

# Q2 2020 Earnings Presentation

July 30, 2020



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- ❑ Particular risks facing SPX include risks relating to economic, business and other risks stemming from changes in the economy, including changes resulting from the impact of the COVID-19 pandemic; market specific cycles and weather related fluctuations; legal and regulatory risks; cost of raw materials; pricing pressures; our reliance on U.S. revenues and international operations; our ability to successfully resolve various claims and disputes associated with our large power projects in South Africa; legacy liability (including asbestos, environmental and pension); liabilities retained in connection with dispositions; integration of acquisitions and achievement of anticipated synergies; our 2015 spin-off transaction; the effectiveness, success, and timing of restructuring plans; and other risks and uncertainties arising from impact of the COVID-19 pandemic or related government responses on SPX’s businesses and the businesses of its customers and vendors, including whether SPX’s businesses and those of its customers and vendors will continue to be treated as “essential” operations under government orders restricting business activities or, even if so treated, whether health and safety concerns might otherwise require certain operations to be halted for some period of time. More information regarding such risks can be found in SPX’s most recent Annual Report on Form 10-K, most recent quarterly report on Form 10-Q 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. Reconciliations of the non-GAAP financial measures with the most comparable measures calculated and presented in accordance with GAAP are available in the appendix to this presentation. We believe that these non-GAAP measures are useful to investors in evaluating our operating performance and our management of business from period to period.

# Introductory Comments

## Gene Lowe

## Q2 Performance Highlights



- ❑ Strong execution and performance in Q2 and 1H'20, despite COVID-19 headwinds
- ❑ Stable results driven by diverse end markets and strong operating culture
- ❑ Solid balance sheet and liquidity enable continued focus on growth initiatives

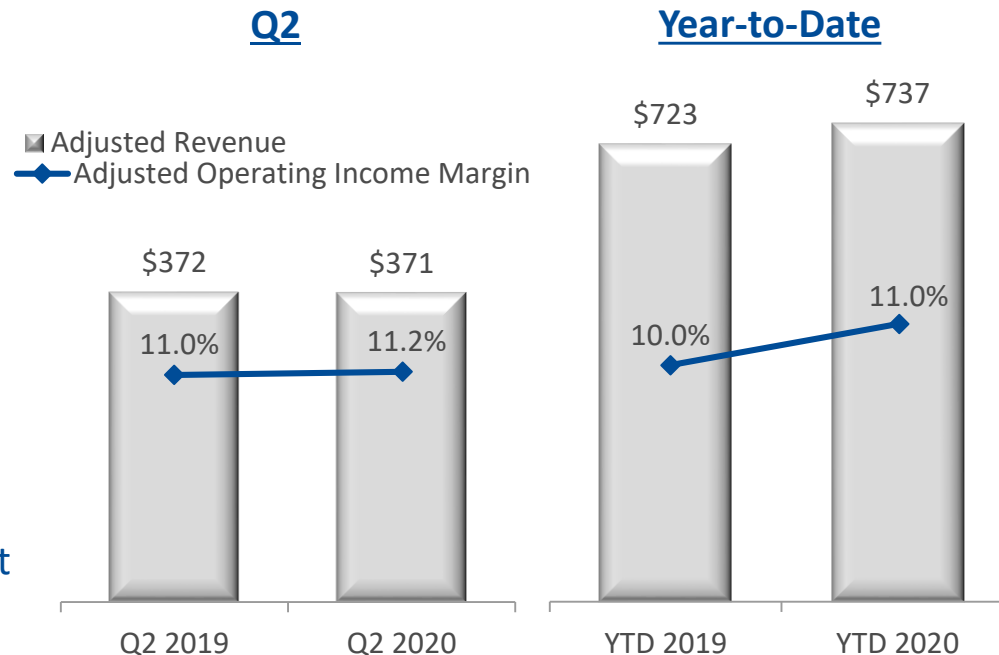
Successfully Managing Through a Challenging Environment;  
Well-Positioned to Continue Growth Journey as Conditions Permit

# Adjusted Q2 2020 Year-Over-Year Summary



(\$ millions)

- Continued strength in Engineered Solutions; solid results in HVAC, despite COVID-19 headwinds
- Adjusted Operating Income and margin modestly higher
- 1H'20 results exceeded prior year
  - ✓ Areas of strength and acquisitions more than offset COVID-19 impact



