

QUAKER CHEMICAL CORP
Form 10-Q
October 29, 2013

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

FORM 10-Q

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

For the quarterly period ended September 30, 2013

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 001-12019

QUAKER CHEMICAL CORPORATION
(Exact name of Registrant as specified in its charter)

Pennsylvania
(State or other jurisdiction of
incorporation or organization)

23-0993790
(I.R.S. Employer
Identification No.)

One Quaker Park, 901 E. Hector Street,
Conshohocken, Pennsylvania
(Address of principal executive offices)

19428 – 2380
(Zip Code)

Registrant's telephone number, including area code: 610-832-4000

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Not Applicable

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

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, or a smaller reporting company. See the definitions of “large accelerated filer,” “accelerated filer” and “smaller reporting company” in Rule 12b-2 of the Exchange Act.

Large accelerated filer

Non-accelerated filer (Do not check if smaller reporting company)

Accelerated filer

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.

Number of Shares of Common Stock
Outstanding on September 30, 2013

13,187,320

QUAKER CHEMICAL CORPORATION AND CONSOLIDATED SUBSIDIARIES

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FINANCIAL INFORMATION

Item 1. Financial Statements (Unaudited).

Quaker Chemical Corporation

Condensed Consolidated Statement of Income

| | Unaudited | | | |
|---|--|------------|------------------------------------|------------|
| | (Dollars in thousands, except per share amounts) | | | |
| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
| | 2013 | 2012 | 2013 | 2012 |
| Net sales | \$ 184,059 | \$ 180,923 | \$ 545,098 | \$ 535,358 |
| Cost of goods sold | 118,069 | 121,797 | 349,186 | 355,801 |
| Gross profit | 65,990 | 59,126 | 195,912 | 179,557 |
| Selling, general and administrative expenses | 47,183 | 43,263 | 139,901 | 130,009 |
| Operating income | 18,807 | 15,863 | 56,011 | 49,548 |
| Other (expense) income, net | (685) | 322 | 1,962 | 529 |
| Interest expense | (717) | (1,034) | (2,223) | (3,359) |
| Interest income | 267 | 149 | 665 | 409 |
| Income before taxes and equity in net income of associated companies | 17,672 | 15,300 | 56,415 | 47,127 |
| Taxes on income before equity in net income of associated companies | 5,972 | 4,373 | 16,933 | 12,692 |
| Income before equity in net income of associated companies | 11,700 | 10,927 | 39,482 | 34,435 |
| Equity in net income of associated companies | 1,605 | 696 | 4,689 | 2,038 |
| Net income | 13,305 | 11,623 | 44,171 | 36,473 |
| Less: Net income attributable to noncontrolling interest | 754 | 698 | 1,918 | 2,075 |
| Net income attributable to Quaker Chemical Corporation | \$ 12,551 | \$ 10,925 | \$ 42,253 | \$ 34,398 |
| Per share data: | | | | |
| Net income attributable to Quaker Chemical Corporation Common | | | | |
| Shareholders – basic | \$ 0.95 | \$ 0.84 | \$ 3.21 | \$ 2.65 |
| Net income attributable to Quaker Chemical Corporation Common | | | | |
| Shareholders – diluted | \$ 0.95 | \$ 0.83 | \$ 3.21 | \$ 2.63 |
| Dividends declared | \$ 0.25 | \$ 0.245 | \$ 0.745 | \$ 0.73 |

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

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Quaker Chemical Corporation

Condensed Consolidated Statement of Comprehensive Income

| | Unaudited | | | |
|------------|--|----------|-------------------|----------|
| | (Dollars in thousands, except per share amounts) | | | |
| | Three Months Ended | | Nine Months Ended | |
| | September 30, | | September 30, | |
| | 2013 | 2012 | 2013 | 2012 |
| Net income | \$13,305 | \$11,623 | \$44,171 | \$36,473 |