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It has been a year since Airgas, a venerable US industrial gas producer and distributor, officially became an Air Liquide subsidiary with the finalizing of a \$13.4bn acquisition deal by the French-based company.

The merger created what Paris-based Air Liquide said would be a \$22bn company with more than 68,000 global employees, and 3 million customers and patients.

It has indeed been a year of change for Airgas, a company that has grown from its humble beginnings as a small distributor called Connecticut Oxygen (CONNOX) in 1982 to more than 950 branches and 17,000 employees.

gasworld US Senior Editor **Bob Croce** recently interviewed Airgas Chief Operations Officer Andy Cichocki about what has been a year of major, yet exciting change since his company became a division of Air Liquide.

Cichocki, one of the longest-serving executives among the major gas producers, first joined Airgas in 1988.

gasworld: Thank you for taking the time to speak with us. As a way to begin, can you give us some background on your role as COO at Airgas, and some of the key strategic initiatives you are overseeing this year and into 2018?

Cichocki: I have been with Airgas for nearly 30 years, in a wide variety of responsibilities ranging from corporate development to human resources to regional and divisional president roles to operations leadership. I was appointed COO in July 2016, following the completion of Airgas' acquisition by Air Liquide in May. This year and looking ahead to 2018, the focus is on integrating the two companies seamlessly and bringing our new combined capabilities and efficiencies to our customers as soon as possible. Our team is fully in place, our operating platforms are largely integrated already (and will be fully completed in

the next few months), we have already executed on significant areas of synergies, and we're looking forward to continuing this same great progress as we clearly focus our sights on customers and driving profitable growth in the months and years ahead.

gasworld: The integration with Air Liquide is definitely something people in the industry are curious to learn more about. How are things going from where you sit as COO? What are some of the things that have proven the acquisition to be a great fit, and where are some of the remaining challenges when it comes to full

new Airgas/Air Liquide organization for growth and superior returns.

gasworld: This month's theme of gasworld US Magazine is "Packaged gases," and I know that this is a large part of the Airgas business. Can you tell me a little bit about your growth strategy around packaged gases when it comes to sales, cylinder tracking technology and solutions for asset management?

Cichocki: As is well-documented, Airgas has grown up as a packaged gases, welding supply and safety PPE distributor. In the past decade or so, we have successfully forward-integrated into the bulk gas sales, production, and logistics business. But our

foundation is high-touch, fast-paced, customer-centric distribution. It's our passion, and we have focused our efforts over many years on building upon our invaluable branch-based presence to create a fully-

integrated "omni-channel" experience that also incorporates our Airgas Total Access (telesales) capabilities and our robust Airgas.com digital presence. So, whether visiting our branches, being serviced by our 2,000 account managers and specialists, or transacting with us online, our customers can choose to interact with us in the manner that best fits their own businesses and is easiest and most productive for them. Supporting those go-to-market channels is a mature gas and hardgoods distribution infrastructure and a robust set of tools designed to effectively manage capital and drive efficiencies, speed and, most importantly, ease of doing business for our customers. This necessarily includes cylinder tracking technologies, onsite services and vendor-managed inventory solutions, vending, demand planning systems, logistics and routing tools, bulk and specialty gas application technologies, and a variety of CRM-related capabilities.

gasworld: Related to that, there's been a move toward microbulk by distributors ▶

Transitioning into the future at full speed

One year into the Air Liquide acquisition, gasworld interviews **Andy Cichocki**, Chief Operating Officer of **Airgas**

integration with Air Liquide?

Cichocki: The transition has been going extremely well. I'm most pleased about our associates' ability to find common ground, pull together as a cohesive team, and embrace the challenge of pursuing the tremendous opportunities presented by this merger. The magnitude of this kind of integration can be daunting, but the teams from Airgas and Air Liquide truly hit the ground running with a common goal in mind — to quickly and collaboratively bring together two complementary businesses to best serve customers, provide new opportunities for our associates, and reinforce our position as the industry leader. Building upon Airgas' strong culture of customer intimacy, speed, responsibility and accountability for results, and leveraging our multi-channel go-to-market and supply chain capabilities as a base, we are introducing Air Liquide's strengths in technology and innovation to build something very powerful in the marketplace. Most of the fundamental integration work is successfully behind us, and now our challenge is leveraging the

► and end users, and it is certainly having an impact on the packaged gases business. How does this trend affect Airgas' strategy going forward?