Q2 adjusted EPS of \$0.64

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

# What Has Changed in 90 Days?

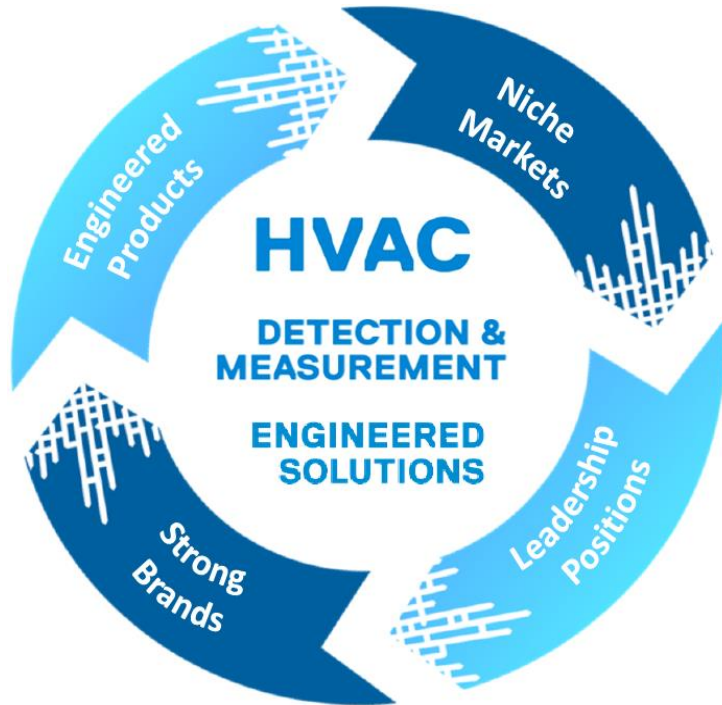


- ❑ HVAC generally ahead of expectations
  - International cooling stronger/Americas softer, but overall strong execution
  - Solid pre-season orders for heating
- ❑ Detection & Measurement segment exhibiting diverse end market drivers
  - Locators down year-on-year, but notably improved from recent trough
  - CommTech experiencing pandemic-related project timing issues, but funding secure
- ❑ Engineered Solutions continuing to drive significant year-on-year improvement
  - Transformers continuing very strong execution

Overall Strong Position; Key 2H Variables:  
Non-Resi Demand, Locator Sales, and Project Order Timing

- ❑ Employee safety remains top priority
  - Continued and tightened established protocols (e.g., PPE usage, enhanced cleaning and sanitization, etc.)
  - Processes helping to successfully manage through pandemic
  
- ❑ Facilities continue to be operational
  - Modest interruptions; actively managing risks related to growing case rates
  
- ❑ Task force continues to proactively manage risks and concerns
  - Employee safety and supply chain management focus

Continuing to Deliver Critical Infrastructure,  
While Ensuring Wellbeing of our People



## Organic Growth

- New products
- Channel expansion
- 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

- Employee development
- Results/accountability
- Integrity



# Q2 Financial Review

## Scott Sproule

# Adjusted Earnings Per Share



	<u>Q2 2020</u>	<u>Q2 2019</u>
<b>GAAP EPS from continuing operations</b>	<b>\$0.62</b>	<b>\$0.43</b>
South Africa and Heat Transfer	\$0.07	\$0.19
Acquisition-related	-	\$0.02
Non-service pension items & other*	(\$0.09)	(\$0.01)
Amortization	\$0.04	\$0.04
<b>Adjusted EPS from continuing operations</b>	<b>\$0.64</b>	<b>\$0.67</b>

## Solid Performance Despite Challenges

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

\*Includes a \$0.13 per share charge related to the South African projects in Q2'19.

\*\* "Other" includes favorable discrete tax items, change in fair value of equity security, and tax effects associated with these adjustments.

# Adjusted Q2 2020 Year-Over-Year Results



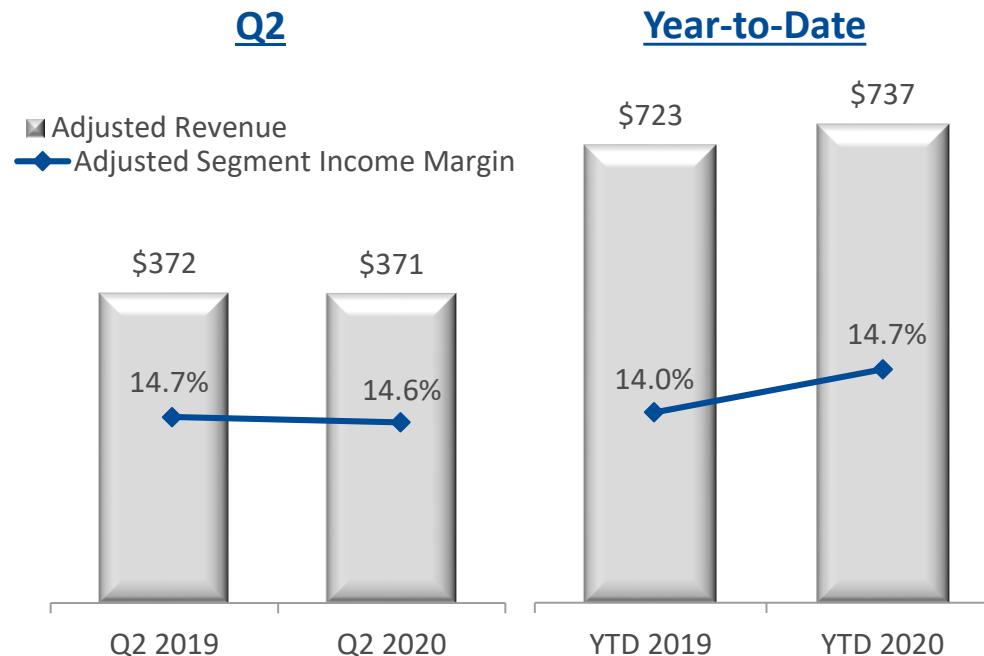
(\$ millions)

## Q2 adjusted Revenue:

- ❑ (0.1%) year-over-year decrease:
  - ✓ 3.6% acquisition impact
  - ✓ (3.3%) organic decrease\* primarily due to Detection & Measurement volumes
  - ✓ (0.4%) unfavorable currency impact

