

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**  
Washington, D.C. 20549

**FORM 8-K**

**CURRENT REPORT  
Pursuant to Section 13 OR 15(d) of The Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported): **February 20, 2018**

**SPX CORPORATION**

(Exact name of registrant as specified in its charter)

**Delaware**  
(State or other jurisdiction  
of incorporation)

**1-6948**  
(Commission  
File Number)

**38-1016240**  
(IRS Employer  
Identification No.)

**13320-A Ballantyne Corporate Place**  
**Charlotte, North Carolina 28277**  
(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code **(980) 474-3700**

**NOT APPLICABLE**  
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

**Item 7.01. Regulation FD Disclosure.**

SPX Corporation (the "Company") will meet with various investors beginning February 20, 2018 using the presentation materials furnished as Exhibit 99.1 hereto and which are incorporated herein by reference.

The information contained in this report and in Exhibit 99.1 shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in such a filing.

**Item 9.01. Financial Statements and Exhibits.**

(d) Exhibits.

<u>Exhibit Number</u>	<u>Description</u>
99.1	<a href="#">Presentation dated February 2018</a>

**EXHIBIT INDEX**

<u>Exhibit Number</u>	<u>Description</u>
99.1	<a href="#">Presentation dated February 2018</a>

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

**SPX CORPORATION**  
(Registrant)

By: /s/ John W. Nurkin  
John W. Nurkin  
Vice President, Secretary and General Counsel

Date: February 20, 2018



February 2018

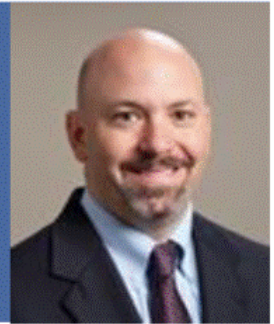


- Certain statements contained in this presentation that are not historical facts, including any statements as to future market conditions, results of operations, and financial projections, are forward-looking statements within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended, and are subject to 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. 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. Reconciliation of the non-GAAP financial measures with the most comparable measures calculated and presented in accordance with GAAP is available in our applicable SEC filings or the appendix to this presentation. We believe that these non-GAAP measures are useful to investors in evaluating our operating performance and our management of business from period to period.
- 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.
- "Core" and "Engineered Solutions (Core)" results in this presentation 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.

Gene Lowe  
President and CEO



Scott Sproule  
VP, CFO and  
Treasurer



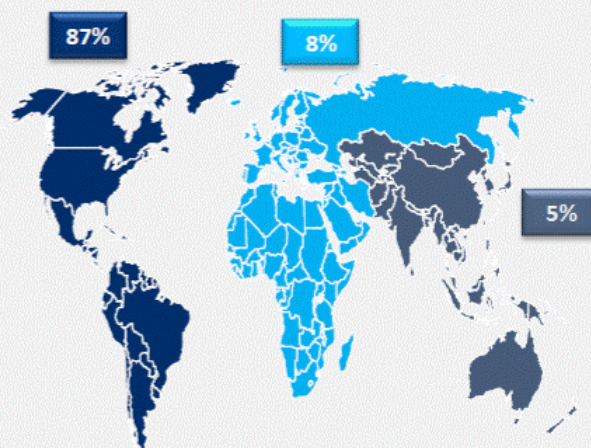
## SPX Corporation Overview

## 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**

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## Executive Highlights

- Well-positioned to invest for sustainable double digit earnings growth
- Solid FCF\* conversion 100% to 110% of adjusted net income\*
- >\$600M available capital to deploy through 2020
- Solid platform to expand (products, markets, channels)
- Working attractive M&A pipeline and anticipate results in 2018

\*Non-GAAP financial measure.

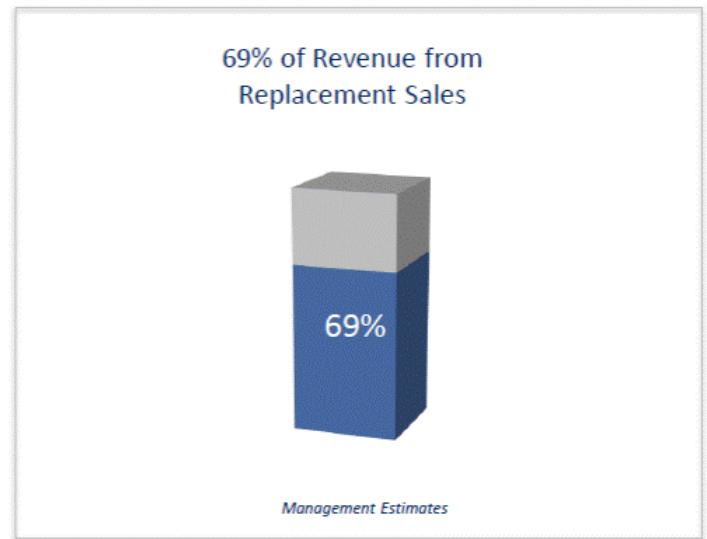
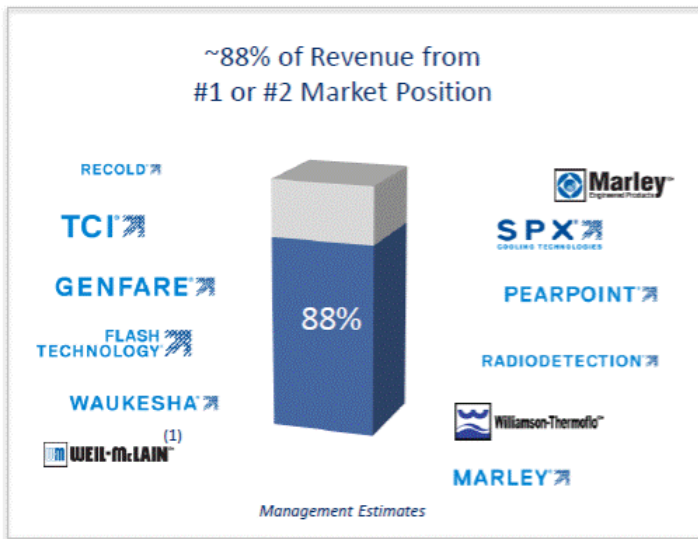
**Continuing to Execute on Plan for Significant Value Creation**

