

# SPX Corporation Investor Presentation

June 2020



- ❑ Certain statements contained in this presentation that are not historical facts, including any statements as to future market conditions, results of operations, products introductions, and financial projections, are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and 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, forward-looking statements 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 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 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. 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.

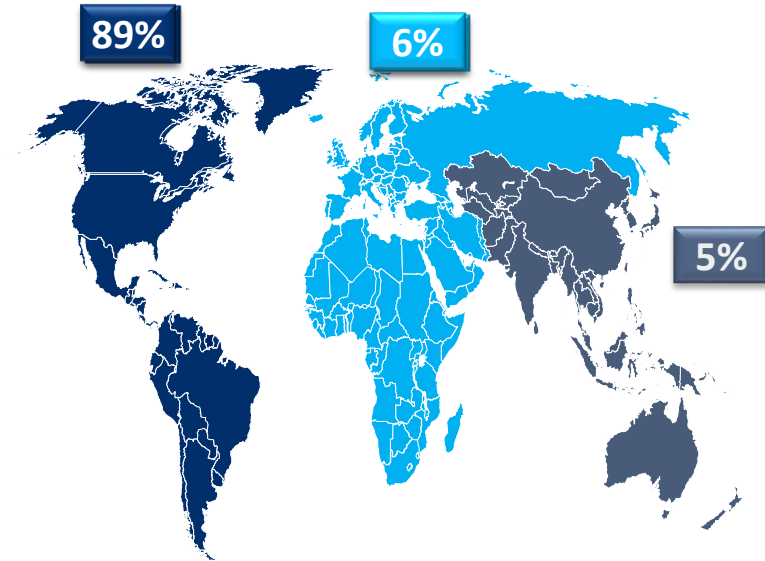
# SPX Corporation Overview

# Company Overview



- ❑ Headquartered in Charlotte, NC
- ❑ A leading supplier of:
  - ✓ HVAC products
  - ✓ Detection & Measurement technologies, and
  - ✓ Engineered Solutions
- ❑ ~\$1.5b Adjusted Revenue\* in 2019
- ❑ ~4,500 employees
- ❑ NYSE Ticker: **SPXC**

## 2019 Adjusted Revenue\* by Region



SPX is a Leading Supplier of HVAC, Detection & Measurement and Engineered Solutions;  
The Majority of Revenue is Generated by North American Sales

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

# Attractiveness of SPX for Long-Term Holders



## Attractive Core

Well positioned key platforms in growth markets

## Growth

Favorable long-term secular trends and business mix; growth initiatives in early innings

## Cash Flow

100-110% conversion of adjusted net income\*

## Business System

Consistent repeatable process to drive improvement

## Capital Deployment

Substantial available capital and liquidity

Well Positioned to Navigate Current Uncertainty;  
Poised to Continue Growth journey as Crisis Abates

\*Non-GAAP financial measure. Reconciliations from US GAAP are available in the appendix of this presentation. Based on historical conversion rates.

# Strong Product Offerings and Attractive Market Dynamics



## HVAC

- ✓ Cooling towers
- ✓ Refrigeration
- ✓ Boilers
- ✓ Electrical heating

## DETECTION & MEASUREMENT

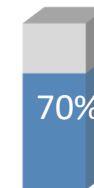
- ✓ Location & inspection
- ✓ Fare collection
- ✓ Communication technologies

## ENGINEERED SOLUTIONS

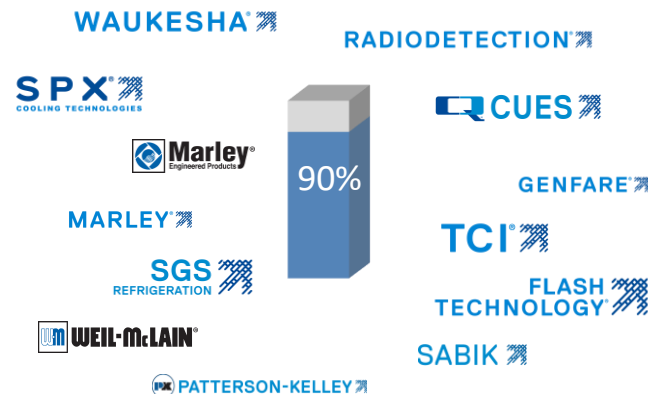
- ✓ Transformers
- ✓ Process cooling & components