## Q2 adjusted Segment Income and Margin:

- ❑ \$0.5m decrease in adjusted Segment Income driven by Detection & Measurement
- ❑ Flat adjusted segment margin



**Solid Revenue and Segment Margin**

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

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

# HVAC Q2 2020 Year-Over-Year Results



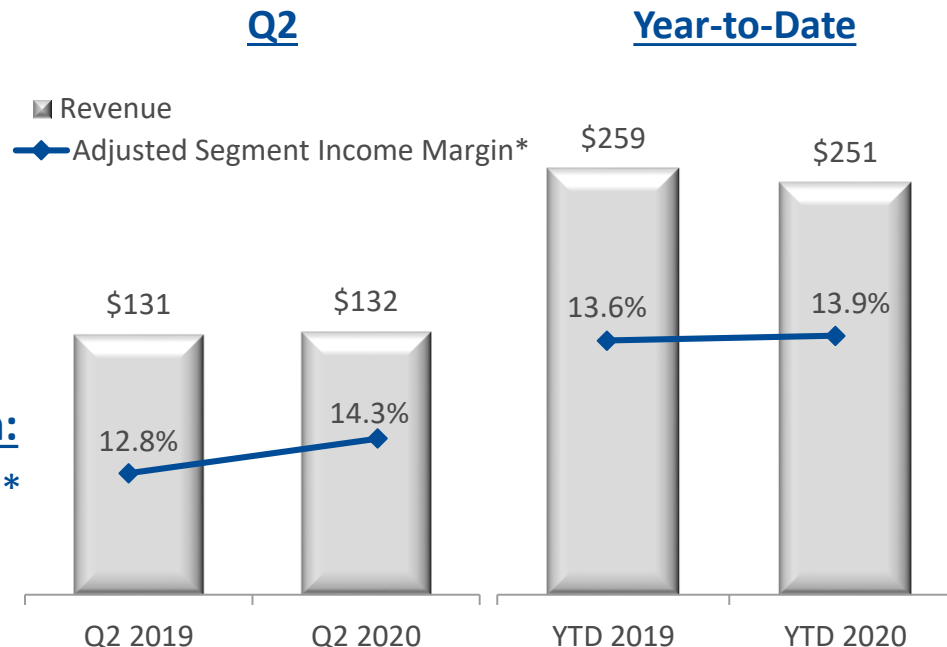
(\$ millions)

## Q2 Revenue:

- ❑ 1.1% year-over-year increase:
  - ✓ 10.4% impact from acquisitions
  - ✓ (8.9%) organic decrease\* due to lower heating volumes, including the pandemic impact, partially offset by stronger international Cooling volumes
  - ✓ (0.4%) unfavorable currency impact

## Q2 adjusted Segment Income and Margin:

- ❑ \$2.1m increase in adjusted segment income\* and 150 basis points of margin increase driven by favorable execution and sales mix in domestic Cooling



**Strong Overall Performance Despite COVID-19 Headwind**

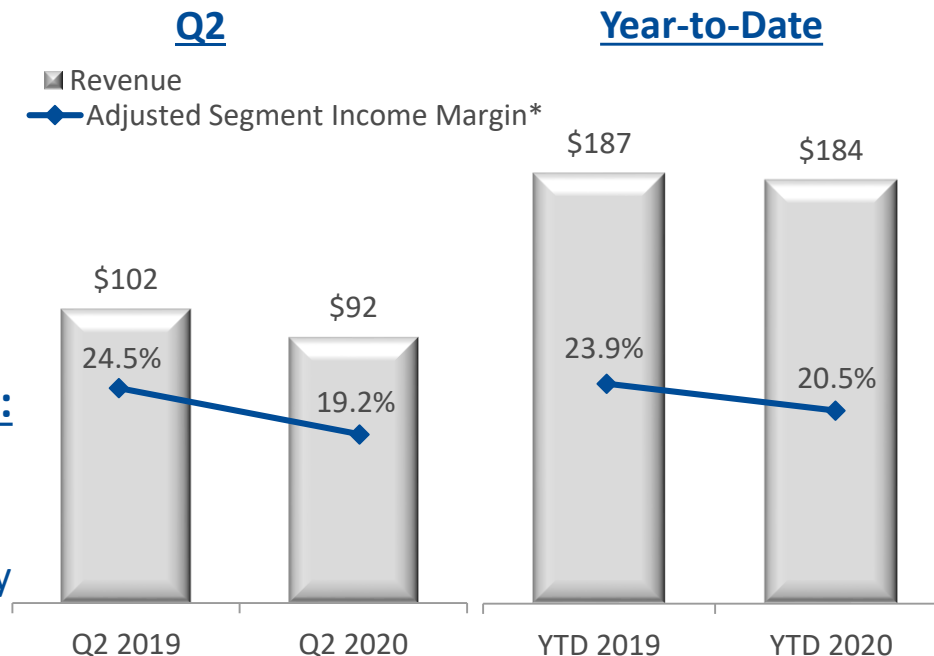
\*Non-GAAP financial measure. Reconciliations from US GAAP financial measures are available in the Appendix of the presentation.