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## Strong Brands and Attractive Market Dynamics

2017 Core Revenue\* ~\$1.4B



\*Non-GAAP financial measure. **Note:** Core results are non-GAAP financial measures that exclude the results of the South African projects.  
<sup>(1)</sup> Weil-McLain, a division of The Marley-Wylain Company

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## Key Product Offerings and Financial Profile by Segment

<h3>HVAC</h3>	<ul style="list-style-type: none"> <li>✓ Package cooling units</li> <li>✓ Fluid coolers</li> <li>✓ Residential and Non-Residential Boilers</li> <li>✓ Electrical heating products</li> </ul>	<p><b>2017:</b></p> <ul style="list-style-type: none"> <li>▪ \$511m revenue</li> <li>▪ Segment income margin 15%</li> </ul>
<h3>DETECTION &amp; MEASUREMENT</h3>	<ul style="list-style-type: none"> <li>✓ Locators</li> <li>✓ Fare collection systems</li> <li>✓ Communication technologies</li> <li>✓ Obstruction lighting</li> </ul>	<p><b>2017:</b></p> <ul style="list-style-type: none"> <li>▪ \$260m revenue</li> <li>▪ Segment income margin 24%</li> </ul>
<h3>ENGINEERED SOLUTIONS</h3>	<ul style="list-style-type: none"> <li>✓ Power transformers</li> <li>✓ Cooling towers</li> <li>✓ Heat exchangers</li> </ul>	<p><b>2017:</b></p> <ul style="list-style-type: none"> <li>▪ \$625m Core revenue*</li> <li>▪ Core income margin* 7%</li> </ul>

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

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## 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

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## 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.

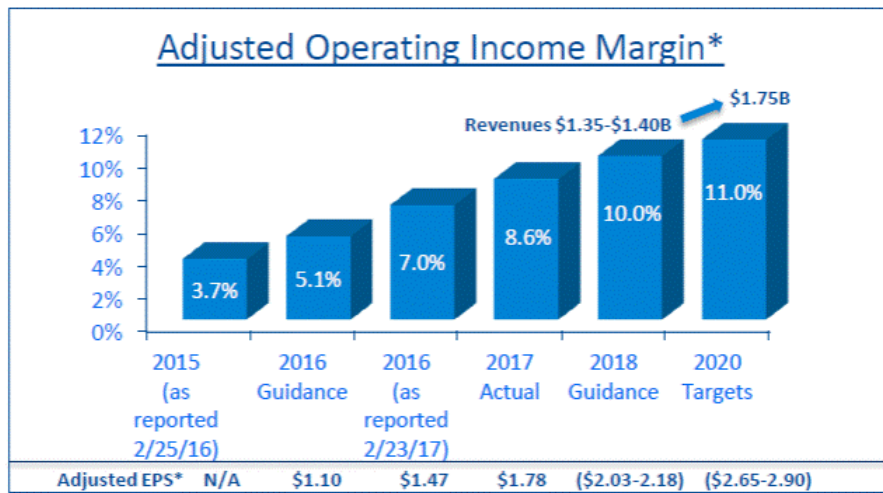
1) As reported including effect of subsequently discontinued operations.

2) Non-GAAP financial measure.

