)</u>
Engineered Solutions (Core) gross profit	<u>106.8</u>	<u>103.5</u>
as a percent of Core revenues	17%	16%

<sup>(1)</sup>For the three and twelve months ended December 31, 2017, we made revisions to our estimates of expected revenues and costs on our large power projects in South Africa. As a result of these revisions, we reduced revenues for the projects during the three and twelve months ended December 31, 2017 by \$23.4 and \$36.9, respectively, and increased the loss on the projects by \$29.9 and \$52.8, respectively.

## Full-Year EBITDA to U.S. GAAP Reconciliation

	<u>FYE 2017</u>	<u>FYE 2016</u>
<b>HVAC segment</b>		
Segment income	\$ 74.1	\$ 80.2
Adjustments:		
Depreciation & amortization	5.5	5.3
HVAC Segment EBITDA	<u>\$ 79.6</u>	<u>\$ 85.5</u>
<b>Detection &amp; Measurement segment</b>		
Segment income	\$ 63.4	\$ 45.3
Adjustments:		
Depreciation & amortization	4.0	3.4
Detection & Measurement Segment EBITDA	<u>\$ 67.4</u>	<u>\$ 48.7</u>
<b>Engineered Solutions segment</b>		
Segment Income	\$ (12.6)	\$ 17.3
Exclude: South African projects <sup>(1)</sup>	(68.0)	(14.5)
Exclude: Contract settlement gain	10.2	—
Engineered Solutions (Core) income	\$ 45.2	\$ 31.8
Adjustments:		
Depreciation & amortization	12.5	15.2
Engineered Solutions (Core) EBITDA	<u>\$ 57.7</u>	<u>\$ 47.0</u>

<sup>(1)</sup> For the three and twelve months ended December 31, 2017, we made revisions to our estimates of expected revenues and costs on our large power projects in South Africa. As a result of these revisions, we reduced revenues for the projects during the three and twelve months ended December 31, 2017 by \$23.4 and \$36.9, respectively, and increased the loss on the projects by \$29.9 and \$52.8, respectively.

## Full-Year Adjusted EBITDA to U.S. GAAP Reconciliation

(\$ millions)

	<u>FY 2017</u>	<u>FY 2016</u>
Consolidated revenue	\$ 1,425.8	\$ 1,472.3
Exclude: South African projects <sup>(1)</sup>	29.1	83.3
Core Revenues	<u>\$ 1,396.7</u>	<u>\$ 1,389.0</u>
Adjusted Operating income <sup>(1) (2)</sup>	\$ 119.1	\$ 96.2
Adjustments:		
Depreciation & amortization	25.2	26.5
Other income/(expense)	(1.7)	2.8
Adjusted EBITDA	<u>\$ 142.6</u>	<u>\$ 125.5</u>
as a percent of Core revenues	10.2%	9.0%

<sup>(1)</sup> For the twelve months ended December 31, 2017, we made revisions to our estimates of expected revenues and costs on our large power projects in South Africa. As a result of these revisions, we reduced revenues for the projects during the twelve months ended December 31, 2017 by \$36.9, and increased the loss on the projects by \$52.8.

<sup>(2)</sup> For the Adjusted Operating income and the Other income/(expense) adjustments see full year 2017 and 2016 EPS tables below.

# Engineered Solutions (Core) Segment Income to U.S. GAAP Reconciliation



## ENGINEERED SOLUTIONS SEGMENT:

(as reported in \$ millions)

	<u>FY 2017</u>	<u>FY 2016</u>	<u>FY 2015</u>
Engineered Solutions revenue	\$ 654.5	\$ 736.4	\$ 957.9
Exclude: South African projects	29.1	83.3	27.3
Engineered Solutions (Core) revenue	<u>\$ 625.4</u>	<u>\$ 653.1</u>	<u>\$ 930.6</u>
Engineered Solutions income	\$ (12.6)	\$ 17.3	\$ (110.5)
Exclude: Losses from South African projects	(68.0)	(14.5)	(120.5)
Exclude: Contract settlement	10.2	—	—
Engineered Solutions (Core) income	<u>\$ 45.2</u>	<u>\$ 31.8</u>	<u>\$ 10.0</u>
as a percent of Engineered Solutions (Core) revenues	7.2%	4.9%	1.1%