2019	
REVENUE	ADJUSTED EBITDA MARGIN*
\$593m	17%
\$385m	25%
\$549m	10%

## 2019 REVENUE FROM REPLACEMENT SALES†



## 2019 REVENUE FROM #1 OR #2 MARKET POSITION†



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

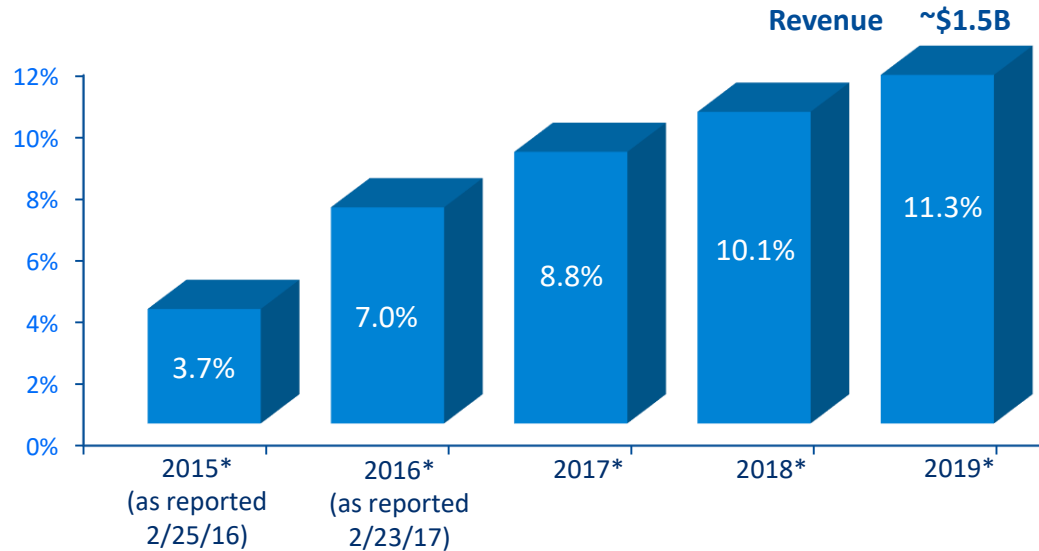
†Based on management estimates.

Note: Weil-McLain is a division of The Marley-Wylain Company

# Transformation of SPX - 2015 Through 2019



## Adjusted Operating Income Margin



**Adjusted EPS\***

**N/A**

**\$1.47**

**\$1.74**

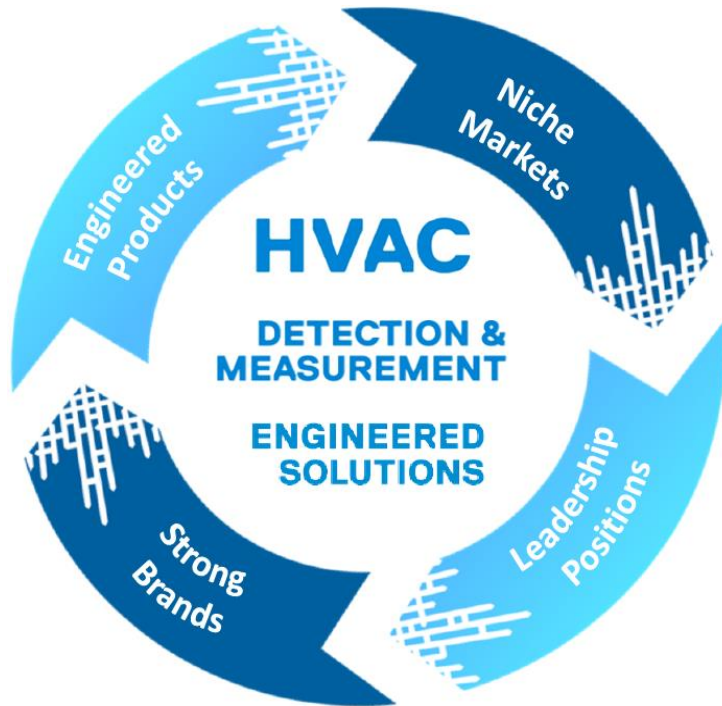
**\$2.27**

**\$2.76**

**Actions Taken in Last Four Years Have Significantly Strengthened SPX's Financial Profile**

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

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.



## 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

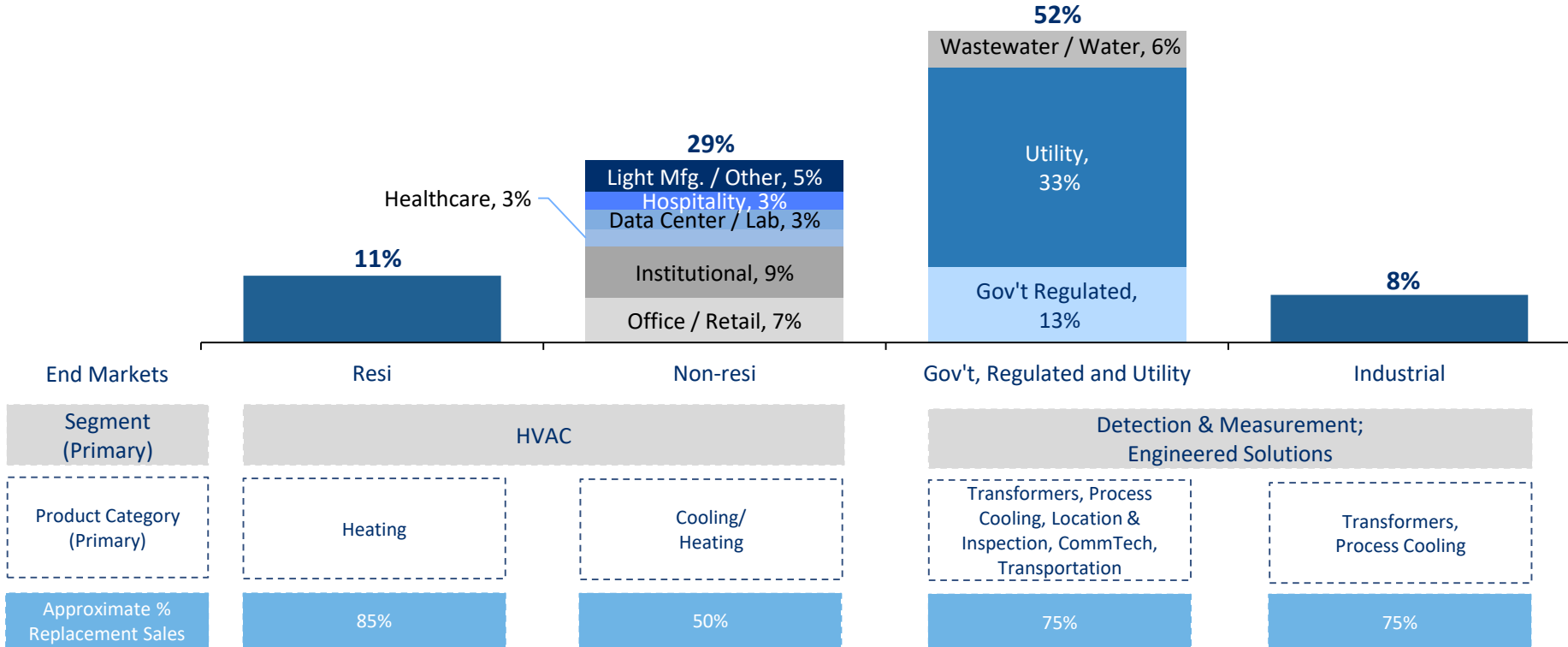
- Employee development
- Results/accountability
- Integrity



