

AIRGAS INC  
 Form 10-Q  
 August 06, 2014  
Table of Contents

UNITED STATES  
 SECURITIES AND EXCHANGE COMMISSION  
 WASHINGTON, D.C. 20549

FORM 10-Q

QUARTERLY REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended: June 30, 2014  
 Commission file number: 1-9344

AIRGAS, INC.  
 (Exact name of registrant as specified in its charter)

Delaware 56-0732648  
 (State or other jurisdiction of (I.R.S. Employer  
 incorporation or organization) Identification No.)

259 North Radnor-Chester Road, Suite 100 19087-5283  
 Radnor, PA (ZIP code)  
 (Address of principal executive offices)  
 (610) 687-5253  
 (Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	Name of Each Exchange on Which Registered
Common Stock, par value \$0.01 per share	New York Stock Exchange
Preferred Stock Purchase Rights	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: None.

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer  Accelerated filer

Non-accelerated filer  Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes  No

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The number of shares of common stock outstanding as of August 4, 2014 was 74,530,919.

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Table of Contents

AIRGAS, INC.

FORM 10-Q

June 30, 2014

TABLE OF CONTENTS

	PAGE
<u>PART I - FINANCIAL INFORMATION</u>	
<u>Item 1. Financial Statements</u>	
<u>Consolidated Statements of Earnings for the Three Months Ended June 30, 2014 and 2013 (Unaudited)</u>	3
<u>Consolidated Statements of Comprehensive Income for the Three Months Ended June 30, 2014 and 2013 (Unaudited)</u>	4
<u>Consolidated Balance Sheets as of June 30, 2014 (Unaudited) and March 31, 2014</u>	5
<u>Consolidated Statements of Cash Flows for the Three Months Ended June 30, 2014 and 2013 (Unaudited)</u>	6
<u>Notes to Consolidated Financial Statements (Unaudited)</u>	7
<u>Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	18
<u>Item 3. Quantitative and Qualitative Disclosures About Market Risk</u>	30
<u>Item 4. Controls and Procedures</u>	30
<u>PART II - OTHER INFORMATION</u>	
<u>Item 1. Legal Proceedings</u>	31
<u>Item 1A. Risk Factors</u>	31
<u>Item 2. Unregistered Sales of Equity Securities and Use of Proceeds</u>	31
<u>Item 6. Exhibits</u>	32
<u>SIGNATURE</u>	33



Table of Contents

## PART I—FINANCIAL INFORMATION

## ITEM 1. FINANCIAL STATEMENTS.

AIRGAS, INC. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF EARNINGS  
(Unaudited)

(In thousands, except per share amounts)	Three Months Ended	
	June 30, 2014	2013
Net Sales	\$1,313,587	\$1,279,891
Costs and Expenses:		
Cost of products sold (excluding depreciation)	583,406	575,543
Selling, distribution and administrative expenses	494,713	473,475
Depreciation	72,635	67,030
Amortization	7,752	7,229
Total costs and expenses	1,158,506	1,123,277
Operating Income	155,081	156,614
Interest expense, net	(16,139	) (20,794
Other income, net	1,869	113
Earnings before income taxes	140,811	135,933
Income taxes	(51,959	) (51,247
Net Earnings	\$88,852	\$84,686
Net Earnings per Common Share:		
Basic earnings per share	\$1.20	\$1.16
Diluted earnings per share	\$1.18	\$1.14
Weighted Average Shares Outstanding:		
Basic	74,272	73,231
Diluted	75,483	74,536
Dividends Declared per Common Share	\$0.55	\$0.48

See accompanying notes to consolidated financial statements.

Table of Contents

AIRGAS, INC. AND SUBSIDIARIES  
 CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME  
 (Unaudited)

(In thousands)	Three Months Ended	
	June 30, 2014	2013
Net earnings	\$88,852	\$84,686
Other comprehensive income (loss), before tax:		
Foreign currency translation adjustments	2,575	(2,565 )
Reclassification of hedging loss included in net earnings	129	129
Other comprehensive income (loss), before tax	2,704	(2,436 )
Net tax expense of other comprehensive income items	(48	) (48 )
Other comprehensive income (loss), net of tax	2,656	(2,484 )
Comprehensive income	\$91,508	\$82,202

See accompanying notes to consolidated financial statements.

Table of ContentsAIRGAS, INC. AND SUBSIDIARIES  
CONSOLIDATED BALANCE SHEETS

	(Unaudited)	
(In thousands, except per share amounts)	June 30, 2014	March 31, 2014
<b>ASSETS</b>		
Current Assets		
Cash	\$ 77,312	\$ 69,561
Trade receivables, less allowances for doubtful accounts of \$32,203 and \$31,757 at June 30, 2014 and March 31, 2014, respectively	714,977	701,060
Inventories, net	479,599	478,149
Deferred income tax asset, net	58,209	57,961
Prepaid expenses and other current assets	91,034	92,356
Total current assets	1,421,131	1,399,087
Plant and equipment at cost	5,025,943	4,931,064
Less accumulated depreciation	(2,184,726)	(2,128,649)
Plant and equipment, net	2,841,217	2,802,415
Goodwill	1,304,587	1,289,896
Other intangible assets, net	259,116	258,836
Other non-current assets	46,033	43,080
Total assets	\$ 5,872,084	\$ 5,793,314
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current Liabilities		