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**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): **November 1, 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 (17 CFR §230.405) or Rule 12b-2 of the Securities Exchange Act of 1934 (17 CFR §240.12b-2).

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.

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## Item 2.02. Results of Operations and Financial Condition.

On November 1, 2018, SPX Corporation (the “Company”) issued the press release attached as Exhibit 99.1 hereto and incorporated herein by reference.

The press release incorporated by reference into this Item 2.02 contains certain non-GAAP financial measures, including disclosure regarding “Core revenues” and “Core segment income (loss)”, defined as revenues and segment income (loss) for the Company and its Engineered Solutions segment excluding the results of the South African projects and the SPX Heat Transfer business (“Heat Transfer”). During the second quarter of 2018, as a continuation of our strategic shift away from the power generation end markets, the Company initiated a plan to wind-down Heat Transfer. The Company anticipates completing the wind-down of Heat Transfer by the end of the first quarter of 2019. Both the South African projects and Heat Transfer have a finite life and thus, are expected to have a diminishing impact on the Company’s and the Engineered Solutions segment’s operating results over the long term. As such, the Company’s management believes it is useful to investors to disclose revenues and segment income (loss) without the results of the South African projects and Heat Transfer to provide investors with metrics that the Company’s management uses to measure the overall performance of its core businesses. Additionally, during the three and nine months ended September 29, 2018, the Company included an adjustment to Core segment income (loss) for the exclusion of non-recurring charges associated with (i) the step-up of inventory (to fair value) acquired in connection with the Schonstedt and Cues’ acquisitions that were completed on March 1, 2018, and June 7, 2018, respectively, and (ii) amortization expense associated with the backlog intangible asset acquired in connection with the Cues’ acquisition. Further, during 2017, we included an adjustment to Core segment income (loss) associated with the exclusion of a non-recurring gain on a contract settlement within our Engineered Solutions segment. Core revenues and Core segment income (loss) do not provide investors with an accurate measure of, and should not be used as substitutes for, the Company’s revenues and operating income (loss) and the Engineered Solutions segment’s revenues and income (loss) as determined in accordance with accounting principles generally accepted in the United States (“GAAP”), and may not be comparable to similarly titled measures reported by other companies.

The press release incorporated by reference into this Item 2.02 also contains disclosure for the three months ended September 29, 2018 regarding adjusted segment income for the Company’s Detection and Measurement segment, defined as segment income for its Detection and Measurement segment excluding the inventory step-up charges and backlog amortization noted above. Adjusted segment income for the Detection and Measurement segment does not provide investors with an accurate measure of, and should not be used as a substitute for, income of the Detection and Measurement segment as determined in accordance with GAAP, and may not be comparable to similarly titled measures reported by other companies.

The press release incorporated by reference into this Item 2.02 also contains disclosure regarding adjusted operating income (loss) and adjusted earnings (loss) per share, defined as operating income (loss) and diluted net income (loss) per share from continuing operations excluding the following items: (a) results of the South African projects, (b) results of Heat Transfer, (c) non-service pension and postretirement expense (income), (d) acquisition related charges, (e) a non-recurring gain on a contract settlement (see above), (f) a loss on the sale of the Company’s Dry Cooling business, and (g) the removal of certain other discrete tax benefits, as applicable, as well as (h) the income tax impact of items (a) through (f). In addition to the Company’s South African projects and Heat Transfer, as described above, the Company’s management views the impact related to each of the other items as not indicative of the Company’s ongoing performance. The Company believes that inclusion of only the service cost and prior service cost components of pension and postretirement expense better reflects the ongoing costs of providing pension and postretirement benefits to its employees. Other components of GAAP pension and postretirement expense (income) are mainly driven by market performance, and the Company manages these separately from the operational performance of its business. The Company believes adjusted operating income (loss) and adjusted earnings (loss) per share, when read in conjunction with operating income (loss) and diluted net income (loss) per share from continuing operations, gives investors a useful tool to assess and understand the Company’s overall financial performance, because they exclude items of income or expense that the Company believes are not reflective of its ongoing operating performance, allowing for a better period-to-period comparison of operations of the Company. Additionally, the Company’s management uses adjusted operating income (loss) and adjusted earnings (loss) per share as measures of the Company’s performance. The adjusted operating income (loss) and adjusted earnings (loss) per share measures do not provide investors with an accurate measure of the actual operating income (loss) and diluted net income (loss) per share from continuing operations reported by the Company and should not be considered as substitutes for operating income (loss) and diluted net income (loss) per share from continuing operations as determined in accordance with GAAP, and may not be comparable to similarly titled measures reported by other companies.