# End Market Exposures\* (2019)

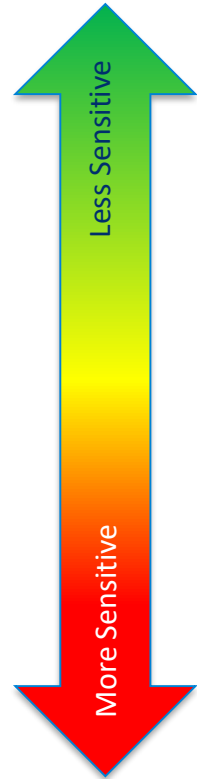


## Total 2019 Revenue of \$1.5 Billion



\*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.

# Segment Overview

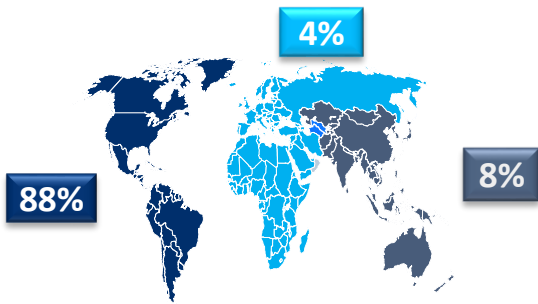
# HVAC Segment Overview



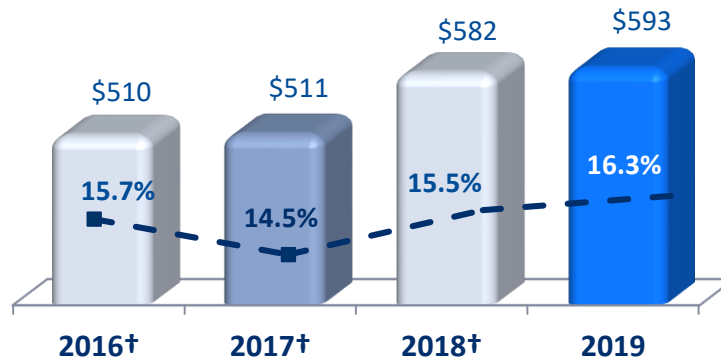
## 2019 Revenue by Product



## 2019 Revenue by Geography



■ Revenue  
 ■ Adjusted segment income\* %



(\$ millions)

	2016†	2017†	2018†	2019
<b>Segment GM%</b>	34%	32%	32%	33%
<b>Segment EBITDA*</b>	\$86	\$80	\$95	\$102

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

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†GAAP financial measure.

