

CHASE CORP  
Form 10-Q  
January 11, 2016  
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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, 2015

Commission File Number: 1-9852

CHASE CORPORATION

(Exact name of registrant as specified in its charter)

Massachusetts	11-1797126
(State or other jurisdiction of incorporation of organization)	(I.R.S. Employer Identification No.)

26 Summer Street, Bridgewater, Massachusetts 02324

(Address of Principal Executive Offices, Including Zip Code)

(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, 2015 was 9,230,593.

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## Item 1 — Unaudited Financial Statements

## CHASE CORPORATION

## CONSOLIDATED BALANCE SHEETS

(UNAUDITED)

In thousands, except share and per share amounts

	November 30, 2015	August 31, 2015
<b>ASSETS</b>		
Current Assets		
Cash & cash equivalents	\$ 51,454	\$ 43,819
Accounts receivable, less allowance for doubtful accounts of \$759 and \$705	34,151	39,488
Inventories	29,332	29,476
Prepaid expenses and other current assets	2,446	2,174
Due from sale of business	457	—
Assets held for sale	—	1,089
Deferred income taxes	2,255	2,255
Total current assets	120,095	118,301
Property, plant and equipment, net	39,348	40,921
Other Assets		
Goodwill	43,967	44,123
Intangible assets, less accumulated amortization of \$30,537 and \$28,882	42,847	44,852
Cash surrender value of life insurance	7,123	7,133
Restricted investments	1,508	1,410
Funded pension plan	671	634
Deferred income taxes	395	390
Other assets	350	133
	\$ 256,304	\$ 257,897
<b>LIABILITIES AND EQUITY</b>		
Current Liabilities		
Current portion of long-term debt	\$ 8,400	\$ 8,400
Accounts payable	13,439	15,599
Accrued payroll and other compensation	2,745	6,286
Accrued expenses	3,996	4,448
Dividend payable	5,991	—
Accrued income taxes	2,314	2,783

Total current liabilities	36,885	37,516
Long-term debt, less current portion	41,300	43,400
Deferred compensation	2,303	2,230
Accumulated pension obligation	12,984	12,901
Other liabilities	79	85
Accrued income taxes	1,249	1,249
Deferred income taxes	6,188	6,174
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; 9,228,383 shares at November 30, 2015 and 9,191,958 shares at August 31, 2015 issued and outstanding		
	923	919
Additional paid-in capital	14,701	14,296
Accumulated other comprehensive loss	(8,879)	(7,986)
Retained earnings	148,571	147,113
Total equity	155,316	154,342
Total liabilities and equity	\$ 256,304	\$ 257,897

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,	
	2015	2014
Revenue		
Sales	\$ 56,746	\$ 55,290
Royalties and commissions	732	643
	57,478	55,933
Costs and Expenses		
Cost of products and services sold	34,717	34,480
Selling, general and administrative expenses	11,510	10,795
Write-down of certain assets under construction (Note 8)	365	—
Operating income	10,886	10,658
Interest expense	(250)	(274)
Gain on sale of business (Note 8)	1,031	—
Other (expense) income	(31)	385
Income before income taxes	11,636	10,769
Income taxes	4,187	3,769
Net income	\$ 7,449	\$ 7,000