The press release incorporated by reference into this Item 2.02 also contains disclosure regarding organic revenue growth (decline), defined as revenue growth (decline) excluding the effects of foreign currency fluctuations and acquisitions/divestitures, as applicable. The Company’s management believes that organic revenue growth (decline) is a useful financial measure for investors in evaluating operating performance for the periods presented, because excluding the effect of currency fluctuations and acquisitions/divestitures, when read in conjunction with the Company’s revenues, presents a useful tool to evaluate the Company’s

ongoing operations and provides investors with a tool they can use to evaluate the Company's management of assets held from period to period. In addition, organic revenue growth (decline) is one of the factors the Company's management uses in internal evaluations of the overall performance of its business. This metric, however, should not be considered a substitute for revenue growth (decline) as determined in accordance with GAAP, and may not be comparable to similarly titled measures reported by other companies.

The press release incorporated by reference into this Item 2.02 also contains disclosure regarding free cash flow from (used in) continuing operations, defined as net cash from (used in) continuing operations less capital expenditures of continuing operations. The Company's management believes that free cash flow from (used in) continuing operations is a useful financial measure for investors in evaluating the cash flow performance of multi-industrial companies, since it provides insight into the cash flow available to fund such things as mandatory and discretionary debt reduction, equity repurchases, and acquisitions or other strategic investments. Free cash flow from (used in) continuing operations is not a measure of financial performance under GAAP. This measure should not be considered a substitute for net cash flow from (used in) continuing operations, as determined in accordance with GAAP, but rather should be used in combination with cash flows from (used in) operating activities as determined in accordance with GAAP, and may not be comparable to similarly titled measures reported by other companies.

Refer to the tables included in the press release for the components of each of the Company's non-GAAP financial measures referred to above, and for the reconciliations of these numbers to their respective comparable GAAP measures.

The information in this Report is being furnished and shall not be deemed "filed" for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that Section. The information in this Report shall not be deemed incorporated by reference into any filing under the Securities Act of 1933, as amended, except as shall be expressly set forth by specific reference in such filing.

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

(d) Exhibits.

<u>Exhibit Number</u>	<u>Description</u>
99.1	<a href="#">Press Release issued November 1, 2018, furnished solely pursuant to Item 2.02 of Form 8-K</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)

Date: November 1, 2018

By: /s/ Scott W. Sproule

Scott W. Sproule

Vice President, Chief Financial Officer and

Treasurer

## SPX Reports Third Quarter 2018 Results

### Q3 GAAP EPS of \$0.15; Adjusted EPS\* of \$0.37 Strong Revenue Increase from HVAC and Detection & Measurement Segments On Track for Full-Year Adjusted EPS\* Guidance Range of \$2.15-\$2.25

CHARLOTTE, N.C., November 1, 2018 /Globe Newswire/ -- SPX Corporation (NYSE:SPXC) today reported results for the quarter ended September 29, 2018.

Gene Lowe, President and CEO, remarked, "During the third quarter, we experienced a solid increase in revenue due to strong demand for our heating and cooling products in our HVAC segment, and our recent acquisitions of Schonstedt and CUES in our Detection & Measurement segment. While we also experienced headwinds associated with the impact of Hurricane Florence and higher net input costs, our fourth quarter backlog and current order book leave us confident in our full-year Adjusted EPS\* guidance range of \$2.15 to \$2.25. As we enter the latter part of the year, our strong balance sheet and cash generation profile position us to continue executing on value-accretive capital allocation initiatives, including inorganic opportunities in our key growth platforms."

#### Third Quarter 2018 Overview:

For the third quarter of 2018 the company reported revenue of \$362.5 million and operating income of \$13.4 million, compared with \$348.5 million and \$29.7 million, respectively, in the third quarter of 2017. Net earnings per share from continuing operations was \$0.15, compared with \$0.50 for the third quarter of 2017, which included a one-time gain on a contract settlement.

SPX Core revenue\* was \$345.9 million and adjusted operating income\* was \$26.0 million, compared with \$321.7 million and \$24.5 million, respectively, in the third quarter of 2017. Adjusted earnings per share\* for the third quarter of 2018 was \$0.37, compared with \$0.36 for the third quarter of 2017. For the third quarter of 2018, the impact on adjusted earnings per share\* of intangible amortization expense associated with the acquisitions of Schonstedt Instrument Company ("Schonstedt") in and CUES, Inc. ("CUES"), which occurred in the first half of 2018, was approximately \$(0.02).

#### Third Quarter and Year-to-Date Financial Comparisons:

##### GAAP Results:

(\$ millions)	Q3 2018		Q3 2017		2018 YTD		2017 YTD	
Revenue	\$	362.5	\$	348.5	\$	1,093.6	\$	1,038.8
Segment Income		29.6		45.4		107.6		100.4
Operating Income		13.4		29.7		55.4		54.0

##### Adjusted Results:

(\$ millions)	Q3 2018		Q3 2017		2018 YTD		2017 YTD	
Core Revenue*	\$	345.9	\$	321.7	\$	1,032.6	\$	973.7
Core Segment Income*		40.7		39.6		130.6		125.4
Adjusted Operating Income*		26.0		24.5		85.1		79.2

\* Non-GAAP financial measure. See attached schedules for reconciliation to most comparable GAAP financial measure.