## Q2 Revenue:

- ❑ (9.4%) year-over-year decrease:
  - ✓ (8.9%) organic decrease\* due to decreased Locator sales and delays of project sales associated with the pandemic
  - ✓ Locator demand showing partial recovery
  - ✓ (0.5%) unfavorable currency impact

## Q2 adjusted Segment Income and Margin:

- ❑ \$7.2m decrease in adjusted segment income\*
- ❑ 530 basis points of margin decline primarily due to lower volumes of highest margin products



Project Timing Remains Key Variable

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

# Engineered Solutions Q2 2020 Year-Over-Year Results



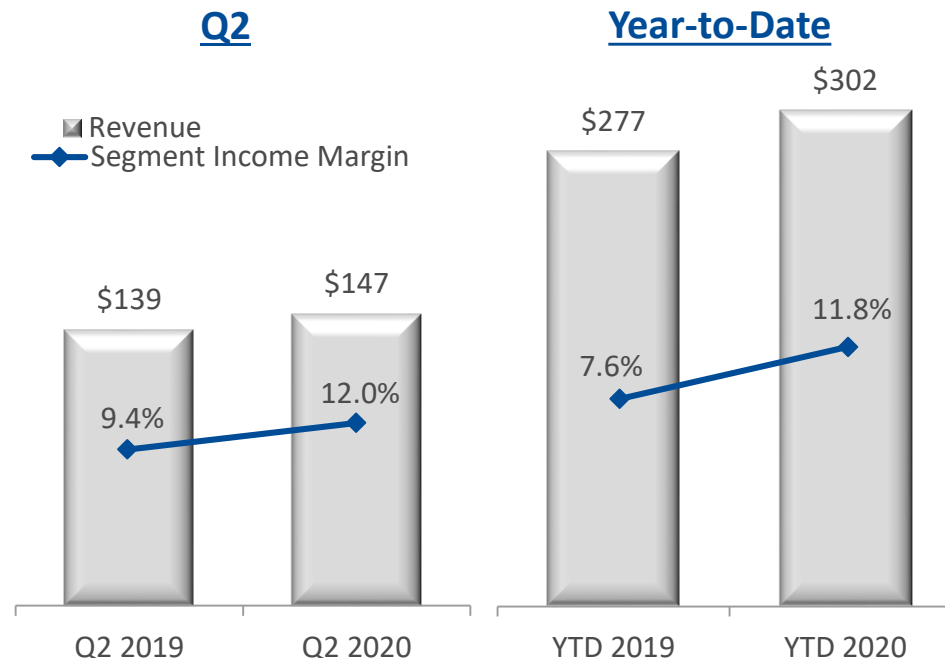
(\$ millions)

## Q2 Revenue:

- ❑ 5.6% year-over-year increase:
  - ✓ 5.9% organic increase\* due to improved volumes and more favorable pricing in Transformers, partially offset by lower Process Cooling sales
  - ✓ (0.3%) unfavorable currency impact

## Q2 Segment Income and Margin:

- ❑ \$4.6m increase in segment income
- ❑ 260 basis points of margin expansion
- ✓ Strong operational performance and favorable pricing in Transformers business



**Strong Operational Performance and Margin Increase**

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

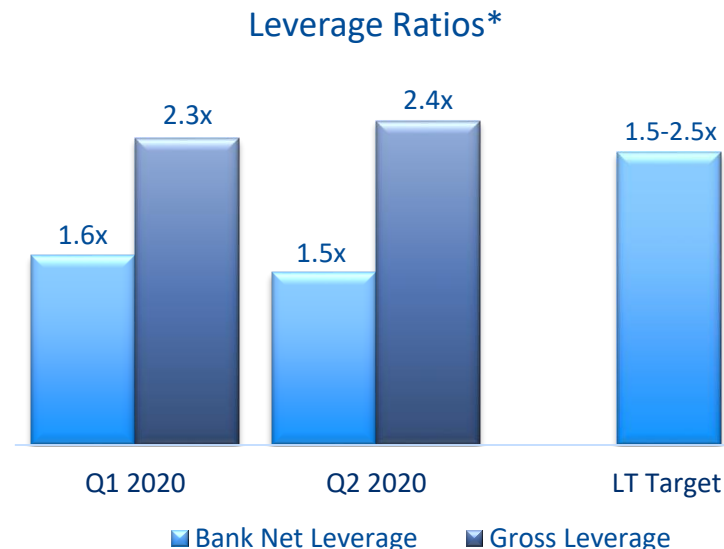
# Financial Position and Liquidity Review

## Scott Sproule

# Financial Position - Capital Structure Update



(\$millions)	Q1 2020	Q2 2020
Short-term debt	\$260.3	\$266.8
Current maturities of long-term debt	2.6	4.1
Long-term debt	248.6	247.0
<b>Total Debt</b>	<b>\$511.5</b>	<b>\$517.9</b>
Less: Cash on hand	(163.1)	(190.2)
<b>Net Debt</b>	<b>\$348.4</b>	<b>\$327.7</b>



**Strong Balance Sheet and Leverage Profile**

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



- ❑ Anticipate Q3'20 organic revenue decline of low single digit %
  - Continued growth in Transformers
  - Closely monitoring HVAC non-residential order trends and timing of Detection & Measurement project orders/deliveries
  
