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SPX Corporation Q1 2009 Earnings Call Transcript

Question-and-Answer Session

Operator

(Operator instructions) And we will go first to John Baliotti with FTN Equity Capital Markets.

John Baliotti – FTN Equity Capital Markets

Hi Chris.

Chris Kearney

Hi John how are you doing?

John Baliotti – FTN Equity Capital Markets

I'm well, how or you? I'm just curious, could you kind of may be handicap the trends you're seeing in the first quarter for things like thermal, transformers, food and beverage versus let's say the long-term, you know secular, I guess how much of what you saw in the first quarter maybe with feedback from your operating guys or the customers, do you think is indicative of what's going on currently versus what – if there is any change in the secular expectations?

Chris Kearney

Yes sure John. There is no question that what we are experiencing in terms of slow down in those segments is reflecting, the global economic condition. As we've said consistently, we positioned this company starting four years ago around three quarter growth areas that have been very, very attracted to it because of the underlying dynamics in those markets and power and energy infrastructure and process equipment particularly in the food, beverage, dairy market. And ultimately we believe in the Test and Measurement segment as well given the evolution in the shift of that business outside the United States to developing markets and to greater relationship with key successful global OEs around the world.

So the underlying dynamics were absolutely committed to and we believe – and we think that the things that we are doing in reaction to the slowdowns we are seeing in this market in 2009 are intended to be thoughtful and targeted and to make the organization more lean and efficient going forward, so as those markets begin to recover we are better positioned than we were even going into this downturn. So, yes, there is no doubt that we're – we believe in the growth drivers long-term in this business and I think we will come out of this difficult year hopefully even better positioned.

Patrick O'Leary

And it's certainly worth mentioning John, quarterly order trends particularly in the thermal segment really aren't meaningful, we have substantial fluctuations in the size and amount of orders, obviously we've got a significant backlog in that segment. But there is still credible quoting activity and you are going to see continued lumpy performance and certainly at this point, it's not appropriate to conclude that what we saw in Q1 internal is our long term trend.

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