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

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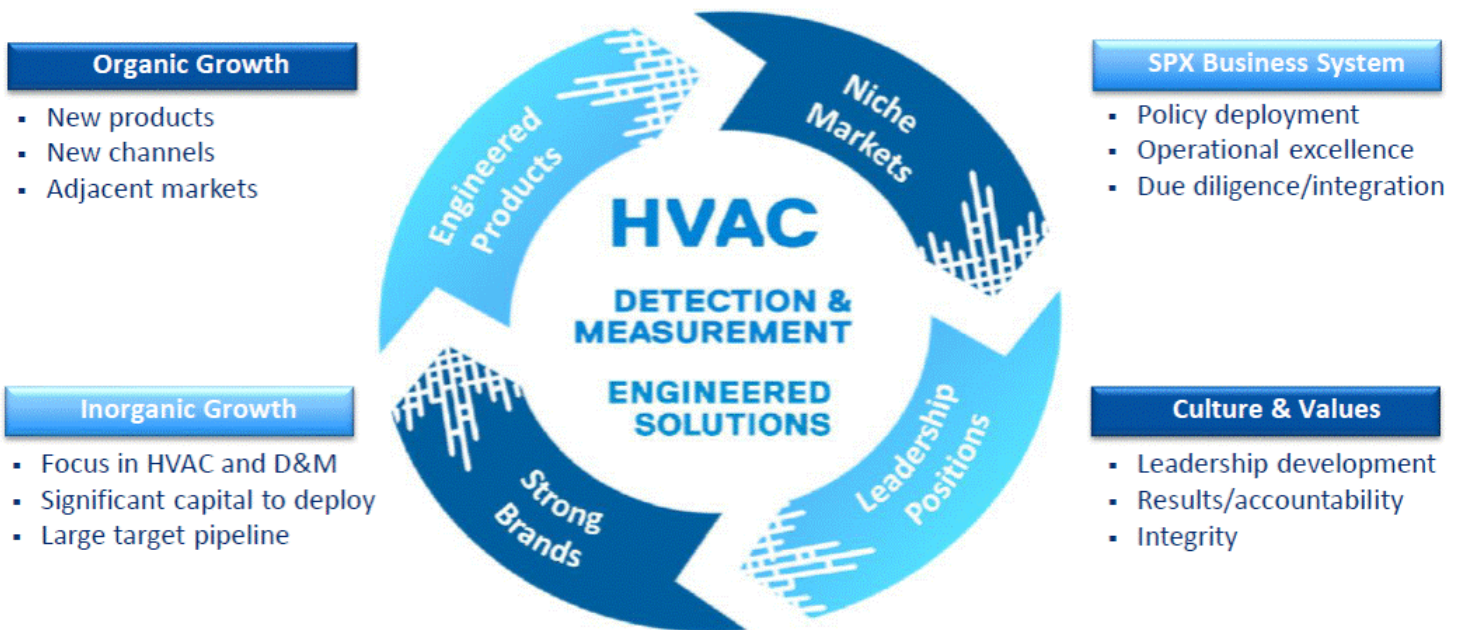
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\*Non-GAAP financial measure. Excludes the results of the South African projects.

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

## Updated Value Creation Roadmap



# Segment Overview

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## HVAC

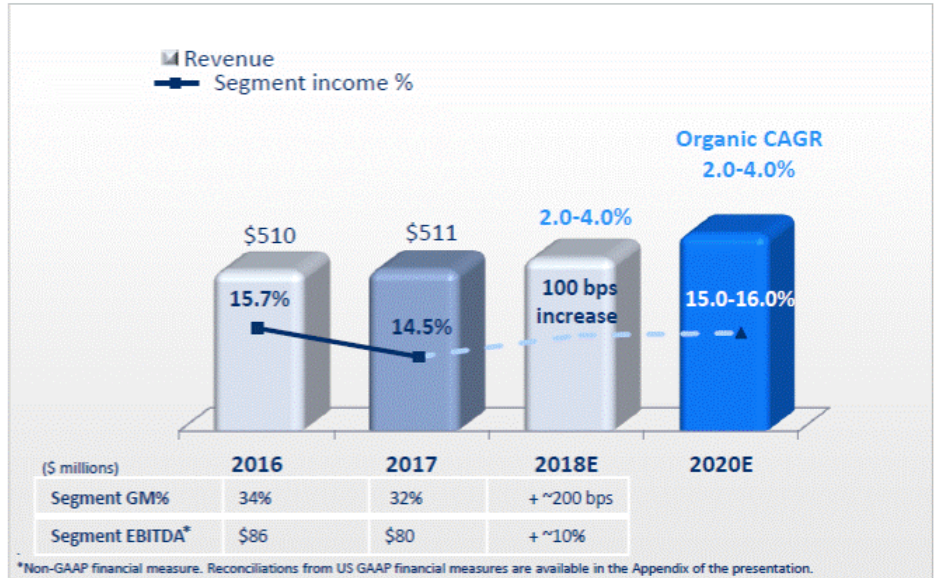
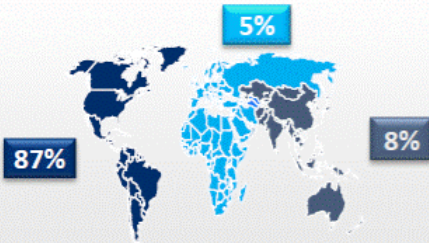




## 2017 Revenue by Product



## 2017 Revenue by Geography



**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**

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## Cooling Product Examples

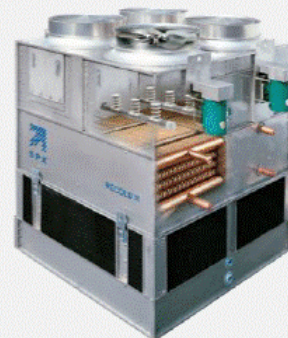
### Marley NC Cooling Tower

- ✓ 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**

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### Marley MD Everest Tower

- ✓ Launched in February 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

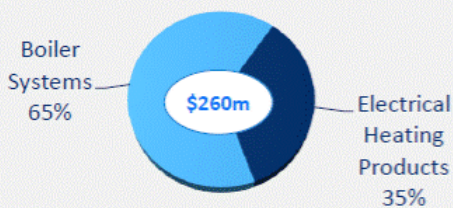
- ✓ Launched in 2015
- ✓ Adjacent product and market (refrigeration)



