

ALBEMARLE CORP
Form 10-Q
May 10, 2018
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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 Quarterly Period Ended March 31, 2018

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF
1934

For the transition period from _____ to _____
Commission File Number 1-12658

ALBEMARLE CORPORATION
(Exact name of registrant as specified in its charter)

VIRGINIA 54-1692118
(State or other jurisdiction of (I.R.S. Employer
incorporation or organization) Identification No.)

4350 CONGRESS STREET, SUITE 700 28209
CHARLOTTE, NORTH CAROLINA
(Address of principal executive offices) (Zip Code)
Registrant's telephone number, including area code - (980) 299-5700

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 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, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer Accelerated filer
Non-accelerated filer Smaller reporting company
Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

Number of shares of common stock, \$.01 par value, outstanding as of April 30, 2018: 110,763,247

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PART I. FINANCIAL INFORMATION

Item 1. Financial Statements (Unaudited).

ALBEMARLE CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF INCOME

(In Thousands, Except Per Share Amounts)

(Unaudited)

	Three Months Ended March 31,	
	2018	2017
Net sales	\$821,629	\$722,063
Cost of goods sold	516,650	467,107
Gross profit	304,979	254,956
Selling, general and administrative expenses	101,370	108,928
Research and development expenses	20,986	24,323
Operating profit	182,623	121,705
Interest and financing expenses	(13,538)	(68,513)
Other (expenses) income, net	(30,476)	265
Income before income taxes and equity in net income of unconsolidated investments	138,609	53,457
Income tax expense	20,361	11,971
Income before equity in net income of unconsolidated investments	118,248	41,486
Equity in net income of unconsolidated investments (net of tax)	20,677	21,171
Net income	138,925	62,657
Net income attributable to noncontrolling interests	(7,165)	(11,444)
Net income attributable to Albemarle Corporation	\$131,760	\$51,213
Basic earnings per share	\$1.19	\$0.46
Diluted earnings per share	\$1.18	\$0.45
Weighted-average common shares outstanding – basic	110,681	111,986
Weighted-average common shares outstanding – diluted	111,867	113,289
Cash dividends declared per share of common stock	\$0.335	\$0.32

See accompanying Notes to the Condensed Consolidated Financial Statements.

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CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(In Thousands)

(Unaudited)

	Three Months Ended March 31,	
	2018	2017
Net income	\$138,925	\$62,657
Other comprehensive income (loss), net of tax:		
Foreign currency translation	64,891	79,055
Pension and postretirement benefits	3	(7)
Net investment hedge	(14,421)	(13,685)
Interest rate swap	642	529
Total other comprehensive income, net of tax	51,115	65,892
Comprehensive income	190,040	128,549
Comprehensive income attributable to noncontrolling interests	(7,351)	(11,905)
Comprehensive income attributable to Albemarle Corporation	\$182,689	\$116,644

See accompanying Notes to the Condensed Consolidated Financial Statements.

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CONDENSED CONSOLIDATED BALANCE SHEETS

(In Thousands)

(Unaudited)

	March 31, 2018	December 31, 2017
Assets		
Current assets:		
Cash and cash equivalents	\$ 692,188	\$ 1,137,303
Trade accounts receivable, less allowance for doubtful accounts (2018 – \$10,098; 2017 – \$10,425)	606,968	534,326
Other accounts receivable	43,410	37,937
Inventories	666,567	592,781
Other current assets	113,763	136,064
Assets held for sale	35,829	39,152
Total current assets	2,158,725	2,477,563
Property, plant and equipment, at cost	4,247,345	4,124,335
Less accumulated depreciation and amortization	1,678,139	1,631,025
Net property, plant and equipment	2,569,206	2,493,310
Investments	524,687	534,064
Noncurrent assets held for sale	151,743	139,813
Other assets	78,619	74,164