Airgas, Inc. (ARG)

4QF13: "Self-Help" Key to Earnings Growth Story

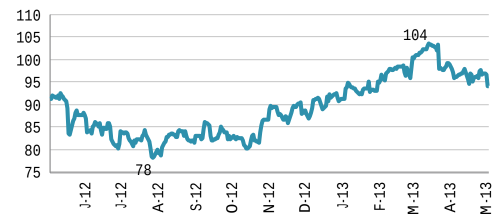
Maintain Outperform rating and $114 price target. 4QF13 earnings were consistent with revised expectations and consensus is at the high end of the initial F2014 guidance range, which we believe represents a baseline initial view. Even assuming no economic improvement from here, the Airgas "self-help" story should drive at least mid- to high-teens EPS growth in F2014. This dynamic underpins our continued favorable view of ARG, particularly in the current choppy environment, while later-cycle catalysts could drive upside.

- **Maintain Outperform rating and $114 price target** representing approximately 9.5x EV/C2014E EBITDA.
- **Estimate changes.** Adjusting our F2014 and F2015 EPS estimates to $5.12 and $5.90, respectively.
- **4QF13 EPS consistent with revised expectations.** Airgas reported 4QF13 EPS of $1.14, just above our $1.13 estimate and consistent with pre-announced levels. Core operating results were slightly below expectations, offset by non-operating items.
- **F2014 guidance captures Street at the high end.** Management provided F2014 EPS guidance of $5.00-$5.35 (which we believe represents an initial baseline view), capturing Street consensus of $5.35 at the high end. While below our prior estimate ($5.52), guidance includes several transitory issues we did not previously estimate, including a variable compensation reset ($0.13 delta) and weakness in refrigerants ($0.05-$0.10 delta), and also puts net SAP benefits at the low end of expectations ($0.08 delta).
- **"Self-help" story set to emerge.** Even assuming no economic improvement, the tailwind from SAP benefits/share repurchases alone should drive mid- to high-teens EPS growth in F2014, highlighting the "self-help" dynamic that underpins our favorable view of ARG in the current choppy environment.
- **SAP net benefits at low end of prior F2014 guidance.** Net SAP benefits in F2014 are expected to be $0.45, in line with the low end of prior $0.45-$0.55 guidance. Slightly lower expectations vs. our previous estimate ($0.53) reflect current slower business conditions and continued elevated training expense near-term.
- **Potential upside/downside.** Upside could come from later-cycle catalysts (especially non-residential construction), acquisitions, SAP outperformance, and/or incremental pricing. We see limited downside risk outside of further economic weakening, a risk not unique to ARG, and offset by the company's "self-help" earnings drivers.
- **4QF13 results.** EPS (ex-items) $1.14 vs. $1.13 estimate. Sales $1.26 vs. $1.26 billion estimate. Gross margin 54.7% vs. 55.1% estimate. EBIT margin (ex-items) 12.2% vs. 12.6% estimate.

Airgas is the largest US distributor of industrial, medical and specialty gases, and welding, safety and related supplies.

ESTIMATE CHANGE

1-Year Price Chart



Stock Data

Rating:	Outperform
Suitability:	Average Risk
Price Target:	$114
Price (5/1/13):	$93.91
Market Cap (mil):	$7,184
Shares Out (mil):	76.5
Average Daily Vol (mil):	0.52
Dividend Yield:	2.0%

Estimates

FY Mar	2013A	2014E	2015E
Q1	1.13 A	1.18 E	
Q2	1.05 A	1.24 E	
Q3	1.04 A	1.31 E	
Q4	1.14 A	1.38 E	
Fiscal EPS	**4.35 A**	**5.12 E**	**5.90 E**
Previous (FY)	4.34 A	5.52 E	6.40 E
Fiscal P/E	21.6x	18.3x	15.9x
Calendar EPS	**4.87 E**	**5.73 E**	
Previous (CY)	5.14 E	6.18 E	
Calendar P/E	19.3x	16.4x	

Chart/Table Sources: Bloomberg and Baird Data

Please refer to Appendix - Important Disclosures and Analyst Certification

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Details

Airgas, Inc. (ARG - NYSE) Quarterly Results and Variance Sheet (in millions)								
	Quarterly Results					Percent of Revenue		
	4QF13	4QF12	Change	Baird/	Variance	4QF13	4QF12	Baird/
Net Sales	$ 1,262.9	$ 1,241.1	2%	$ 1,257.5	0%			
Cost of Sales	572.1	572.1	(0%)	564.4	1%			
Gross Profit	690.8	669.0	3%	693.2	(0%)	54.7%	53.9%	55.1%
SG&A	536.9	517.1	4%	534.5	0%	42.5%	41.7%	42.5%
Operating Income	153.9	151.9	1%	158.7	(3%)	12.2%	12.2%	12.6%
Other Exp (Inc)	15.2	15.8	(3%)	20.5	(26%)			
Pretax Income	138.7	136.2	2%	138.2	0%	11.0%	11.0%	11.0%
Taxes	51.5	49.3	5%	52.5	(2%)	37.1%	36.2%	38.0%
Net Income	$ 87.2	$ 86.9	0%	$ 85.7	2%	6.9%	7.0%	6.8%
Diluted EPS	$ 1.14	$ 1.11	3%	$ 1.13	1%			
Diluted Shares	76.5	78.4	(2%)	76.1	1%			

Source: Company reports, Robert W. Baird & Co. estimates

4QF13 results mostly in line with revised expectations

- **EPS.** Airgas reported 4QF13 EPS (ex-items) of $1.14 vs. $1.11 y/y, slightly above our $1.13 estimate (also consensus). EPS excludes a $0.01 restructuring charge.
- **Sales.** Sales were $1.26 billion vs. $1.24 billion y/y, matching our $1.26 billion estimate (also consensus). Organic same-store sales growth in the quarter was flat (price +5%, volume -5%) vs. our -1.3% estimate with Gas & Rent +4% and Hardgoods -5%. This is very consistent with the recent Baird/Cryogas survey, which indicated continued relative strength in Gas & Rent trends and further declines in Hardgoods growth.
- **Gross margin.** Gross margin of 54.7% was below our 55.1% estimate, reflecting unfavorable mix shift within both Gas & Rent and Hardgoods and higher production costs, partially offset by improved pricing and favorable mix shift towards Gas & Rent from Hardgoods.
- **EBIT margin.** Operating expenses of 42.5% of sales were in line with our 42.5% estimate, reflecting SAP-related benefits more than offset by lower operating deleverage on lower volume growth.