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

## Heating Products Overview

### 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**

## 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**

# Heating – Key New Products

## 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

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



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

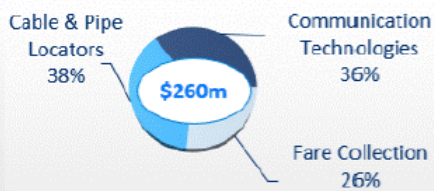
**Award Winning New High Efficiency Product Launch**

# Detection & Measurement

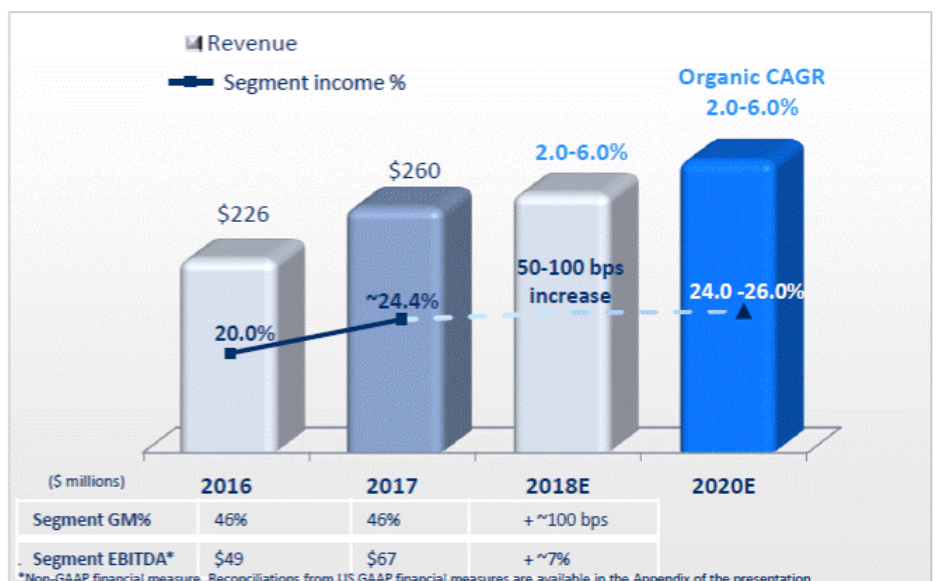
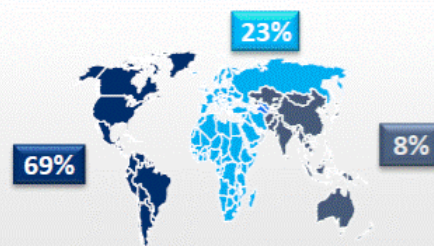
## Detection & Measurement Segment Overview



### 2017 Revenue by Product



### 2017 Revenue by Geography



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

## 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



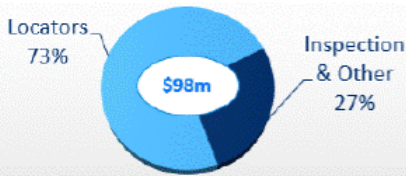
## Operational Excellence

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

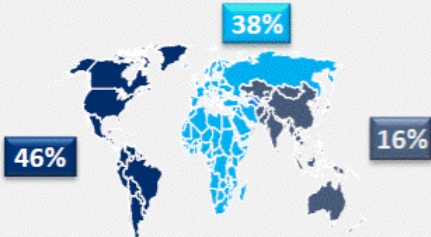
Several Attractive Opportunities to Expand and Grow Detection & Measurement Platform

# 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

Pipeline Mapper



Cable Avoidance



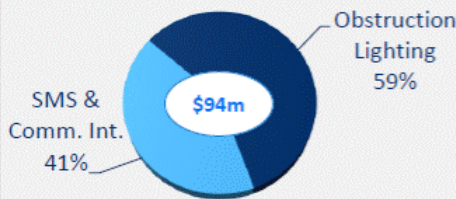
Video Inspection



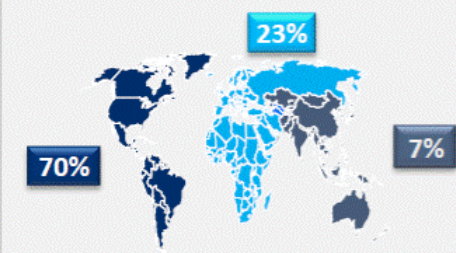
New Product Introduction Continues to Drive Radiodetection’s Performance