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

## Cooling Products

Marley NC Cooling Tower



Recold Fluid Cooler



Marley MD Everest Cooling Tower



Evaporative Condenser



## Heating Products

Residential Boilers



Commercial Boilers

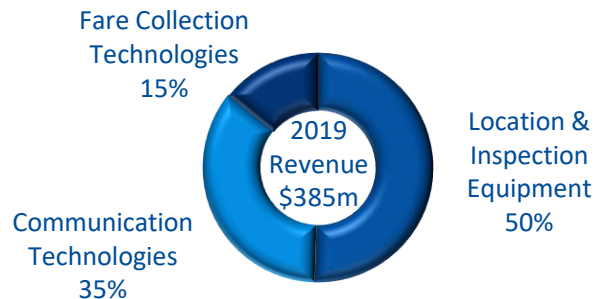


Electrical Heating Products

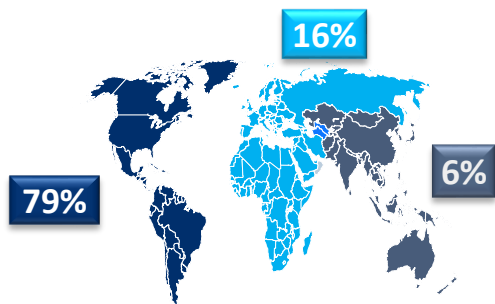


# Detection & Measurement Segment Overview

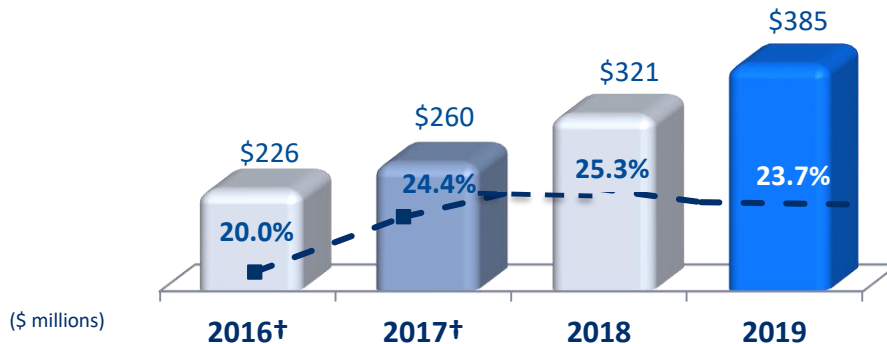
## 2019 Revenue by Product



## 2019 Revenue by Geography



■ Adjusted revenue\*  
 ■ Adjusted segment income\* %



Segment GM%

46%      46%      45%      46%

Adjusted Segment EBITDA\*

\$49      \$68      \$86      \$97

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

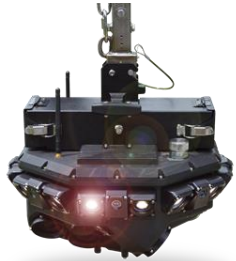
Note: Adjusted results are non-GAAP financial measures that exclude, among other items, the results of the South African and Heat Transfer operations categorized as "All Other" in the company's reporting structure.

†GAAP financial measure.

Attractive Platform for Growth Investments; Long-Term Targets Include  
 2% to 6% Annual Organic Revenue Growth

## Cable & Pipe Locators

Inspection Equipment



Cable Avoidance



## Communication Technologies

Signal Monitoring



Obstruction Lighting



Marine Lighting



## Transportation

Fast Fare Farebox



Fast Fare E

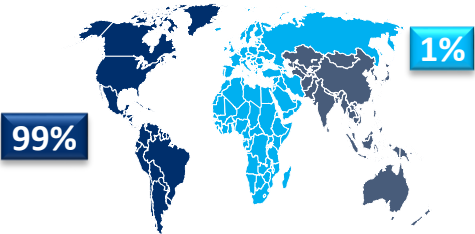


# Engineered Solutions Segment Overview

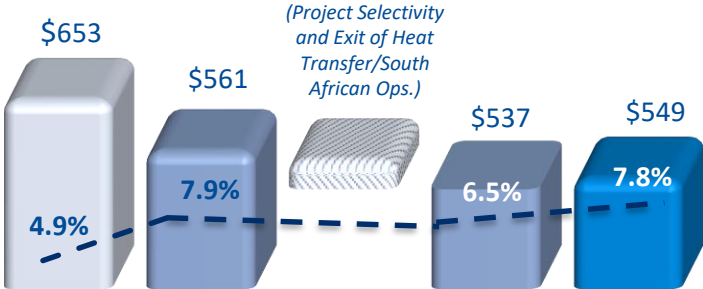
## 2019 Revenue by Product



## 2019 Revenue by Geography



Engineered Solutions revenue  
 Segment income %



	2016†	2017	2018	2019
(\$ millions)				
Segment GM%	16%	17%	16%	18%
Segment EBITDA*	\$47	\$55	\$46	\$54

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

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.

†Non-GAAP financial measure as reported.

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



## Transformer Solutions

Medium Power Transformer

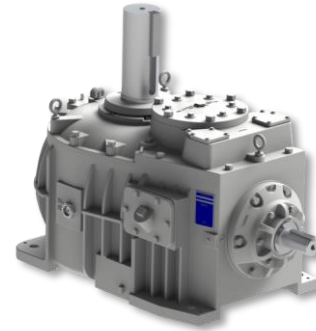


High Voltage Transformer

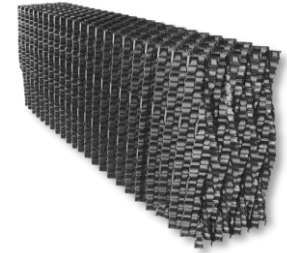


## Process Cooling Components

Gear Reducer



Heat Transfer Media



## Installation & Service



Air Flow Components

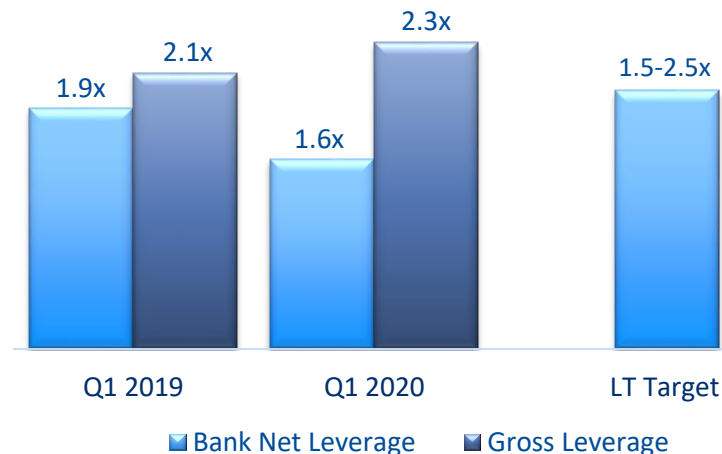


# Financial Performance & Capital Allocation

# Capital Structure

(\$millions)	Q1 2019	Q1 2020
Short-term debt	\$75.0	\$260.3
Current maturities of long-term debt	14.2	2.6
Long-term debt	332.3	248.6
<b>Total Debt</b>	<b>\$421.5</b>	<b>\$511.5</b>
Less: Cash on hand	(39.0)	(163.1)
<b>Net Debt</b>	<b>\$382.5</b>	<b>\$348.4</b>