## HVAC

Revenue for Q3 2018 was \$132.0 million, compared with \$119.4 million in Q3 2017, an increase of 10.6%, including a 0.2% unfavorable impact from currency fluctuations. Organic revenue\* increased 10.8%, due to strong cooling product volumes and, to a lesser extent, increased volumes of heating products.

Segment income was \$15.6 million, or 11.8% of revenue, in Q3 2018, compared with \$15.6 million, or 13.1% of revenue, in Q3 2017. The decrease in margin was largely due to a less profitable sales mix and higher net input costs.

## Detection & Measurement

Revenue for Q3 2018 was \$84.3 million, compared with \$66.9 million in Q3 2017, an increase of 26.0% including a 0.3% unfavorable impact from currency fluctuations and a 39.6% increase from the acquisitions of Schonstedt and CUES. Organic revenue\* decreased 13.3% largely due to the timing of project-related sales of communication technologies products.

Segment income was \$15.5 million in Q3 2018. Adjusted segment income\*, which excludes \$2.9 million of charges associated with the excess fair value of inventory and backlog amortization for the CUES acquisition, was \$18.4 million, or 21.8% of revenue. This compares with segment income of \$16.5 million, or 24.7% of revenue, in Q3 2017. The 290 basis point decrease in adjusted segment income margin\* was driven by intangible amortization expense associated with recent acquisitions and lower volumes related to project timing. For the third quarter of 2018, the impact on adjusted segment income\* of intangible amortization expense associated with recent acquisitions was approximately \$1.2 million, or 1.4% of revenue.

## Engineered Solutions

Revenue for Q3 2018 was \$146.2 million, compared with \$162.2 million in Q3 2017. Currency fluctuations had a 0.4% unfavorable impact. The adoption of accounting standard ASC 606\*\* positively affected revenue for the quarter by \$0.6 million.

The decline in revenue was driven primarily by lower revenue associated with the power projects in South Africa and the continued impact of a shift in the sales model in the segment's process cooling business, which is now focused more on high-margin components and services and less on low-margin construction projects.

Segment loss was \$1.5 million in Q3 2018, compared with segment income of \$13.3 million in Q3 2017. The decline in segment income was due primarily to a contract settlement gain of \$10.2 million in Q3 2017 and a charge associated with the South African projects of \$4.7 million in Q3 2018.

### *Engineered Solutions (Core)*

Excluding the results of the South African projects and Heat Transfer operations, Engineered Solutions recorded Core revenue\* for Q3 2018 of \$129.6 million, compared with \$135.4 million in Q3 2017, a decrease of 4.3%. The reduction in revenue was driven primarily by lower sales of process cooling products.

Engineered Solutions' Core income\* for Q3 2018 was \$6.7 million, or 5.2% of revenue, compared with \$7.5 million, or 5.5% of revenue, in Q3 2017. The decreases in Core income\* and margin\* were driven primarily by our transformer business, which experienced margin decline associated with the impact of Hurricane Florence.

### *South African Projects*

Revenue attributable to the large South African projects for Q3 2018 was \$9.8 million, compared with \$17.7 million in Q3 2017. Losses for these projects recorded in our Engineered Solutions segment in Q3 2018 were \$8.1 million, compared with a loss of \$4.2 million in Q3 2017. During Q3 2018, the company recorded a charge of \$4.7

million to revise the amount of expected revenue and cost of the projects, resulting in a reduction in revenue of \$2.7 million and an increase in cost of \$2.0 million.

**Financial Update:**

As of September 29, 2018, SPX had total outstanding debt of \$463.0 million and total cash and equivalents of \$61.9 million. During the third quarter of 2018, net operating cash from continuing operations was \$9.2 million. Free cash flow from continuing operations\* totaled \$6.6 million and included cash used for the South African projects of \$9.1 million, net of a tax benefit. Net leverage, as calculated under the company’s bank credit agreement, was 2.3x.

**Adjusting 2018 Adjusted EPS\* Guidance:**

SPX now expects moderately higher Core revenue\* than its prior 2018 guidance of approximately \$1.4 billion. The company continues to expect a similar level of overall Core segment income\* as represented by prior guidance, (or approximately \$200 million), but is adjusting its Core segment income margin\* to approximately 14% (vs 14.0-14.5% prior), reflecting the higher level of Core revenue\*. The company continues to expect adjusted operating income margin\* of approximately 10% and adjusted earnings per share\* in a range of \$2.15 to \$2.25.

