

NEWMARKET CORP  
Form 10-Q  
October 27, 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 September 30, 2016

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, 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  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

Number of shares of common stock, without par value, outstanding as of September 30, 2016: 11,848,654

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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)	Third Quarter Ended		Nine Months Ended	
	September 30,		September 30,	
	2016	2015	2016	2015
Net sales	\$516,090	\$540,933	\$1,547,824	\$1,661,208
Cost of goods sold	338,689	366,162	1,016,473	1,135,457
Gross profit	177,401	174,771	531,351	525,751
Selling, general, and administrative expenses	38,848	38,298	120,176	120,762
Research, development, and testing expenses	36,715	38,849	116,651	118,652
Operating profit	101,838	97,624	294,524	286,337
Interest and financing expenses, net	4,320	3,538	12,462	10,936
Other income (expense), net	698	(3,400)	(2,828)	(4,042)
Income before income tax expense	98,216	90,686	279,234	271,359
Income tax expense	26,767	28,677	81,465	86,670
Net income	\$71,449	\$62,009	\$197,769	\$184,689
Earnings per share - basic and diluted	\$6.03	\$5.08	\$16.68	\$14.94
Cash dividends declared per share	\$1.60	\$1.40	\$4.80	\$4.20

See accompanying Notes to Condensed Consolidated Financial Statements

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

(in thousands)	Third Quarter Ended September 30,		Nine Months Ended September 30,	
	2016	2015	2016	2015
Net income	\$71,449	\$62,009	\$197,769	\$184,689
Other comprehensive income (loss):				
Pension plans and other postretirement benefits:				
Prior service credit (cost) arising during the period, net of income tax expense (benefit) of \$(287) in third quarter and nine months 2016 and \$14,013 in third quarter and nine months 2015	(463 )	22,009	(463 )	22,009
Amortization of prior service cost (credit) included in net periodic benefit cost, net of income tax expense (benefit) of \$(232) in third quarter 2016, \$(93) in third quarter 2015, \$(842) in nine months 2016 and \$(85) in nine months 2015	(373 )	(157 )	(1,352 )	(163 )
Actuarial net gain (loss) arising during the period, net of income tax expense (benefit) of \$(1,448) in third quarter and nine months 2016 and \$(1,141) in third quarter and nine months 2015	(2,300 )	(1,816 )	(2,300 )	(1,816 )
Amortization of actuarial net loss (gain) included in net periodic benefit cost, net of income tax expense (benefit) of \$578 in third quarter 2016, \$754 in third quarter 2015, \$1,719 in nine months 2016 and \$2,288 in nine months 2015	1,002	1,343	2,992	4,055
Total pension plans and other postretirement benefits	(2,134 )	21,379	(1,123 )	24,085
Foreign currency translation adjustments, net of income tax expense (benefit) of \$197 in third quarter 2016, \$291 in third quarter 2015, \$1,797 in nine months 2016 and \$(1,075) in nine months 2015	(6,599 )	(15,647 )	(16,922 )	(22,791 )
Other comprehensive income (loss)	(8,733 )	5,732	(18,045 )	1,294
Comprehensive income	\$62,716	\$67,741	\$179,724	\$185,983