UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

**CURRENT REPORT PURSUANT TO SECTION 13 OR 15(d) OF
THE SECURITIES EXCHANGE ACT OF 1934**

August 1, 2019
Date of Report (Date of earliest event reported)

QUAKER CHEMICAL CORPORATION
(Exact name of Registrant as specified in its charter)

Commission File Number 001-12019

PENNSYLVANIA	**No. 23-0993790**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

One Quaker Park
901 E. Hector Street
Conshohocken, Pennsylvania 19428
(Address of principal executive offices)
(Zip Code)

(610) 832-4000
(Registrant's telephone number, including area code)

Not Applicable
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, $1 par value	KWR	New York Stock Exchange

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

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. ☐

INFORMATION TO BE INCLUDED IN THE REPORT

Item 2.02. Results of Operations and Financial Condition.

On August 1, 2019, Quaker Chemical Corporation ("Quaker Chemical") announced its results of operations for the second quarter ended June 30, 2019 in a press release, the text of which is included as Exhibit 99.1 hereto. Supplemental information related to the same period is also included as Exhibit 99.2 hereto.

Item 9.01. Financial Statements and Exhibits.

The following exhibits are included as part of this report:

Exhibit No.	
99.1	Press Release of Quaker Chemical Corporation dated August 1, 2019.
99.2	Supplemental Information related to second quarter ended June 30, 2019.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

QUAKER CHEMICAL CORPORATION
Registrant

Date: August 1, 2019

By: /s/ MARY DEAN HALL
Mary Dean Hall
Senior Vice President, Chief Financial Officer and Treasurer

Exhibit 99.1

NEWS

Contact:
Mary Dean Hall
Senior Vice President, Chief Financial Officer and Treasurer
investor@quakerchem.com
T. 1.610.832.4000

For Release: Immediate

QUAKER HOUGHTON ANNOUNCES QUAKER CHEMICAL'S SECOND QUARTER 2019 RESULTS

- Quaker Chemical Corporation closed its combination with Houghton International, Inc. earlier today
- Net sales of $205.9 million reflect a 3% negative foreign exchange impact and certain end-market challenges
- Reported net income of $15.6 million or $1.17 per diluted share
- Adjusted EBITDA and non-GAAP earnings per diluted share decrease 2% to $31.4 million and $1.56, respectively, primarily due to a 3% negative foreign exchange impact on earnings

August 1, 2019

CONSHOHOCKEN, PA – Quaker Chemical Corporation ("the Company", also known as Quaker Houghton) (NYSE: KWR) today announced that it completed its combination with Houghton International, Inc. ("Houghton") (herein referred to as "the Combination"). The results of operations of Houghton are not included in the Company's results herein described in this press release as the date of closing was after June 30, 2019. For additional details on the Combination, please review the press release issued earlier today.

Regarding the Company's second quarter of 2019 performance, the Company's current quarter net sales of $205.9 million decreased 7% compared to $222.0 million in the prior year second quarter, including a negative impact from foreign currency translation of 3% as well as lower volumes resulting from certain end-market challenges. Despite this quarter-over-quarter decrease in net sales, the Company's current quarter operating earnings benefited from both a consistent gross margin of 36.5% and an 8% decrease in selling, general and administrative ("SG&A") expenses.

The Company's second quarter of 2019 net income was $15.6 million or $1.17 per diluted share compared to second quarter of 2018 net income of $19.2 million or $1.44 per diluted share. Both the second quarters of 2019 and 2018 reported results were impacted by expenses related to the Company's combination with Houghton. Excluding Houghton costs and all other non-core items in each period, the Company's second quarter of 2019 adjusted EBITDA and non-GAAP earnings per diluted share were $31.4 million and $1.56, respectively, compared to $32.2 million and $1.59, respectively, in the prior year. These year-over-year decreases were primarily due to the negative impact of foreign exchange of approximately 3% or $0.04 per diluted share. In addition, the Company had strong net operating cash flow of $22.4 million for both the second quarter and first six months of 2019, increasing 32% and 14% compared to the respective prior year periods.

Michael F. Barry, Chairman, Chief Executive Officer and President, commented, "During the second quarter we faced two main challenges, a decline in our underlying markets and a continued negative impact from foreign exchange. The decline in our underlying markets was primarily due to global automotive production being down approximately 7%, as well as a number of our global customers, especially in steel, reducing production in June due to inventory corrections. However, we were able to partially overcome these challenges through our continued market share gains. As we enter into the second half of the year, we do not expect to experience the same magnitude of the current quarter challenges, as many of the market headwinds and the foreign exchange impact we faced in the first half of 2019 began near the end of the second quarter of 2018 and gradually worsened throughout the second half of the year."

Mr. Barry continued, "I continue to be very confident in our future. Today, we can finally begin our journey as Quaker Houghton and in two years we expect to have an enterprise that will be integrated, positioned for above market growth and generating over $300 million of adjusted EBITDA on a going forward basis."

Second Quarter of 2019 Summary

Net sales were $205.9 million in the second quarter of 2019 compared to $222.0 million in the second quarter of 2018. The net sales decrease of 7% quarter-over-quarter was driven by a negative impact from foreign currency translation of 3% or $6.6 million, as well as a decrease in sales volumes of 3% and lower selling price and product mix of 1%.

Gross profit in the second quarter of 2019 decreased $5.8 million compared to the second quarter of 2018, primarily due to the decrease in net sales noted above, as the Company's gross margin was 36.5% in both the second quarters of 2019 and 2018.

SG&A decreased $4.1 million in the second quarter of 2019 compared to the second quarter of 2018 primarily due to the positive impact from foreign currency translation as well as lower labor-related costs quarter-over-quarter.

During the second quarter of 2019, the Company incurred $4.6 million of Houghton combination and other acquisition-related expenses, primarily for legal, financial and other advisory and consultant expenses for its acquisition-related activities. Comparatively, the Company incurred $4.3 million of similar acquisition-related expenses during the second quarter of 2018.

Operating income in the second quarter of 2019 was $20.5 million compared to $22.6 million in the second quarter of 2018. Excluding Houghton combination and other acquisition-related expenses as well as other non-core items in SG&A, the Company's current quarter non-GAAP operating income decreased to $25.5 million compared to $26.9 million in the prior year, primarily due to the negative impact of foreign currency translation.

