

ModernGraham Valuation

Company Name:

SPX Corp

Company Ticker SPXC

Date of Analysis

8/11/2018



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	\$1,509,048,236	Fail
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.14	Fail
3. Earnings Stability	Positive EPS for 10 years prior		Fail
4. Dividend Record	Dividend Payments for 10 years prior		Fail
	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	-75.12%	Fail
5. Earnings Growth			
6. Moderate PEmg Ratio	PEmg < 20	30.35	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	4.34	Fail

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	1.14	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	4.34	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	\$1.15
MG Growth Estimate	-4.25%
MG Value	\$0.00
MG Value based on 3% Growth	\$16.63
MG Value based on 0% Growth	\$9.75
Market Implied Growth Rate	10.92%

MG Opinion

Current Price	\$34.80
% of Intrinsic Value	N/A
Opinion	Overvalued
MG Grade	F

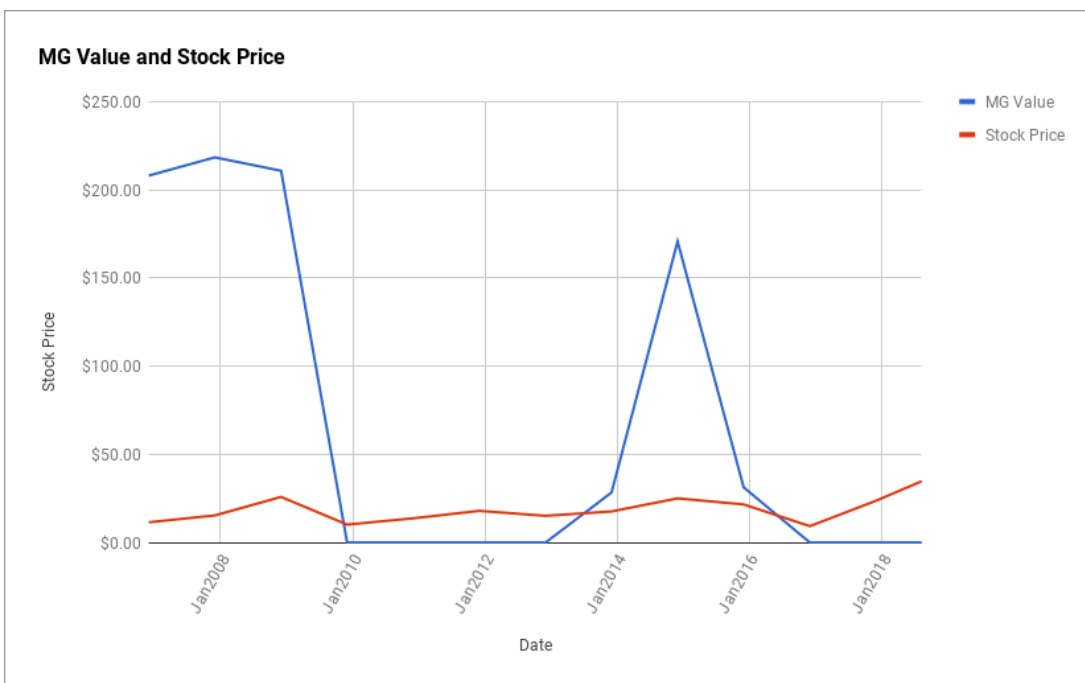
Stage 3: Information for Further Research