Management outlook

- **Overall.** Consistent with our recent Baird/Cryogas survey, management noted a general lack of momentum in underlying business conditions that persisted through March. In particular, deceleration in non-residential construction and non-tech industrial production were cited, though expectations call for a modest recovery in 2HF14 (more on this below).
- **1QF14 guidance/April trends.** Management issued 1QF14 EPS guidance (ex-items) of $1.14-$1.20, below our previous $1.28 estimate ($1.30 consensus). Guidance assumes a continuation of current lackluster growth translating into flat to low single-digit base business growth, and April trends were cited as consistent with this range.
- **F2014 guidance.** Airgas also provided F2014 EPS guidance of $5.00-$5.35 (+19% at the midpoint), placing $5.35 consensus at the high end of the range but below our previous $5.52 estimate. Guidance assumes back-end loaded organic sales growth of low-to-mid single-digits, with the high and low range of EPS corresponding to high and low range of organic growth, respectively, and reflects management's expectations for a gradual recovery in non-residential construction as deferred projects should be converted out of backlog moving into 2HF13. Of note, the ~$(0.35) delta between our prior estimate and the mid-point of guidance reflects the following:
  - **SAP net benefits at low end of prior F2014 guidance.** Management cited slightly elevated SAP-related costs needed fund additional post-conversion support and training through 1HF14 (more on this below). Net SAP-related benefits are now expected to be at the low end of the

$0.45-$0.55 guidance range vs. our prior $0.53 estimate, driving $(0.08) of the variance vs. our F2014 EPS estimate.

- **Higher variable compensation expense.** As a result of slower-than-budgeted growth in F2013, management expects variable compensation to see an above-average increase in F2014 given easier prior-year comparisons. Currently, $16 million in targeted in variable compensation, corresponding to a $(0.13) impact on EPS which was not included in our prior estimate.
- **R-22 refrigerant headwinds.** Lastly, the recent EPA ruling to allow increases in R-22 refrigerant production (vs. industry expectations for mandated declines) is expected to be a $(0.05)-$(0.10) headwind in F2014. Specifically, the company cited refrigerant volumes -50% y/y and price -7.5% y/y since the late-March ruling, as many reseller-customers, who had brought inventory ahead of anticipated channel shortages, are expected to withhold from additional purchases in F2014 given expectations for increases in supply. This negative dynamic is further exacerbated given the difficult prior-year comparisons, as these inventory additions which took place in F2013 are expected to reverse in F2014.

- **Acquisitions.** Management is targeting $150 million in acquired revenues in F2014, consistent with recent years.
- **Share repurchase.** The company's recently completed share repurchase is expected to be $0.16 accretive to F2014 EPS.
- **Overall.** Even assuming no economic improvement, the tailwind from SAP benefits/share repurchases alone should drive mid- to- high-teens EPS growth in F2014, highlighting the “self-help” dynamic that underpins our favorable view of ARG in the current choppy environment.

Airgas, Inc. (ARG - NYSE)
Guidance

	1QF14	F2014
EPS	$1.14-$1.20	$5.00-$5.35
Same Store Sales	Flat to up low single digits	Up low to mid single digits
Operating Margin		12.8% - 13.3%
Tax Rate		~37.5%
Capital Expenditures		~6.5% of sales

Source: Company reports

SAP implementation update

- **Conversion now complete.** In 4QF13, Airgas successfully brought the final region onto its SAP platform, as planned. Going forward, we view the company’s ability to reach this important milestone positively and are encouraged by positive management commentary.
- **SAP net benefits at low end of prior F2014 guidance.** Management expects slightly elevated expenses in 1HF14 as the company funds additional post-conversion support and training. To this end, management now expects F2014 SAP benefits (net of expenses) to be at the low of end of $0.45-$0.55 guidance (vs. our prior $0.53 estimate). We believe this temporary near-term headwind is a prudent longer-term investment, as the company moves to realize expected benefits and minimize disruption to the day-to-day business.
- **Earnings progression outlined.** F2014 guidance assumes overall SAP benefits of $0.63 relative to F2013 (+14% earnings growth), reflecting the previously mentioned $0.45 net SAP benefits to be realized in F2014 in addition to the $(0.18) in net expense incurred in F2013. To this point, while net benefits are expected to ramp meaningfully from here ($0.06 in net benefits expected in 1QF14 vs. $0.04 in 4QF13), overall benefits ($0.16 expected in 1QF14) should remain fairly consistent through F2014, as prior-year SAP expenses decline through the year.
- **Sources of additional opportunities.** As only half of the business utilized SAP’s pricing enhancement capabilities in F2013, management’s expectations for the entire business to utilize

SAP for pricing actions in F2014 is a potential source of upside. Longer term, previously discussed areas of opportunities include cylinder management, e-business, vending, continuous improvement, channel optimization and distribution/logistics efficiencies.

Strategic Products

- **Overall trends.** Strategic products, which make up approximately 40% of Airgas' revenue, saw +2% y/y organic sales growth – reflecting new business gains in metal fabrication, energy and construction markets partially offset by broad-based slowing in underlying activity. Demand for these products is generally more stable, leading to slightly lower growth in periods of expansion and more stable trends during periods of slower economic activity.
- **Gases see relative strength.** Medical/Bulk gases saw the strongest trends (+4%) due to new customer signings and higher pricing, Specialty Gases and CO2/Dry Ice all saw growth in line with the overall group (+2%) on higher pricing, while Safety (flat y/y) continued to lag reflecting slower underlying activity levels.

Airgas, Inc. (ARG - NYSE)
Strategic Products

Segment	Growth 4QF13	3QF13
Safety	+0%	+1%
Bulk Gas	+4%	+6%
Medical Sales	+4%	+6%
Specialty Gas	+2%	+4%
CO2 / Dry Ice	+2%	+12%

Source: Company reports

Distribution Segment

- **Segment overview.** Distribution is Airgas' core business. Products include industrial, medical, and specialty gases distributed in cylinders and bulk containers; process chemicals; cylinder and equipment rental; and welding hardgoods.
- **Sales.** Sales were $1.12 billion (+1.5% y/y), matching our $1.12 billion estimate. Organic sales were -1% (price +4%, volume -5%) vs. our -1.3% estimate, comprised of Gas & Rent +3% (price +5%, volume -2%; vs. our flat overall estimate) and hardgoods -5% (price +3%, volume -8%; vs. our -3% overall estimate).
- **Gross margin.** Gross margin was 55.4% vs. 54.5% y/y, reflecting an improved mix of higher-margin Gas & Rent and higher pricing/SAP-related price management benefits, partially offset by unfavorable mix shifts within both Gas & Rent and Hardgoods as well as higher operating and product costs.
- **Operating margin.** Operating margin was 12.8% vs. 13.1% y/y, below our 13.2% estimate. Operating leverage was muted due to y/y declines in volumes, which more than offset the SAP-related benefits.
- **Our outlook.** We are modeling low single-digit organic sales growth in 1QF14, consistent with management's guidance, improving to mid-single-digit organic growth in 2HF13. Within the distribution business, we expect continued relative strength in Gas & Rent vs. Hardgoods, a typical later-cycle dynamic. Operationally, we continue to see meaningful y/y improvement from here, driven by both higher gross margin (positive sales mix + pricing + SAP pricing benefits) and improved leverage on SG&A in 2HF13 given our outlook for improving trends.

All Other Operations Segment

- **Segment overview.** All Other Operations encompasses six business units; primary products include carbon dioxide, dry ice, nitrous oxide, ammonia, refrigerant gases and bulk / merchant gas.
- **Sales.** Sales were $144.2 million (+2.9% y/y), above our $139.4 million estimate. Organic sales

were +3% vs. our -1% estimate, primarily driven by higher ammonia sales (both volume and price) which more than offset volume declines in R-22 refrigerant.

