

CHASE CORP
Form 10-Q
April 11, 2011
Table of Contents

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, 2011

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)

Edgar Filing: CHASE CORP - Form 10-Q

(508) 279-1789

(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 x NO o

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 o NO o

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 o

Accelerated filer x

Non-accelerated filer o

Smaller reporting company o

(Do not check if a smaller reporting company)

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

The number of shares of Common Stock outstanding as of March 31, 2011 was 8,957,732.

Table of Contents

CHASE CORPORATION

INDEX TO FORM 10-Q

For the Quarter Ended February 28, 2011

Part I FINANCIAL INFORMATION

Item 1 Unaudited Financial Statements

<u>Consolidated Balance Sheets as of February 28, 2011 and August 31, 2010</u>	3
<u>Consolidated Statements of Operations for the three and six months ended February 28, 2011 and 2010</u>	4
<u>Consolidated Statement of Stockholders' Equity for the six months ended February 28, 2011</u>	5
<u>Consolidated Statements of Cash Flows for the six months ended February 28, 2011 and 2010</u>	6
<u>Notes to Consolidated Financial Statements</u>	7

<u>Item 2 Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	14
---	----

<u>Item 3 Quantitative and Qualitative Disclosures About Market Risk</u>	20
--	----

<u>Item 4 Controls and Procedures</u>	20
---------------------------------------	----

Part II OTHER INFORMATION

<u>Item 1 Legal Proceedings</u>	21
---------------------------------	----

<u>Item 1A Risk Factors</u>	21
-----------------------------	----

<u>Item 6 Exhibits</u>	21
------------------------	----

<u>SIGNATURES</u>	22
--------------------------	----

Table of Contents**Part 1 FINANCIAL INFORMATION****Item 1 Unaudited Financial Statements**

CHASE CORPORATION
CONSOLIDATED BALANCE SHEETS
(UNAUDITED)

In thousands, except share and per share amounts

	February 28, 2011	August 31, 2010
ASSETS		
Current Assets:		
Cash & cash equivalents	\$ 12,546	\$ 17,340
Accounts receivable, less allowance for doubtful accounts of \$271 and \$347	17,229	18,655
Inventories	19,097	14,678
Prepaid expenses and other current assets	1,076	2,465
Deferred income taxes	258	258
Total current assets	50,206	53,396
Property, plant and equipment, net	27,729	27,414
Other Assets:		
Goodwill	17,675	17,437
Intangible assets, less accumulated amortization of \$9,119 and \$7,777	17,192	17,942
Cash surrender value of life insurance	6,294	6,203
Restricted investments	779	611
Deferred income taxes	103	120
Other assets	65	78
	\$ 120,043	\$ 123,201
LIABILITIES AND STOCKHOLDERS EQUITY		
Current Liabilities:		
Accounts payable	\$ 6,708	\$ 6,627
Accrued payroll and other compensation	1,486	3,546
Accrued expenses	3,671	3,514
Accrued income taxes	594	2,849
Current portion of long-term debt	4,400	4,400
Total current liabilities	16,859	20,936
Long-term debt, less current portion	9,967	12,667
Deferred compensation	1,662	1,520
Accumulated pension obligation	6,280	6,022
Other liabilities	525	525

Commitments and Contingencies (Note 8)

Stockholders' 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; 8,957,732 shares at

February 28, 2011 and 8,780,988 shares at August 31, 2010 issued and outstanding

	896	878
Additional paid-in capital	9,968	9,210
Accumulated other comprehensive loss	(3,501)	(4,730)
Retained earnings	77,387	76,173
Total stockholders' equity	84,750	81,531
Total liabilities and stockholders' equity	\$ 120,043	\$ 123,201

See accompanying notes to the consolidated financial statements

Table of Contents

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,	
	2011	2010	2011	2010
Revenues				
Sales	\$ 25,652	\$ 25,417	\$ 56,490	\$ 49,278
Royalties and commissions	609	346	1,038	749
	26,261	25,763	57,528	50,027
Costs and Expenses				
Cost of products and services sold	17,441			