Leverage Ratios\*

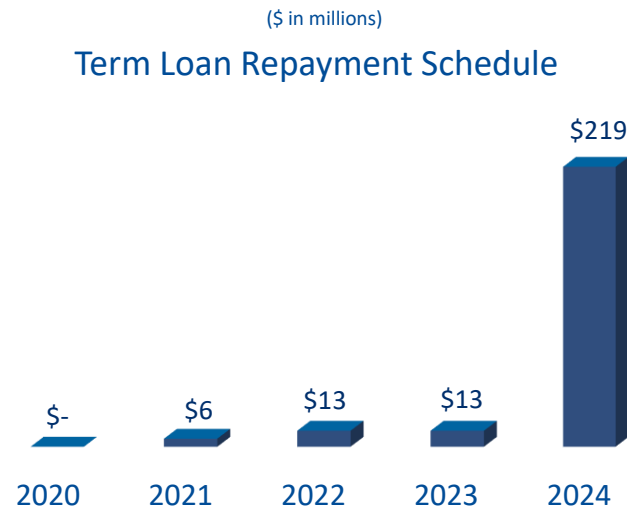


Maintaining Strong Balance Sheet and Leverage Profile

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

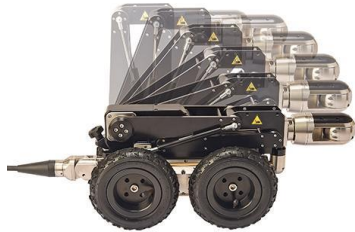
## Refinanced Credit Facility in Q4'19:

- ❑ \$450 million revolver, with ~\$200 million remaining capacity at Q1'20
  - Drew down \$100 million pre-emptively during Q1
- ❑ \$250 million term loan - 2024 final maturity and modest amortization payments (zero in 2020)
- ❑ 3.75x net leverage covenant (vs 1.6x at Q1'20); 3.0x interest coverage covenant (vs >10x at Q1'20)



Approximately \$350 Million of Readily Available Liquidity

## RADIODETECTION®



Radiodetection  
Inspection Equipment

## CUES



CUES Market Leading  
Inspection Equipment



Global Leader  
in Inspection  
Equipment

## FLASH TECHNOLOGY



Flash Technology Obstruction  
Lighting Equipment

## SABIK MARINE



Sabik Market Leading  
Marine Lighting Products



Strengthens Global  
Leadership in  
Engineered  
Specialty Lighting

# HVAC Inorganic Investments



**MARLEY** 



**SGS**   
REFRIGERATION



**Strengthens  
Industrial  
Refrigeration  
Solutions**

 **WEIL-McLAIN** <sup>®</sup>



 **PATTERSON-KELLEY** 



**Accelerates Growth  
Strategy in  
Commercial High  
Efficiency Boilers**

- ❑ Balanced business portfolio with attractive and diverse end market drivers
- ❑ Well-positioned to manage through current environment
  - Strong balance sheet and liquidity, and effective business system
- ❑ Poised to resume long-term growth journey, including inorganic opportunities

Significant Value Creation Opportunity

# Questions



# Appendix

# Appendix: Modeling Considerations



Metric	Considerations
Corporate Expense	Reduced incentive comp
Long-term incentive comp	~\$14-15m
Restructuring costs	Cost reduction actions
Interest cost	Drew \$100m on revolver in Q1'20
Equity earnings, other	~\$3-5m
Tax rate	Jurisdictional mix (US highest)
Capex	Maintenance ~\$10-12m
Cash cost of pension + OPEB	~\$18m
D&A	~\$36-38m
Share count	45.5-46m
Currency effect	Topline sensitivity to USD-GBP rate

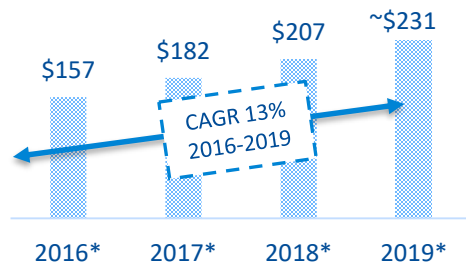
Incremental/ Decremental Margins	
HVAC	Low-30s%
Detection & Measurement	~50%
Engineered Solutions	Low-20s%*

\* Note: in Q2'20, margins in Engineered Solutions are anticipated to be more similar to recent quarters as a result of improvements in operational performance implemented during 2019