- **Gross margin.** Gross margin of 46.1% was up vs. 45.5% y/y, driven by a favorable mix shift away from refrigerant sales, in addition to favorable mix shift within refrigerants.
- **Operating margin.** Operating margin of 11.1% was up modestly vs. 10.9% y/y, and above our 9.7% estimate on improved gross margin, partially offset by higher outage-related costs in the CO2 business.
- **Our outlook.** We are modeling low single-digit organic sales growth over F2014, reflecting modestly improving underlying growth through the year partially offset by previously mentioned headwinds in the company's R-22 refrigeration business. Additionally, we are modeling modest declines in segment EBIT margins over F2014.

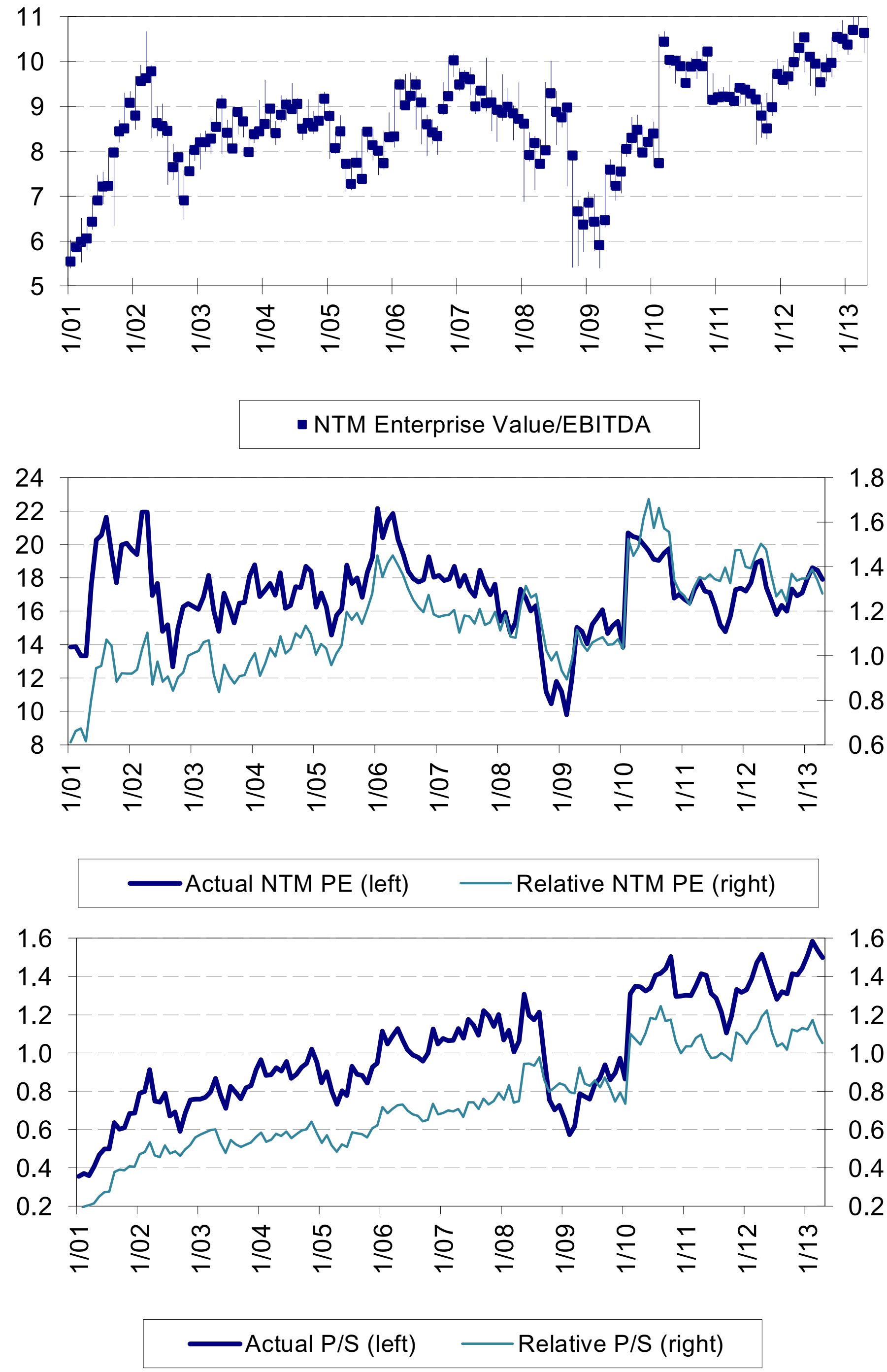
Balance Sheet/Cash Flow

- **Free cash flow.** Free cash flow was $63.8 million (RWB definition, CFO – Capital expenditures – increases in A/R securitization) vs. $72.2 million y/y.
- **Cash conversion days.** Cash conversion days (Inventory days + DSO – DPO) were 106 days vs. 108 days y/y and 90 days q/q.
- **ROE.** TTM ROE was 19.2% vs. 19.5% y/y and 18.9% q/q.
- **Debt-to-capital.** Total debt-to-capital was 58.7% vs. 46.4% y/y and 48.5% q/q.
- **Share repurchase program update.** The company recently completed its $600 million share repurchase program, repurchasing 6.29 million shares at an average price of $95.37. The net impact is expected to be a $0.16 benefit to F2014 EPS.

Airgas, Inc. (ARG - NYSE)
Estimate Changes

1QF14E	New	Old	Change
Sales (millions)	$1,294.9	$1,272.2	$22.7
Sales Growth	3.0%	1.2%	1.8%
Gross Margin	54.5%	55.3%	(86bp)
Op Ex.	543.0	527.5	$15.5
Op Ex % of Sales	41.9%	41.5%	47bp
EBIT Margin	12.5%	13.9%	(133bp)
Diluted EPS	$1.18	$1.28	($0.10)
F2014E	**New**	**Old**	**Change**
Sales (millions)	$5,207.0	$5,144.1	$62.9
Sales Growth	5.0%	3.9%	$0.0
Gross Margin	55.2%	55.5%	($0.0)
Op Ex.	2,178.7	2107.3	$71.4
Op Ex % of Sales	41.8%	41.0%	$0.0
EBIT Margin	13.3%	14.6%	($0.0)
Diluted EPS	$5.12	$5.52	($0.4)
F2015E	**New**	**Old**	**Change**
Sales (millions)	$5,514.0	$5,389.7	$124.2
Sales Growth	5.9%	4.8%	1.1%
Gross Margin	55.6%	55.8%	(0bp)
Op Ex.	2,270.4	2166.2	$104.2
Op Ex % of Sales	41.2%	40.2%	0bp
EBIT Margin	14.4%	15.6%	(0bp)
Diluted EPS	$5.90	$6.40	($0.50)

Source: Robert W. Baird & Co. estimates



Source: FactSet, Robert W. Baird & Co. estimates

Investment Thesis

The call. We rate ARG Outperform. Our $114 price target is based on approximately 10x EV/C2014E EBITDA, in line with the one-year 10x NTM average. We remain positive on this self-help story overall, as SAP has now swung to a tailwind. This along with a recently completed share repurchase should drive mid- to high-teens EPS growth, even assuming no economic improvement from here. Exposure to later-cycle catalysts is positive, however, while acquisition activity also represents potential upside. With growth more weighted towards gases as the cycle progresses, any upside to revenue growth should read through at high incremental profitability. As such, we continue to recommend this long-term value creator and continue to like the stock, particularly on pullbacks.