Cichocki: Airgas has invested heavily into microbulk capabilities as part of our comprehensive, end-to-end offering of gas supply modes. We view MicroBulk as a natural extension of our packaged gases business as well as a potential transition to bulk gas supply for many customers.

gasworld: I was just reading about one of your newest brands, Airgas Healthcare. Can you tell us a little bit about that, and your strategy for creating a larger footprint in the medical gas segment?

Cichocki: The Airgas Healthcare brand reinforces Airgas' position as the leader in the healthcare and life sciences markets. Airgas was a strong player in these markets prior to the acquisition by Air Liquide; however, following the acquisition and the integration of the healthcare and life sciences activity of Airgas and Air Liquide Healthcare in the U.S., this position was taken to an entirely new level.

Airgas Healthcare combines the expertise and innovation from Air Liquide Healthcare with Airgas' extended supply chain and strong local customer proximity to deliver unmatched value to healthcare and life sciences customers. Airgas Healthcare provides an extended portfolio of innovative products and offers coming from Air Liquide Healthcare, such as the integrated valve and digital gauge known as INTELLI-OX™ as well as the hospital logistics solution from Total Gas Management. With these expanded capabilities, Airgas Healthcare reinforces our commitment to U.S. healthcare and life sciences customers.

gasworld: Related to this, what have been some of the challenges Airgas has faced during the nitrous oxide shortage, especially when it comes to dental office customers? What has Airgas done to help its customers get through what has been a challenging time, not only for dental offices, but for the food industry too?

Cichocki: During the time of reduced

nitrous oxide supply in late 2016, Airgas made all possible efforts to remedy the situation and to provide customers with product to the best of our ability at the time. Airgas prioritized its medical customers during the shortage and continued to provide product to hospitals, doctor and dentist offices, and other medical facilities. We managed that by fully leveraging our existing inventories of nitrous oxide across our more than 900 branch locations and fill plants. Customers in the food industry were provided with reduced quantities until supply and logistics stabilized in early 2017. The situation is resolving and we are currently working with much more robust supplies of nitrous oxide to meet our customers' product needs.

gasworld: We know that Airgas has consistently been in "growth mode" over the years, closing on more than 500 acquisitions since its founding in 1982. There's particularly been a focus on acquiring small gases and welding distributorships, the most-recent being Monroe (LA) Welding Supply and Clark Industrial Supply in CA. What does your acquisition strategy look like going forward, and has the focus on the types of targets changed (or remained the same) since Airgas became an Air Liquide subsidiary?

Cichocki: Airgas has completed nearly 500 acquisitions since 1982, a part of our history that we're very proud of and that has greatly influenced our company culture. We continue to focus on growth through acquisition, as well as organic growth, just as we have for the last 35 years. We have closed on several acquisitions since the beginning of 2017 and anticipate other closings by the end of the year. In short, acquisitions remain a critical part of our overall growth strategy.

gasworld: In addition to that, I know that organic growth is also important to the company. And last fall, Airgas celebrated the opening of its newest ASU in Minooka, IL. How is that operation doing, what's on the drawing board



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for new ASUs going forward, and how does that fit with your overall air gases strategy?

Cichocki: The ASU in Minooka, IL, which has been on-stream for a year now, is successfully producing more than 500 tons per day of oxygen, nitrogen, argon, and high purity oxygen for customers in the Chicago area and throughout the Midwest.

We also celebrated the opening of our ASU in Calvert City, KY in late May, which is co-located with a liquid hydrogen plant, and supplies tonnage oxygen and nitrogen via pipeline to Westlake Chemical and produces product for the region's merchant bulk gas market.

After combining the Airgas Merchant Gases and Air Liquide Industrial Merchant operations, we now enjoy a nationwide bulk gas production and distribution network. Going forward, we will continue to identify opportunities to expand our merchant gases footprint in growing and emerging markets.

Working collaboratively with Air Liquide Large Industries, and leveraging the base load provided by our extensive packaged gas footprint, we will continue to pursue a comprehensive supply network to ensure cost-effective security of our overall gas supply chain, optimize distribution, and enable long-term, profitable gases growth in the U.S. 