- ❑ Anticipate less favorable business mix in Q3'20
  - Detection & Measurement sales declines from most profitable products, partially offset by higher year-on-year margin in Engineered Solutions segment
  
- ❑ Overall, anticipating solid cash generation and profitability in 2H

# End Market Overview and Closing Remarks

Gene Lowe

Market	Comments
HVAC	<ul style="list-style-type: none"><li>❑ Cooling: Softening demand, consistent with non-residential leading indicators</li><li>❑ Heating: channel stable; weather-dependent winter</li></ul>
Detection & Measurement	<ul style="list-style-type: none"><li>❑ Locator demand stabilizing; geographic strength varies</li><li>❑ Healthy frontlog of projects; timing affected by pandemic</li></ul>
Transformers	<ul style="list-style-type: none"><li>❑ Stable utility customer behavior; some slowing of municipal capex</li><li>❑ Preference for “Made in USA” increasing</li></ul>
Process Cooling	<ul style="list-style-type: none"><li>❑ Mixed end market dynamics: challenging energy market conditions</li><li>❑ Notable frontlog opportunities; timing is key variable</li></ul>

Diverse End Market Drivers Support Stable Profile

- ❑ Strong execution and performance in Q2 and 1H'20
- ❑ Stable results driven by diverse end markets and strong operating culture
- ❑ Solid positioning supports continued focus on growth initiatives
  - ✓ Strong balance sheet and well-developed operational protocols

Successfully Managing Through a Challenging Environment;  
Well-Positioned to Continue Growth Journey

# Questions

# Appendix

# Modeling Considerations

Metric	Considerations
Corporate Expense	~\$10-12m/quarter in 2H'20
Long-term incentive comp	~\$13-15m
Restructuring costs	Cost reduction actions
Interest cost	Drew \$100m on revolver in Q1'20
Equity earnings, other	~\$3-5m
Tax rate	2H rate ~23-24%
Capex	\$15-20m/Maintenance: \$10-12m
Cash cost of pension + OPEB	\$15-16m
D&A	~\$36-37m
Share count	45.5-46m
Currency effect	Topline sensitivity to USD-GBP rate

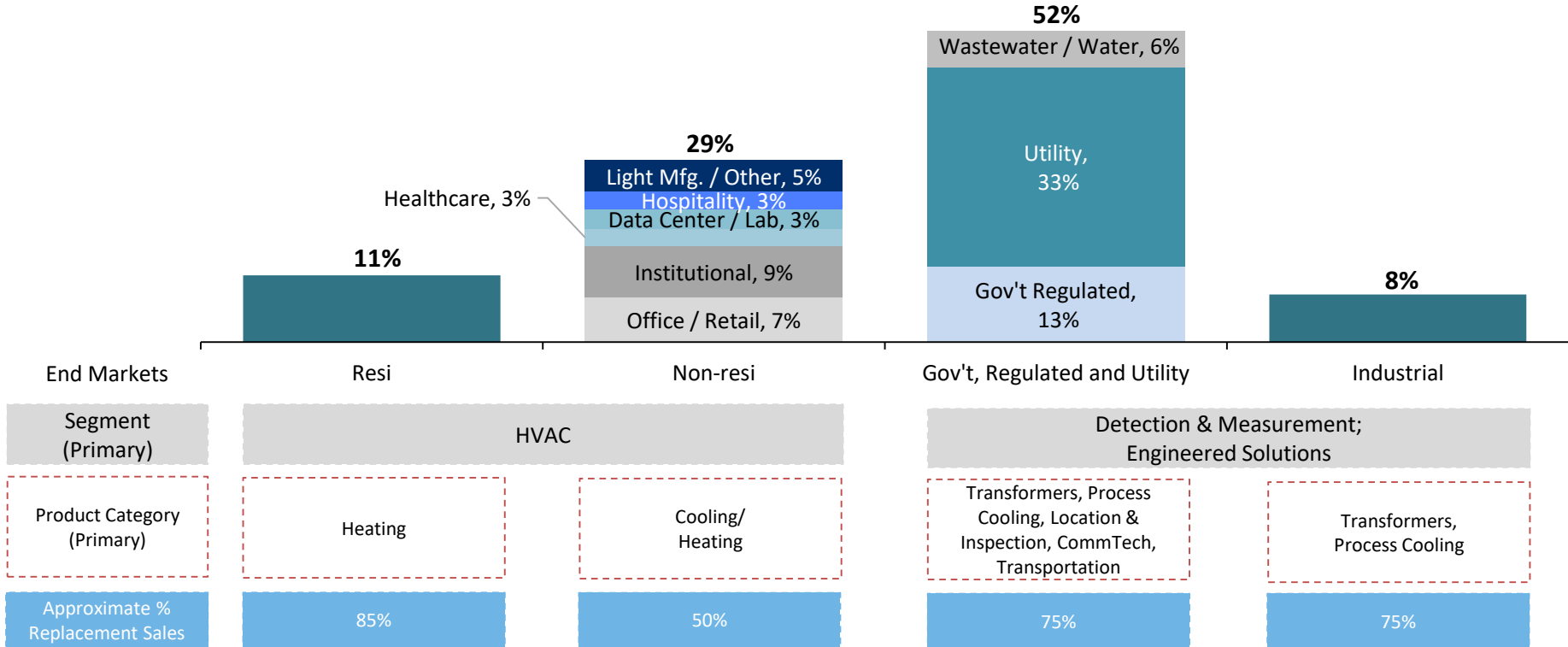
Incremental/ Decremental Margins	
HVAC	Low-30s%
Detection & Measurement	~50%
Engineered Solutions	Low-20s%*

- Note: in Q3'20, margins in Engineered Solutions are anticipated to significantly exceed Q3'19 levels, while reflecting a typical level of seasonal (Q3 vs Q2) decline associated with plant maintenance outages.

