

ACETO CORP
Form 10-Q
February 08, 2013

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 December 31, 2012
Commission file number 000-04217

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

New York
(State or other jurisdiction of
incorporation or organization)

11-1720520
(I.R.S. Employer Identification
Number)

4 Tri Harbor Court, Port Washington, NY 11050
(Address of principal executive offices)

(516) 627-6000
(Registrant's telephone number, including area code)

www.aceto.com
(Registrant's website address)

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 website, if any, every interactive data file required to be submitted and posted pursuant to Rule 405 of Regulation S-T (section 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 the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

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Large accelerated filer

Accelerated filer

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

The registrant had 27,326,237 shares of common stock outstanding as of February 4, 2013.

ACETO CORPORATION AND SUBSIDIARIES
 QUARTERLY REPORT FOR THE PERIOD ENDED DECEMBER 31, 2012

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PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

ACETO CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(in thousands, except per-share amounts)

	December 31, 2012 (unaudited)	June 30, 2012
ASSETS		
Current assets:		
Cash and cash equivalents	\$25,326	\$24,862
Investments	1,549	1,518
Trade receivables, less allowance for doubtful accounts (Dec, \$880; June, \$887)	77,918	74,744
Other receivables	3,982	2,979
Inventory	97,373	84,687
Prepaid expenses and other current assets	2,314	2,231
Deferred income tax asset, net	1,027	948
Total current assets	209,489	191,969
Property and equipment, net	11,848	11,705
Property held for sale	3,752	3,752
Goodwill	33,541	33,495
Intangible assets, net	42,475	45,251
Deferred income tax asset, net	4,695	4,719
Other assets	9,647	8,389
TOTAL ASSETS	\$315,447	\$299,280
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Current portion of long-term debt	\$7,197	\$6,713
Accounts payable	43,982	42,007
Accrued expenses	26,973	24,921
Total current liabilities	78,152	73,641
Long-term debt	40,454	39,052
Long-term liabilities	12,475	12,943
Environmental remediation liability	5,096	5,633
Deferred income tax liability	9	8
Total liabilities	136,186	131,277
Commitments and contingencies (Note 6)		
Shareholders' equity:		
Common stock, \$.01 par value, 40,000 shares authorized; 27,297 and 26,937 shares issued and outstanding at December 31, 2012 and June 30, 2012, respectively	273	269

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Capital in excess of par value	66,625	64,071
Retained earnings	108,680	102,344
Accumulated other comprehensive income	3,683	1,319
Total shareholders' equity	179,261	168,003
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$315,447	\$299,280

See accompanying notes to condensed consolidated financial statements and accountants' review report.

ACETO CORPORATION AND SUBSIDIARIES
 CONDENSED CONSOLIDATED STATEMENTS OF INCOME
 (unaudited and in thousands, except per-share amounts)

	Six Months Ended December 31,	
	2012	2011
Net sales	\$225,704	\$212,024
Cost of sales	183,491	172,861
Gross profit	42,213	39,163
Selling, general and administrative expenses	27,988	27,097
Operating income	14,225	12,066
Other income (expense):		
Interest expense	(1,078)	(1,411)
Interest and other income, net	1,573	