Airgas is the leader in a large, fragmented market. As the market leader in the US packaged gas industry, Airgas' long-term value proposition is the continued consolidation of this market via both organic growth and acquisition. Airgas is the leader (25% market share) in a large, consolidating market (nearly 400 acquisitions completed since 1982).

Growth initiatives. Over the long term, Airgas should achieve organic sales growth in the high single-digits (augmented by acquisitions) and EPS growth in the mid-teens. Several organic growth initiatives are driving outsized growth vs. the market, including Strategic Accounts, Strategic Products and the Radnor private label line while there are also opportunities to expand further in adjacent distribution modalities (bulk gases, on-site). The company's strategic product sales (construction, private label, safety, strategic accounts, CO2 and medical, bulk and specialty gas) now constitute over 40% of overall sales and continue to provide support for growth as overall trends remain positive. Strategic account sales also provide support to overall growth, focusing on larger customers with multiple locations. The company also targets $150 million in acquired revenue targeted annually, complementing organic same-store sales growth.

Transition to single operating platform. The company recently transitioned from 12 regional distribution companies to a single unified platform (supported by four support centers) in conjunction with rolling out an SAP information system. There are significant sales and operational opportunities upon completion of this transition, including accelerated sales growth and structurally higher margins/returns.

Key risks to our Outperform thesis. Fundamental risks include demand and/or pricing outcomes that are worse than expected, risks associated with SAP integration (although we have high confidence in the roadmap), acquisition-related risks, etc.

Risks & Caveats

Economic sensitivity. Because a signficant percentage of sales are to manufacturing industries, Airgas is affected by economic factors that impact the US manufacturing economy. However, Airgas is also diversified in medical, specialty, non-residential construction, and infrastructure end markets, among others. Pricing actions can serve as an offset to declining unit volumes.

Core market is finite, moderately sized and growing at approximately a GDP rate. Airgas' target market is $13+ billion, of which large players currently control about half of the market. Market growth is not much greater than GDP and core demand can be cyclical. Faster-growth and less cyclical market segments like medical and specialty gases, ammonia and refrigeration reclamation should help Airgas grow organically to offset manufacturing cyclicality. Strategic product sales today make up 40% of total sales, and help to buffer weaker economic trends.

SAP integration. While the recently completed conversion to SAP presents a concern given past implementation problems at similarly sized distributors, we believe company-specific risks have mostly passed with the software implementation now complete and additional resources devoted to continued training near term to ensure a smooth transition.

Acquisition integration. Airgas has completed nearly 400 acquisitions since 1982, and although there are integration risks with any acquisition strategy, we view acquisition risk as minimal.

Litigation. While Airgas has been party to asbestos and welding fumes lawsuits from time to time, none have been material nor considered to have merit.

Leverage. Airgas carries a relatively high debt-to-total capitalization (adjusted for AR securitization). Due to strong cash flow, Airgas' coverage ratios should remain solid, even with a higher level of debt.

Company Description

Airgas is the largest US distributor of packaged industrial, medical and specialty gases, and welding, safety and related supplies. The company also produces dry ice, liquid CO_2, nitrous oxide and other atmospheric and specialty gases. Airgas distributes more than 10 million cylinders from over 1,100 locations to more than 1,000,000 customers in a diverse group of industries. With nearly $5 billion in F2013 sales, Airgas is the leader in the fragmented $13+ billion market for packaged gases and welding hardgoods.

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Fiscal Year End March
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($ in thousands, except per share)

