

NEWMARKET CORP  
Form 10-Q  
August 03, 2017  
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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 June 30, 2017

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 1-32190

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

VIRGINIA 20-0812170  
(State or other jurisdiction of (I.R.S. Employer  
incorporation or organization) Identification No.)

330 SOUTH FOURTH STREET 23219-4350  
RICHMOND, VIRGINIA  
(Address of principal executive offices) (Zip Code)  
Registrant's telephone number, including area code - (804) 788-5000

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.

Large accelerated filer  Accelerated filer   
Non-accelerated filer  (Do not check if a smaller reporting company) 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.



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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, without par value, outstanding as of July 31, 2017: 11,853,162

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## PART I. FINANCIAL INFORMATION

## ITEM 1. Financial Statements

## NEWMARKET CORPORATION AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF INCOME

(Unaudited)

(in thousands, except per-share amounts)	Second Quarter		Six Months Ended	
	Ended June 30,		June 30,	
	2017	2016	2017	2016
Net sales	\$547,188	\$521,807	\$1,090,006	\$1,031,734
Cost of goods sold	382,312	343,407	754,885	677,784
Gross profit	164,876	178,400	335,121	353,950
Selling, general, and administrative expenses	38,816	40,388	78,745	81,328
Research, development, and testing expenses	35,581	40,720	72,286	79,936
Operating profit	90,479	97,292	184,090	192,686
Interest and financing expenses, net	5,360	3,954	10,932	8,142
Other income (expense), net	171	(1,266)	365	(3,526)
Income before income tax expense	85,290	92,072	173,523	181,018
Income tax expense	22,562	27,683	46,858	54,698
Net income	\$62,728	\$64,389	\$126,665	\$126,320
Earnings per share - basic and diluted	\$5.29	\$5.43	\$10.69	\$10.65
Cash dividends declared per share	\$1.75	\$1.60	\$3.50	\$3.20

See accompanying Notes to Condensed Consolidated Financial Statements

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NEWMARKET CORPORATION AND SUBSIDIARIES  
 CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME  
 (Unaudited)

(in thousands)	Second Quarter Ended June 30,		Six Months Ended June 30,	
	2017	2016	2017	2016
Net income	\$62,728	\$64,389	\$126,665	\$126,320
Other comprehensive income (loss):				
Pension plans and other postretirement benefits:				
Amortization of prior service cost (credit) included in net periodic benefit cost, net of income tax expense (benefit) of \$(296) in second quarter 2017, \$(305) in second quarter 2016, \$(592) in six months 2017 and \$(610) in six months 2016	(474 )	(490 )	(948 )	(979 )
Amortization of actuarial net loss (gain) included in net periodic benefit cost, net of income tax expense (benefit) of \$567 in second quarter 2017, \$571 in second quarter 2016, \$1,076 in six months 2017 and \$1,141 in six months 2016	1,064	999	1,847	1,990
Total pension plans and other postretirement benefits	590	509	899	1,011
Foreign currency translation adjustments, net of income tax expense (benefit) of \$(360) in second quarter 2017, \$(65) in second quarter 2016, \$(80) in six months 2017 and \$1,600 in six months 2016	9,372	(5,560 )	13,014	(10,323 )
Other comprehensive income (loss)	9,962	(5,051 )	13,913	(9,312 )
Comprehensive income	\$72,690	\$59,338	\$140,578	\$117,008

See accompanying Notes to Condensed Consolidated Financial Statements