Segment performance, on a year-over-year basis, is expected to be as follows (changes **Bolded**):

	<b>Revenue</b>	<b>Segment Income Margin %</b>
HVAC	<b>Approximately 11.0-12.0% organic growth*</b> (vs 7.0-8.0% prior)	<b>Approximately 15.0%</b> (vs approximately 15.5% prior)
Detection & Measurement	<b>In a range of \$320-325 million</b> (vs \$325-335 million prior)	<b>Approximately 24.0%</b> (vs 22.5-23.5% prior)
Engineered Solutions (Core)*	In a range of \$550-560 million	<b>Approximately 7%</b> (vs approximately 8.0% prior)

**Non-GAAP Presentation:** The results and guidance in this release include non-GAAP financial measures, including “Core” results, “organic revenue increase (decrease),” “Adjusted operating income (loss),” “Adjusted segment income (loss),” “Adjusted earnings (loss) per share,” and “free cash flow from continuing operations.” To provide clarity to its operating results, the company reports “Core” results, which exclude the effect of the South African projects, and separately reports on the progress and results associated with the South African projects. In addition to excluding the South Africa projects, “Core” results exclude Heat Transfer operations in anticipation of reporting the Heat Transfer business as a discontinued operation upon completion of the wind-down, which we expect to occur by the end of Q1 2019. Additionally, Q3 2017 Core segment income also excludes a gain related to a contract settlement within our Engineered Solutions segment. Other items adjusted out of segment income, operating income, and earnings per share consist of certain acquisition-related costs and a loss on sale of dry cooling in 2018, and non-service pension items and various other tax items in 2018 and 2017.

**Form 10-Q:** The company expects to file its quarterly report on Form 10-Q for the quarter ended September 29, 2018 with the Securities and Exchange Commission on or before November 8, 2018. This press release should be read in conjunction with that filing, which will be available on the company’s website at [www.spx.com](http://www.spx.com), in the Investor Relations section.

**Subsequent Event:** On October 30, 2018, a non-governmental business adjudicator in South Africa provided a decision on certain claims made against our South African subsidiary by its subcontractor on the South African projects. This decision is subject to additional dispute-resolution procedures. The adjudicator concluded that the subcontractor was entitled to payment of South African Rand 256.0 million (or \$18.1 million). The company is reviewing the basis for this decision and will provide additional details in its quarterly report on Form 10-Q for the quarter ended September 29, 2018, but believes that the adjudicator’s decision is invalid and our South African



subsidiary has already taken steps to have the decision set aside. Accordingly, the financial results presented in this release do not reflect that the company will incur any loss attributable to this matter.

**Conference Call:** SPX will host a conference call at 4:45 p.m. (EDT) today to discuss third quarter results. The call will be simultaneously webcast via the company's website at [www.spx.com](http://www.spx.com) and the slide presentation will be available in the Investor Relations section of the site.

Conference call

Dial in: 877-341-7727

From outside the United States: +1 262-558-6098

Participant code: 7339597

A replay of the call will be available by telephone through Thursday, November 8<sup>th</sup>.

To listen to a replay of the call

Dial in: 855-859-2056

From outside the United States: +1 404-537-3406

Participant code: 7339597

**Upcoming Investor Events:** Company management plans to be on the road during the fourth quarter of 2018 meeting with investors, including attending the Baird Global Industrial Conference in Chicago on November 7<sup>th</sup>, the Furey Research Partners Hidden Gems Conference in New York City on November 8<sup>th</sup>, and the Credit Suisse Annual Industrials Conference in Palm Beach, FL on November 29<sup>th</sup>.

**About SPX Corporation:** SPX Corporation is a supplier of highly engineered products and technologies, holding leadership positions in the HVAC, detection and measurement, and engineered solutions markets. Based in Charlotte, North Carolina, SPX Corporation had approximately \$1.4 billion in annual revenue in 2017 and more than 5,000 employees in 14 countries. SPX Corporation is listed on the New York Stock Exchange under the ticker symbol "SPXC." For more information, please visit [www.spx.com](http://www.spx.com).

\*Non-GAAP financial measure. See attached schedules for reconciliation to most comparable GAAP financial measure.

\*\*See attached schedule for the impact of the adoption of ASC 606 on SPX's reported results.

Note: Our non-GAAP financial guidance excludes items, which would be included in our GAAP financial measures, that we do not consider indicative of our on-going performance. These items include, but are not limited to, acquisition costs, costs associated with dispositions, the results of our South African projects, the results of our Heat Transfer business and potential non-cash income or expense items associated with changes in market interest rates and actuarial or other data related to our pension and postretirement plans, as the ultimate aggregate amounts associated with these items are out of our control and/or cannot be reasonably predicted. Accordingly, a reconciliation of our non-GAAP financial guidance to the nearest corresponding GAAP financial measures is not practicable.