Fiscal	Revenue		Gross Profit			Selling, Dist & Admin (Incl Depr & Amort)			EBITDA		Operating Income		
Year	$	*Chg*	$	%	*Chg*	$	%	*Chg*	$	%	$	%	*Chg*
1992	351,491		174,139	49.5%		147,823	42.1%		26,316		26,316	7.5%	
1993	410,771	*16.9%*	202,658	49.3%	*16.4%*	168,291	41.0%	*13.8%*	62,412	15.2%	34,367	8.4%	*30.6%*
1994	519,349	*26.4%*	260,179	50.1%	*28.4%*	211,512	40.7%	*25.7%*	79,238	15.3%	48,667	9.4%	*41.6%*
1995	687,983	*32.5%*	345,107	50.2%	*32.6%*	272,507	39.6%	*28.8%*	109,468	15.9%	72,600	10.6%	*49.2%*
1996	838,144	*21.8%*	418,653	50.0%	*21.3%*	325,668	38.9%	*19.5%*	138,747	16.6%	92,985	11.1%	*28.1%*
1997	1,158,894	*38.3%*	547,511	47.2%	*30.8%*	433,801	37.4%	*33.2%*	180,131	15.5%	113,710	9.8%	*22.3%*
1998	1,447,990	*24.9%*	668,743	46.2%	*22.1%*	544,845	37.6%	*25.6%*	211,990	14.6%	123,898	8.6%	*9.0%*
1999	1,561,218	*7.8%*	723,163	46.3%	*8.1%*	611,167	39.1%	*12.2%*	199,922	12.8%	111,996	7.2%	*(9.6%)*
2000	1,542,334	*(1.2%)*	729,537	47.3%	*0.9%*	614,335	39.8%	*0.5%*	204,510	13.3%	115,202	7.5%	*2.9%*
2001	1,628,901	*5.6%*	781,701	48.0%	*7.2%*	664,309	40.8%	*8.1%*	204,146	12.5%	117,392	7.2%	*1.9%*
2002	1,636,047	*0.4%*	817,294	50.0%	*4.6%*	683,761	41.8%	*2.9%*	206,478	12.6%	133,533	8.2%	*13.7%*
2003	1,786,964	*9.2%*	936,648	52.4%	*14.6%*	778,072	43.5%	*13.8%*	238,420	13.3%	158,576	8.9%	*18.8%*
2004	1,895,468	*6.1%*	986,787	52.1%	*5.4%*	816,207	43.1%	*4.9%*	257,760	13.6%	170,580	9.0%	*7.6%*
2005	2,411,409	*27.2%*	1,232,364	51.1%	*24.9%*	1,029,131	42.7%	*26.1%*	314,817	13.1%	203,233	8.4%	*19.1%*
2006	2,829,610	*17.3%*	1,427,632	50.5%	*15.8%*	1,156,074	40.9%	*12.3%*	399,100	14.1%	271,558	9.6%	*33.6%*
2007	3,205,051	*13.3%*	1,637,961	51.1%	*14.7%*	1,296,509	40.5%	*12.1%*	488,795	15.3%	341,452	10.7%	*25.7%*
2008	4,017,024	*25.3%*	2,087,761	52.0%	*27.5%*	1,611,937	40.1%	*24.3%*	665,599	16.6%	475,824	11.8%	*39.4%*
2009	4,349,455	*8.3%*	2,304,435	53.0%	*10.4%*	1,779,567	40.9%	*10.4%*	745,663	17.1%	524,868	12.1%	*10.3%*
2010	3,864,005	*(11.2%)*	2,131,581	55.2%	*(7.5%)*	1,702,486	44.1%	*(4.3%)*	664,044	17.2%	429,095	11.1%	*(18.2%)*
2011	4,251,467	*10.0%*	2,337,377	55.0%	*9.7%*	1,819,971	42.8%	*6.9%*	767,924	18.1%	517,406	12.2%	*20.6%*
Q1	1,164,300	*10.6%*	633,520	54.4%	*9.7%*	488,962	42.0%	*9.2%*	210,974	18.1%	144,558	12.4%	*11.4%*
Q2	1,187,083	*11.8%*	634,502	53.5%	*8.4%*	490,074	41.3%	*7.1%*	211,065	17.8%	144,428	12.2%	*12.9%*
Q3	1,153,751	*11.5%*	632,935	54.9%	*9.8%*	497,658	43.1%	*10.5%*	203,289	17.6%	135,277	11.7%	*7.4%*
Q4	1,241,149	*12.6%*	669,001	53.9%	*11.9%*	517,056	41.7%	*11.4%*	221,165	17.8%	151,945	12.2%	*13.5%*
2012	4,746,283	*11.6%*	2,569,958	54.1%	*10.0%*	1,993,750	42.0%	*9.5%*	846,493	17.8%	576,208	12.1%	*11.4%*
Q1	1,257,256	*8.0%*	688,518	54.8%	*8.7%*	531,116	42.2%	*8.6%*	228,387	18.2%	157,402	12.5%	*8.9%*
Q2	1,229,610	*3.6%*	677,297	55.1%	*6.7%*	529,668	43.1%	*8.1%*	218,996	17.8%	147,629	12.0%	*2.2%*
Q3	1,207,708	*4.7%*	680,256	56.3%	*7.5%*	534,706	44.3%	*7.4%*	217,968	18.0%	145,550	12.1%	*7.6%*
Q4	1,262,923	*1.8%*	690,813	54.7%	*3.3%*	536,888	42.5%	*3.8%*	228,055	18.1%	153,925	12.2%	*1.3%*
2013	4,957,497	*4.5%*	2,736,884	55.2%	*6.5%*	2,132,378	43.0%	*7.0%*	893,406	18.0%	604,506	12.2%	*4.9%*
Q1E	1,294,924	*3.0%*	705,461	54.5%	*2.5%*	543,019	41.9%	*2.2%*	237,193	18.3%	162,443	12.5%	*3.2%*
Q2E	1,277,202	*3.9%*	702,459	55.0%	*3.7%*	532,892	41.7%	*0.6%*	244,317	19.1%	169,567	13.3%	*14.9%*
Q3E	1,288,790	*6.7%*	719,495	55.8%	*5.8%*	542,958	42.1%	*1.5%*	251,286	19.5%	176,536	13.7%	*21.3%*
Q4E	1,346,083	*6.6%*	745,719	55.4%	*7.9%*	559,851	41.6%	*4.3%*	260,618	19.4%	185,868	13.8%	*20.8%*
2014E	5,206,999	*5.0%*	2,873,133	55.2%	*5.0%*	2,178,719	41.8%	*2.2%*	993,414	19.1%	694,414	13.3%	*14.9%*
2015E	5,513,956	*5.9%*	3,063,274	55.6%	*6.6%*	2,270,446	41.2%	*4.2%*	1,100,828	20.0%	792,828	14.4%	*14.2%*

Fiscal	Other Exp	Pretax Income			Income Taxes		Net Income			Diluted EPS		Div	Avg
Year	(Inc)	$	%	*Chg*	$	*Rate*	$	%	*Chg*	$	*Chg*		Shares
1992	11,306	15,010	4.3%		7,718	51.4%	7,292	2.1%		0.13		0.00	57,079
1993	11,087	23,280	5.7%	*55.1%*	10,811	46.4%	12,469	3.0%	*71.0%*	0.20	*56.3%*	0.00	62,428
1994	12,350	36,317	7.0%	*56.0%*	16,027	44.1%	20,290	3.9%	*62.7%*	0.31	*57.0%*	0.00	64,720
1995	17,777	54,823	8.0%	*51.0%*	23,658	43.2%	31,165	4.5%	*53.6%*	0.47	*50.9%*	0.00	65,895
1996	24,713	68,272	8.1%	*24.5%*	28,552	41.8%	39,720	4.7%	*27.5%*	0.60	*27.6%*	0.00	65,811
1997	37,939	75,771	6.5%	*11.0%*	31,487	41.6%	44,284	3.8%	*11.5%*	0.64	*6.8%*	0.00	68,714
1998	48,419	75,479	5.2%	*(0.4%)*	32,914	43.6%	42,565	2.9%	*(3.9%)*	0.60	*(6.7%)*	0.00	70,813
1999	52,435	59,561	3.8%	*(21.1%)*	25,074	42.1%	34,487	2.2%	*(19.0%)*	0.48	*(19.4%)*	0.00	71,225
2000	50,706	64,496	4.2%	*8.3%*	27,599	42.8%	36,897	2.4%	*7.0%*	0.52	*7.9%*	0.00	70,600
2001	57,274	60,118	3.7%	*(6.8%)*	25,379	42.2%	34,739	2.1%	*(5.8%)*	0.52	*(1.1%)*	0.00	67,200
2002	48,613	84,920	5.2%	*41.3%*	31,212	36.8%	53,708	3.3%	*54.6%*	0.77	*48.6%*	0.00	69,900
2003	46,578	111,998	6.3%	*31.9%*	41,698	37.2%	70,300	3.9%	*30.9%*	0.97	*26.5%*	0.00	72,300
2004	41,774	128,806	6.8%	*15.0%*	48,578	37.7%	80,228	4.2%	*14.1%*	1.07	*10.5%*	0.16	74,700
2005	55,724	147,509	6.1%	*14.5%*	55,035	37.3%	92,474	3.8%	*15.3%*	1.20	*11.8%*	0.18	77,000
2006	63,377	208,181	7.4%	*41.1%*	76,805	36.9%	131,376	4.6%	*42.1%*	1.62	*34.8%*	0.23	81,152
2007	75,053	266,399	8.3%	*28.0%*	102,951	38.6%	166,292	5.2%	*26.6%*	2.01	*24.4%*	0.27	82,566
2008	105,384	370,440	9.2%	*39.1%*	146,703	39.6%	223,737	5.6%	*34.5%*	2.66	*31.9%*	0.38	84,235
2009	95,540	429,328	9.9%	*15.9%*	168,266	39.2%	261,062	6.0%	*16.7%*	3.11	*17.3%*	0.56	83,816
2010	67,629	361,466	9.4%	*(15.8%)*	137,035	37.9%	224,432	5.8%	*(14.0%)*	2.68	*(14.1%)*	0.72	83,836
2011	54,276	463,130	10.9%	*28.1%*	177,324	38.3%	285,806	6.7%	*27.3%*	3.35	*25.2%*	1.01	85,273
Q1	15,920	128,638	11.0%	*9.9%*	49,139	38.2%	79,499	6.8%	*11.0%*	0.99	*19.6%*	0.29	80,097
Q2	18,005	126,423	10.6%	*10.2%*	47,157	37.3%	79,266	6.7%	*11.5%*	1.03	*23.5%*	0.32	77,262
Q3	14,366	120,911	10.5%	*8.8%*	45,704	37.8%	75,207	6.5%	*9.5%*	0.97	*21.0%*	0.32	77,705
Q4	15,764	136,181	11.0%	*13.2%*	49,259	36.2%	86,922	7.0%	*16.9%*	1.11	*25.9%*	0.32	78,352
2012	64,055	512,153	10.8%	*10.6%*	191,259	37.3%	320,894	6.8%	*12.3%*	4.10	*22.2%*	1.25	78,354
Q1	14,187	143,215	11.4%	*11.3%*	54,257	37.9%	88,958	7.1%	*11.9%*	1.13	*13.7%*	0.40	78,799
Q2	14,719	132,910	10.8%	*5.1%*	50,373	37.9%	82,537	6.7%	*4.1%*	1.05	*2.0%*	0.40	78,892
Q3	15,667	129,883	10.8%	*7.4%*	48,057	37.0%	81,826	6.8%	*8.8%*	1.04	*7.1%*	0.40	78,944
Q4	15,227	138,698	11.0%	*1.8%*	51,512	37.1%	87,186	6.9%	*0.3%*	1.14	*2.7%*	0.40	76,528
2013	59,800	544,706	11.0%	*6.4%*	204,199	37.5%	340,507	6.9%	*6.1%*	4.35	*6.2%*	1.60	78,291
Q1E	19,613	142,830	11.0%	*(0.3%)*	53,561	37.5%	89,269	6.9%	*0.3%*	1.18	*4.7%*	0.48	75,500
Q2E	18,933	150,634	11.8%	*13.3%*	56,488	37.5%	94,146	7.4%	*14.1%*	1.24	*18.8%*	0.48	75,750
Q3E	17,802	158,735	12.3%	*22.2%*	59,526	37.5%	99,209	7.7%	*21.2%*	1.31	*25.9%*	0.48	76,000
Q4E	17,077	168,791	12.5%	*21.7%*	63,297	37.5%	105,494	7.8%	*21.0%*	1.38	*21.4%*	0.48	76,250
2014E	73,425	620,989	11.9%	*14.0%*	232,871	37.5%	388,118	7.5%	*14.0%*	5.12	*17.6%*	1.92	75,875
2015E	66,807	726,021	13.2%	*16.9%*	272,258	37.5%	453,763	8.2%	*16.9%*	5.90	*15.4%*	2.00	76,875

