

Airgas Profit Jumps 40 Percent On Higher Sales

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The Associated Press

RADNOR, Pa. (AP) — Industrial and specialty gas distributor Airgas Inc. said Thursday that its fiscal fourth-quarter profit jumped 40 percent on strong demand from manufacturing, petrochemical and energy customers.

For the quarter ended March 31, the Radnor, Pa.-based company earned \$88 million, or \$1.12 per share, up from \$62.8 million, or 74 cents per share, in the same quarter last year.

Excluding restructuring charges and an income tax benefit, Airgas posted an adjusted profit of \$1.11 per share for the recent quarter.

Revenue rose 13 percent to \$1.24 billion from \$1.1 billion, as sales at stores open at least a year rose 11 percent. The metric is a key measure of a retailer's health, because it excludes sales at stores that opened or closed during the year.

The results beat Wall Street predictions. Analysts, on average, expected a profit of \$1.07 per share on \$1.22 billion in revenue, according to a FactSet poll.

Airgas said that in addition to the strong manufacturing, petrochemical and energy customer demand, it also got a boost from better construction-related sales, despite weakness in that segment of the economy.

For the full fiscal year, Airgas said it posted a profit of \$313.4 million, or \$4 per share, up from \$250.3 million, or \$2.94 per share, the year before. Sales rose 12 percent to \$4.75 billion.

The company expects to post a fiscal first-quarter profit of \$1.12 to \$1.16 per share, compared with \$1 a share in the year-ago period. Analysts polled by FactSet forecast a profit of \$1.16 per share.

For full fiscal year 2013, Airgas projected a profit of \$4.70 to \$4.85 per share, excluding restructuring charges, while analysts expect earnings of \$4.72 per share.

Separately, Airgas said that president and chief executive Peter McCausland plans to step down this summer. He will be replaced by Michael Molinini, the company's chief operating officer.

McCausland, who founded the company in 1982, will become executive chairman after the company's annual shareholder meeting in mid-August. The Airgas board elected Molinini as a director, expanding its size to 11 members.

Also on Thursday, Airgas boosted its quarterly dividend by 8 cents, or 25 percent, to 40 cents. It will be paid on June 29 to shareholders of record as of June 15.

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Airgas shares rose 31 cents to \$91.54 in morning trading.

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