Certain statements in this press release are forward-looking statements within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended, and are subject to the safe harbor created thereby. Please read these results in conjunction with the company's documents filed with the Securities and Exchange Commission, including the company's most recent annual reports on Form 10-K. These filings identify important risk factors and other uncertainties that could cause actual results to differ from those contained in the forward-looking statements. Actual results may differ materially from these statements. The words "believe," "expect," "anticipate," "project" and similar expressions identify forward-looking statements. Although the company 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 current complement of businesses, which is subject to change.

Statements in this press release speak only as of the date of this press release, and SPX disclaims any responsibility to update or revise such statements.

SOURCE SPX Corporation.

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	Three months ended		Nine Months Ended	
	September 29, 2018	September 30, 2017	September 29, 2018	September 30, 2017
Revenues	\$ 362.5	\$ 348.5	\$ 1,093.6	\$ 1,038.8
Costs and expenses:				
Cost of products sold	274.8	263.4	818.1	789.5
Selling, general and administrative	71.6	64.4	212.8	203.0
Intangible amortization	1.7	0.2	2.7	0.5
Special charges, net	1.0	1.0	4.6	2.0
Gain on contract settlement	—	10.2	—	10.2
Operating income	13.4	29.7	55.4	54.0
Other income (expense), net	0.7	1.2	3.9	(4.0)
Interest expense	(5.9)	(4.3)	(15.3)	(12.9)
Interest income	0.3	0.2	1.1	0.9
Income from continuing operations before income taxes	8.5	26.8	45.1	38.0
Income tax provision	(1.7)	(4.8)	(6.2)	(14.0)
Income from continuing operations	6.8	22.0	38.9	24.0
Income (loss) from discontinued operations, net of tax	—	—	—	—
Gain (loss) on disposition of discontinued operations, net of tax	(0.2)	0.3	3.1	6.7
Income (loss) from discontinued operations, net of tax	(0.2)	0.3	3.1	6.7
Net income	\$ 6.6	\$ 22.3	\$ 42.0	\$ 30.7
Basic income per share of common stock:				
Income from continuing operations	\$ 0.16	\$ 0.51	\$ 0.91	\$ 0.56
Income (loss) from discontinued operations	(0.01)	0.01	0.07	0.16
Net income per share	\$ 0.15	\$ 0.52	\$ 0.98	\$ 0.72
Weighted-average number of common shares outstanding — basic	43.080	42.540	42.948	42.347
Diluted income per share of common stock:				
Income from continuing operations	\$ 0.15	\$ 0.50	\$ 0.87	\$ 0.55
Income from discontinued operations	—	0.01	0.07	0.15
Net income per share	\$ 0.15	\$ 0.51	\$ 0.94	\$ 0.70
Weighted-average number of common shares outstanding — diluted	44.904	44.064	44.648	43.728

**SPX CORPORATION AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**  
(Unaudited; in millions)

	September 29, 2018	December 31, 2017
<b>ASSETS</b>		
Current assets:		
Cash and equivalents	\$ 61.9	\$ 124.3
Accounts receivable, net	256.2	267.5
Contract assets	90.2	—
Inventories, net	143.5	143.0
Other current assets (includes income taxes receivable of \$47.1 and \$62.4 at September 29, 2018 and December 31, 2017, respectively)	71.3	97.7
Total current assets	623.1	632.5
Property, plant and equipment:		
Land	19.4	15.8
Buildings and leasehold improvements	124.9	120.5
Machinery and equipment	334.7	330.4
	479.0	466.7
Accumulated depreciation	(294.0)	(280.1)
Property, plant and equipment, net	185.0	186.6
Goodwill	393.8	345.9
Intangibles, net	200.3	117.6
Other assets	671.3	706.9
Deferred income taxes	32.9	50.9
<b>TOTAL ASSETS</b>	<b>\$ 2,106.4</b>	<b>\$ 2,040.4</b>
<b>LIABILITIES AND EQUITY</b>		
Current liabilities:		
Accounts payable	\$ 141.2	\$ 159.7
Contract liabilities	75.3	—
Accrued expenses	186.4	292.6
Income taxes payable	1.7	1.2
Short-term debt	113.1	7.0
Current maturities of long-term debt	9.3	0.5
Total current liabilities	527.0	461.0
Long-term debt	340.6	349.3
Deferred and other income taxes	33.4	29.6
Other long-term liabilities	835.7	885.8
Total long-term liabilities	1,209.7	1,264.7
Equity:		
Common stock	0.5	0.5
Paid-in capital	1,310.2	1,309.8
Retained deficit	(701.3)	(742.3)
Accumulated other comprehensive income	250.5	250.1
Common stock in treasury	(490.2)	(503.4)
Total equity	369.7	314.7
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>\$ 2,106.4</b>	<b>\$ 2,040.4</b>