Note: All figures exclude non-recurring items.

Reflects adoption of SFAS 123R as of 1QF07. Historical figures have not been restated.

Cal.	Diluted EPS	
Year	$	*Chg*
2008	3.19	*31.0%*
2009	2.67	*(16.4%)*
2010	3.15	*18.3%*
2011	3.87	*22.6%*
2012	4.32	*11.7%*
2013E	4.87	*12.7%*
2014E	5.73	*17.7%*

Source: Company reports, Robert W. Baird & Co. estimates

Airgas, Inc.

(ARG - NYSE)

David J. Manthey, CFA
414.865.8020
Luke L. Junk, CFA
414.298.5084
Elliot B. Strumlauf
414.298.5077

Recent Price	$95.00
Fiscal Year End	March
Date Printed	May 2, 2013

($ in thousands, except per share)

Balance Sheet	F2006	F2007	F2008	F2009	F2010	F2011	F2012	4QF13
ASSETS								
Cash & Equivalents	34,985	25,931	43,048	47,188	47,001	57,218	44,663	86,386
Receivables	132,245	193,664	183,569	184,739	186,804	550,262	652,439	710,740
Inventory	229,523	250,308	330,732	390,445	333,961	362,502	408,438	474,821
Other	61,763	79,596	81,365	95,598	143,569	150,663	168,666	191,883
Total Current	458,516	549,499	638,714	717,970	711,335	1,120,645	1,274,206	1,463,830
Fixed Assets	1,398,757	1,865,418	2,194,870	2,366,526	2,427,996	2,455,758	2,616,059	2,686,305
Intangibles	592,322	895,097	1,118,057	1,279,440	1,322,028	1,314,504	1,378,007	1,195,613
Other Assets	24,817	23,443	27,620	35,601	34,573	44,974	52,313	272,477
Total Assets	2,474,412	3,333,457	3,979,261	4,399,537	4,495,932	4,935,881	5,320,585	5,618,225
LIABILITIES & EQUITY								
Current Debt	131,901	40,296	40,400	11,058	10,255	9,868	398,837	303,573
Payables	143,752	146,385	185,111	156,838	157,566	163,091	174,868	183,258
Other	200,001	241,275	280,880	264,564	307,822	391,544	356,344	374,883
Total Current	475,654	427,956	506,391	432,460	475,643	564,503	930,049	861,714
LT Debt & Lease	635,726	1,309,719	1,539,648	1,750,308	1,499,384	1,842,994	1,761,902	2,304,245
Deferred Taxes	327,818	373,246	439,782	565,783	652,389	722,954	793,957	825,612
Other Liabilities	30,864	39,963	80,104	79,231	72,972	70,548	84,419	89,671
Minority Interest	57,191	57,191	-	-	-	-	-	-
Common Equity	947,159	1,125,382	1,413,336	1,571,755	1,795,544	1,734,882	1,750,258	1,536,983
Total Liabilities & Equity	2,474,412	3,333,457	3,979,261	4,399,537	4,495,932	4,935,881	5,320,585	5,618,225

Ratios	F2006	F2007	F2008	F2009	F2010	F2011	F2012	4QF13
Days In Inventory	59	56	55	64	76	66	65	75
Days Sales Outstanding (DSO)[1]	46	48	46	44	46	57	69	72
Days Payables Outstanding (DPO)	(37)	(33)	(30)	(30)	(34)	(30)	(28)	(41)
Cash Conversion Days	**68**	**70**	**70**	**78**	**88**	**93**	**106**	**106**
Current Ratio[1]	1.0	1.2	1.2	1.4	1.3	1.6	1.3	1.5
Quick Ratio	0.4	0.5	0.4	0.5	0.5	1.1	0.7	0.9
Inventory Turns	6.2	6.5	6.6	5.7	4.8	5.5	5.6	4.9
TTM Return on Assets	5.1%	5.3%	5.6%	5.8%	4.7%	5.7%	5.9%	5.9%
TD/Cap[1]	51.7%	58.9%	57.9%	56.9%	50.1%	55.3%	54.2%	58.7%
TTM EBITDA Int Cov	6.6	6.8	6.3	7.8	9.8	14.1	13.2	14.9
TTM EBITDA/TD [1]	0.4	0.3	0.3	0.4	0.4	0.4	0.4	0.5

