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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 or a smaller reporting company. See definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

(Check one): Large accelerated filer  Accelerated filer

Non-accelerated filer  Smaller reporting company

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.

Class	Outstanding at October 21, 2015
Common Stock, \$1 par value	22,260,252 Shares

## Part I FINANCIAL INFORMATION

## Item 1 - Financial Statements

## STEPAN COMPANY

## CONDENSED CONSOLIDATED STATEMENTS OF INCOME

Unaudited

(In thousands, except per share amounts)	Three Months Ended		Nine Months Ended	
	September 30 2015	2014	September 30 2015	2014
Net Sales	\$444,011	\$491,429	\$1,356,876	\$1,472,982
Cost of Sales	366,413	426,330	1,123,324	1,273,270
Gross Profit	77,598	65,099	233,552	199,712
Operating Expenses:				
Selling	14,025	16,816	41,287	44,455
Administrative	12,154	14,933	55,548	38,416
Research, development and technical services	12,625	11,097	37,012	35,151
	38,804	42,846	133,847	118,022
Gain on sale of product line	—	—	2,862	—
Operating Income	38,794	22,253	102,567	81,690
Other Income (Expense):				
Interest, net	(3,837 )	(2,846 )	(10,760 )	(8,824 )
Loss from equity in joint ventures	(863 )	(1,148 )	(3,918 )	(3,842 )
Other, net (Note 13)	(981 )	(31 )	(94 )	499
	(5,681 )	(4,025 )	(14,772 )	(12,167 )
Income Before Provision for Income Taxes	33,113	18,228	87,795	69,523
Provision for Income Taxes	8,179	4,748	24,634	18,667
Net Income	24,934	13,480	63,161	50,856
Net (Income) Loss Attributable to Noncontrolling Interests (Note 2)	(22 )	11	(65 )	6
Net Income Attributable to Stepan Company	\$24,912	\$13,491	\$63,096	\$50,862
Net Income Per Common Share Attributable to Stepan Company (Note 9):				
Basic	\$1.10	\$0.59	\$2.78	\$2.24
Diluted	\$1.09	\$0.59	\$2.76	\$2.22
Shares Used to Compute Net Income Per Common Share Attributable to Stepan Company (Note 9):				
Basic	22,732	22,726	22,731	22,754
Diluted	22,853	22,875	22,851	22,923

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Dividends Declared Per Common Share	\$0.18	\$0.17	\$0.54	\$0.51
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The accompanying Notes to Condensed Consolidated Financial Statements are an integral part of these financial statements.

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## STEPAN COMPANY

## CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

Unaudited

(In thousands)	Three Months Ended		Nine Months Ended	
	September 30		September 30	
	2015	2014	2015	2014
Net income	\$24,934	\$13,480	\$63,161	\$50,856
Other comprehensive income (loss):				
Foreign currency translation adjustments (Note 10)	(19,793)	(19,521)	(38,988)	(15,709)
Pension liability adjustment, net of tax (Note 10)	722	429	2,221	1,249
Derivative instrument activity, net of tax (Note 10)	(14 )	2	(40 )	6
Total other comprehensive loss	(19,085)	(19,090)	(36,807)	(14,454)
Comprehensive income	5,849	(5,610 )	26,354	36,402
Comprehensive (income) loss attributable to noncontrolling interests (Note 2)	21	(14 )	(24 )	28
Comprehensive income (loss) attributable to Stepan Company	\$5,870	\$(5,624 )	\$26,330	\$36,430

The accompanying Notes to Condensed Consolidated Financial Statements are an integral part of these financial statements.

## STEPAN COMPANY

## CONDENSED CONSOLIDATED BALANCE SHEETS

Unaudited

(In thousands)	September 30, 2015	December 31, 2014
<b>Assets</b>		
<b>Current Assets:</b>		
Cash and cash equivalents	\$ 160,457	\$ 85,215
Receivables, net	267,460	270,436
Inventories (Note 6)	179,853	183,233
Deferred income taxes	15,874	15,364
Other current assets	21,735	21,308
<b>Total current assets</b>	<b>645,379</b>	<b>575,556</b>
<b>Property, Plant and Equipment:</b>		
Cost	1,429,909	1,385,851
Less: accumulated depreciation	(886,372 )	(861,656 )
Property, plant and equipment, net	543,537	524,195
Goodwill, net	11,315	11,502
Other intangible assets, net	18,659	20,803
Long-term investments (Note 3)	19,362	20,217
Other non-current assets	9,782	9,741
<b>Total assets</b>	<b>\$ 1,248,034</b>	<b>\$ 1,162,014</b>
<b>Liabilities and Equity</b>		
<b>Current Liabilities:</b>		
Current maturities of long-term debt (Note 12)	\$ 21,671	\$ 27,034
Accounts payable	139,864	156,983
Accrued liabilities	88,430	65,496
<b>Total current liabilities</b>	<b>249,965</b>	<b>249,513</b>
Deferred income taxes	17,170	15,804
Long-term debt, less current maturities (Note 12)	319,782	246,897
Other non-current liabilities	108,111	112,856
<b>Commitments and Contingencies (Note 7)</b>		
<b>Equity:</b>		
Common stock, \$1 par value; authorized 30,000,000 shares;		
Issued shares 25,688,794 in 2015 and 25,640,090 shares in 2014	25,689	25,640
Additional paid-in capital	143,483	139,573
Accumulated other comprehensive loss (Note 10)	(120,711 )	(83,945 )
Retained earnings	571,569	520,540
Less: Common treasury stock, at cost, 3,428,541 shares in 2015		
and 3,384,443 shares in 2014	(68,446 )	(66,262 )
<b>Total Stepan Company stockholders' equity</b>	<b>551,584</b>	<b>535,546</b>
Noncontrolling interests (Note 2)	1,422	1,398

