

PRAXAIR INC
Form 10-Q
April 26, 2018
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
FORM 10-Q
QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF
1934

For the quarterly period ended March 31, 2018

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

For the transition period from _____ to _____
PRAXAIR, INC.

(Exact name of registrant as specified in its charter)

DELAWARE

(State or other jurisdiction of incorporation)

1-11037

06-1249050

(Commission File Number)

(IRS Employer Identification No.)

10 Riverview Drive, DANBURY, CT 06810-6268

(Address of principal executive offices) (Zip Code)

(203) 837-2000

(Registrant's telephone number, including area code)

N/A

(Former name, former address and former fiscal year, if changed since last report)

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

Title of each class: Registered on:

Common Stock (\$0.01 par value) New York Stock Exchange

1.50% Euro notes due 2020 New York Stock Exchange

1.20% Euro notes due 2024 New York Stock Exchange

1.625% Euro notes due 2025 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 (§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, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer Accelerated filer

Non-accelerated filer Smaller reporting company

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the Registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes No

At March 31, 2018, 287,369,483 shares of common stock (\$0.01 par value) of the Registrant were outstanding.

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PRAXAIR, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME
(Millions of dollars, except per share data)
(UNAUDITED)

	Quarter Ended March	
	31,	
	2018	2017
SALES	\$ 2,999	\$ 2,728
Cost of sales, exclusive of depreciation and amortization	1,677	1,549
Selling, general and administrative	310	290
Depreciation and amortization	311	287
Research and development	24	23
Transaction costs and other charges	19	6
Other income (expense) - net	(5) (6
OPERATING PROFIT	653	567
Interest expense - net	46	41
Net pension and OPEB cost (benefit), excluding service cost	2	(15
INCOME BEFORE INCOME TAXES AND EQUITY INVESTMENTS	605	541
Income taxes	148	149
INCOME BEFORE EQUITY INVESTMENTS	457	392
Income from equity investments	15	12
NET INCOME (INCLUDING NONCONTROLLING INTERESTS)	472	404
Less: noncontrolling interests	(10) (15
NET INCOME - PRAXAIR, INC.	\$ 462	\$ 389
PER SHARE DATA - PRAXAIR, INC. SHAREHOLDERS		
Basic earnings per share	\$ 1.61	\$ 1.36
Diluted earnings per share	\$ 1.59	\$ 1.35
Cash dividends per share	\$ 0.825	\$ 0.7875
WEIGHTED AVERAGE SHARES OUTSTANDING (000's):		
Basic shares outstanding	287,504	285,509
Diluted shares outstanding	290,809	287,384

The accompanying notes are an integral part of these financial statements.

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PRAXAIR, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
(Millions of dollars)
(UNAUDITED)

	Quarter Ended March	
	31,	
	2018	2017
NET INCOME (INCLUDING NONCONTROLLING INTERESTS)	\$ 472	\$ 404
OTHER COMPREHENSIVE INCOME (LOSS)		
Translation adjustments:		
Foreign currency translation adjustments	106	317
Income taxes	9	3
Translation adjustments	115	320
Funded status - retirement obligations (Note 11):		
Retirement program remeasurements	1	(3)
Reclassifications to net income	17	4
Income taxes	(4)	(1)
Funded status - retirement obligations	14	—
Derivative instruments (Note 6):		
Current quarter unrealized gain (loss)	—	(1)
Reclassifications to net income	—	—
Income taxes	—	1
Derivative instruments	—	—
TOTAL OTHER COMPREHENSIVE INCOME (LOSS)	129	320
COMPREHENSIVE INCOME (LOSS) (INCLUDING NONCONTROLLING INTERESTS)	601	724
Less: noncontrolling interests	(21)	(20)
COMPREHENSIVE INCOME (LOSS) - PRAXAIR, INC.	\$ 580	\$ 704

The accompanying notes are an integral part of these financial statements.

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PRAXAIR, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(Millions of dollars)
(UNAUDITED)