Du Pont Formula	F2006	F2007	F2008	F2009	F2010	F2011	F2012	4QF13
Net Margins (N/S)	4.6%	5.2%	5.6%	6.0%	5.8%	6.7%	6.8%	6.9%
Asset Turnover (S/A)	1.1	1.0	1.0	1.0	0.9	0.9	0.9	0.9
Leverage (A/E)	2.6	3.0	2.8	2.8	2.5	2.8	3.0	3.1
Return On Equity	**13.9%**	**14.8%**	**15.8%**	**16.6%**	**12.5%**	**16.5%**	**18.3%**	**19.2%**

Market Capitalization (MM)	$7,270.2
Insider Ownership	10%
Institutional Ownership	90%
Average Daily Volume	530,000

[1] Adjusted for Accounts Receivable Securitization Program

Cash Flow Statement	F2006	F2007	F2008	F2009	F2010	F2011	F2012	F2013	F2014E	F2015E
Net Income	123,551	154,416	223,348	261,088	196,300	249,766	313,374	340,874	388,118	453,763
D&A	127,542	147,343	189,775	220,795	234,949	250,518	270,285	288,900	299,000	308,000
Inventory	(14,087)	(1,491)	(37,079)	441	58,785	(28,636)	(29,307)	(62,317)	(23,449)	(23,961)
A/R	(17,021)	(37,687)	(23,308)	77,209	18,287	(66,216)	(89,976)	(42,485)	(66,225)	(58,354)
A/P	1,533	(23,351)	8,053	(40,239)	(3,863)	6,043	9,980	(2,636)	45,452	10,998
Other	140,651	63,480	189,137	63,473	95,589	(136,174)	32,050	27,932	66,268	60,506
Operating Cash Flow	362,169	302,710	549,926	582,767	600,047	275,301	506,406	550,268	709,163	750,952
Capital Expenditures	(214,193)	(243,583)	(267,378)	(351,912)	(252,828)	(256,030)	(356,514)	(325,465)	(335,664)	(355,451)
Dividends	(18,449)	(21,980)	(31,828)	(45,766)	(62,526)	(83,797)	(95,323)	(122,202)	(145,680)	(153,750)
Free Cash Flow	129,527	37,147	250,720	185,089	284,693	(64,526)	54,569	102,601	227,820	241,751

Per share Data	F2006	F2007	F2008	F2009	F2010	F2011	F2012	F2013	F2014E	F2015E
Diluted Average Shares	81,152	82,566	84,235	83,816	83,832	85,273	78,354	78,291	75,875	76,875
EPS	1.62	2.01	2.66	3.11	3.07	3.35	4.10	4.35	5.12	5.90
Free Cash Flow (FCF)	1.60	0.45	2.98	2.21	1.43	(0.76)	0.70	1.31	3.00	3.14
EBITDA	4.92	5.92	7.90	8.90	8.81	9.01	10.80	11.41	13.09	14.32
Book Value	11.67	13.63	16.78	18.75	18.70	20.35	22.34	19.63	24.54	29.21
Tangible Book Value	4.70	3.55	5.27	6.07	5.86	7.24	7.48	4.36	8.79	13.66

Valuation Measures	F2006	F2007	F2008	F2009	F2010	F2011	F2012	F2013	PT/C13E	PT/C14E
Price - High	$39.99	$43.43	$55.89	$64.72	$66.06	$71.28	$89.43	$103.52		
Price - Low	$21.15	$33.34	$37.84	$26.29	$32.52	$59.26	$58.50	$77.76	Price Target	
Price - Average	$29.47	$38.45	$46.92	$45.95	$47.55	$64.64	$71.72	$88.37	**$114**	
TTM P/E - High	23.4x	20.9x	20.0x	20.1x	23.7x	20.6x	21.2x	23.2x		
TTM P/E - Low	12.4	16.0	13.6	8.2	11.7	17.1	13.9	17.4		
TTM P/E - Average	17.2	18.5	16.8	14.3	17.1	18.7	17.0	19.8	23.4	19.9
FTM P/E - High	19.2	15.6	17.4	23.2	19.1	16.9	20.0	19.8		
FTM P/E - Low	10.2	12.0	11.8	9.4	9.4	14.1	13.1	14.9		
FTM P/E - Average	14.2	13.8	14.6	16.5	13.8	15.4	16.1	16.9		
FCF Yield - Average	5.4%	1.2%	6.3%	4.8%	3.0%	-1.2%	1.0%	1.5%	4.2%	4.4%
EV/TTM Sales - Average	1.20	1.86	1.48	1.70	2.81	2.55	-	-	2.19	2.03
Price / TTM Sales - Average	0.85	0.99	0.98	0.89	1.03	1.30	1.18	1.40	1.69	1.61
Price / TTM BV - Average	2.5	2.8	2.8	2.5	2.5	3.2	3.2	4.5	4.9	4.1
Dividend Yield - Average	0.8%	0.7%	0.8%	1.2%	1.6%	1.5%	1.7%	1.8%	1.6%	1.7%

Enterprise Value	F2006	F2007	F2008	F2009	F2010	F2011	F2012	F2013	PT/C13E	PT/C14E
Market Value	2,391,153	3,174,598	3,951,973	3,851,063	3,986,068	5,512,380	5,619,264	6,918,295	8,664,000	8,778,000
Total Debt[1]	1,011,827	1,614,518	1,940,151	2,072,869	1,804,742	1,852,862	2,160,739	2,607,818	2,324,882	2,030,628
Other Long-term Liabilities	30,864	39,963	80,104	79,231	72,972	70,548	84,419	89,671	91,508	96,504
Cash & Equivalents	(34,985)	(25,931)	(43,048)	(47,188)	(47,001)	(57,218)	(44,663)	(86,386)	(46,609)	(55,527)
Total EV	3,398,859	4,803,148	5,929,180	5,955,975	5,816,781	7,378,572	7,819,759	9,529,398	11,033,780	10,849,605
EBITDA	399,100	488,795	665,599	745,663	664,044	767,924	846,493	893,406	960,851	1,076,486
EV / EBITDA	**8.5x**	**9.8x**	**8.9x**	**8.0x**	**8.8x**	**9.6x**	**9.2x**	**10.7x**	**11.5x**	**10.1x**

Source: Company reports, Robert W. Baird & Co. estimates

Airgas, Inc.