Other income, net, was less than $0.1 million in the second quarter of 2019 compared to $0.3 million in the second quarter of 2018. The quarter-over-quarter change was primarily driven by an increase in non-service pension and postretirement benefit costs and a prior year gain on the sale of an available-for-sale asset, partially offset by lower foreign currency transaction losses in the current quarter.

Interest expense decreased $0.3 million during the second quarter of 2019 compared to the second quarter of 2018, primarily due to lower average outstanding borrowings on the Company's existing credit facility during the current quarter. Interest income was relatively consistent quarter-over-quarter.

The Company's effective tax rates for the second quarters of 2019 and 2018 were 24.2% and 16.8%, respectively. These effective tax rates include the impacts of Houghton combination and other acquisition-related expenses, certain of which were non-deductible. In addition, the Company recorded a tax adjustment of $1.2 million in the second quarter of 2018 to decrease its initial fourth quarter of 2017 estimate of the one-time charge on deemed repatriation of undistributed earnings ("U.S. Transition tax") associated with the U.S. Tax Cuts and Jobs Act. Excluding the impact of Houghton combination and other acquisition-related expenses, the U.S. Transition tax and all other non-core items in each quarter, the Company estimates that its second quarters of 2019 and 2018 effective tax rates would have been approximately 22% and 21%, respectively. The Company's second quarter of 2019 effective tax rate includes higher current quarter tax expense related to the Company recording earnings in one of its subsidiaries at a statutory tax rate of 25% during the second quarter of 2019 while it awaits recertification of a concessionary 15% tax rate. The concessionary 15% tax rate was available to the Company's subsidiary during all quarters of 2018. This increase to the Company's current quarter effective tax rate was partially offset by a favorable impact from a shift in earnings to entities with lower effective tax rates compared to the second quarter of 2018.

Equity in net income of associated companies decreased $0.6 million in the second quarter of 2019 compared to the second quarter of 2018, primarily due to lower earnings from the Company's interest in a captive insurance company.

- more -

The Company's net income attributable to noncontrolling interest was consistent at $0.1 million in both the second quarters of 2019 and 2018.

Foreign exchange negatively impacted the Company's second quarter of 2019 earnings by approximately 3% or $0.04 per diluted share, primarily due to the negative impact from foreign currency translation partially offset by lower foreign exchange transaction losses quarter-over-quarter, noted above.

Year-to-Date 2019 Summary

Net sales were $417.1 million in the first six months of 2019 compared to $434.0 million in the first six months of 2018. The net sales decrease of 4% year-over-year was driven by a negative impact from foreign currency translation of 4% or $16.2 million, as both volume levels and the impact of price and product mix were consistent year-over-year.

Gross profit in the first six months of 2019 decreased $5.5 million compared to the first six months of 2018, primarily due to the net sales decrease noted above, partially offset by a higher gross margin of 36.2% in the first six months of 2019 compared to 36.0% in the prior year. The increase in the Company's current year gross margin was primarily due to pricing initiatives and the mix of certain products sold.

SG&A decreased $2.6 million in the first six months of 2019 compared to the prior year period primarily due to the positive impact from foreign currency translation partially offset by higher labor-related costs, including annual merit increases.

During the first six months of 2019, the Company incurred $9.1 million of Houghton combination and other acquisition-related expenses, primarily for legal, financial and other advisory and consultant expenses for its acquisition-related activity. Comparatively, the Company incurred $9.5 million of similar acquisition-related expenses during the first six months of 2018.

Operating income in the first six months of 2019 was $40.4 million compared to $42.8 million in the first six months of 2018. Excluding Houghton combination and other acquisition-related expenses as well as other non-core items in SG&A, the Company's first six months of 2019 non-GAAP operating income was $49.8 million compared to $52.3 million in the prior year due primarily to the decrease in net sales partially offset by higher current year gross margin and the decrease in SG&A, noted above.

Other expense, net, was $0.6 million in the first six months of 2019 compared to $0.1 million in the first six months of 2018. The year-over-year change was primarily driven by an increase in non-service pension and postretirement benefit costs and a prior year gain on the sale of an available-for-sale asset, partially offset by lower foreign currency transaction losses in the current year.

Interest expense decreased $0.8 million during the first six months of 2019 compared to the first six months of 2018, primarily due to lower average outstanding borrowings on the Company's existing credit facility during the current year. Interest income was relatively consistent in both the first six months of 2019 and 2018.

The Company's effective tax rates for the first six months of 2019 and 2018 were 25.4% and 22.8%, respectively. Similar to the second quarter of 2019 summary above, the Company's first six months of 2019 and 2018 effective tax rates include the U.S. Transition tax adjustment and the impacts of Houghton combination and other acquisition-related expenses, certain of which were non-deductible. Excluding the impact of these and all other non-core items in each period, the Company estimates that its effective tax rates would have been approximately 23% and 24% in the first six months of 2019 and 2018, respectively. The Company's first six months of 2019 effective tax rate was positively impacted by a shift in earnings to entities with lower effective tax rates year-over-year, partially offset by higher current year tax expense related to the Company recording earnings in one of its subsidiaries at a statutory tax rate of 25% during the first six months of 2019 while it awaits recertification of a concessionary 15% tax rate. The concessionary 15% tax rate was available to the Company's subsidiary during all quarters of 2018.

Equity in net income of associated companies increased $0.1 million in the first six months of 2019 compared to the first six months of 2018, primarily due to higher earnings from the Company's interest in a captive insurance company.

- more -

The Company's net income attributable to noncontrolling interest was relatively consistent in both the first six months of 2019 and 2018.

Foreign exchange negatively impacted the Company's first six months of 2019 earnings by approximately 3% or $0.10 per diluted share, primarily due to the negative impact from foreign currency translation partially offset by lower foreign exchange transaction losses year-over-year, noted above.

Balance Sheet and Cash Flow Items

The Company had net operating cash flow of $22.4 million in the first six months of 2019 compared to $19.7 million in the first six months of 2018. The $2.7 million or 14% increase in net operating cash flow year-over-year was primarily due to working capital improvement in the current period compared to the prior year partially offset by higher current year cash tax payments. In addition, the Company has paid $9.9 million of dividends to its shareholders during the first six months of 2019, a 4% increase compared to the prior year. Overall, the Company's liquidity and balance sheet remain strong, as its cash position exceeded its debt at June 30, 2019 by $73.9 million.

