

DXP ENTERPRISES INC  
Form 4  
July 03, 2014

**FORM 4**

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**

OMB APPROVAL

OMB Number: 3235-0287  
Expires: January 31, 2015  
Estimated average burden hours per response... 0.5

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES**

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person \*  
**WIMBERLY BRYAN H**

(Last) (First) (Middle)

7272 PINEMONT DRIVE

(Street)

HOUSTON, TX 77040

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol  
**DXP ENTERPRISES INC [DXPE]**

3. Date of Earliest Transaction  
(Month/Day/Year)  
**07/01/2014**

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

Director  10% Owner  
 Officer (give title below)  Other (specify below)

6. Individual or Joint/Group Filing(Check Applicable Line)  
 Form filed by One Reporting Person  
 Form filed by More than One Reporting Person

**Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned**

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Ownership (Instr. 4)
			Code	V	Amount	(D)	Price
DXP Common Stock	07/01/2014		M		2,000	A	\$ 0 3,600
						D	

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

**Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.**

SEC 1474 (9-02)

**Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)**

Edgar Filing: DXP ENTERPRISES INC - Form 4

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Securities (Instr. 3 and 4)	Amount or Number of Shares
DXP RESTRICTED STOCK UNITS	\$ 0					(1) (1)	DXP COMMON STOCK	973

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
WIMBERLY BRYAN H 7272 PINEMONT DRIVE HOUSTON, TX 77040	X			

## Signatures

BRYAN H.  
WIMBERLY  
07/03/2014

\*\*Signature of Reporting Person Date

## Explanation of Responses:

\* If the form is filed by more than one reporting person, see Instruction 4(b)(v).

\*\* Intentional misstatements or omissions of facts constitute Federal Criminal Violations. See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

(1) Award date: 07-01-14 The terms of the grant provide for 100% vesting in one year from the date of the award.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure.

Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays

a currently valid OMB number. pan="2" style="vertical-align:bottom;border-bottom: 1px solid

#336699;padding-left:2px;padding-top:2px;padding-bottom:2px;">

23.7

%

3.1%

3.9%

Adjusted effective tax rate\*

24.4

%

24.6  
%  
23.9  
%  
(0.2)%  
0.7%

Earnings per diluted share

\$5.32

\$2.05

\$4.79

159.5%

(57.2)%

Adjusted earnings per diluted share\*

\$5.87

\$5.67

\$5.33

3.5%

6.4%

\*See the Regulation G reconciliations - results of operations

The effective tax rate for the year-ended December 31, 2017 was 30.7% and increased 3.1% from the prior year primarily due to recording the net charge triggered by the enactment of the U.S. Tax Cuts and Jobs Act. This charge is approximately \$37 million higher than the net charge included in PPG's fourth quarter earnings release and Form 8-K furnished on January 18, 2018, primarily due to new IRS regulations issued and refinements of management estimates.

As reported, earnings per diluted share from continuing operations for the year ended December 31, 2017 increased year-over-year, primarily due to the absence of the pension settlement charge of \$616 million after-tax recorded in 2016. Refer to the Regulation G Reconciliations - Results of Operations for additional information. The Company's earnings per diluted share and adjusted earnings per diluted share both benefited from the 7.4 million, 10.7 million and 7.0 million shares of stock repurchased in 2017, 2016 and 2015, respectively.

Regulation G Reconciliations - Results of Operations

PPG Industries believes investors' understanding of the company's operating performance is enhanced by the disclosure of net income, earnings per diluted share and the effective tax rate adjusted for certain charges. PPG's management considers this information useful in providing insight into the company's ongoing operating performance because it

Explanation of Responses:

excludes the impact of items that cannot reasonably be expected to recur on a quarterly basis or that are not attributable to our primary operations. Net income and earnings per diluted share adjusted for these items are not recognized financial measures determined in accordance with U.S. generally accepted accounting principles (GAAP) and should not be considered a substitute for net income or earnings per diluted share or other financial measures as computed in accordance with U.S. GAAP. In addition, adjusted net income, earnings per diluted share and the effective tax rate may not be comparable to similarly titled measures as reported by other companies.

2017 PPG ANNUAL REPORT AND FORM 10-K 25

---

Edgar Filing: DXP ENTERPRISES INC - Form 4

Income before income taxes is reconciled to adjusted income before income taxes, the effective tax rate from continuing operations is reconciled to the adjusted effective tax rate from continuing operations and net income (attributable to PPG) and earnings per share – assuming dilution (attributable to PPG) are reconciled to adjusted net income (attributable to PPG) and adjusted earnings per share – assuming dilution below:

Year-ended December 31, 2017

(\$ in millions, except percentages and per share amounts)	Income			Effective Tax Rate	Net income from continuing operations (attributable to PPG)	Earnings per diluted share
	Before Taxes	Tax Expense	Taxes			
As reported, continuing operations	\$2,008	\$616		30.7	% \$1,371	\$5.32
Includes:						
Net tax charge related to U.S. Tax Cuts and Jobs Act	—	(134 )		N/A	134	0.52
Charges related to transaction-related costs <sup>(1)</sup>	9	3		37.9	% 6	0.02
Charges related to pension settlements	60	22		37.9	% 38	0.14
Gain from sale of business	(25 )	(1 )		3.2	% (24 )	(0.09 )
Gain from a legal settlement	(18 )	(7 )		37.9	% (11 )	(0.04 )
Gain from sale of a non-operating asset	(13 )	(5 )		37.9	% (8 )	(0.03 )
Charges related to asset write-downs	7	—		—	% 7	0.03
Adjusted, continuing operations, excluding certain charges	\$2,028	\$494		24.4	% \$1,513	\$5.87

Year-ended December 31, 2016

(\$ in millions, except percentages and per share amounts)	Income			Effective Tax Rate	Net income from continuing operations (attributable to PPG)	Earnings per diluted share
	Before Taxes	Tax Expense	Taxes			
As reported, continuing operations	\$786	\$217		27.6	% \$547	\$2.05
Includes:						
Charges related to transaction-related costs <sup>(1)</sup>	8	3		37.6	% 5	0.03
Charges related to pension settlements	968	352		36.4	% 616	2.31
Charge related to business restructuring	195	51		26.2	% 144	0.55
Charge related to environmental remediation	82	31		37.6	% 51	0.20
Net gain from disposals of ownership interests in business affiliates	(46 )	(16 )		34.8	% (30 )	(0.12 )
Net tax effect of asbestos settlement funding	—	(151 )		N/A	151	0.57
Charge related to early retirement of debt	8	3		37.6	% 5	0.02
Charges related to asset write-downs	23	7		30.4	% 17	0.06
Adjusted, continuing operations, excluding certain charges	\$2,024	\$497		24.6	% \$1,506	\$5.67

Year-ended December 31, 2015

(\$ in millions, except percentages and per share amounts)	Income Tax		Effective Tax Rate	Net income from continuing operations (attributable to PPG)	Earnings per diluted share
	Before Taxes	Expense			
	Income Taxes				

Explanation of Responses:

Edgar Filing: DXP ENTERPRISES INC - Form 4

As reported, continuing operations	\$1,745	\$413	23.7	to PPG) % \$1,311	\$4.79
Includes:					
Charges related to transaction-related costs <sup>(1)</sup>	44	14	33.3	% 30	0.10
Charge related to business restructuring	136	31	22.8	% 105	0.39
Charge related to pension settlement	7	2	28.6	% 5	0.02
Charge related to equity affiliate debt refinancing	11	4	37.6	% 7	0.03
Adjusted, continuing operations, excluding certain charges	\$1,943	\$464	23.9	% \$1,458	\$5.33

Transaction-related costs include advisory, legal, accounting, valuation, and other professional or consulting fees incurred to effect significant acquisitions, as well as similar fees and other costs to effect divestitures not classified (1) as discontinued operations. These costs also include the flow-through cost of sales impact for the step up to fair value of inventory acquired in acquisitions. These costs also include certain nonrecurring severance costs and charges associated with the Company's business portfolio transformation.

26 2017 PPG ANNUAL REPORT AND 10-K

---

## Performance of Reportable Business Segments

## Performance Coatings

(\$ in millions, except percentages)				\$ Change		% Change	
	2017	2016	2015	2017 vs. 2016	2016 vs. 2015	2017 vs. 2016	2016 vs. 2015
Net sales	\$8,732	\$8,580	\$8,765	\$152	\$(185)	1.8%	(2.1)%
Segment income 2017 vs. 2016	\$1,323	\$1,314	\$1,302	\$9	\$12	0.7%	0.9%

Performance Coatings net sales increased (2%) due to the following:

- Higher selling prices (+1%)
- Net sales from acquisitions (+1%)
- Modest foreign currency translation

Partially offset by:

- Slightly lower sales volumes

Selling prices increased year-over-year primarily due to selling price initiatives across all businesses to combat accelerating raw material cost inflation.

Architectural coatings - Americas and Asia Pacific sales volumes declined a low-single-digit-percentage versus the prior year. Sales volumes increased by a mid-single-digit percentage in company-owned stores in the U.S. and Canada, including the unfavorable impact from natural disasters in the third quarter 2017. This increase was more than offset by sales volume declines in the U.S. and Canada independent dealer networks and national retail (DIY) customer accounts, as both distribution channels continued to experience soft demand. Organic sales improved in both the Latin America and Asia Pacific regions.

Architectural coatings - EMEA net sales increased by a high-single-digit percentage year-over-year, primarily due to acquisition-related sales, principally DEUTEK and Univer, which contributed approximately \$85 million to net sales. Sales volumes were down year-over-year primarily driven by continued weak demand in France and eastern Europe, as well as our turning away certain business due to low profitability or lack of customer acceptance of selling price increases. Demand growth continued in Northern Europe, where we continued to outperform the market.