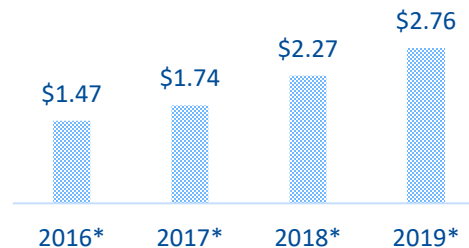
# 2016-2019 Adjusted Profit Measures



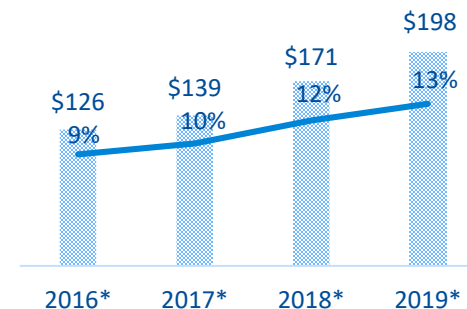
## ADJUSTED SEGMENT INCOME (\$M)



## ADJUSTED EPS



## ADJUSTED EBITDA (\$M)



Continuous Delivery of Value Creation

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

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.

# FY 2016 Engineered Solutions Adjusted Revenue, Adjusted Gross Profit and Adjusted Segment Income to U.S. GAAP Reconciliation



(\$ millions)

	<u>FY 2016</u>
<b>Engineered Solutions and "All Other"* revenue</b>	\$ 736.4
Exclude: South African projects	83.3
Engineered Solutions adjusted revenue	<u>\$ 653.1</u>
<b>Engineered Solutions and "All Other"* gross profit</b>	\$ 97.7
<i>as a % of revenues</i>	13%
Exclude: South African projects	(5.8)
Engineered Solution adjusted gross profit	<u>\$ 103.5</u>
<i>as a % of adjusted revenue</i>	16%
<b>Engineered Solutions and "All Other"* segment income</b>	\$ 17.3
Exclude: Losses from South African projects	(14.5)
Engineered Solutions adjusted segment income	<u>\$ 31.8</u>
<i>as a % of adjusted revenue</i>	5%

\* South Africa operations and Heat Transfer businesses are being reported as an "All Other" group of operating segments from FY 2017 forward.

# FY 2019, FY 2018, FY 2017 and FY 2016 Adjusted Segment EBITDA to U.S. GAAP Reconciliation



(\$ millions)

	FY 2019	FY 2018	FY 2017	FY 2016
<b>HVAC Segment</b>				
Segment income	\$ 95.4	\$ 90.0	\$ 74.1	\$ 80.2
Exclude: Depreciation & amortization	(6.9)	(5.4)	(5.5)	(5.3)
HVAC Segment EBITDA	<u>\$ 102.3</u>	<u>\$ 95.4</u>	<u>\$ 79.6</u>	<u>\$ 85.5</u>
<b>Detection &amp; Measurement Segment</b>				
Segment income	\$ 81.7	\$ 72.4	\$ 63.4	\$ 45.3
Exclude: Depreciation & amortization	(13.2)	(8.4)	(4.1)	(3.5)
Exclude: One time acquisition related costs <sup>(1)</sup>	(2.0)	(5.1)	-	-
Adjusted Detection & Measurement Segment EBITDA	<u>\$ 96.9</u>	<u>\$ 85.9</u>	<u>\$ 67.5</u>	<u>\$ 48.8</u>
<b>Engineered Solutions Segment<sup>(2)</sup></b>				
Adjusted Segment income	\$ 43.0	\$ 35.0	\$ 44.2	\$ 31.8
Exclude: Depreciation & amortization	(10.7)	(10.6)	(10.4)	(15.2)
Engineered Solutions Segment EBITDA	<u>\$ 53.7</u>	<u>\$ 45.6</u>	<u>\$ 54.6</u>	<u>\$ 47.0</u>

(1) Primarily represents additional "Cost of products sold" recorded during the twelve months ended December 31, 2019 related to the step-up of inventory (to fair value) acquired in connection with the Sabik acquisition and the twelve months ended December 31, 2018 related to the step-up of inventory (to fair value) acquired in connection with the Cues and Schonstedt acquisitions.

(2) FY 2016 includes the results of Heat Transfer and South Africa service businesses.

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



	<b>GAAP</b>	<b>Adjustments</b>	<b>Adjusted</b>
Segment income <sup>(1)</sup>	\$ 174.0	\$ 57.0	\$ 231.0
Corporate expense <sup>(2)</sup>	(46.7)	2.6	(44.1)
Long-term incentive compensation expense	(13.6)	-	(13.6)
Special charges, net <sup>(3)</sup>	(4.0)	3.0	(1.0)
Other operating expenses <sup>(4)</sup>	(1.8)	1.8	-
<b>Operating income</b>	<b>107.9</b>	<b>64.4</b>	<b>172.3</b>
Other income (expense), net <sup>(5)</sup>	(4.9)	6.4	1.5
Interest expense, net <sup>(6)</sup>	(19.2)	(0.1)	(19.3)
Loss on amendment/refinancing of senior credit agreement <sup>(7)</sup>	(0.6)	0.6	-
<b>Income from continuing operations before income taxes</b>	<b>83.2</b>	<b>71.3</b>	<b>154.5</b>
Income tax provision <sup>(8)</sup>	(13.5)	(16.9)	(30.4)
<b>Income from continuing operations</b>	<b>69.7</b>	<b>54.4</b>	<b>124.1</b>
Less: Net loss attributable to redeemable noncontrolling interest	-	-	-
<b>Net income from continuing operations attributable to SPX Corporation common shareholders</b>	<b>69.7</b>	<b>54.4</b>	<b>124.1</b>
Adjustment related to redeemable noncontrolling interest <sup>(9)</sup>	5.6	(5.6)	-
<b>Net income from continuing operations attributable to SPX Corporation common shareholders after adjustment to redeemable noncontrolling interest</b>	<b>\$ 75.3</b>	<b>\$ 48.8</b>	<b>\$ 124.1</b>
Dilutive shares outstanding	44.957		44.957
<b>Earnings per share from continuing operations</b>	<b>\$ 1.67</b>		<b>\$ 2.76</b>