The Company adopted new guidance regarding the accounting and disclosure for leases in the first quarter of 2019, as required. Adoption of this lease accounting guidance did not have a material impact on the Company's reported earnings or cash flows, however, adoption did result in a material impact to the Company's balance sheet to establish right of use lease assets and associated lease liabilities. As of June 30, 2019, the Company had right of use lease assets of $24.8 million and associated short-term and long-term lease liabilities of $5.1 million and $19.2 million, respectively.

Houghton Combination

On August 1, 2019, the Company completed its combination with Houghton, whereby the Company acquired all of the issued and outstanding shares of Houghton from Gulf Houghton Lubricants, Ltd. in accordance with the share purchase agreement dated April 4, 2017. The final purchase consideration was comprised of: (i) approximately $170.8 million in cash; (ii) the issuance of approximately 4.3 million shares of common stock of the Company with par value of $1.00, comprising 24.5% of the common stock of the Company at closing; and (iii) the Company's refinancing of approximately $660 million of Houghton's net indebtedness at closing, not including cash proceeds from the divestiture, described below. The Combination was subject to certain regulatory and shareholder approvals. At a shareholder meeting held during 2017, the Company's shareholders overwhelmingly approved the issuance of the new shares of the Company's common stock at closing of the Combination. Also, in 2017, the Company received regulatory approvals for the Combination from China and Australia. The Company received regulatory approvals from the European Commission ("EC") during the second quarter of 2019 and the U.S. Federal Trade Commissions ("FTC") in July 2019. The approvals from the FTC and the EC required the concurrent divestiture of certain steel and aluminum product lines of Houghton, which were sold on August 1, 2019 for approximately $37 million in cash. The final remedy agreed to with the EC and the FTC is consistent with the Company's previous guidance that the total divested product lines would be approximately 3% of the combined company's revenue. In connection with the Combination, the Company secured $1.15 billion in commitments from Bank of America Merrill Lynch and Deutsche Bank to fund the Combination and to provide additional liquidity and replaced these commitments with a syndicated bank agreement ("the New Credit Facility") with customary terms and conditions. Prior to closing the Combination, during July 2019, the Company amended and extended the bank commitment to August 30, 2019. The New Credit Facility was contingent upon and was not effective until the closing of the Combination. Concurrent with closing of the Combination on August 1, 2019, the New Credit Facility is in full effect and is the Company's primary borrowing facility, replacing the Company's previous revolving credit facility. The New Credit Facility is comprised of (i) a $400.0 million multicurrency revolver; (ii) a $600.0 million USD term loan; and (iii) a $150.0 million EUR equivalent term loan, each with a five-year maturity from the date the New Credit Facility became effective. At closing, the Company borrowed $750.0 million under the term loans available in the New Credit Facility and approximately $180 million under the multicurrency revolver, with a remaining capacity under the revolver of approximately $220 million for additional liquidity. For additional details, please review the press release issued earlier today which further discusses the Combination.

- more -

Non-GAAP Measures

The information included in this public release includes non-GAAP (unaudited) financial information that includes EBITDA, adjusted EBITDA, non-GAAP operating income, non-GAAP net income and non-GAAP earnings per diluted share. The Company believes these non-GAAP financial measures provide meaningful supplemental information as they enhance a reader's understanding of the financial performance of the Company, are more indicative of future operating performance of the Company, and facilitate a better comparison among fiscal periods, as the non-GAAP financial measures exclude items that are not indicative of future operating performance or not considered core to the Company's operations. Non-GAAP results are presented for supplemental informational purposes only and should not be considered a substitute for the financial information presented in accordance with GAAP.

The Company presents EBITDA which is calculated as net income attributable to the Company before depreciation and amortization, interest expense, net, and taxes on income before equity in net income of associated companies. The Company also presents adjusted EBITDA which is calculated as EBITDA plus or minus certain items that are not indicative of future operating performance or not considered core to the Company's operations. In addition, the Company presents non-GAAP operating income which is calculated as operating income plus or minus certain items that are not indicative of future operating performance or not considered core to the Company's operations. Adjusted EBITDA margin and non-GAAP operating margin are calculated as the percentage of adjusted EBITDA and non-GAAP operating income to consolidated net sales, respectively. The Company believes these non-GAAP measures provide transparent and useful information and are widely used by analysts, investors, and competitors in our industry as well as by management in assessing the operating performance of the Company on a consistent basis.

Additionally, the Company presents non-GAAP net income and non-GAAP earnings per diluted share as additional performance measures. Non-GAAP net income is calculated as adjusted EBITDA, defined above, less depreciation and amortization, interest expense, net - adjusted, and taxes on income before equity in net income of associated companies - adjusted, as applicable, for any depreciation, amortization, interest or tax impacts resulting from the non-core items identified in the reconciliation of net income attributable to the Company to adjusted EBITDA. Non-GAAP earnings per diluted share is calculated as non-GAAP net income per diluted share as accounted for under the "two-class share method." The Company believes that non-GAAP net income and non-GAAP earnings per diluted share provide transparent and useful information and are widely used by analysts, investors, and competitors in our industry as well as by management in assessing the operating performance of the Company on a consistent basis.

During the first quarter of 2019, the Company updated its calculation methodology to include the use of interest expense net of interest income in the reconciliation of EBITDA and adjusted EBITDA, compared to its historical use of only interest expense, and also to include the non-service component of the Company's pension and postretirement benefit costs in the reconciliation of adjusted EBITDA, non-GAAP net income attributable to Quaker Chemical Corporation and non-GAAP earnings per diluted share. Prior year amounts have been recast for comparability purposes and the change in calculation methodology does not produce materially different results. The Company believes these updated calculations better reflect its underlying operating performance and better aligns the Company's calculations to those commonly used by analysts, investors, and competitors in our industry.