**SPX CORPORATION AND SUBSIDIARIES**  
**RESULTS OF REPORTABLE SEGMENTS**  
(Unaudited; in millions)

	Three months ended				Nine months ended			
	September 29, 2018	September 30, 2017	<u>Δ</u>	<u>%/bps</u>	September 29, 2018	September 30, 2017	<u>Δ</u>	<u>%/bps</u>
<b>HVAC reportable segment</b>								
Revenues	\$ 132.0	\$ 119.4	\$ 12.6	10.6%	\$ 399.4	\$ 349.8	\$ 49.6	14.2%
Gross profit	37.8	36.7	1.1		121.0	113.1	7.9	
Selling, general and administrative expense	22.1	21.0	1.1		68.0	65.3	2.7	
Intangible amortization expense	0.1	0.1	—		0.3	0.3	—	
Income	<u>\$ 15.6</u>	<u>\$ 15.6</u>	<u>\$ —</u>	<u>—%</u>	<u>\$ 52.7</u>	<u>\$ 47.5</u>	<u>\$ 5.2</u>	<u>10.9%</u>
as a percent of revenues	11.8 %	13.1%		-130 bps	13.2%	13.6%		-40 bps
<b>Detection &amp; Measurement reportable segment</b>								
Revenues	\$ 84.3	\$ 66.9	\$ 17.4	26.0%	\$ 224.5	\$ 185.0	\$ 39.5	21.4%
Gross profit	35.3	29.4	5.9		98.0	86.1	11.9	
Selling, general and administrative expense	18.2	12.8	5.4		48.0	41.0	7.0	
Intangible amortization expense	1.6	0.1	1.5		2.3	0.1	2.2	
Income	<u>\$ 15.5</u>	<u>\$ 16.5</u>	<u>\$ (1.0)</u>	<u>(6.1)%</u>	<u>\$ 47.7</u>	<u>\$ 45.0</u>	<u>\$ 2.7</u>	<u>6.0%</u>
as a percent of revenues	18.4 %	24.7%		-630 bps	21.2%	24.3%		-310 bps
<b>Engineered Solutions reportable segment</b>								
Revenues	\$ 146.2	\$ 162.2	\$ (16.0)	(9.9)%	\$ 469.7	\$ 504.0	\$ (34.3)	(6.8)%
Gross profit	14.6	19.0	(4.4)		56.5	50.1	6.4	
Selling, general and administrative expense	16.1	15.9	0.2		49.2	52.3	(3.1)	
Intangible amortization expense	—	—	—		0.1	0.1	—	
Gain on contract settlement	—	10.2	(10.2)		—	10.2	(10.2)	
Income (loss)	<u>\$ (1.5)</u>	<u>\$ 13.3</u>	<u>\$ (14.8)</u>	<u>(111.3)%</u>	<u>\$ 7.2</u>	<u>\$ 7.9</u>	<u>\$ (0.7)</u>	<u>(8.9)%</u>
as a percent of revenues	(1.0)%	8.2%		-920 bps	1.5%	1.6%		-10 bps
<b>Consolidated Revenues</b>	<b>\$ 362.5</b>	<b>\$ 348.5</b>	<b>\$ 14.0</b>	<b>4.0%</b>	<b>\$ 1,093.6</b>	<b>\$ 1,038.8</b>	<b>\$ 54.8</b>	<b>5.3%</b>
<b>Consolidated Segment Income</b>	<b>29.6</b>	<b>45.4</b>	<b>(15.8)</b>	<b>(34.8)%</b>	<b>107.6</b>	<b>100.4</b>	<b>7.2</b>	<b>7.2%</b>
<b>as a percent of revenues</b>	<b>8.2 %</b>	<b>13.0%</b>		<b>-480 bps</b>	<b>9.8%</b>	<b>9.7%</b>		<b>10 bps</b>
Total income for reportable segments	\$ 29.6	\$ 45.4	\$ (15.8)		\$ 107.6	\$ 100.4	\$ 7.2	
Corporate expense	10.5	11.0	(0.5)		34.8	33.7	1.1	
Pension and postretirement expense	—	0.1	(0.1)		—	0.3	(0.3)	
Long-term incentive compensation expense	4.3	3.6	0.7		12.4	10.4	2.0	
Special charges, net	1.0	1.0	—		4.6	2.0	2.6	
Loss on sale of dry cooling business	0.4	—	0.4		0.4	—	0.4	
<b>Consolidated operating income</b>	<u>\$ 13.4</u>	<u>\$ 29.7</u>	<u>\$ (16.3)</u>	<u>(54.9)%</u>	<u>\$ 55.4</u>	<u>\$ 54.0</u>	<u>\$ 1.4</u>	<u>2.6%</u>
as a percent of revenues	3.7 %	8.5%		-480 bps	5.1%	5.2%		-10 bps

