

AXIALL CORP/DE/
Form 10-Q
May 08, 2014

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

FORM 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the quarterly period ended March 31, 2014

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission File Number 1-9753

AXIALL CORPORATION

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation or organization)

1000 Abernathy Road; Suite 1200, Atlanta, Georgia

(Address of principal executive offices)

58-1563799

(I.R.S. Employer Identification No.)

30328

(Zip Code)

(770) 395-4500

(Registrant's telephone number, including area code)

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 (232.405 of this chapter) 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, non-accelerated filer, or a smaller reporting company. See definition of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

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Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company
(Do not check if a 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

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Class	Outstanding as of May 2, 2014
Common Stock, \$0.01 par value	69,924,129

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AXIALL CORPORATION
CONDENSED CONSOLIDATED BALANCE SHEETS
(Unaudited)

<i>(In millions, except share data)</i>	March 31, 2014	December 31, 2013
Assets:		
Cash and cash equivalents	\$ 86.5	\$ 166.5
Receivables, net of allowance for doubtful accounts of \$6.2 million at March 31, 2014 and \$5.5 million at December 31, 2013	529.7	548.8
Inventories	443.4	403.6
Prepaid expenses and other	34.9	31.6
Deferred income taxes	20.5	18.0
Total current assets	1,115.0	1,168.5
Property, plant and equipment, net	1,646.0	1,658.7
Goodwill	1,755.2	1,763.2
Customer relationships, net	1,081.6	1,101.8
Other intangible assets, net	71.6	72.9
Other assets, net	103.5	112.1
Total assets	\$ 5,772.9	\$ 5,877.2
Liabilities and Equity:		
Current portion of long-term debt	\$ 2.8	\$ 2.8
Accounts payable	339.2	313.7
Interest payable	12.7	15.4
Income taxes payable	3.9	17.1
Accrued compensation	25.7	61.5
Other accrued current liabilities	127.9	132.6
Total current liabilities	512.2	543.1
Long-term debt, excluding the current portion of long-term debt	1,329.3	1,330.0
Lease financing obligation	100.6	104.7
Deferred income taxes	847.4	865.5
Pensions and other postretirement benefits	125.9	129.8
Other non-current liabilities	166.0	175.8
Total liabilities	3,081.4	3,148.9

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Commitments and contingencies

Equity:

Preferred stock \$0.01 par value; 75,000,000 shares authorized; no shares issued	-	-
Common stock \$0.01 par value; shares authorized: 200,000,000 at March 31, 2014 and December 31, 2013; issued and outstanding: 69,922,433 at March 31, 2014 and 69,890,666 at December 31, 2013.	0.7	0.7
Additional paid-in capital	2,274.6	2,272.6
Retained earnings	246.4	269.3
Accumulated other comprehensive income, net of tax	53.0	66.3
Total Axiall stockholders' equity	2,574.7	2,608.9
Noncontrolling interest	116.8	119.4
Total equity	2,691.5	2,728.3
Total liabilities and equity	\$ 5,772.9	\$ 5,877.2

See accompanying notes to unaudited condensed consolidated financial statements.

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AXIALL CORPORATION

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(Unaudited)

<i>(In millions, except per share data)</i>	Three Months Ended March 31,	
	2014	2013
Net sales	\$ 993.7	\$ 1,061.2
Operating costs and expenses:		
Cost of sales	913.3	909.0
Selling, general and administrative expenses	73.6	68.3
Transaction-related costs and other, net	6.6	10.1
Long-lived asset impairment charges, net	0.6	2.6
Total operating costs and expenses	994.1	990.0
Operating income (loss)	(0.4)	71.2
Interest expense, net	(18.3)	(18.3)
Loss on redemption and other debt costs	-	(78.5)
Gain on acquisition of controlling interest	-	23.5
Foreign exchange gain	0.4	0.1
Loss before income taxes	(18.3)	(2.0)
Provision for (benefit from) income taxes	(7.7)	0.8
Consolidated net loss	(10.6)	(2.8)
Less net income attributable to noncontrolling interest	1.0	0.7
Net loss attributable to Axiall	\$ (11.6)	\$ (3.5)
Loss per share attributable to Axiall:		
Basic	\$ (0.17)	\$ (0.06)
Diluted	\$ (0.17)	\$ (0.06)
Weighted average common shares outstanding:		
Basic	69.9	59.3
Diluted	69.9	59.3
Dividends per common share	\$ 0.16	