- more -

The following tables reconcile the Company's non-GAAP financial measures (unaudited) to their most directly comparable GAAP (unaudited) financial measures (dollars in thousands unless otherwise noted, except per share amounts):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2019	2018	2019	2018
Operating income	$ 20,531	$ 22,563	$ 40,360	$ 42,794
Houghton combination and other acquisition-related expenses (a)	4,604	4,291	9,087	9,500
Charges related to the settlement of a non-core equipment sale	384	—	384	—
Non-GAAP operating income	$ 25,519	$ 26,854	$ 49,831	$ 52,294
Non-GAAP operating margin (%)	12.4%	12.1%	11.9%	12.0%

	Three Months Ended June 30,		Six Months Ended June 30,	
	2019	2018	2019	2018
Net income attributable to Quaker Chemical Corporation	$ 15,591	$ 19,246	$ 29,435	$ 31,978
Depreciation and amortization	4,843	4,981	9,702	10,028
Interest expense, net (b)	733	1,031	1,509	2,234
Taxes on income before equity in net income of associated companies (c)	4,800	3,668	9,729	9,224
EBITDA	$ 25,967	$ 28,926	$ 50,375	$ 53,464
Equity income in a captive insurance company	(390)	(1,015)	(736)	(643)
Houghton combination and other acquisition-related expenses (a)	4,604	3,681	9,087	8,890
Pension and postretirement benefit costs, non-service components	895	569	1,791	1,145
Charges related to the settlement of a non-core equipment sale	384	—	384	—
Currency conversion impacts of hyper- inflationary economies	(31)	26	163	244
Adjusted EBITDA	$ 31,429	$ 32,187	$ 61,064	$ 63,100
Adjusted EBITDA margin (%)	15.3%	14.5%	14.6%	14.5%
Adjusted EBITDA	$ 31,429	$ 32,187	$ 61,064	$ 63,100
Less: Depreciation and amortization	4,843	4,981	9,702	10,028
Less: Interest expense, net - adjusted (b)	(130)	167	(216)	506
Less: Taxes on income before equity in net income of associated companies – adjusted (c)	5,787	5,768	11,827	12,427
Non-GAAP net income	$ 20,929	$ 21,271	$ 39,751	$ 40,139

- more -

	Three Months Ended June 30,		Six Months Ended June 30,	
	2019	2018	2019	2018
GAAP earnings per diluted share attributable to Quaker Chemical Corporation common shareholders	$ 1.17	$ 1.44	$ 2.20	$ 2.40
Equity income in a captive insurance company per diluted share	(0.03)	(0.08)	(0.06)	(0.05)
Houghton combination and other acquisition-related expenses per diluted share	0.34	0.29	0.69	0.66
U.S. Transition tax adjustment per diluted share (c)	—	(0.09)	—	(0.09)
Pension and postretirement benefit costs, non-service components per diluted share	0.06	0.03	0.11	0.06
Charges related to the settlement of a non-core equipment sale per diluted share	0.02	—	0.02	—
Currency conversion impacts of hyper-inflationary economies per diluted share	(0.00)	0.00	0.01	0.02
Non-GAAP earnings per diluted share	$ 1.56	$ 1.59	$ 2.97	$ 3.00

(a) Houghton combination and other acquisition-related expenses during the three and six months ended June 30, 2018 includes a $0.6 million gain on the sale of an available-for-sale asset recorded below operating income.

(b) Interest expense, net – adjusted excludes $0.9 and $1.7 million of interest costs the Company incurred to maintain the bank commitment related to the Combination during both the three and six months ended June 30, 2019 and 2018, respectively.

(c) Taxes on income before equity in net income of associated companies – adjusted includes the Company's tax expense adjusted for the impact of any current and deferred income tax expense (benefit), as applicable, of the reconciling items presented in the reconciliation of net income attributable to Quaker Chemical Corporation to adjusted EBITDA, above, determined utilizing the applicable rates in the taxing jurisdictions in which these adjustments occurred, subject to deductibility. In addition, during the three and six months ended June 30, 2018, this also includes a U.S. Transition tax adjustment of $1.2 million.

Forward-Looking Statements

This press release contains "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. These statements can be identified by the fact that they do not relate strictly to historical or current facts. We have based these forward-looking statements on our current expectations about future events. These forward-looking statements include statements with respect to our beliefs, plans, objectives, goals, expectations, anticipations, intentions, financial condition, results of operations, future performance, and business, including but not limited to statements relating to the potential benefits of the Combination described above, our current and future results and plans, and statements that include the words "may," "could," "should," "would," "believe," "expect," "anticipate," "estimate," "intend," "plan" or similar expressions. These forward-looking statements are subject to certain risks and uncertainties that could cause actual results to differ materially from those projected in such statements. A major risk is that demand for the Company's products and services is largely derived from the demand for its customers' products, which subjects the Company to uncertainties related to downturns in a customer's business and unanticipated customer production shutdowns. Other major risks and uncertainties include, but are not limited to, significant increases in raw material costs, customer financial stability, worldwide economic and political conditions, foreign currency fluctuations, significant changes in applicable tax rates and regulations, future terrorist attacks and other acts of violence. Furthermore, the Company is subject to the same business cycles as those experienced by steel, automobile, aircraft, appliance, and durable goods manufacturers. Other factors could also adversely affect us, including those related to the Houghton Combination and the integration of the combined company. Our forward-looking statements are subject to risks, uncertainties and assumptions about the Company and its operations that are subject to change based on various important factors, some of which are beyond our control. These risks, uncertainties, and possible inaccurate assumptions relevant to the Company's business could cause its results to differ materially from expected and historical results. Therefore, we caution you not to place undue reliance on our forward-looking statements. For more information regarding these risks and uncertainties as well as certain additional risks that we face, you should refer to the Risk Factors detailed in Item 1A of our Form 10-K for the year ended December 31, 2018 as well as the proxy statement the Company filed on July 31, 2017 and in our quarterly and other reports filed from time to time with the SEC. We do not intend to, and we disclaim any duty or obligation to, update or revise any forward-looking statements to reflect new information or future events or for any other reason. This discussion is provided as permitted by the Private Securities Litigation Reform Act of 1995.

- more -

Conference Call

As previously announced, the Company's investor conference call to discuss its second quarter performance and the closing of the Combination is scheduled for August 2, 2019 at 7:30 a.m. (ET). A live webcast of the conference call, together with supplemental information, can be accessed through the Company's Investor Relations website. Visit the Investor Relations section of either www.quakerhoughton.com or www.quakerchem.com. You can also access the conference call by dialing 877-269-7756.

About Quaker Houghton

Quaker Houghton is the global leader in industrial process fluids. With a robust presence around the world, including operations in over 25 countries, our customers include thousands of the world's most advanced and specialized steel, aluminum, automotive, aerospace, offshore, can, mining, and metalworking companies. Our high-performing, innovative and sustainable solutions are backed by best-in-class technology, deep process knowledge and customized services. With 4,000 employees, including chemists, engineers and industry experts, we partner with our customers to improve their operations so they can run even more efficiently, even more effectively, whatever comes next. Quaker Houghton is headquartered in Conshohocken, Pennsylvania, located near Philadelphia in the United States. Visit quakerhoughton.com to learn more.