**SPX CORPORATION AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(Unaudited; in millions)

	Three months ended		Nine months ended	
	September 29, 2018	September 30, 2017	September 29, 2018	September 30, 2017
<b>Cash flows from (used in) operating activities:</b>				
Net income	\$ 6.6	\$ 22.3	\$ 42.0	\$ 30.7
Less: Income (loss) from discontinued operations, net of tax	(0.2)	0.3	3.1	6.7
Income from continuing operations	6.8	22.0	38.9	24.0
Adjustments to reconcile income from continuing operations to net cash from (used in) operating activities:				
Special charges, net	1.0	1.0	4.6	2.0
Deferred and other income taxes	0.5	3.1	6.6	(0.7)
Depreciation and amortization	7.9	6.3	21.3	18.9
Pension and other employee benefits	1.3	0.8	5.1	8.3
Long-term incentive compensation	4.3	3.6	12.4	10.4
Other, net	0.8	1.2	1.5	2.9
Changes in operating assets and liabilities, net of effects from acquisitions and divestitures:				
Accounts receivable and other assets	8.8	(24.7)	19.9	(18.9)
Inventories	(1.4)	3.1	(6.2)	(17.2)
Accounts payable, accrued expenses and other	(19.3)	(9.3)	(86.7)	(31.6)
Cash spending on restructuring actions	(1.5)	(0.4)	(2.4)	(1.4)
Net cash from (used in) continuing operations	9.2	6.7	15.0	(3.3)
Net cash used in discontinued operations	(0.6)	(0.4)	(1.7)	(6.1)
Net cash from (used in) operating activities	8.6	6.3	13.3	(9.4)
<b>Cash flows used in investing activities:</b>				
Proceeds from company-owned life insurance policies, net	—	0.6	0.2	0.9
Business acquisitions, net of cash acquired	—	—	(182.6)	—
Net proceeds from sales of assets	(0.6)	—	9.5	—
Decrease in restricted cash	0.3	—	0.3	—
Capital expenditures	(2.6)	(3.6)	(8.0)	(8.4)
Net cash used in continuing operations	(2.9)	(3.0)	(180.6)	(7.5)
Net cash from discontinued operations	1.2	—	3.6	—
Net cash used in investing activities	(1.7)	(3.0)	(177.0)	(7.5)
<b>Cash flows from (used in) financing activities:</b>				
Borrowings under senior credit facilities	28.4	30.4	157.4	46.4
Repayments under senior credit facilities	(43.6)	(34.8)	(76.6)	(59.5)
Borrowings under trade receivables financing arrangement	28.0	30.0	60.0	70.0
Repayments under trade receivables financing arrangement	(23.0)	(20.0)	(33.0)	(39.0)
Net repayments under other financing arrangements	(0.9)	(5.1)	(2.0)	(7.8)
Minimum withholdings paid on behalf of employees for net share settlements, net of proceeds from the exercise of employee stock options and other	—	0.7	(3.0)	(1.1)
Net cash from (used in) continuing operations	(11.1)	1.2	102.8	9.0
Net cash used in discontinued operations	—	—	—	—
Net cash from (used in) financing activities	(11.1)	1.2	102.8	9.0
Change in cash and equivalents due to changes in foreign currency exchange rates	(0.6)	(0.8)	(1.5)	(4.5)
Net change in cash and equivalents	(4.8)	3.7	(62.4)	(12.4)
Consolidated cash and equivalents, beginning of period	66.7	83.5	124.3	99.6
Consolidated cash and equivalents, end of period	\$ 61.9	\$ 87.2	\$ 61.9	\$ 87.2

**SPX CORPORATION AND SUBSIDIARIES**  
**CASH AND DEBT RECONCILIATION**  
(Unaudited; in millions)

	<u>Nine months ended</u>
	<u>September 29, 2018</u>
Beginning cash and equivalents	\$ 124.3
Cash from continuing operations	15.0
Capital expenditures	(8.0)
Proceeds from company-owned life insurance policies, net	0.2
Decrease in restricted cash	0.3
Net proceeds from assets sales	9.5
Business acquisitions, net of cash acquired	(182.6)
Borrowings under senior credit facilities	157.4
Repayments under senior credit facilities	(76.6)
Net borrowings under other financing arrangements	25.0
Minimum withholdings paid on behalf of employees for net share settlements, net of proceeds from the exercise of employee stock options	(3.0)
Cash from discontinued operations	1.9
Change in cash due to changes in foreign currency exchange rates	(1.5)
Ending cash and equivalents	<u>\$ 61.9</u>

