

BALCHEM CORP
Form 10-Q
August 05, 2008

FORM 10-Q

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

(Mark One)

Quarterly Report Pursuant to Section 13 or 15(d) of
the Securities Exchange Act of 1934

For The Quarterly Period Ended June 30, 2008
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 1-13648

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

Maryland
(State or other jurisdiction of
incorporation or organization)
P.O. Box 600 New Hampton, New York
(Address of principal executive offices)

13-2578432
(I.R.S. Employer Identification Number)
10958
(Zip Code)

845-326-5600

Registrant's telephone number, including area code:

Indicate by a 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 filing requirements for the past 90 days.

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
Non-accelerated filer

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

As of August 1, 2008 the registrant had 18,175,909 shares of its Common Stock, \$.06 2/3 par value, outstanding.

Part 1 - Financial Information

Item 1. Financial Statements

BALCHEM CORPORATION
Condensed Consolidated Balance Sheets
(Dollars in thousands, except per share data)
Unaudited

Assets	June 30, 2008	December 31, 2007
Current assets:		
Cash and cash equivalents	\$ 2,642	\$ 2,307
Accounts receivable, net	35,500	29,640
Inventories	19,398	15,680
Prepaid expenses	1,465	2,456
Deferred income taxes	548	515
Other current assets	1,779	1,871
Total current assets	61,332	52,469
Property, plant and equipment, net	43,630	42,080
Goodwill	26,398	26,363
Intangible assets with finite lives, net	31,710	33,451
Other assets	66	61
Total assets	\$ 163,136	\$ 154,424
Liabilities and Stockholders' Equity		
Current liabilities:		
Trade accounts payable	\$ 13,439	\$ 11,190
Accrued expenses	10,949	10,516
Customer deposits and other deferred revenue	-	42
Current portion of long-term debt	7,493	7,379
Dividends payable	-	1,975
Income taxes payable	1,799	2,019
Revolver borrowings	4,770	3,209
Total current liabilities	38,450	36,330
Long-term debt	11,773	17,398
Deferred income taxes	5,879	6,087
Other long-term obligations	1,579	1,529
Total liabilities	57,681	61,344
Commitments and contingencies (note 13)		

Stockholders' equity:

Preferred stock, \$25 par value. Authorized 2,000,000 shares; none issued and outstanding	-	-
Common stock, \$.0667 par value. Authorized 60,000,000 shares; 18,165,868 shares issued and outstanding at June 30, 2008 and 17,979,353 shares issued and outstanding at December 31, 2007	817	804
Additional paid-in capital	17,265	14,286
Retained earnings	87,205	77,840
Accumulated other comprehensive income	168	150
Total stockholders' equity	105,455	93,080
Total liabilities and stockholders' equity	\$ 163,136	\$ 154,424

See accompanying notes to condensed consolidated financial statements.

BALCHEM CORPORATION
Condensed Consolidated Statements of Earnings
(Dollars in thousands, except per share data)
(unaudited)

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2008	2007	2008	2007
Net sales	\$ 62,901	\$ 44,371	\$ 119,762	\$ 71,970
Cost of sales	49,950	32,189	93,328	50,047