- more -

Quaker Chemical Corporation
Condensed Consolidated Statements of Income
(Dollars in thousands, except share and per share data)

	(Unaudited)			
	Three Months Ended June 30,		Six Months Ended June 30,	
	2019	2018	2019	2018
Net sales	$ 205,869	$ 221,962	$ 417,079	$ 434,017
Cost of goods sold	130,708	141,025	266,151	277,633
Gross profit	75,161	80,937	150,928	156,384
%	36.5%	36.5%	36.2%	36.0%
Selling, general and administrative expenses	50,026	54,083	101,481	104,090
Combination and other acquisition-related expenses	4,604	4,291	9,087	9,500
Operating income	20,531	22,563	40,360	42,794
%	10.0%	10.2%	9.7%	9.9%
Other income (expense), net	43	261	(592)	(108)
Interest expense	(1,283)	(1,602)	(2,497)	(3,294)
Interest income	550	571	988	1,060
Income before taxes and equity in net income of associated companies	19,841	21,793	38,259	40,452
Taxes on income before equity in net income of associated companies	4,800	3,668	9,729	9,224
Income before equity in net income of associated companies	15,041	18,125	28,530	31,228
Equity in net income of associated companies	608	1,245	1,019	929
Net income	15,649	19,370	29,549	32,157
Less: Net income attributable to noncontrolling interest	58	124	114	179
Net income attributable to Quaker Chemical Corporation	$ 15,591	$ 19,246	$ 29,435	$ 31,978
%	7.6%	8.7%	7.1%	7.4%
Share and per share data:				
Basic weighted average common shares outstanding	13,304,248	13,267,504	13,297,953	13,256,327
Diluted weighted average common shares outstanding	13,352,255	13,297,388	13,345,315	13,287,946
Net income attributable to Quaker Chemical Corporation common shareholders - basic	$ 1.17	$ 1.44	$ 2.21	$ 2.40
Net income attributable to Quaker Chemical Corporation common shareholders - diluted	$ 1.17	$ 1.44	$ 2.20	$ 2.40

- more -

Quaker Chemical Corporation
Condensed Consolidated Balance Sheets
(Dollars in thousands, except par value and share amounts)

	(Unaudited) June 30, 2019	December 31, 2018
ASSETS		
Current assets		
Cash and cash equivalents	$ 86,355	$ 104,147
Accounts receivable, net	210,347	202,139
Inventories, net	94,485	94,090
Prepaid expenses and other current assets	20,992	18,134
Total current assets	412,179	418,510
Property, plant and equipment, net	82,623	83,923
Right of use lease assets	24,828	—
Goodwill	83,296	83,333
Other intangible assets, net	59,855	63,582
Investments in associated companies	21,362	21,316
Non-current deferred tax assets	7,948	6,946
Other assets	32,439	32,055
Total assets	$ 724,530	$ 709,665
LIABILITIES AND EQUITY		
Current liabilities		
Short-term borrowings and current portion of long-term debt	$ 676	$ 670
Accounts and other payables	93,886	92,754
Accrued compensation	16,396	25,727
Other current liabilities	42,230	32,319
Total current liabilities	153,188	151,470
Long-term debt	11,788	35,934
Long-term lease liabilities	19,192	—
Non-current deferred tax liabilities	7,781	10,003
Other non-current liabilities	74,620	75,889
Total liabilities	266,569	273,296
Equity		
Common stock, $1 par value; authorized 30,000,000 shares; issued and outstanding 2019 - 13,337,896 shares; 2018 - 13,338,026 shares	13,338	13,338
Capital in excess of par value	97,602	97,304
Retained earnings	424,448	405,125
Accumulated other comprehensive loss	(78,881)	(80,715)
Total Quaker shareholders' equity	456,507	435,052
Noncontrolling interest	1,454	1,317
Total equity	457,961	436,369
Total liabilities and equity	$ 724,530	$ 709,665

- more -

Quaker Chemical Corporation
Condensed Consolidated Statements of Cash Flows
(Dollars in thousands)

	(Unaudited) Six Months Ended June 30, 2019	2018
Cash flows from operating activities		
Net income	$ 29,549	$ 32,157
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	6,087	6,330
Amortization	3,615	3,698
Equity in undistributed earnings of associated companies, net of dividends	1,658	3,352
Deferred compensation, deferred taxes and other, net	(7,141)	177
Share-based compensation	1,672	1,975
Gain on disposal of property, plant, equipment and other assets	(39)	(599)
Insurance settlement realized	(306)	(481)
Combination and other acquisition-related expenses, net of payments	399	(1,445)
Pension and other postretirement benefits	(21)	(2,341)
(Decrease) increase in cash from changes in current assets and current liabilities, net of acquisitions:		
Accounts receivable	(7,893)	(10,873)
Inventories	(257)	(11,301)
Prepaid expenses and other current assets	(1,969)	(2,323)
Accounts payable and accrued liabilities	(2,945)	1,407
Net cash provided by operating activities	22,409	19,733
Cash flows from investing activities		
Investments in property, plant and equipment	(5,544)	(5,622)
Payments related to acquisitions, net of cash acquired	(500)	(500)
Proceeds from disposition of assets	70	668
Insurance settlement interest earned	131	47
Net cash used in investing activities	(5,843)	(5,407)
Cash flows from financing activities		
Repayments of long-term debt	(24,040)	(287)
Dividends paid	(9,868)	(9,453)
Stock options exercised, other	(1,374)	(496)
Distributions to noncontrolling affiliate shareholders	—	(834)
Net cash used in financing activities	(35,282)	(11,070)
Effect of foreign exchange rate changes on cash	749	(3,346)
Net decrease in cash, cash equivalents and restricted cash	(17,967)	(90)
Cash, cash equivalents and restricted cash at the beginning of the period	124,425	111,050
Cash, cash equivalents and restricted cash at the end of the period	$ 106,458	$ 110,960

Exhibit 99.2

Quaker Houghton
Forward Together

Risks and Uncertainties Statement

On August 1, 2019, Quaker Chemical Corporation completed its combination with Houghton International, Inc. ("Houghton") (herein referred to as "the Combination"). The results of operations of Houghton are not included in the Company's results described in this presentation as the date of closing was after June 30, 2019.