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Total equity	553,006	536,944
Total liabilities and equity	\$1,248,034	\$1,162,014

The accompanying Notes to Condensed Consolidated Financial Statements are an integral part of these financial statements.

## STEPAN COMPANY

## CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

Unaudited

(In thousands)	Nine Months Ended September 30	
	2015	2014
<b>Cash Flows From Operating Activities</b>		
Net income	\$63,161	\$50,856
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	49,653	47,933
Deferred compensation	1,228	(9,755 )
Realized and unrealized (gains) losses on long-term investments	293	(743 )
Stock-based compensation	2,961	606
Deferred income taxes	107	1,996
Other non-cash items	1,867	4,508
Changes in assets and liabilities:		
Receivables, net	(10,338 )	(30,987 )
Inventories	(5,515 )	(28,277 )
Other current assets	(1,572 )	154
Accounts payable and accrued liabilities	23,946	8,375
Pension liabilities	576	(2,267 )
Environmental and legal liabilities	(1,503 )	3,667
Deferred revenues	(1,063 )	(549 )
Excess tax benefit from stock options and awards	(260 )	(621 )
<b>Net Cash Provided By Operating Activities</b>	<b>123,541</b>	<b>44,896</b>
<b>Cash Flows From Investing Activities</b>		
Expenditures for property, plant and equipment	(90,328 )	(62,413 )
Business acquisition (Note 16)	(5,133 )	—
Proceeds from sale of product line (Note14)	3,262	—
Sale of mutual funds	823	890
Other, net	(4,401 )	(5,790 )
<b>Net Cash Used In Investing Activities</b>	<b>(95,777 )</b>	<b>(67,313 )</b>
<b>Cash Flows From Financing Activities</b>		
Term loan	100,000	—
Revolving debt and bank overdrafts, net	(23,656 )	2,964
Other debt repayments	(7,228 )	(6,322 )
Dividends paid	(12,067 )	(11,381 )
Company stock repurchased	(2,000 )	(6,589 )
Stock option exercises	431	1,563
Excess tax benefit from stock options and awards	260	621
Other, net	(673 )	(433 )
<b>Net Cash Provided By (Used In) Financing Activities</b>	<b>55,067</b>	<b>(19,577 )</b>



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Effect of Exchange Rate Changes on Cash	(7,589 )	(2,646 )
Net Increase (Decrease) in Cash and Cash Equivalents	75,242	(44,640 )
Cash and Cash Equivalents at Beginning of Period	85,215	133,347
Cash and Cash Equivalents at End of Period	\$160,457	\$88,707
Supplemental Cash Flow Information		
Cash payments of income taxes, net of refunds	\$12,560	\$19,402
Cash payments of interest	\$6,381	\$6,763

The accompanying Notes to Condensed Consolidated Financial Statements are an integral part of these financial statements.

## STEPAN COMPANY

## NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2015

Unaudited

## 1. CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The condensed consolidated financial statements included herein have been prepared by Stepan Company (Company), without audit, pursuant to the rules and regulations of the Securities and Exchange Commission (SEC). Certain information and footnote disclosures normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States of America (US GAAP) have been condensed or omitted pursuant to such rules and regulations, although management believes that the disclosures are adequate and make the information presented not misleading. In the opinion of management, all adjustments, consisting only of normal recurring accruals, necessary to present fairly the Company's financial position as of September 30, 2015, and its results of operations for the three and nine months ended September 30, 2015 and 2014, and cash flows for the nine months ended September 30, 2015 and 2014, have been included. These financial statements and related footnotes should be read in conjunction with the financial statements and related footnotes included in the Company's 2014 Form 10-K.

## 2. RECONCILIATIONS OF EQUITY

Below are reconciliations of total equity, Company equity and equity attributable to noncontrolling interests for the nine months ended September 30, 2015 and 2014:

	Total	Stepan Company	Noncontrolling Interests'
(In thousands)	Equity	Equity	Equity <sup>(3)</sup>
Balance at January 1, 2015	\$536,944	\$535,546	\$ 1,398
Net income	63,161	63,096	65
Dividends	(12,067 )	(12,067 )	—
Common stock purchases <sup>(1)</sup>			