	<u>Debt at</u>				<u>Debt at</u>
	<u>December 31, 2017</u>	<u>Borrowings</u>	<u>Repayments</u>	<u>Other</u>	<u>September 29, 2018</u>
Revolving loans	\$ —	\$ 157.4	\$ (76.6)	\$ —	\$ 80.8
Term loan	350.0	—	—	—	350.0
Trade receivables financing arrangement	—	60.0	(33.0)	—	27.0
Other indebtedness	9.1	14.1	(16.1)	0.1	7.2
Less: Deferred financing costs associated with the term loan	(2.3)	—	—	0.3	(2.0)
Totals	<u>\$ 356.8</u>	<u>\$ 231.5</u>	<u>\$ (125.7)</u>	<u>\$ 0.4</u>	<u>\$ 463.0</u>

**SPX CORPORATION AND SUBSIDIARIES**  
**NON-GAAP RECONCILIATION - ORGANIC REVENUE**  
**HVAC AND DETECTION & MEASUREMENT SEGMENTS**  
**(Unaudited)**

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



**SPX CORPORATION AND SUBSIDIARIES**

**Impact of ASC 606 Adoption**

**(Unaudited; in millions)**

	<b>Three months ended September 29, 2018</b>			<b>Nine months ended September 29, 2018</b>		
	Reported	Effect of ASC 606 Adoption <sup>(1)</sup>	Under Prior Revenue Recognition Guidance	Reported	Effect of ASC 606 Adoption <sup>(1)</sup>	Under Prior Revenue Recognition Guidance
Revenues	\$ 362.5	\$ (0.6)	\$ 361.9	\$ 1,093.6	\$ (20.2)	\$ 1,073.4
Net Income	6.6	(0.9)	5.7	42.0	(2.8)	39.2

<sup>(1)</sup> Effect of ASC 606 adoption related solely to our Engineered Solutions reportable segment.

**SPX CORPORATION AND SUBSIDIARIES**  
**NON-GAAP RECONCILIATION - REVENUE AND SEGMENT INCOME**  
(Unaudited; in millions)

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

<b>ENGINEERED SOLUTIONS SEGMENT:</b>	<b>Three months ended</b>	
	<b>September 29, 2018</b>	<b>September 30, 2017</b>
Engineered Solutions revenue	\$ 146.2	\$ 162.2
Exclude: South African projects	9.8	17.7
Exclude: Heat Transfer	6.8	9.1
Engineered Solutions (Core) revenue	<u>\$ 129.6</u>	<u>\$ 135.4</u>
Engineered Solutions Segment income (loss)	\$ (1.5)	\$ 13.3
Exclude: Losses from South African projects	(8.1)	(4.2)
Exclude: Losses from Heat Transfer	(0.1)	(0.2)
Exclude: Contract settlement gain	—	10.2
Engineered Solutions (Core) income	<u>\$ 6.7</u>	<u>\$ 7.5</u>
as a percent of Engineered Solutions (Core) revenues <sup>(2)</sup>	5.2%	5.5%

<b>DETECTION &amp; MEASUREMENT SEGMENT:</b>	<b>Three months ended</b>	
	<b>September 29, 2018</b>	<b>September 30, 2017</b>
Detection & Measurement Segment income	\$ 15.5	\$ 16.5
Exclude: One time acquisition related costs <sup>(1)</sup>	(2.9)	—
Detection & Measurement adjusted segment income	<u>\$ 18.4</u>	<u>\$ 16.5</u>
as a percent of Detection & Measurement revenues <sup>(2)</sup>	21.8%	24.7%

<sup>(1)</sup> Represents additional "Cost of products sold" and "Intangibles amortization" recorded during the three and nine months ended September 29, 2018 related to the step-up of inventory (to fair value) and customer backlog amortization, respectively, acquired in connection with the Cues and Schonstedt acquisitions.

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

**SPX CORPORATION AND SUBSIDIARIES**  
**NON-GAAP RECONCILIATION - OPERATING INCOME**  
(Unaudited; in millions)

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

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

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

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

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

**SPX CORPORATION AND SUBSIDIARIES**  
**NON-GAAP RECONCILIATION - EARNINGS PER SHARE**  
**Three Months Ended September 29, 2018**  
**(Unaudited; in millions, except per share values)**

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

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

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

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

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

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

**SPX CORPORATION AND SUBSIDIARIES**  
**NON-GAAP RECONCILIATION - EARNINGS PER SHARE**

**Three Months Ended September 30, 2017**  
**(Unaudited; in millions, except per share values)**

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

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

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

<sup>(3)</sup> Adjustment represents removal of restructuring charges associated with South African projects.

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

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

**SPX CORPORATION AND SUBSIDIARIES**  
**NON-GAAP RECONCILIATION - FREE CASH FLOW**  
**(Unaudited; in millions)**

	<b>Three months ended</b>	
	<b>September 29, 2018</b>	
Net operating cash flow from continuing operations	\$	9.2
Capital expenditures - continuing operations		(2.6)
Free cash flow from continuing operations	\$	6.6