Regulation G

This presentation includes Company information that does not conform to generally accepted accounting principles ("GAAP"). Management believes that an analysis of this data is meaningful to investors because it provides insight with respect to ongoing operating results of the Company and allows investors to better evaluate the financial results of the Company. These measures should not be viewed as an alternative to GAAP measures of performance. Furthermore, these measures may not be consistent with similar measures provided by other companies. This data should be read in conjunction with the Company's most recent annual report filed on form 10-K and 10-K/A as well as the second quarter earnings news release dated August 1, 2019, which has been furnished to the Securities and Exchange Commission ("SEC") on Form 8-K and the Company's Form 10-Q for the period ended June 30, 2019, which has been filed with the SEC.

Forward-Looking Statements

This presentation contains "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. These statements can be identified by the fact that they do not relate strictly to historical or current facts. We have based these forward-looking statements on our current expectations about future events. These forward-looking statements include statements with respect to our beliefs, plans, objectives, goals, expectations, anticipations, intentions, financial condition, results of operations, future performance, and business, including but not limited to statements relating to the potential benefits of the Combination described above, our current and future results and plans, and statements that include the words "may," "could," "should," "would," "believe," "expect," "anticipate," "estimate," "intend," "plan" or similar expressions. These forward-looking statements are subject to certain risks and uncertainties that could cause actual results to differ materially from those projected in such statements. A major risk is that demand for the Company's products and services is largely derived from the demand for its customers' products, which subjects the Company to uncertainties related to downturns in a customer's business and unanticipated customer production shutdowns. Other major risks and uncertainties include, but are not limited to, significant increases in raw material costs, customer financial stability, worldwide economic and political conditions, foreign currency fluctuations, significant changes in applicable tax rates and regulations, future terrorist attacks and other acts of violence. Furthermore, the Company is subject to the same business cycles as those experienced by steel, automobile, aircraft, appliance, and durable goods manufacturers. Our forward-looking statements are subject to risks, uncertainties and assumptions about the Company and its operations that are subject to change based on various important factors, some of which are beyond our control. These risks, uncertainties, and possible inaccurate assumptions relevant to the Company's business could cause its results to differ materially from expected and historical results. Other factors beyond those discussed in this Report could also adversely affect us including, but not limited to the following related to the Combination:

- potential adverse effects on the Company's business, properties or operations caused by the implementation of the Combination;
- the Company's ability to promptly, efficiently and effectively integrate the operations of Houghton and Quaker Chemical;
- the ability to develop or modify financial reporting, information systems and other related financial tools to ensure overall financial integrity and adequacy of internal control procedures;
- the ability to identify and take advantage of potential synergies, including cost reduction opportunities, while maintaining legacy business and other related attributes, as well as the risk that the costs to achieve synergies may be more than anticipated;
- difficulties in managing a larger, combined company, addressing differences in business culture and retaining key personnel;
- risks related to each company's distraction from ongoing business operations due to the Combination; and,
- the outcome of any legal proceedings that may be instituted against the companies related to the Combination.

Therefore, we caution you not to place undue reliance on our forward-looking statements. For more information regarding these risks and uncertainties as well as certain additional risks that we face, you should refer to the Risk Factors detailed in Item 1A of our Form 10-K for the year ended December 31, 2018 as well as the proxy statement the Company filed on July 31, 2017 and in our quarterly and other reports filed from time to time with the SEC. We do not intend to, and we disclaim any duty or obligation to, update or revise any forward-looking statements to reflect new information or future events or for any other reason. This discussion is provided as permitted by the Private Securities Litigation Reform Act of 1995.

Speakers

Michael F. Barry
Chairman of the Board, Chief Executive Officer & President

Mary Dean Hall
Senior Vice President, Chief Financial Officer & Treasurer

Robert T. Traub
Senior Vice President, General Counsel & Corporate Secretary

Joseph Berquist
Senior Vice President, Global Specialty Businesses & Chief Strategy Officer

Shane W. Hostetter
Vice President, Finance & Chief Accounting Officer

Chart #1

Second Quarter 2019 Headlines

Quaker Houghton
Forward Together

- Quaker Chemical Corporation closed its combination with Houghton International, Inc. on August 1, 2019
- Net sales of $205.9 million reflect a 3% negative foreign exchange impact and certain end-market challenges
- Reported net income of $15.6 million or $1.17 per diluted share
- Adjusted EBITDA and non-GAAP earnings per diluted share decrease 2% to $31.4 million and $1.56, respectively, primarily due to a 3% negative foreign exchange impact to earnings

Chart #2

Chairman Comments

- **Second Quarter 2019**
  - Headwinds in the quarter included continued negative impacts from foreign exchange of ~ 3%, a decline in underlying markets including lower global automotive production of ~7% and a number of global customers reducing production in June due to inventory corrections
  - Market share gains helped partially overcome end market challenges
  - Net sales of $205.9 million included a negative impact from foreign currency translation of 3%, a decrease in sales volumes of 3% and lower selling price and product mix of 1%
  - Gross margin of 36.5% in Q2'19 was up sequentially from Q1'19 and consistent with Q2'18
  - Non-GAAP earnings per diluted share of $1.56 compared to $1.59 in Q2'18
- **Second half of 2019 Outlook**
  - Do not expect to experience the same magnitude of the current quarter challenges, as many of the headwinds faced in the first half of 2019 began near the end of the second quarter of 2018 and gradually worsened throughout the second half of the prior year
  - Begin our journey as Quaker Houghton and in two years expect to have an enterprise that will be integrated, positioned for above market growth and generating over $300 million of adjusted EBITDA on a going forward basis

"I continue to be very confident in our future and look forward to our journey as Quaker Houghton." – Michael F. Barry

Chart #3

Financial Highlights

Second Quarter of 2019

- Non-GAAP EPS of $1.56 and adjusted EBITDA of $31.4 million decreased 2% compared to $1.59 and $32.2 million in Q2'18, respectively, primarily due to the negative impact from foreign exchange of approximately 3% or $0.04 per diluted share
- Net sales of $205.9 million decreased 7% driven by a negative impact from foreign currency translation of 3% or $6.6 million, as well as a decrease in sales volumes of 3% and lower selling price and product mix of 1%
- Gross profit decreased $5.8 million compared to Q2'18 due to the decrease in net sales as gross margin was consistent at 36.5% in both periods
- SG&A decreased $4.1 million in Q2'19 primarily due to a positive impact from foreign currency translation as well as lower labor-related costs
- Houghton combination and other acquisition-related costs (including interest) totaled $5.5 million or $0.34 per diluted share in Q2'19 compared to $4.5 million or $0.29 per diluted share in Q2'18
- ETR of 24.2% and 16.8% in Q2'19 and Q2'18, respectively, include the impact of certain non-deductible acquisition-related expenses as well as a Q2'18 U.S. Transition tax adjustment; ETR without these and other non-core items would have been ~22% and 21%, respectively
- First six months of 2019 net operating cash flow of $22.4 million compared to $19.7 million in the first six months of 2018, primarily due to working capital improvement partially offset by higher current year cash tax payments

