

CAMBREX CORP  
Form 10-Q  
April 29, 2016  
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 March 31, 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 1-10638

CAMBREX CORPORATION

(Exact name of registrant as specified in its charter)

DELAWARE                      22-2476135  
(State or other jurisdiction of (I.R.S. Employer  
incorporation or organization) Identification No.)

ONE MEADOWLANDS PLAZA, EAST RUTHERFORD, NEW JERSEY 07073

(Address of principal executive offices)

(201) 804-3000

(Registrant's telephone number, including area code)

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. (Check one):

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 Act). Yes  No

As of April 28, 2016, there were 31,978,467 shares outstanding of the registrant's Common Stock, \$.10 par value.

**CAMBREX CORPORATION AND SUBSIDIARIES**

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## Forward-Looking Statements

This document contains and incorporates by reference forward-looking statements including statements regarding expected performance, including, but not limited to, the Company's belief that cash flows from operations, along with funds available from the revolving line of credit, will be adequate to meet the operational and debt servicing needs of the Company, as well as other statements relating to expectations with respect to sales, the timing of orders, research and development expenditures, earnings per share, capital expenditures, the outcome of pending litigation (including environmental proceedings and remediation investigations) and related estimates of potential liability, acquisitions, divestitures, collaborations or other expansion opportunities. These statements may be identified by the fact that they use words such as "may," "will," "could," "should," "would," "expect," "anticipate," "intend," "estimate," "believe" or similar. Any forward-looking statements contained herein are based on current plans and expectations and involve risks and uncertainties that could cause actual outcomes and results to differ materially from current expectations. The factors described in Item 1A of Part I contained in the Company's Annual Report on Form 10-K for the period ended December 31, 2015, captioned "Risk Factors," or otherwise described in the Company's filings with the Securities and Exchange Commission, provide examples of such risks and uncertainties that may cause the Company's actual results to differ materially from the expectations the Company describes in its forward-looking statements, including, but not limited to, pharmaceutical outsourcing trends, competitive pricing or product developments, government legislation and regulations (particularly environmental issues), tax rates, interest rates, technology, manufacturing and legal issues, including the outcome of outstanding litigation, changes in foreign exchange rates, uncollectible receivables, the timing of orders, loss on disposition of assets, cancellation or delays in renewal of contracts, lack of suitable raw materials or packaging materials, the Company's ability to receive regulatory approvals for its products and continued demand in the U.S. for late stage clinical products or the successful outcome of the Company's investment in new products.

The forward-looking statements are based on the beliefs and assumptions of Company management and the information available to Company management as of the date of this report. The Company cautions investors not to place significant reliance on expectations regarding future results, levels of activity, performance, achievements or other forward-looking statements. The information contained in this Quarterly Report on Form 10-Q is provided by the Company as of the date hereof, and, unless required by law, the Company does not undertake and specifically disclaims any obligation to update these forward-looking statements contained in this Quarterly Report on Form 10-Q as a result of new information, future events or otherwise.

Part I - FINANCIAL INFORMATION**Item 1. Financial Statements****CAMBREX CORPORATION AND SUBSIDIARIES****Consolidated Balance Sheets**

(in thousands, except share data)

	<b>March 31, 2016 (unaudited)</b>	<b>December 31, 2015</b>
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 85,597	\$ 43,974
Trade receivables, net	47,316	90,920
Other receivables	9,558	7,278
Inventories, net	131,607	109,920
Prepaid expenses and other current assets	9,717	7,187
Total current assets	283,795	259,279
Property, plant and equipment, net	203,616	186,487
Goodwill	33,196	32,063
Intangible assets, net	7,291	6,691
Deferred income taxes	14,758	19,259
Other non-current assets	1,546	1,760
Total assets	\$ 544,202	\$ 505,539
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current liabilities:		
Accounts payable	\$ 39,345	\$ 39,257
Deferred revenue and advance payments	27,179	16,298
Accrued expenses and other current liabilities	38,004	44,247
Short-term debt	-	30,000
Total current liabilities	104,528	129,802
Advance payments	39,000	-
Deferred income taxes	7,872	7,735
Accrued pension benefits	42,890	42,661
Other non-current liabilities	14,840	14,506
Total liabilities	209,130	194,704

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Stockholders' equity:		
Common stock, \$.10 par value; authorized 100,000,000, issued 33,573,194 and 33,528,915 shares at respective dates	3,357	3,353
Additional paid-in capital	133,183	131,980
Retained earnings	260,280	245,698
Treasury stock, at cost, 1,594,727 and 1,729,727 shares at respective dates	(13,596 )	(14,747 )
Accumulated other comprehensive loss	(48,152 )	(55,449 )
Total stockholders' equity	335,072	310,835
Total liabilities and stockholders' equity	\$ 544,202	\$ 505,539

See accompanying notes to unaudited consolidated financial statements.

**CAMBREX CORPORATION AND SUBSIDIARIES**

**Consolidated Income Statements**

(unaudited – in thousands, except per share data)

	<b>Three months ended March 31,</b>	
	<b>2016</b>	<b>2015</b>
Gross sales	\$93,935	\$78,184
Commissions, allowances and rebates	503	451
Net sales	93,432	77,733
Other	1,309	(208 )
Net revenues	94,741	