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

# Full-Year 2017 U.S. GAAP to Adjusted Earnings Per Share Reconciliation



	GAAP	Adjustments	Adjusted
Segment income <sup>(1)</sup>	\$ 124.9	\$ 57.8	\$ 182.7
Corporate expense	(46.2)	—	(46.2)
Pension and postretirement income (expense)	(0.3)	—	(0.3)
Long-term incentive compensation expense	(15.8)	—	(15.8)
Special charges, net <sup>(2)</sup>	(2.7)	1.4	(1.3)
<b>Operating income</b>	<b>59.9</b>	<b>59.2</b>	<b>119.1</b>
Other expense, net <sup>(3)</sup>	(7.1)	5.4	(1.7)
Interest expense, net <sup>(4)</sup>	(15.8)	0.6	(15.2)
Loss on amendment/refinancing of senior credit agreement <sup>(5)</sup>	(0.9)	0.9	—
<b>Income from continuing operations before income taxes</b>	<b>36.1</b>	<b>66.1</b>	<b>102.2</b>
Income tax benefit (provision) <sup>(6)</sup>	47.9	(71.8)	(23.9)
<b>Income from continuing operations</b>	<b>84.0</b>	<b>(5.7)</b>	<b>78.3</b>
Dilutive shares outstanding	43.905		43.905
<b>Earnings per share from continuing operations</b>	<b>\$ 1.91</b>		<b>\$ 1.78</b>

(\$ millions, except per share values)

<sup>(1)</sup> Adjustment represents the removal of operating losses associated with the South African projects, and a gain on a contract settlement within our Engineered Solutions reportable segment.

<sup>(2)</sup> Adjustment represents removal of restructuring charges associated with the South African projects.

<sup>(3)</sup> Adjustment represents removal of non-service pension and postretirement items and foreign currency losses associated with the South African projects, partially offset by 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.

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

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

<sup>(6)</sup> Adjustment represents the tax impact of items (1) through (5) above, tax benefit associated with worthless stock deduction related to South Africa, net tax charges associated with the impact of U.S. tax reform, and the removal of certain favorable discrete tax items.

# Full-Year 2016 U.S. GAAP to Adjusted Earnings Per Share Reconciliation



	GAAP	Adjustments	Adjusted
Segment income <sup>(1)</sup>	\$ 142.8	\$ 14.5	\$ 157.3
Corporate expense	(41.7)	—	(41.7)
Pension and postretirement income (expense) <sup>(2)</sup>	(15.4)	16.0	0.6
Long-term incentive compensation expense	(13.7)	—	(13.7)
Special charges, net	(5.3)	—	(5.3)
Impairment of intangible assets <sup>(3)</sup>	(30.1)	30.1	—
Gain on sale of dry cooling business <sup>(4)</sup>	18.4	(18.4)	—
<b>Operating income</b>	<b>55.0</b>	<b>42.2</b>	<b>97.2</b>
Other income (expense), net <sup>(5)</sup>	(0.3)	2.1	1.8
Interest expense, net <sup>(6)</sup>	(14.0)	0.2	(13.8)
Loss on amendment/refinancing of senior credit agreement <sup>(7)</sup>	(1.3)	1.3	—
<b>Income from continuing operations before income taxes</b>	<b>39.4</b>	<b>45.8</b>	<b>85.2</b>
Income tax provision <sup>(8)</sup>	(9.1)	(14.1)	(23.2)
<b>Income from continuing operations</b>	<b>30.3</b>	<b>31.7</b>	<b>62.0</b>
Less: Net loss attributable to redeemable noncontrolling interest <sup>(9)</sup>	(0.4)	0.3	(0.1)
<b>Net income from continuing operations attributable to SPX Corporation common shareholders</b>	<b>30.7</b>	<b>31.4</b>	<b>62.1</b>
Adjustment related to redeemable noncontrolling interest <sup>(9)</sup>	(18.1)	18.1	—
<b>Net income from continuing operations attributable to SPX Corporation common shareholders after adjustment to redeemable noncontrolling interest</b>	<b>12.6</b>	<b>49.5</b>	<b>62.1</b>
Dilutive shares outstanding	42.161		42.161
<b>Earnings per share from continuing operations</b>	<b>\$ 0.30</b>		<b>\$ 1.47</b>

(\$ millions)

<sup>(1)</sup> Adjustment represents the removal of operating losses associated with the South African projects.

<sup>(2)</sup> Adjustment represents the removal of non-service pension and postretirement items.

<sup>(3)</sup> Adjustment represents the removal of a non-cash impairment charge associated with our Heat Transfer business.

<sup>(4)</sup> Adjustment represents removal of gain on sale of dry cooling business.

<sup>(5)</sup> Adjustment represents removal of foreign currency losses associated with the South African projects.

<sup>(6)</sup> Adjustment relates to the removal of interest expense incurred in connection with borrowings under a line of credit in South Africa.

<sup>(7)</sup> Adjustment represents the removal of a non-cash charge associated with an amendment to the senior credit agreement.

<sup>(8)</sup> Adjustment represents the tax impact of the items noted in (1) through (7) above.

<sup>(9)</sup> Adjustment represents removal of noncontrolling interest amounts associated with the South Africa projects.





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

(\$ millions)

	<u>FY 2017</u>
Net operating cash flow from continuing operations	\$ 54.2
Capital expenditures - continuing operations	(11.0)
Free cash flow used in continuing operations	<u>43.2</u>
Adjustment for South African projects	49.5
Core free cash flow from continuing operations	<u>\$ 92.7</u>

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