

QUAKER CHEMICAL CORP
Form 10-Q
October 26, 2017

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, 2017

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

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, a smaller reporting company, or an emerging growth company. See the 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 <input checked="" type="checkbox"/>		Accelerated filer <input type="checkbox"/>	
	Non-accelerated filer <input type="checkbox"/> (Do not check if a smaller reporting company)		Smaller reporting company <input type="checkbox"/>	
	Emerging growth company <input type="checkbox"/>			

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

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, 2017

13,299,294

QUAKER CHEMICAL CORPORATION AND CONSOLIDATED SUBSIDIARIES

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PART I
FINANCIAL INFORMATION

Item 1. Financial Statements (Unaudited).

Quaker Chemical Corporation

Condensed Consolidated Statements of Income

(Dollars in thousands, except per share data)

	Unaudited			
	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2017	2016	2017	2016
Net sales	\$ 212,918	\$ 190,428	\$ 609,010	\$ 555,420
Cost of goods sold	138,142	119,531	391,512	345,141
Gross profit	74,776	70,897	217,498	210,279
Selling, general and administrative expenses	51,092	47,877	148,740	144,720
Combination-related expenses	9,675	1,157	23,088	1,157
Operating income	14,009	21,863	45,670	64,402
Other income (expense), net	249	(10)	(1,427)	(245)
Interest expense	(793)	(758)	(2,229)	(2,226)
Interest income	762	551	1,825	1,444
Income before taxes and equity in net income of associated companies	14,227	21,646	43,839	63,375
Taxes on income before equity in net income of associated companies	3,140	6,121	14,229	19,664
Income before equity in net income of associated companies	11,087	15,525	29,610	43,711
Equity in net income of associated companies	617	826	2,049	1,389
Net income	11,704	16,351	31,659	45,100
Less: Net income attributable to noncontrolling interest	562	343	1,619	1,131
Net income attributable to Quaker Chemical Corporation	\$ 11,142	\$ 16,008	\$ 30,040	\$ 43,969
Per share data:				
Net income attributable to Quaker Chemical Corporation				
Common Shareholders – basic	\$ 0.84	\$ 1.21	\$ 2.26	