# End Market Exposures\* (2019)



## Total 2019 Revenue of \$1.5 Billion



\*Based on Management estimates



# Near-Term Demand Sensitivity



	<u>% of 2019 Segment EBITDA</u>	<u>Considerations</u>
Inspection; Transformers; Transportation; SMS/CommInt	~33%	CARES Act; Gov't Spending; Backlog
Aids-to-Navigation; Process Cooling; Residential Heating* Commercial Cooling**	~42%	Regulatory drivers; Project timing (access); SME Liquidity; Capex budgets; Dodge data
Location; Commercial Heating	~25%	Dodge data; ABI Index; Global GDP

Note: Based on Management estimates

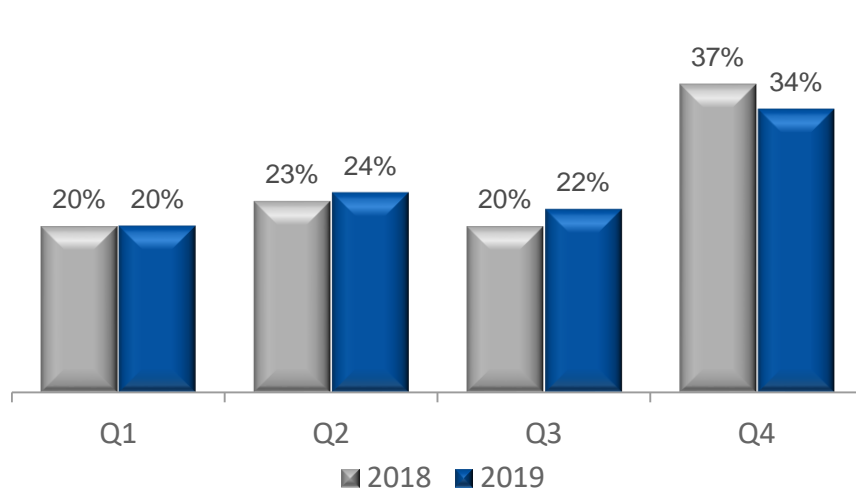
\*HVAC Heating experiencing impact of weak heating season demand

\*\*Commercial HVAC Cooling demand split of 50% new and 50% replacement over a full cycle per management estimates.

# Adjusted Segment Income Phasing and Reconciliations



(\$ millions)



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

Q1 2019	Q2 2019	Q3 2019	Q4 2019
20.8	41.4	42.9	68.9
(22.6)	(10.0)	(5.7)	(7.4)
(1.3)	(0.9)	-	(0.2)
(1.6)	(2.4)	(2.0)	(2.9)
<b>\$46.3</b>	<b>\$54.7</b>	<b>\$50.6</b>	<b>\$79.4</b>
<i>20%</i>	<i>24%</i>	<i>22%</i>	<i>34%</i>

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

Q1 2018	Q2 2018	Q3 2018	Q4 2018
37.0	41.0	29.6	70.9
(4.1)	(4.4)	(8.0)	(2.4)
(0.3)	(1.6)	(2.5)	(0.7)
(0.1)	(0.8)	(1.7)	(1.5)
<b>\$41.5</b>	<b>\$47.8</b>	<b>\$41.8</b>	<b>\$75.5</b>
<i>20%</i>	<i>23%</i>	<i>20%</i>	<i>37%</i>

# Q2 2020 U.S. GAAP to Adjusted Earnings Per Share Reconciliation



(\$ millions)

	<u>GAAP</u>	<u>Adjustments</u>	<u>Adjusted</u>
Segment income <sup>(1)</sup>	\$ 47.6	\$ 6.6	\$ 54.2
Corporate expense <sup>(2)</sup>	(8.5)	0.1	(8.4)
Long-term incentive compensation expense	(3.3)	-	(3.3)
Special charges, net <sup>(3)</sup>	(1.4)	0.4	(1.0)
<b>Operating income</b>	<u>34.4</u>	<u>7.1</u>	<u>41.5</u>
Other income, net <sup>(4)</sup>	5.8	(5.1)	0.7
Interest expense, net	(4.7)	-	(4.7)
<b>Income from continuing operations before income taxes</b>	<u>35.5</u>	<u>2.0</u>	<u>37.5</u>
Income tax provision <sup>(5)</sup>	(7.1)	(1.3)	(8.4)
<b>Income from continuing operations</b>	<u>28.4</u>	<u>0.7</u>	<u>29.1</u>
Dilutive shares outstanding	45.648		45.648
<b>Earnings per share from continuing operations</b>	\$ 0.62		\$ 0.64

<sup>(1)</sup> Adjustment primarily represents the removal of (i) operating losses associated with the South Africa and Heat Transfer businesses (\$4.2) and (ii) amortization expense associated with acquired intangible assets (\$2.4).

