ModernGraham Valuation

Company Name: SPX Corporation

Company Ticker	SPXC
Date of Analysis	2/12/2017

Stage 1: Is this company suitable for the Defensive Investor or the Enterprising Investor?

Defensive Investor; must pass 6 out of the following 7 tests.

1. Adequate Size of the Enterprise	Market Cap > $2Bil	$1,042,192,414	Fail
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.18	Fail
3. Earnings Stability	Positive EPS for 10 years prior		Fail
4. Dividend Record	Dividend Payments for 10 years prior		Fail
5. Earnings Growth	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	-25.82%	Fail
6. Moderate PEmg Ratio	PEmg < 20	10.56	Pass
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	3.84	Pass

Enterprising Investor; must pass 4 out of the following 5 tests, or be suitable for the Defensive Investor.

1. Sufficiently Strong Financial Condition	Current Ratio > 1.5	1.18	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	3.51	Fail
3. Earnings Stability	Positive EPS for 5 years prior		Fail
4. Dividend Record	Currently Pays Dividend		Fail
5. Earnings Growth	EPSmg greater than 5 years ago		Fail
	Score		

Suitability

Defensive	**No**
Enterprising	**No**

Stage 2: Determination of Intrinsic Value

EPSmg	$2.34
MG Growth Estimate	-4.25%
MG Value	**$0.00**
MG Value based on 3% Growth	$33.96
MG Value based on 0% Growth	$19.91
Market Implied Growth Rate	1.03%

MG Opinion

Current Price	$24.73
% of Intrinsic Value	N/A
Opinion	**Overvalued**
MG Grade	**D**

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-$25.60
Graham Number	$9.55
PEmg	10.56
Current Ratio	1.18
PB Ratio	3.84
Current Dividend	$0.00
Dividend Yield	0.00%
Number of Consecutive Years of Dividend Growth	0

Useful Links:

ModernGraham tagged articles	Morningstar
Google Finance	MSN Money
Yahoo Finance	Seeking Alpha
GuruFocus	SEC Filings

EPS History		EPSmg History	
Next Fiscal Year Estimate	$0.62	Next Fiscal Year Estimate	$2.34
Dec2015	-$2.03	Dec2015	$3.38
Dec2014	$9.14	Dec2014	$5.70
Dec2013	$4.56	Dec2013	$3.74
Dec2012	$3.61	Dec2012	$3.30
Dec2011	$3.36	Dec2011	$3.29
Dec2010	$4.08	Dec2010	$3.33
Dec2009	$0.64	Dec2009	$3.86
Dec2008	$4.56	Dec2008	$5.48
Dec2007	$5.22	Dec2007	$5.67
Dec2006	$2.83	Dec2006	$5.40
Dec2005	$15.10	Dec2005	$5.89
Dec2004	-$0.23	Dec2004	$1.47
Dec2003	$2.84	Dec2003	$2.29
Dec2002	$1.53	Dec2002	$1.83
Dec2001	$2.13	Dec2001	$1.91
Dec2000	$2.99	Dec2000	$1.44
Dec1999	$1.63	**Balance Sheet Information**	**9/1/2016**
Dec1998	-$0.97	Total Current Assets	$628,800,000
Dec1997	$3.08	Total Current Liabilities	$534,500,000
Dec1996	-$3.13	Long-Term Debt	$331,200,000
		Total Assets	$1,989,500,000
		Intangible Assets	$488,800,000
		Total Liabilities	$1,716,100,000
		Shares Outstanding (Diluted Average)	42,475,000

MG Value and Stock Price

EPSmg

Price and PEmg

Graham Number and Stock Price

Dividend History

Disclaimer:

This valuation is not investment advice. Anyone who is considering making an investment decision should speak to a registered investment advisor.

The author did not hold a position in any company mentioned in this article at the time of publication and had no intention of changing those holdings within the next 72 hours.

Recommended Reading:

Other ModernGraham posts about the company	#N/A

Other ModernGraham posts about related companies	AGCO Corporation Valuation – February 2017 $AGCO
	PACCAR Inc Valuation – February 2017 $PCAR
	Kaman Corporation Valuation – Initial Coverage $KAMN
	John Bean Technologies Corp Valuation – Initial Coverage $JBT
	W. W. Grainger Inc Valuation – January 2017 $GWW
	Allegion PLC Valuation – January 2017 $ALLE
	Xylem Inc Valuation – January 2017 $XYL
	Clarcor Inc Valuation – Initial Coverage $CLC
	Caterpillar Inc Valuation – August 2016 $CAT
	Regal Beloit Corp Valuation – August 2016 $RBC