Chart #4

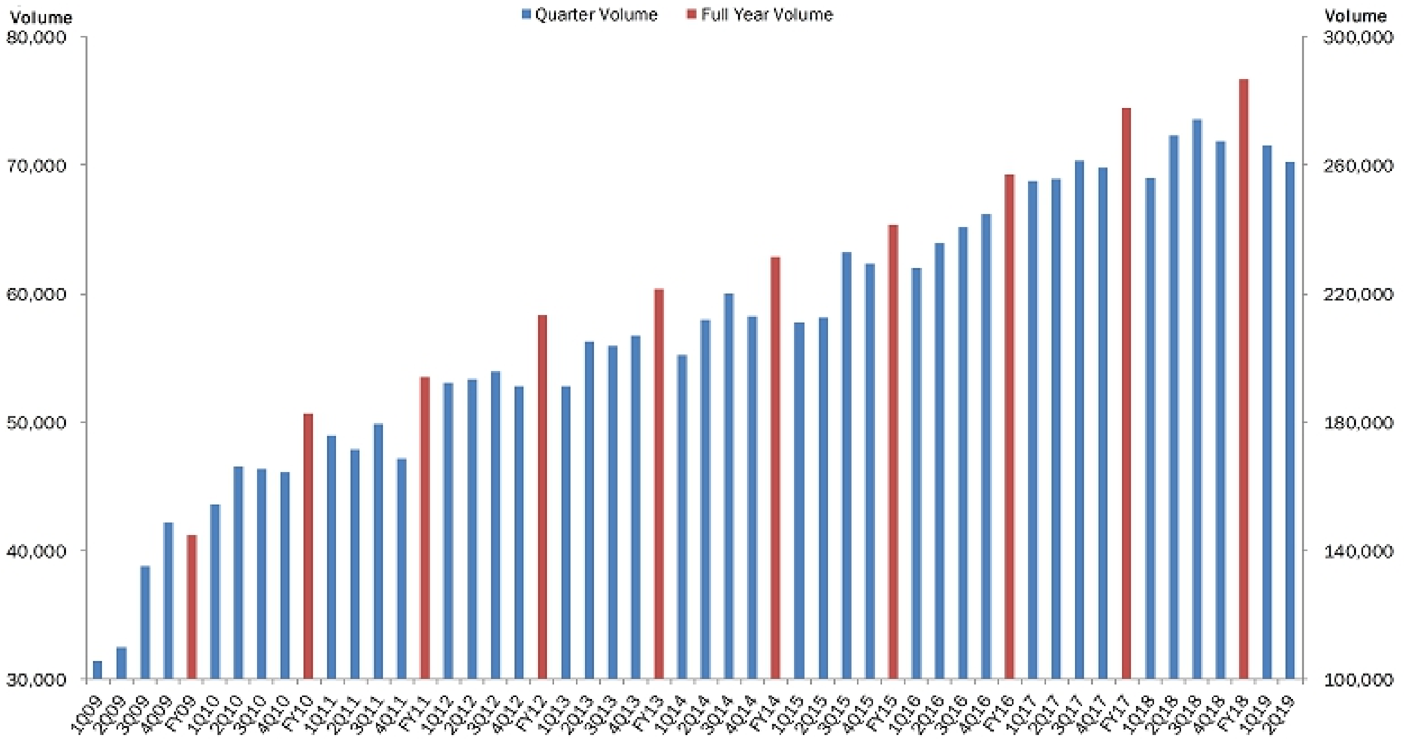
Financial Snapshot

($ in Millions unless otherwise noted)	Q2 2019	Q2 2018	YTD 2019	YTD 2018
Net Sales	205.9	222.0	417.1	434.0
Gross Profit	75.2	80.9	150.9	156.4
Gross Margin (%)	36.5%	36.5%	36.2%	36.0%
SG&A	50.0	54.1	101.5	104.1
Combination and Other Acquisition-Related Expenses	4.6	4.3	9.1	9.5
Operating Income	20.5	22.6	40.4	42.8
Operating Margin (%)	10.0%	10.2%	9.7%	9.9%
Non-GAAP Operating Income	25.5	26.9	49.8	52.3
Non-GAAP Operating Margin (%)	12.4%	12.1%	11.9%	12.0%
Net Income Attributable to Quaker Chemical Corporation	15.6	19.2	29.4	32.0
GAAP Earnings Per Diluted Share	1.17	1.44	2.20	2.40
Non-GAAP Earnings Per Diluted Share	1.56	1.59	2.97	3.00
Adjusted EBITDA	31.4	32.2	61.1	63.1
Adjusted EBITDA Margin (%)	15.3%	14.5%	14.6%	14.5%
Net Cash (Debt)	73.9	26.1	—	—
Net Operating Cash Flow	22.4	17.0	22.4	19.7
Effective Tax Rate ("ETR") (%)	24.2%	16.8%	25.4%	22.8%