# Communication Technologies Overview

2017 Revenue by Product



2017 Revenue by Geography



- **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**

## Genfare

- 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



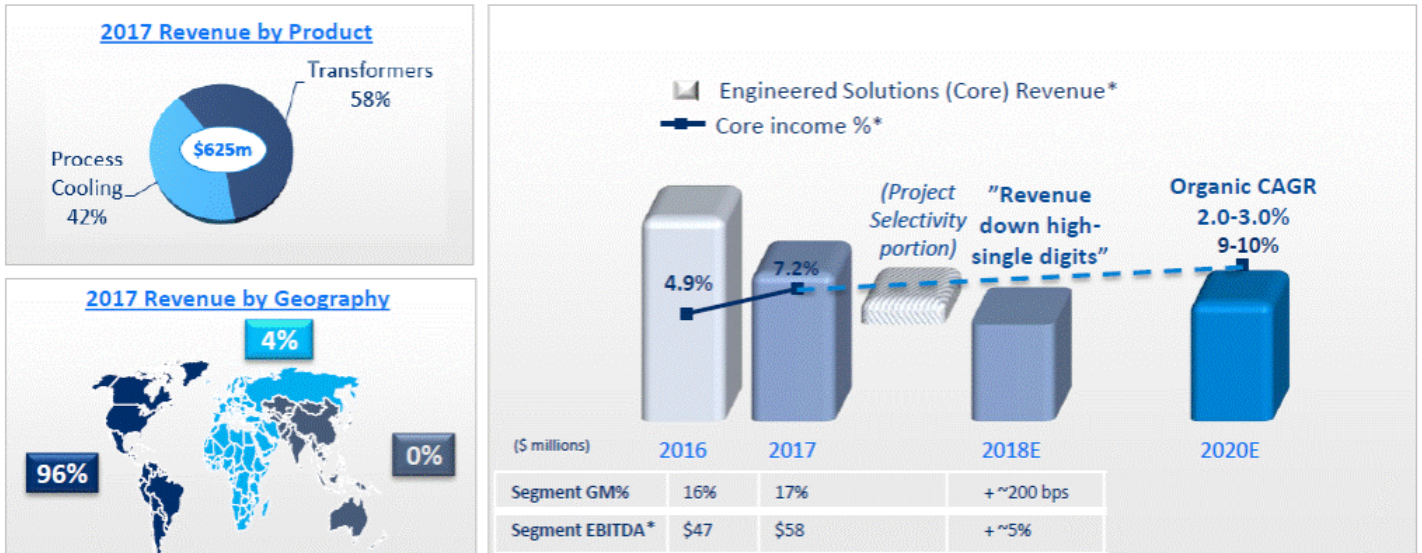
**Genfare is a Leading North American Supplier in Fare Collection**





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

## Engineered Solutions



\*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	<ul style="list-style-type: none"> <li>▪ Commercialize proprietary load tap changer (LTC)</li> <li>▪ Broaden component offerings</li> </ul>	
Evolve Business Model	<ul style="list-style-type: none"> <li>▪ Expand service and components</li> <li>▪ More selective on process cooling projects</li> </ul>	
Expand Market Presence	<ul style="list-style-type: none"> <li>▪ Large voltage/EHV transformers</li> <li>▪ Supply to OEM customers</li> </ul>	
Operational Excellence	<ul style="list-style-type: none"> <li>▪ Continue operational excellence initiatives</li> <li>▪ Strategic sourcing, productivity and Lean</li> </ul>	

**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**

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## 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**

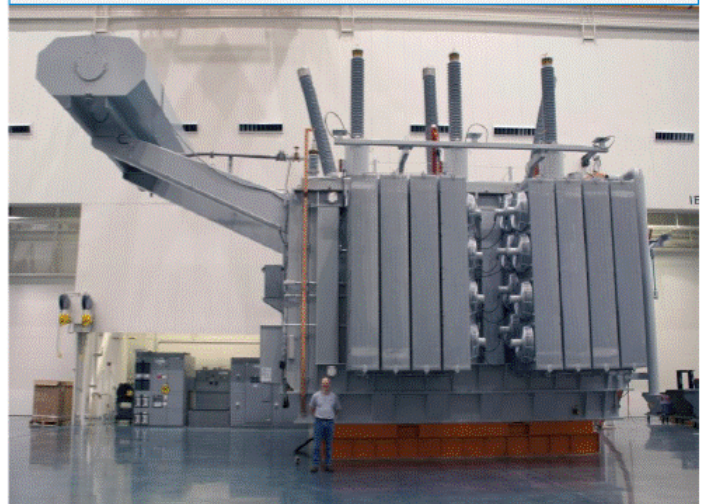
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Oil Processing Truck



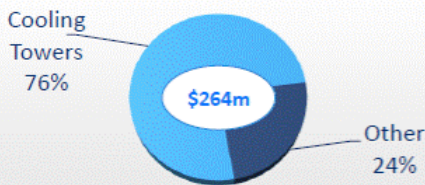
Large Power (High Voltage) Transformer



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 air cooled heat exchangers
- 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