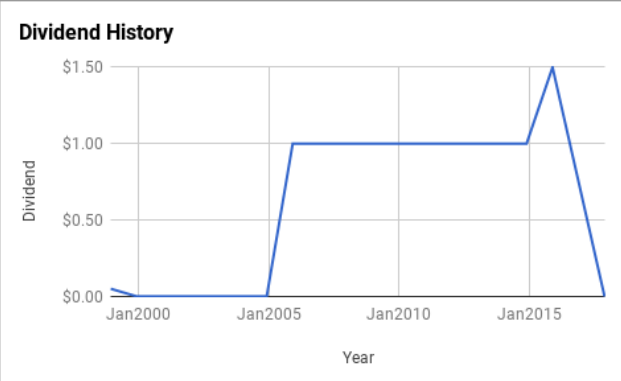
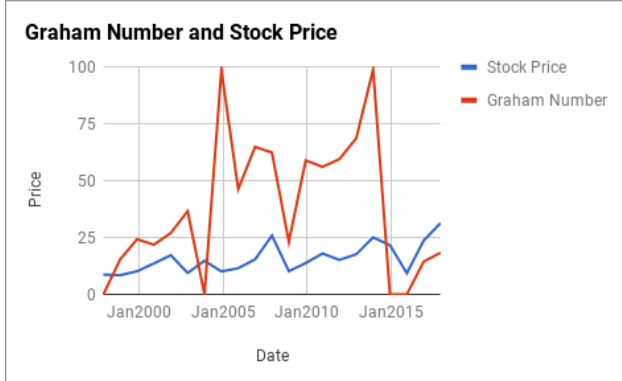
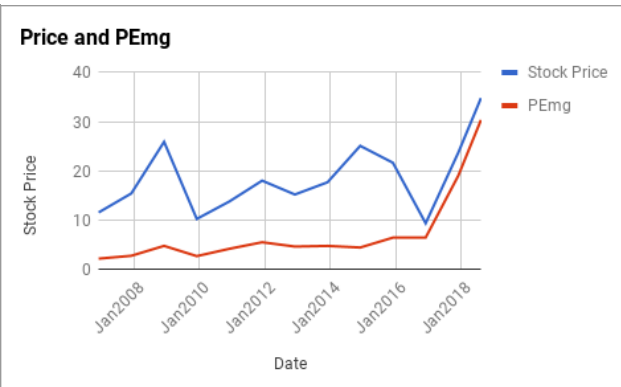
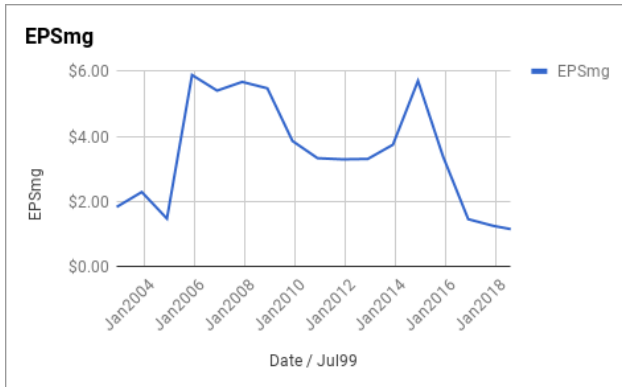
Net Current Asset Value (NCAV)	-\$25.55
Graham Number	\$18.36
PEmg	30.35
Current Ratio	1.14
PB Ratio	4.34
Current Dividend	\$0.00
Dividend Yield	0.00%
Number of Consecutive Years of Dividend Growth	0

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	\$2.03	Next Fiscal Year Estimate	\$1.15
Dec2017	\$2.03	Dec2017	\$1.25
Dec2016	-\$2.05	Dec2016	\$1.45
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	Balance Sheet Information 6/1/2018	
Dec2000	\$2.99	Total Current Assets	\$622,400,000
Dec1999	\$1.63	Total Current Liabilities	\$543,900,000
Dec1998	-\$0.97	Long-Term Debt	\$340,600,000
		Total Assets	\$2,123,800,000
		Intangible Assets	\$595,200,000
		Total Liabilities	\$1,765,200,000
		Shares Outstanding (Diluted Average)	44,723,000





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 [SPX Corporation Valuation – Initial Coverage \\$SPXC](#)

Other ModernGraham posts about related companies [AGCO Corp Valuation – August 2018 \\$AGCO](#)
[John Bean Technologies Corp Valuation – August 2018 \\$JBT](#)
[Stanley Black & Decker Inc Valuation – June 2018 \\$SWK](#)
[Pentair PLC Valuation – June 2018 \\$PNR](#)
[Snap-on Inc Valuation – May 2018 \\$SNA](#)
[Paccar Inc Valuation – May 2018 \\$PCAR](#)
[W.W. Grainger Inc Valuation – May 2018 \\$GWW](#)
[Allegion PLC Valuation – May 2018 \\$ALLE](#)
[Xylem Inc Valuation – May 2018 \\$XYL](#)
[Arconic Inc Valuation – April 2018 \\$ARNC](#)