(\$ millions)

<sup>(1)</sup> Adjustment represents the removal of (i) operating losses associated with the South Africa and Heat Transfer businesses (\$46.1), (ii) amortization expense associated with acquired intangible assets (\$8.9), and (iii) inventory step-up charges related to the Sabik and Cues acquisitions of (\$2.0).

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

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

<sup>(4)</sup> Adjustment represents removal of charges associated with revisions to estimates of certain liabilities retained in connection with the 2016 sale of the dry cooling business, with such revisions resulting from settlement activity during the first quarter of 2019.

<sup>(5)</sup> Adjustment primarily represents the removal of non-service pension and postretirement charges (\$14.0), foreign currency losses associated with the South Africa business (\$0.6), and a gain on equity security associated with a fair value adjustment (\$7.9).

<sup>(6)</sup> Represents removal of interest income associated with the South Africa business.

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

<sup>(8)</sup> Adjustment represents the tax impact of items (1) through (7) above and the removal of certain income tax benefits that are considered non-recurring.

<sup>(9)</sup> Adjustment represents removal of non-controlling interest amounts associated with our South Africa business.

# FY 2018 Adjusted Earnings Per Share to U.S. GAAP Reconciliation



	<u>GAAP</u>	<u>Adjustments</u>	<u>Adjusted</u>	
Segment income <sup>(1)</sup>	\$ 178.5	\$ 28.1	\$ 206.6	(\$ millions)
Corporate expense <sup>(2)</sup>	(48.5)	4.9	(43.6)	
Long-term incentive compensation expense	(15.5)	-	(15.5)	
Special charges, net <sup>(3)</sup>	(6.3)	5.0	(1.3)	
Loss on sale of dry cooling	(0.6)	0.6	-	
<b>Operating income</b>	<u>107.6</u>	<u>38.6</u>	<u>146.2</u>	
Other income (expense), net <sup>(4)</sup>	(7.6)	8.5	0.9	
Interest expense, net	(20.0)	-	(20.0)	
Loss on amendment/refinancing of senior credit agreement <sup>(5)</sup>	(0.4)	0.4	-	
<b>Income from continuing operations before income taxes</b>	<u>79.6</u>	<u>47.5</u>	<u>127.1</u>	
Income tax (provision) benefit <sup>(6)</sup>	(1.4)	(24.5)	(25.9)	
<b>Income from continuing operations</b>	<u>\$ 78.2</u>	<u>\$ 23.0</u>	<u>\$ 101.2</u>	
Dilutive shares outstanding	44.660		44.660	
<b>Earnings per share from continuing operations</b>	\$ 1.75		\$ 2.27	

<sup>(1)</sup> Adjustment primarily represents the removal of (i) operating losses associated with the South Africa and Heat Transfer businesses (\$18.9), (ii) the inventory step-up charge related to the Cues and Schonstedt acquisitions (\$4.7), and (iii) amortization charges associated with acquired intangible assets (\$4.1).

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

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

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

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

<sup>(6)</sup> Adjustment represents the tax impact of items (1) through (5) above and the removal of certain income tax benefits that are considered non-recurring.

# FY 2017 Adjusted Earnings Per Share to U.S. GAAP Reconciliation



	GAAP	Adjustments	Adjusted	
Segment income <sup>(1)</sup>	\$ 124.9	\$ 57.4	\$ 182.3	(\$ millions)
Corporate expense	(46.2)	(0.9)	(47.1)	
Long-term incentive compensation expense	(15.8)	—	(15.8)	
Pension service cost	(0.3)	—	(0.3)	
Special charges, net <sup>(2)</sup>	(2.7)	1.5	(1.2)	
<b>Operating income</b>	59.9	58.0	117.9	
Other expense, net <sup>(3)</sup>	(7.1)	5.4	(1.7)	
Interest expense, net <sup>(4)</sup>	(15.8)	0.6	(15.2)	
Loss on amendment/refinancing of senior credit agreement <sup>(5)</sup>	(0.9)	0.9	—	
<b>Income from continuing operations before income taxes</b>	36.1	64.9	101.0	
Income tax provision (benefit) <sup>(6)</sup>	47.9	(72.4)	(24.5)	
<b>Income from continuing operations</b>	84.0	(7.5)	76.5	
Dilutive shares outstanding	43.905		43.905	
<b>Earnings per share from continuing operations</b>	\$ 1.91		\$ 1.74	

<sup>(1)</sup> Adjustment represents the removal of (i) operating losses associated with the South Africa business and the operating income of the Heat Transfer business, and (ii) amortization charges associated with acquired intangible assets (\$0.4).