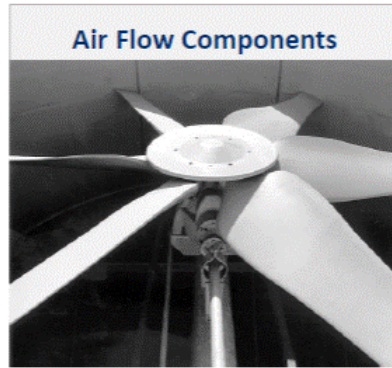


Repositioning Business for Greater Aftermarket Opportunities

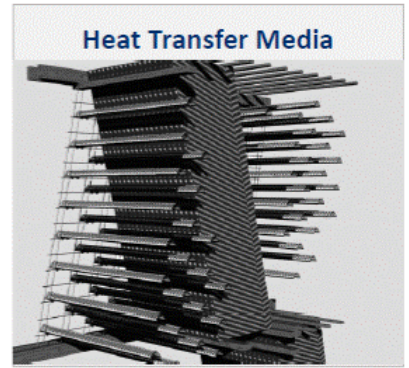
Gear Reducer



Air Flow Components



Heat Transfer Media



Aftermarket Service and Components is Focus  
Area of New Product Initiatives

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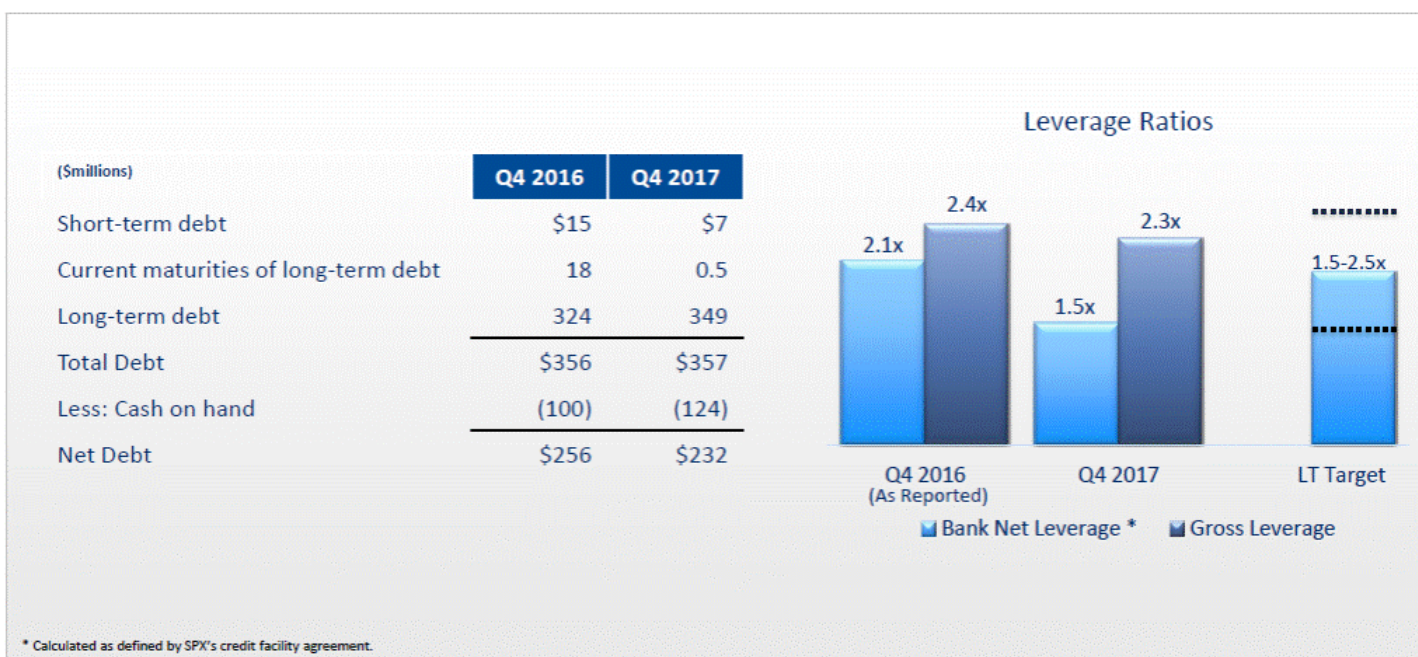
## Financial Position & Capital Allocation

February 2018

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



## Financial Position

### Cash Flow & Liquidity

(\$ in millions)

- 2017 Core Free Cash Flow\* generation of \$93M during 2017 reflecting 118% conversion of Adjusted Net Income\*
- Targeting 110% Core Free Cash Flow\* Conversion
- Active M&A Pipeline

#### Term Debt Repayment Schedule (New Credit Agreement)

Extended Maturity  
by Two Years and  
Reduced Near-Term  
Cash Requirements



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.  
\*Non-GAAP financial measure.

Net Leverage At Low End of Target Range

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## 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>

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# Financial Targets

February 2018



## 2018 Core Guidance



	Revenue	Segment Income Margin
<b>HVAC</b>	<ul style="list-style-type: none"> <li>Organic growth* within LT range of 2.0-4.0%</li> </ul>	<ul style="list-style-type: none"> <li>100 basis points increase (~15.5%)</li> </ul>
<b>Detection &amp; Measurement</b>	<ul style="list-style-type: none"> <li>Organic growth* within LT range of 2.0-6.0%</li> </ul>	<ul style="list-style-type: none"> <li>50-100 basis points increase (~25.0-25.5%)</li> </ul>
<b>Engineered Solutions (Core)*</b>	<ul style="list-style-type: none"> <li>Segment revenue decline* in high-single digits %</li> <li>Modest growth in Transformer revenue; organic decline* in Process Cooling resulting from operating model changes</li> </ul>	<ul style="list-style-type: none"> <li>80-130 basis points increase (~8.0-8.5%)</li> </ul>
<b>Total SPX Core*</b>	<ul style="list-style-type: none"> <li>\$1.35-1.40 billion</li> </ul>	<ul style="list-style-type: none"> <li>80-130 basis points increase (~14.0-14.5%)</li> </ul>

