

AXIALL CORP/DE/
Form 10-Q
August 07, 2015

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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 June 30, 2015

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 August 5, 2015
Common Stock, \$0.01 par value	70,572,027

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AXIALL CORPORATION
Condensed Consolidated Balance Sheets
(Unaudited)

<i>(In millions, except share data)</i>	June 30, 2015	December 31, 2014
Assets:		
Cash and cash equivalents	\$ 131.4	\$ 166.8
Receivables, net of allowance for doubtful accounts of \$6.7 million at June 30, 2015 and \$5.6 million at December 31, 2014	542.5	467.0
Inventories	383.2	353.7
Prepaid expenses and other	39.2	89.7
Deferred income taxes	32.0	28.0
Total current assets	1,128.3	1,105.2
Property, plant and equipment, net	1,641.4	1,665.7
Goodwill	1,735.2	1,741.0
Customer relationships, net	992.6	1,024.5
Other intangible assets, net	65.8	68.1
Other assets, net	70.7	69.8
Total assets	\$ 5,634.0	\$ 5,674.3
Liabilities and Equity:		
Current portion of long-term debt	\$ 2.5	\$ 2.8
Accounts payable	302.6	295.5
Interest payable	15.2	15.2
Income taxes payable	4.6	3.1
Accrued compensation	38.4	33.6
Other accrued liabilities	109.9	133.9
Total current liabilities	473.2	484.1
Long-term debt, excluding the current portion of long-term debt	1,381.5	1,327.8
Lease financing obligation	88.2	94.2
Deferred income taxes	742.5	767.5
Pensions and other post-retirement benefits	242.4	250.5
Other non-current liabilities	151.6	161.2
Total liabilities	3,079.4	3,085.3
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 June 30, 2015 and December 31, 2014; issued and outstanding: 70,557,719 at June 30, 2015 and 70,196,116 at December 31, 2014	0.7	0.7

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Additional paid-in capital	2,284.5	2,284.3
Retained earnings	257.0	269.8
Accumulated other comprehensive loss, net of tax	(93.1)	(73.7)
Total Axiall stockholders' equity	2,449.1	2,481.1
Noncontrolling interest	105.5	107.9
Total equity	2,554.6	2,589.0
Total liabilities and equity	\$ 5,634.0	\$ 5,674.3

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 June 30,		Six Months Ended June 30,	
	2015	2014	2015	2014
Net sales	\$ 1,058.4	\$ 1,236.9	\$ 2,006.0	\$ 2,230.6
Operating costs and expenses:				
Cost of sales	929.8	1,090.0	1,774.4	2,003.3
Selling, general and administrative expenses	81.2	79.0	162.5	152.6
Transaction-related costs and other, net	4.6	9.4	10.4	16.0
Long-lived asset impairment charges, net	-	0.1	0.3	0.7
Total operating costs and expenses	1,015.6	1,178.5	1,947.6	2,172.6
Operating income	42.8	58.4	58.4	58.0
Interest expense, net	(19.5)	(19.1)	(38.3)	(37.4)
Debt refinancing costs	-	-	(3.2)	-
Foreign exchange gain (loss)	(0.3)	(0.3)	(0.5)	0.1
Consolidated income before income taxes	23.0	39.0	16.4	20.7
Provision for income taxes	1.1			