<sup>(2)</sup> Adjustment represents removal of restructuring charges associated with the South Africa and Heat Transfer businesses.

<sup>(3)</sup> Adjustment represents removal of a gain on interest rate swaps, as these swaps no longer qualified for hedge accounting in connection with an amendment to our senior credit agreement, foreign currency losses associated with the South Africa and Heat Transfer businesses, and the removal of non-service pension and postretirement items.

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

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

<sup>(6)</sup> Adjustment represents the tax impact of items (1) through (5) above and the removal of certain income tax benefits that are considered non-recurring.



# FY 2016 Adjusted Earnings Per Share to U.S. GAAP Reconciliation



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

(\$ millions)

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

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

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

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

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

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

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

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

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

# FY 2019 and FY 2018 Adjusted Revenue and Adjusted Segment Income to U.S. GAAP Reconciliation



## CONSOLIDATED SPX:

	Twelve months ended	
	December 31, 2019	December 31, 2018
Consolidated revenue	\$ 1,525.4	\$ 1,538.6
Exclude: "All Other" operating segments <sup>(1)</sup>	(1.6)	98.6
Acquisition accounting adjustment to acquired deferred revenue	-	(0.5)
Adjusted consolidated revenue	<u>\$ 1,527.0</u>	<u>\$ 1,440.5</u>
Total segment income	\$ 174.0	\$ 178.5
Exclude: "All Other" operating segments <sup>(1)</sup>	(46.1)	(18.9)
Exclude: One time acquisition related costs <sup>(2)</sup>	(2.0)	(5.1)
Exclude: Amortization expense <sup>(3)</sup>	(8.9)	(4.1)
Adjusted segment income	<u>\$ 231.0</u>	<u>\$ 206.6</u>
as a percent of adjusted revenues <sup>(4)</sup>	15.1 %	14.3 %

(\$ millions)

## HVAC REPORTABLE SEGMENT:

HVAC segment income	\$ 95.4	\$ 90.0
Exclude: One time acquisition related costs	-	-
Exclude: Amortization expense <sup>(3)</sup>	(1.4)	(0.4)
HVAC adjusted segment income	<u>\$ 96.8</u>	<u>\$ 90.4</u>
as a percent of HVAC segment revenues <sup>(4)</sup>	16.3 %	15.5 %

## DETECTION & MEASUREMENT REPORTABLE SEGMENT:

Detection & Measurement segment revenue	\$ 384.9	\$ 320.9
Acquisition accounting adjustment to acquired deferred revenue	-	(0.5)
Detection & Measurement adjusted segment revenue	<u>\$ 384.9</u>	<u>\$ 321.4</u>
Detection & Measurement segment income	\$ 81.7	\$ 72.4
Exclude: One time acquisition related costs <sup>(2)</sup>	(2.0)	(5.1)
Exclude: Amortization expense <sup>(3)</sup>	(7.5)	(3.7)
Detection & Measurement adjusted segment income	<u>\$ 91.2</u>	<u>\$ 81.2</u>
as a percent of Detection & Measurement adjusted segment revenues <sup>(4)</sup>	23.7 %	25.3 %

<sup>(1)</sup> Represents the removal of the financial results of our South Africa and Heat Transfer businesses. Note: These businesses are being 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> Primarily represents additional "Cost of products sold" recorded during the twelve months ended December 31, 2019 related to the step-up of inventory (to fair value) acquired in connection with the Sabik acquisition and the twelve months ended December 31, 2018 related to the step-up of inventory (to fair value) acquired in connection with the Cues and Schonstedt 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.

# FY 2019, FY 2018, FY2017, and FY 2016 Adjusted Revenue and Consolidated EBITDA to U.S. GAAP Reconciliation



(\$ millions)

	FY 2019	FY 2018	FY 2017	FY 2016
GAAP Revenue	\$ 1,525.4	\$ 1,538.6	\$ 1,425.8	\$ 1,472.3
Exclude: "All Other" operating segment <sup>(1)</sup>	(1.6)	98.6	93.8	-
Exclude: South African projects	-	-	-	83.3
Exclude: Acquisition accounting adjustment to acquired deferred revenue	-	(0.5)	-	-
Adjusted Revenue	<u>\$ 1,527.0</u>	<u>\$ 1,440.5</u>	<u>\$ 1,332.0</u>	<u>\$ 1,389.0</u>
Adjusted net income excluding amortization <sup>(2)</sup>	\$ 124.1	\$ 101.2	\$ 76.8	\$ 62.1
Exclude: Interest expense	(19.3)	(25.4)	(24.1)	(13.8)
Exclude: Tax expense	(28.5)	(20.0)	(15.2)	(23.2)
Exclude: Depreciation & amortization	<u>(25.7)</u>	<u>(24.0)</u>	<u>(22.6)</u>	<u>(26.5)</u>
Adjusted earnings before interest, tax, depreciation and amortization	<u>\$ 197.6</u>	<u>\$ 170.6</u>	<u>\$ 138.7</u>	<u>\$ 125.6</u>
as a percent of adjusted revenue	13 %	12 %	10 %	9 %

<sup>(1)</sup> The "All Other" operating segment includes the results of the South African and Heat Transfer operations as categorized in the company's reporting structure.

<sup>(2)</sup> Non-GAAP financial measure. Reconciliations from US GAAP are available elsewhere within this appendix.