

CHASE CORP
Form 10-Q
January 09, 2015
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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 November 30, 2014

Commission File Number: 1-9852

CHASE CORPORATION

(Exact name of registrant as specified in its charter)

Massachusetts
(State or other jurisdiction of incorporation
of organization)

11-1797126
(I.R.S. Employer Identification No.)

26 Summer Street, Bridgewater, Massachusetts 02324

(Address of Principal Executive Offices, Including Zip Code)

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(508) 819-4200

(Registrant's Telephone Number, Including Area Code)

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, 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 ☐

Accelerated filer ☒

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

Smaller reporting company ☐

Indicate by checkmark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). YES ☐ NO ☒

The number of shares of Common Stock outstanding as of December 31, 2014 was 9,129,427.

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CHASE CORPORATION

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CONSOLIDATED BALANCE SHEETS**

(UNAUDITED)

In thousands, except share and per share amounts

	November 30, 2014	August 31, 2014
ASSETS		
Current Assets		
Cash & cash equivalents	\$ 53,131	\$ 53,222
Accounts receivable, less allowance for doubtful accounts of \$721 and \$670	34,632	35,601
Inventories	32,632	31,539
Prepaid expenses and other current assets	2,698	2,437
Due from sale of product line	739	739
Deferred income taxes	2,315	2,315
Total current assets	126,147	125,853
Property, plant and equipment, net	43,018	44,085
Other Assets		
Goodwill	37,948	38,280
Intangible assets, less accumulated amortization of \$23,575 and \$22,941	25,737	27,215
Cash surrender value of life insurance	7,256	7,249
Restricted investments	1,300	1,256
Funded pension plan	953	962
Deferred income taxes	443	470
Other assets	165	175
	\$ 242,967	\$ 245,545
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts payable	\$ 13,850	\$ 15,121
Accrued payroll and other compensation	2,701	7,754
Accrued expenses	6,062	4,842
Accrued income taxes	1,016	1,377
Dividends payable	5,477	
Current portion of long-term debt	7,350	7,000
Total current liabilities	36,456	36,094
Long-term debt, less current portion	49,700	51,800
Deferred compensation	2,061	2,037

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Accumulated pension obligation	10,489	10,418
Other liabilities	115	126
Deferred income taxes	7,578	7,580
Commitments and Contingencies (Note 10)		
Equity		
First Serial Preferred Stock, \$1.00 par value: Authorized 100,000 shares; none issued		
Common stock, \$.10 par value: Authorized 20,000,000 shares; 9,129,427 shares at November 30, 2014 and 9,103,292 shares at August 31, 2014 issued and outstanding		
	913	910
Additional paid-in capital	14,174	13,620
Accumulated other comprehensive loss	(6,219)	(4,250)
Retained earnings	127,700	126,272
Chase Corporation stockholders' equity	136,568	136,552
Non-controlling interest		938
Total equity	136,568	137,490
Total liabilities and equity	\$ 242,967	\$ 245,545

See accompanying notes to the consolidated financial statements

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CHASE CORPORATION
CONSOLIDATED STATEMENTS OF OPERATIONS

(UNAUDITED)

In thousands, except share and per share amounts

	Three Months Ended November 30,	
	2014	2013
Revenues		
Sales	\$ 55,290	\$ 53,655
Royalties and commissions	643	528
	55,933	54,183
Costs and Expenses		
Cost of products and services sold	34,480	35,478
Selling, general and administrative expenses	10,795	10,439
Operating income	10,658	8,266