<sup>(2)</sup> Adjustment represents the removal of acquisition related expenses incurred during the period.

<sup>(3)</sup> Adjustment represents the removal of restructuring charges associated with the Heat Transfer business.

<sup>(4)</sup> Adjustment represents the removal of (i) a gain on an equity security associated with a fair value adjustment (\$5.3) and (ii) non-service pension and postretirement charges (\$0.2).

<sup>(5)</sup> Adjustment represents the tax impact of items (1) through (5) above.

# Q2 2019 U.S. GAAP to Adjusted Earnings Per Share Reconciliation



(\$ millions)

	<u>GAAP</u>	<u>Adjustments</u>	<u>Adjusted</u>
Segment income <sup>(1)</sup>	\$ 41.4	\$ 13.3	\$ 54.7
Corporate expense <sup>(2)</sup>	(10.5)	0.2	(10.3)
Long-term incentive compensation expense	(3.3)	-	(3.3)
Special charges, net <sup>(3)</sup>	(1.3)	0.9	(0.4)
<b>Operating income</b>	<u>26.3</u>	<u>14.4</u>	<u>40.7</u>
Other income, net <sup>(4)</sup>	1.9	(0.4)	1.5
Interest expense, net	(4.7)	-	(4.7)
<b>Income from continuing operations before income taxes</b>	<u>23.5</u>	<u>14.0</u>	<u>37.5</u>
Income tax provision <sup>(5)</sup>	(4.1)	(3.1)	(7.2)
<b>Income from continuing operations</b>	<u>19.4</u>	<u>10.9</u>	<u>30.3</u>
Dilutive shares outstanding	44.892		44.892
<b>Earnings per share from continuing operations</b>	\$ 0.43		\$ 0.67

<sup>(1)</sup> Adjustment represents the removal of (i) operating losses associated with the South Africa and Heat Transfer businesses (\$10.0), (ii) inventory step-up charges related to the Cues and Sabik acquisitions (\$0.9), and (iii) amortization expense associated with acquired intangible assets (\$2.4).

<sup>(2)</sup> Adjustment represents the removal of acquisition related expenses incurred during the period.

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

<sup>(4)</sup> Adjustment represents the removal of (i) a gain on an equity security associated with a fair value adjustment (\$1.6), (ii) non-service pension and postretirement charges (\$1.0) and (iii) removal of foreign currency losses associated with the South African projects (\$0.2).

<sup>(5)</sup> Adjustment represents the tax impact of items (1) through (4) above.

# Q2 and YTD 2020 and 2019 U.S. GAAP to Adjusted Operating Income Reconciliation



(\$ millions)

	Three months ended		Six months ended	
	June 27, 2020	June 29, 2019	June 27, 2020	June 29, 2019
Operating income	\$ 34.4	\$ 26.3	\$ 67.1	\$ 29.3
Exclude:				
Aggregate operating losses of the South Africa and Heat Transfer businesses <sup>(1)</sup>	(4.6)	(10.9)	(8.7)	(33.5)
One-time acquisition related costs <sup>(2)</sup>	(0.1)	(1.1)	(0.3)	(4.0)
Other operating income/expense <sup>(3)</sup>	-	-	0.4	(1.8)
Amortization expense <sup>(4)</sup>	(2.4)	(2.4)	(5.0)	(4.0)
Adjusted operating income	<u>\$ 41.5</u>	<u>\$ 40.7</u>	<u>\$ 80.7</u>	<u>\$ 72.6</u>
as a percent of adjusted revenues <sup>(5)</sup>	11.2 %	11.0 %	11.0 %	10.0 %

<sup>(1)</sup> Represents the removal of the financial results of these businesses, inclusive of "special charges" of \$0.4 and \$0.9 during the three months ended June 27, 2020 and June 29, 2019, respectively, and \$0.6 and \$0.9 during the six months ended June 27, 2020 and June 29, 2019, respectively.

<sup>(2)</sup> Represents one-time acquisition related costs during the three months ended June 27, 2020 and June 29, 2019 associated with (i) inventory step-up of \$0.0 and \$0.9, respectively, and (ii) integration and transaction costs of \$0.1 and \$0.2, respectively, and one-time acquisition related costs during the six months ended June 27, 2020 and June 29, 2019 associated with (i) inventory step-up of \$0.0 and \$2.2, respectively, and (ii) integration and transaction costs of \$0.3 and \$1.8, respectively.

<sup>(3)</sup> Represents income/expense associated with revisions to estimates of certain liabilities retained in connection with the 2016 sale of the dry cooling business.

<sup>(4)</sup> Represents amortization expense associated with acquired intangible assets.

<sup>(5)</sup> See "Results of Reportable and Other Operating Segments" for applicable percentages based on GAAP results.