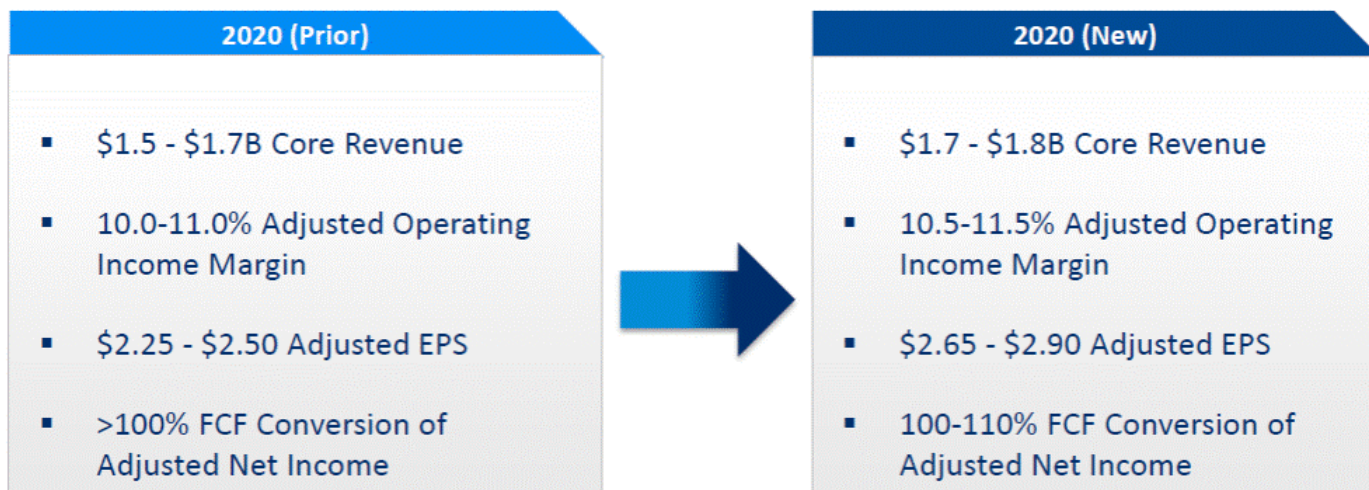
Note: Core results are non-GAAP financial measures that exclude the results of the South African projects.

\*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.

**Adjusted Operating Income Margin\* Up Year-over-Year ~150 Basis Points to ~10.0%;  
Adjusted EPS\* Guidance \$2.03-\$2.18**



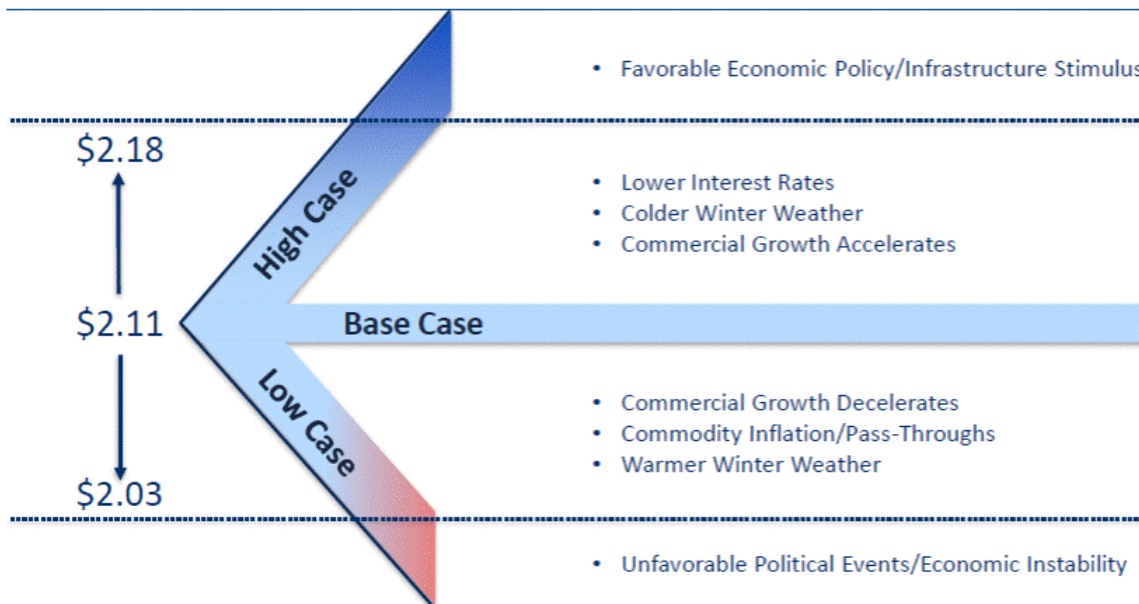


Excludes the results of the South African projects.  
We have not reconciled forward-looking non-GAAP financial measures to their nearest GAAP equivalents because we do not provide guidance for items that we do not consider indicative of our on-going performance and that are out of our control and/or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

**>\$600M of Capital Available to Deploy Through 2020; Clear Line of Sight to Sustainable Double Digit Adjusted EPS Growth**