(ARG - NYSE)

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Recent Price $95.00
Fiscal Year End March
Date Printed May 2, 2013

($ in thousands, except per share)

Fiscal	Total Distribution Revenue			Gas & Rent Revenue			Hardgoods Revenue			Gross Profit			Operating Income		
Year	$	Chg	Organic	$	Chg	Organic	$	Chg	Organic	$	%	Chg	$	%	Chg
2002	1,494,267			707,435			786,832			724,173			111,930		
2003	1,642,076	9.9%	10%	863,975	22.1%	22%	778,101	(1.1%)	-1%	835,756	50.9%	15.4%	133,228	8.1%	19.0%
2004	1,702,471	3.7%	3%	882,585	2.2%	2%	819,886	5.4%	4%	857,031	50.3%	2.5%	139,249	8.2%	4.5%
2005	2,078,739	22.1%	10%	1,056,661	19.7%	6%	1,022,078	24.7%	14%	1,021,192	49.1%	19.2%	158,018	7.6%	13.5%
2006	2,395,938	15.3%	10%	1,238,612	17.2%	10%	1,157,326	13.2%	9%	1,172,503	48.9%	14.8%	208,466	8.7%	31.9%
2007	2,691,814	12.3%	8%	1,399,186	13.0%	8%	1,292,628	11.7%	8%	1,336,447	49.6%	14.0%	266,708	9.9%	27.9%
2008	3,688,966	37.0%	7%	2,048,068	46.4%	8%	1,640,898	26.9%	5%	1,918,966	52.0%	43.6%	425,922	11.5%	59.7%
2009	3,918,376	6.2%	0%	2,239,724	9.4%	3%	1,678,652	2.3%	-4%	2,105,251	53.7%	9.7%	469,888	12.0%	10.3%
2010	3,467,327	(11.5%)	-6%	2,106,128	(6.0%)	-5%	1,361,199	(18.9%)	-6%	1,933,162	55.8%	(8.2%)	371,317	10.7%	(21.0%)
2011	3,810,136	9.9%	6%	2,272,215	7.9%	1%	1,537,921	13.0%	15%	2,117,270	55.6%	9.5%	478,735	12.6%	28.9%
Q1	1,030,460	10.6%	11%	604,571	8.6%	7%	425,889	13.5%	13%	568,816	55.2%	9.9%	133,840	13.0%	17.6%
Q2	1,052,456	11.5%	11%	611,726	8.7%	7%	440,730	15.6%	14%	568,287	54.0%	8.4%	131,559	12.5%	15.8%
Q3	1,041,729	11.2%	11%	611,005	8.3%	7%	430,724	15.6%	14%	573,730	55.1%	9.1%	135,374	13.0%	16.6%
Q4	1,110,224	11.3%	11%	634,930	7.9%	7%	475,294	16.3%	15%	605,281	54.5%	10.1%	145,567	13.1%	7.6%
2012E	4,234,869	11.1%	-3%	2,462,232	8.4%	-7%	1,772,637	15.3%	2%	2,316,114	54.7%	9.4%	546,340	12.9%	14.1%
Q1	1,112,601	8.0%	11%	638,610	5.6%	5%	473,991	11.3%	9%	611,988	55.0%	7.6%	138,706	12.5%	3.6%
Q2	1,082,891	2.9%	11%	632,598	3.4%	3%	450,293	2.2%	1%	603,939	55.8%	6.3%	134,054	12.4%	1.9%
Q3	1,076,102	3.3%	2%	642,884	5.2%	5%	433,218	0.6%	-1%	614,185	57.1%	7.1%	139,725	13.0%	3.2%
Q4	1,126,511	1.5%	-1%	663,809	4.5%	3%	462,702	(2.6%)	-5%	624,374	55.4%	3.2%	143,932	12.8%	(1.1%)
2013	4,398,105	3.9%	-13%	2,577,901	4.7%	-14%	1,820,204	2.7%	-11%	2,454,486	55.8%	6.0%	556,417	12.7%	1.8%
Q1E	1,149,811	3.3%	11%	671,443	5.1%	3%	478,368	0.9%	-1%	632,396	55.0%	3.3%	138,966	12.1%	0.2%
Q2E	1,127,393	4.1%	11%	664,188	5.0%	3%	463,204	2.9%	1%	631,340	56.0%	4.5%	151,842	13.5%	13.3%
Q3E	1,152,968	7.1%	2%	695,321	8.2%	7%	457,647	5.6%	4%	651,427	56.5%	6.1%	161,441	14.0%	15.5%
Q4E	1,202,751	6.8%	-1%	716,914	8.0%	8%	485,837	5.0%	5%	675,946	56.2%	8.3%	168,942	14.0%	17.4%
2014E	4,632,923	5.3%	-16%	2,747,867	6.6%	-18%	1,885,056	3.6%	-14%	2,591,109	55.9%	5.6%	621,190	13.4%	11.6%
2015E	4,907,814	5.9%	-20%	2,933,156	6.7%	-23%	1,974,657	4.8%	-17%	2,759,099	56.2%	6.5%	704,942	14.4%	13.5%

Fiscal	Total Other Revenue			Gross Profit			Operating Income		
Year	$	Chg	Organic	$	%	Chg	$	%	Chg
2002	173,594			93,121			21,603		
2003	183,849	5.9%	6%	100,892	54.9%	8.3%	25,348	13.8%	17.3%
2004	235,926	28.3%	6%	129,756	55.0%	28.6%	31,331	13.3%	23.6%
2005	385,611	63.4%	7%	211,172	54.8%	62.7%	45,215	11.7%	44.3%
2006	493,430	28.0%	7%	255,129	51.7%	20.8%	60,292	12.2%	33.3%
2007	579,671	17.5%	6%	301,514	52.0%	18.2%	74,744	12.9%	24.0%
2008	343,246	(40.8%)	15%	168,795	49.2%	(44.0%)	49,902	14.5%	(33.2%)
2009	457,329	33.2%	2%	199,184	43.6%	18.0%	54,980	12.0%	10.2%
2010	420,941	(8.0%)	-23%	198,419	47.1%	(0.4%)	51,716	12.3%	(5.9%)
2011	472,054	12.1%	-17%	220,107	46.6%	10.9%	64,657	13.7%	25.0%
Q1	142,966	11.4%	7%	64,704	45.3%	7.6%	19,899	13.9%	(12.3%)
Q2	145,134	15.7%	7%	66,462	45.8%	8.7%	19,193	13.2%	(10.5%)
Q3	120,987	14.6%	6%	59,205	48.9%	17.0%	13,057	10.8%	9.7%
Q4	140,126	24.4%	18%	63,720	45.5%	32.1%	15,315	10.9%	77.9%
2012E	549,213	16.3%	-26%	254,091	46.3%	15.4%	67,464	12.3%	4.3%
Q1	153,835	7.6%	6%	76,530	49.7%	18.3%	28,634	18.6%	43.9%
Q2	155,850	7.4%	7%	73,358	47.1%	10.4%	22,193	14.2%	15.6%
Q3	139,670	15.4%	14%	66,071	47.3%	11.6%	14,543	10.4%	11.4%
Q4	144,243	2.9%	3%	66,439	46.1%	4.3%	15,949	11.1%	4.1%
2013	593,598	8.1%	-36%	282,398	47.6%	11.1%	81,319	13.7%	20.5%
Q1E	153,022	(0.5%)	-1%	73,065	47.7%	(4.5%)	23,477	15.3%	(18.0%)
Q2E	157,798	1.2%	1%	71,119	45.1%	(3.1%)	17,726	11.2%	(20.1%)
Q3E	143,890	3.0%	3%	68,067	47.3%	3.0%	15,096	10.5%	3.8%
Q4E	151,481	5.0%	5%	69,773	46.1%	5.0%	16,926	11.2%	6.1%
2014E	606,191	2.1%	-41%	282,024	46.5%	(0.1%)	73,224	12.1%	(10.0%)
2015E	639,561	5.5%	-42%	304,175	47.6%	7.9%	87,886	13.7%	20.0%

Source: Company reports, Robert W. Baird & Co. estimates

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