# Q2 2020 U.S. GAAP Revenue to Organic Revenue Reconciliation



(\$ millions)

	Three months ended June 27, 2020			
	<u>HVAC</u>	<u>Detection &amp; Measurement</u>	<u>Engineered Solutions</u>	<u>Adjusted SPX</u>
Net Revenue Growth (Decline)	1.1 %	(9.4) %	5.6 %	(0.1) %
Exclude: Foreign Currency	(0.4) %	(0.5) %	(0.3) %	(0.4) %
Exclude: Acquisitions	10.4 %	— %	— %	3.6 %
Organic Revenue Growth (Decline)	<u>(8.9) %</u>	<u>(8.9) %</u>	<u>5.9 %</u>	<u>(3.3) %</u>

# Q2 and YTD 2020 and 2019 U.S. GAAP to Adjusted Revenue and Adjusted Segment Income Reconciliation



(\$ millions)

	Three months ended		Six months ended	
	June 27, 2020	June 29, 2019	June 27, 2020	June 29, 2019
<b>CONSOLIDATED SPX:</b>				
Consolidated revenue	\$ 373.2	\$ 372.4	\$ 742.5	\$ 716.0
Exclude: "All Other" operating segments <sup>(1)</sup>	2.0	0.8	6.0	(7.1)
Adjusted consolidated revenue	<u>\$ 371.2</u>	<u>\$ 371.6</u>	<u>\$ 736.5</u>	<u>\$ 723.1</u>
Total segment income	\$ 47.6	\$ 41.4	\$ 94.8	\$ 62.2
Exclude: "All Other" operating segments <sup>(1)</sup>	(4.2)	(10.0)	(8.1)	(32.6)
Exclude: One time acquisition related costs <sup>(2)</sup>	-	(0.9)	(0.1)	(2.2)
Exclude: Amortization expense <sup>(3)</sup>	(2.4)	(2.4)	(5.0)	(4.0)
Adjusted segment income	<u>\$ 54.2</u>	<u>\$ 54.7</u>	<u>\$ 108.0</u>	<u>\$ 101.0</u>
as a percent of adjusted revenues <sup>(4)</sup>	14.6 %	14.7 %	14.7 %	14.0 %
<b>HVAC REPORTABLE SEGMENT:</b>				
HVAC segment income	\$ 18.2	\$ 16.7		
Exclude: One time acquisition related costs <sup>(2)</sup>	-	-		
Exclude: Amortization expense <sup>(3)</sup>	(0.7)	(0.1)		
HVAC adjusted segment income	<u>\$ 18.9</u>	<u>\$ 16.8</u>		
as a percent of HVAC segment revenues <sup>(4)</sup>	14.3 %	12.8 %		
<b>DETECTION &amp; MEASUREMENT REPORTABLE SEGMENT:</b>				
Detection & Measurement segment income	\$ 16.0	\$ 21.7		
Exclude: One time acquisition related costs <sup>(2)</sup>	-	(0.9)		
Exclude: Amortization expense <sup>(3)</sup>	(1.7)	(2.3)		
Detection & Measurement adjusted segment income	<u>\$ 17.7</u>	<u>\$ 24.9</u>		
as a percent of Detection & Measurement segment revenues <sup>(4)</sup>	19.2 %	24.5 %		

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

<sup>(2)</sup> Represents one-time acquisition related costs during the six months ended June 27, 2020 related to the HVAC reportable segment and additional "Cost of products sold" recorded during the three and six months ended June 29, 2019 related to the step-up of inventory (to fair value) acquired in connection with the Sabik and Cues acquisitions.

<sup>(3)</sup> Represents amortization expense associated with acquired intangible assets.

<sup>(4)</sup> See "Results of Reportable and Other Operating Segments" for applicable percentages based on GAAP results.

# Q2 2020 Debt Reconciliation



(\$ millions)

	<u>Q2 2020</u>
Short-term debt	\$ 266.8
Current maturities of long-term debt	4.1
Long-term debt <sup>(1)</sup>	<u>248.6</u>
Gross debt	519.5
Less: Purchase card program and extended payables	<u>(1.8)</u>
Adjusted gross debt	517.7
Less: Cash and equivalents <sup>(2)</sup>	(188.2)
Adjusted net debt	<u>\$ 329.5</u>

1) Excludes unamortized debt issuance costs associated with term loan of \$1.6.

2) This amount excludes \$2.0 of restricted cash.

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



# Q2 2020 Consolidated Adjusted EBITDA Reconciliation



	<b>Last 12 Months</b>	(\$ millions)
Net income attributable to SPX Corporation common shareholders	\$ 96.7	
Income tax provision	17.9	
Interest expense	<u>19.9</u>	
Income before interest and taxes	134.5	
Depreciation and amortization	<u>36.4</u>	
EBITDA	170.8	
Adjustments:		
Non-cash compensation	22.4	
Pension adjustments	7.9	
Extraordinary non-cash charges, (gains), net	(16.3)	
Extraordinary non-recurring cash charges, net	25.4	
Material acquisition/disposition related fees, costs, or expenses, net	1.5	
Pro forma effect of acquisitions and divestitures, and other	6.8	
Adjusted EBITDA	<u>\$ 218.5</u>	

\* Adjusted EBITDA includes pro-forma impact related to SGS and Patterson-Kelley acquisitions.

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

# Q2 2020 Adjusted Free Cash Flow from Continuing Operations to U.S. GAAP Reconciliation



(\$ millions)

	<u>Q2 2020</u>
Operating cash flow from continuing operations	\$ 27.1
Capital expenditures - continuing operations	(5.8)
Free cash flow used in continuing operations	<u>21.3</u>
Adjustments*	(0.3)
Adjusted free cash flow	<u>\$ 21.0</u>

\* Adjusted for cash flows primarily related to our All Other operating segments.