Automotive refinish coatings organic sales grew by a low-single-digit percentage year-over-year, led by above-market performance in U.S. and Canada as customers continued to adopt PPG's industry leading technologies. Organic sales also increased in the Latin American region versus the prior year, reflecting high end-use market demand. In Asia Pacific, net sales increased, largely due to the recent Futian Xinshi acquisition in China.

Aerospace coatings sales volumes grew by a low-single-digit percentage versus the prior year, led by above market performance in Europe and consistent with the overall industry demand.

Protective and marine coatings sales volumes declined by a mid-single-digit percentage year-over-year. Protective coatings sales volumes expanded in most regions, led by Europe, but were more than offset by significant weakness in new shipbuilding activity, primarily in the Asia Pacific region.

Segment income increased \$9 million (1%) year-over-year primarily due to selling price increases, lower overhead and manufacturing costs, including the initial benefits from business restructuring actions, partially offset by increasing raw material costs, wage and other cost inflation, and lower sales volumes.

2017 PPG ANNUAL REPORT AND FORM 10-K 27

---

2016 vs. 2015

Performance Coatings net sales decreased (2%) due to the following:

Unfavorable foreign currency translation of approximately \$260 million (3%), most notably the Mexican peso, the British pound, the Chinese yuan and the euro.

Partially offset by:

Net sales from acquisitions (+1%)

Architectural coatings - Americas and Asia Pacific organic sales were flat versus the prior year. In the U.S. and Canada, sales volumes advanced in the company-owned store channel versus the prior year, mainly due to recent growth-related investments and initiatives. The increase in the company-owned stores channel was more than offset by sales volume declines in national retail (DIY) accounts and U.S. independent dealer channel year-over-year, despite DIY channel strengthening in the second half of 2016. Latin America organic sales were up year-over-year, led by Mexico which grew at more than double the Mexican GDP growth rate.

Architectural coatings - EMEA sales volumes were flat year-over-year. Growth in western Europe was offset by reduced demand levels in central Europe and in Africa, where economies are closely linked to depressed commodity prices. Acquisition-related sales from Univer in Italy added about \$10 million in the fourth quarter 2016.

Automotive refinish coatings organic sales grew at a low-single-digit percentage rate year-over-year, outperforming end-use market demand levels in the U.S. and Canada and Asia Pacific, as customers continued to adopt PPG's industry leading technologies.

Aerospace coatings sales volumes increased modestly year-over-year, in line with industry growth rates. Sales growth occurred in all major regions.

Protective and marine coatings net sales volumes declined a low-to-mid-single-digit-percentage year-over-year as growth in protective coatings was offset by declines in marine coatings, primarily due to lower shipbuilding activity in the Asia Pacific region and the ongoing impact of decreased capital investment and maintenance in the oil and gas sector. Protective coatings sales volumes grew versus the prior year, led by the U.S. and Canada and Latin America regions, including benefits from expanded distribution through the PPG-Comex concessionaire network.

Segment income increased \$12 million (+1%) primarily due to the benefits from prior year business restructuring initiatives, modestly higher selling prices, lower manufacturing costs, acquisition-related income (Cumings Microwave, Le Joint Francais, Univer), partially offset by unfavorable foreign currency translation and higher growth-related spending in the U.S. architectural coatings business. Segment income margins expanded, increasing 40 basis points year-over-year.

Looking Ahead

In the first quarter 2018, we expect sales volumes in the architectural coatings - Americas and Asia Pacific business to be seasonally lower than the fourth quarter 2017. In addition, overall volume trends by customer channel are anticipated to be consistent with the fourth quarter 2017. The PPG TIMELESS® product, launched in certain HOME DEPOT® stores in 2017, is projected to continue to meet our sales targets and is being expanded to more locations during 2018. We also anticipate additional growth-related spending of up to \$5 million in the first quarter to support the continued momentum in the region. The volume growth trend for architectural coatings - EMEA is expected to improve modestly in the first quarter 2018, with results remaining uneven by country. We expect continued, high end-use demand in our automotive refinish coatings business as customers continue to adopt PPG's industry leading technologies. In aerospace coatings, we anticipate continued improvement in industry demand growth. The protective and marine coatings business is expected to perform in-line with the market in the first quarter 2018.

We expect raw material costs to remain elevated in the first-quarter 2018 at similar levels experienced in the fourth quarter. Further selling price increases in 2018 will be needed to offset more recent raw material inflation. There will be no material benefit from acquisition-related sales in the segment, and, based on mid-January exchange rates, foreign currency translation is expected to have a similar sequential favorable impact on segment sales and income in the first quarter 2018.

Due to the timing of the Easter holiday, there is one fewer ship day in the first-quarter 2018 compared to first-quarter 2017, which is expected to unfavorably impact global architectural coatings sales volumes by about \$20 million to \$25 million in net sales. This unfavorable impact will reverse in the second quarter.





Industrial Coatings

	\$ Change		% Change	
(\$ in millions, except percentages)	2016	2015	2017 vs. 2016	2016 vs. 2015