

SPX 1Q Profit Falls On Acquisition-Related Costs

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The Associated Press

CHARLOTTE, N.C. (AP) — Diversified manufacturer SPX Corp. said Wednesday that its first-quarter profit tumbled 42 percent, pulled down by hefty charges related to a recent acquisition.

The Charlotte, N.C.-based company reported net income of \$13.5 million, or 26 cents per share, for the three months ended March 31, down from \$23.1 million, or 45 cents per share, in the same quarter last year.

Excluding charges related to an acquisition and the startup of an expanded facility and a one-time gain related to a joint venture and income from discontinued operations, the company said its adjusted profit from continuing operations was 23 cents per share. That was short of analyst's average expectations for earnings of 25 cents per share, according to a FactSet poll,

Revenue rose 18 percent to \$1.17 billion from \$984.9 million, boosted by contributions from recent acquisitions.

Analysts expected \$1.16 billion in revenue.

Revenue at the company's flow control business rose 38 percent to \$628.1 million, boosted by strong demand from most of its markets. Revenue from existing businesses rose 10 percent, while contributions from recent acquisitions boosted revenue by about 29 percent.

Industrial product and service revenue rose 6.3 percent to \$216.6 million, mainly as a result of higher sales volumes of power transformers. Revenue at the company's thermal equipment and services business edged down 1.5 percent to \$320.5 million.

SPX shares fell \$1.63, or 2.1 percent, to \$74.78 in morning trading. They are up 84 percent from their 52-week low of \$40.66 per share set in early October. But they are 13 percent below their high of \$86.12 per share in early July.

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