

CHASE CORP
Form 10-Q
April 09, 2014
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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 February 28, 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 March 31, 2014 was 9,101,956.

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CHASE CORPORATION

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CONSOLIDATED BALANCE SHEETS**

(UNAUDITED)

In thousands, except share and per share amounts

	February 28, 2014	August 31, 2013
ASSETS		
Current Assets:		
Cash & cash equivalents	\$ 36,639	\$ 29,997
Accounts receivable, less allowance for doubtful accounts of \$703 and \$696	32,490	32,084
Inventories	33,336	32,048
Prepaid expenses and other current assets	2,563	1,826
Due from sale of product line	739	
Assets held for sale, net		1,905
Deferred income taxes	2,115	2,115
Total current assets	107,882	99,975
Property, plant and equipment, net	44,985	45,192
Other Assets:		
Goodwill	38,344	37,815
Intangible assets, less accumulated amortization of \$20,540 and \$17,554	29,902	31,781
Cash surrender value of life insurance	7,308	7,278
Restricted investments	1,279	1,094
Funded pension plan	1,232	1,014
Other assets	194	211
	\$ 231,126	\$ 224,360
LIABILITIES AND EQUITY		
Current Liabilities:		
Accounts payable	\$ 15,101	\$ 12,416
Accrued payroll and other compensation	3,727	7,046
Accrued expenses	4,413	5,171
Accrued income taxes	560	2,161
Current portion of long-term debt	6,300	5,600
Total current liabilities	30,101	32,394
Long-term debt, less current portion	55,300	58,800
Deferred compensation	2,057	1,897
Accumulated pension obligation	7,956	7,834

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Other liabilities	148	108
Deferred income taxes	9,439	9,467
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; 9,101,956 shares at February 28, 2014 and 9,066,115 shares at August 31, 2013 issued and outstanding	910	907
Additional paid-in capital	14,037	13,336
Accumulated other comprehensive loss	(2,811)	(5,163)
Retained earnings	112,936	103,734
Chase Corporation stockholders' equity	125,072	112,814
Non-controlling interest related to NEPTCO joint venture	1,053	1,046
Total equity	126,125	113,860
Total liabilities and equity	\$ 231,126	\$ 224,360

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 February 28,		Six Months Ended February 28,	
	2014	2013	2014	2013
Revenues				
Sales	\$ 50,412	\$ 47,714	\$ 104,067	\$ 100,690
Royalties and commissions	779			