## Appendix

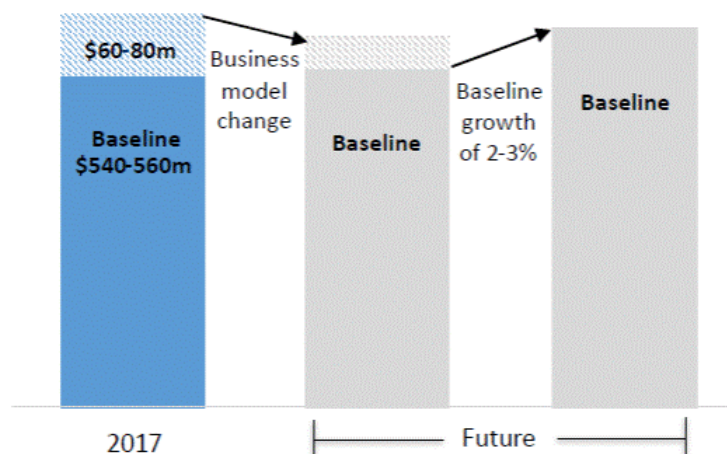
## 2018 Adjusted EPS\* Guidance - Key Drivers



\*Non-GAAP financial measure.

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



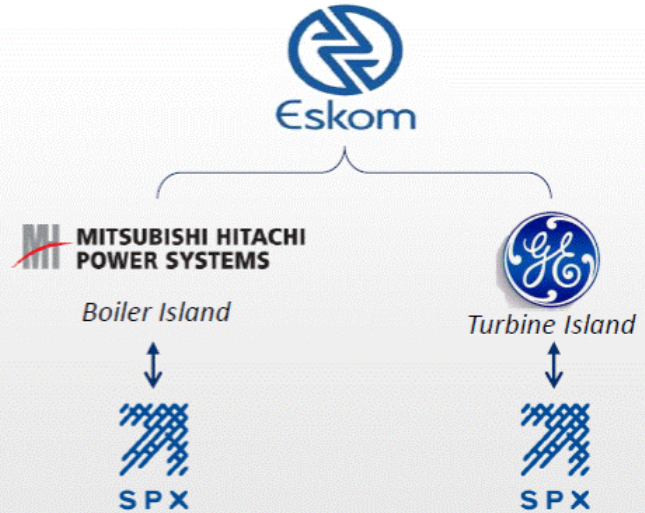
**Note:** Pro Forma for illustrative purposes only. Based on management estimates.

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

# South African Projects Overview

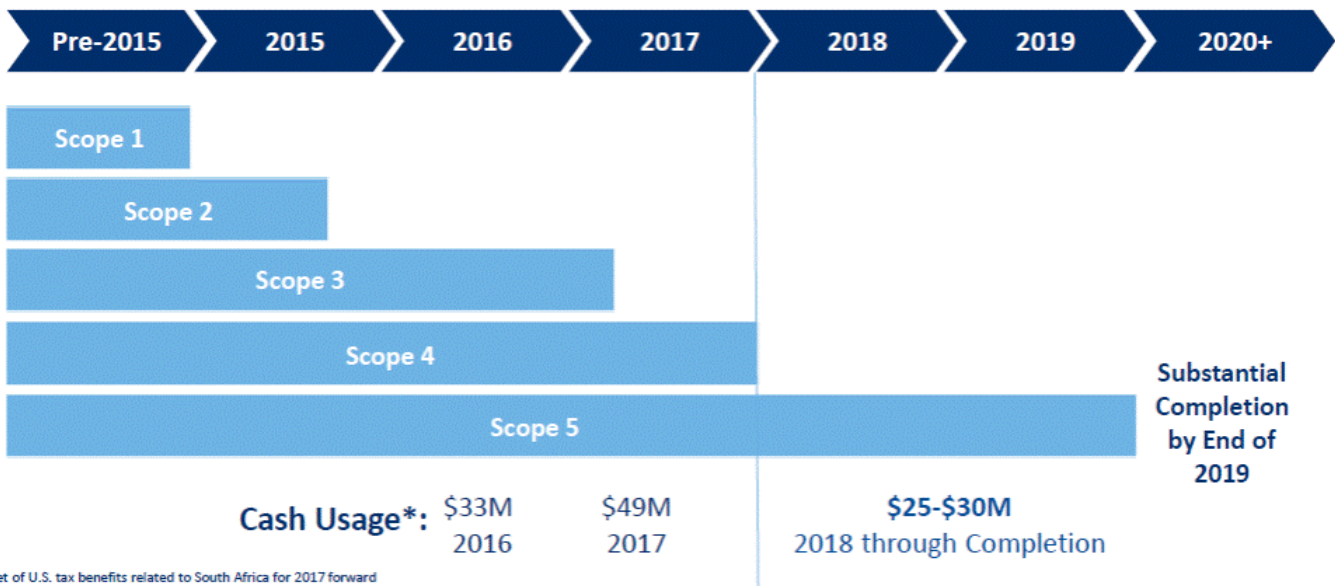
## Medupi & Kusile Power Stations

- 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 Update



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

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

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



### Engineered Solutions segment

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

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



	FYE 2017	FYE 2016
<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.

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