Chart #5

Product Volume by Quarter and Year

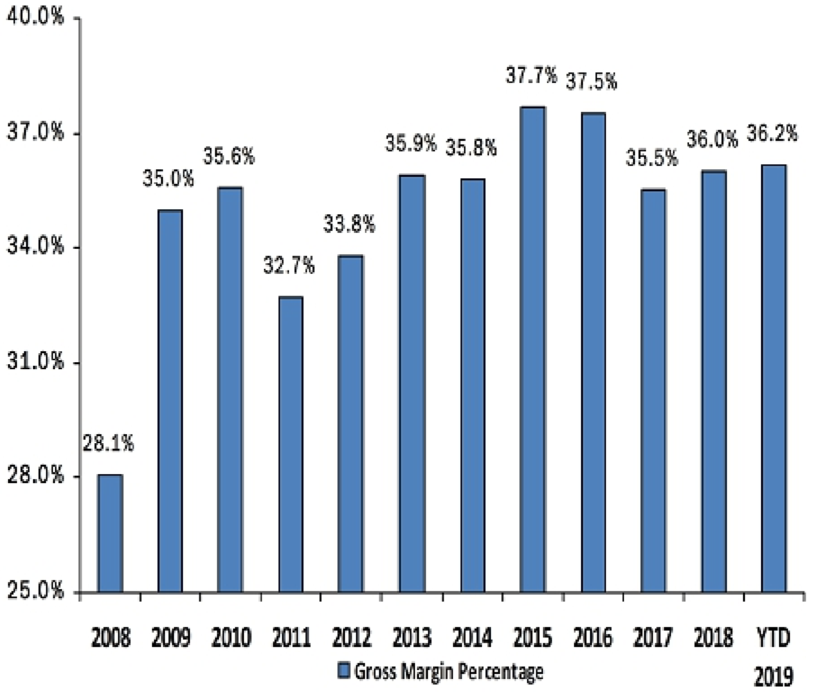
in Thousands of Kilograms

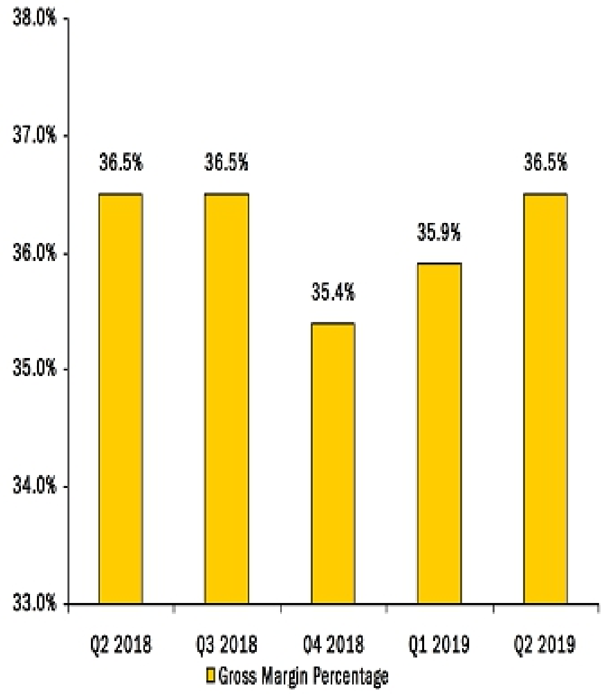


Volume declines sequentially and year-over-year driven by challenging end-market conditions

Chart #6

Gross Margin Percentage Trends



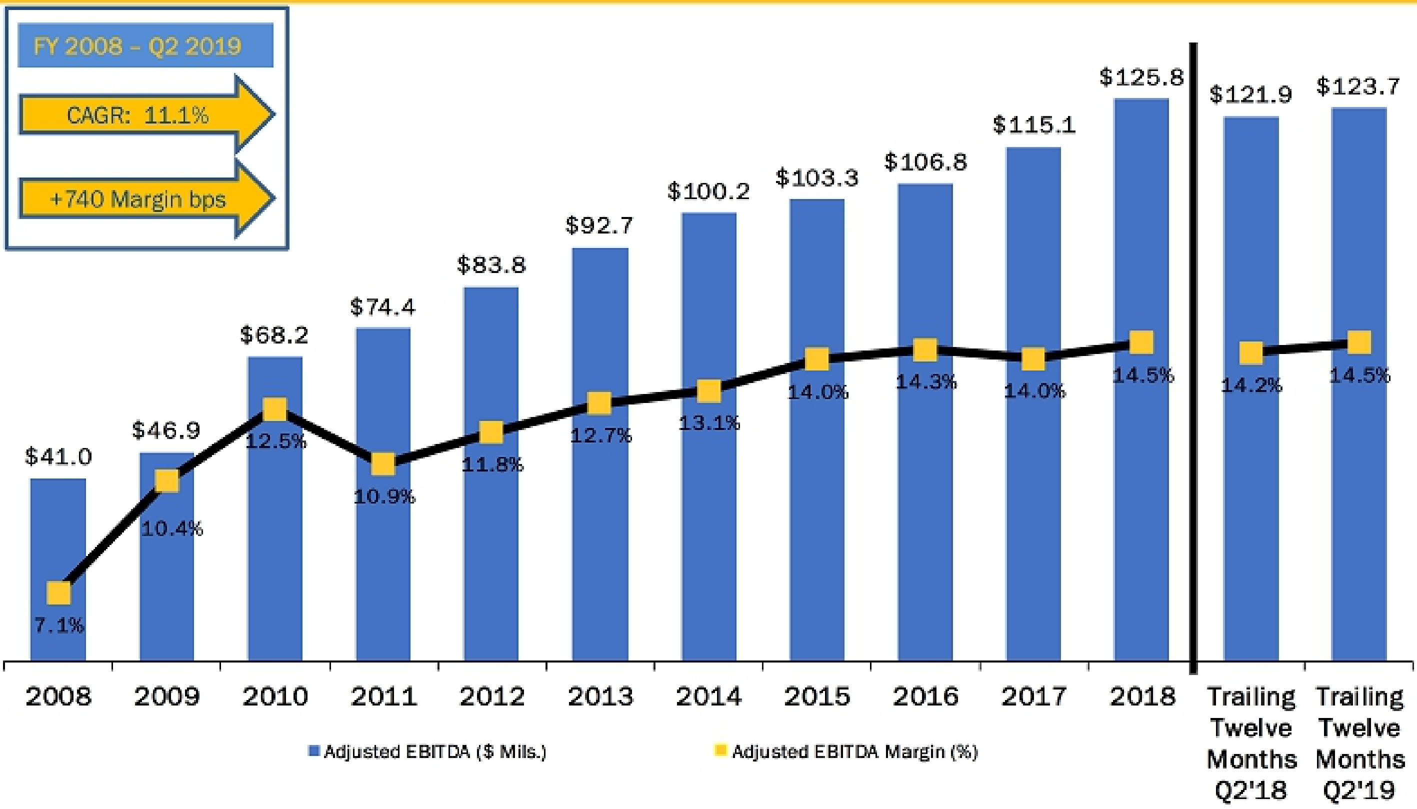


Gross margin consistent with the prior year but up sequentially

Chart #7

Adjusted EBITDA*

Baseline Historical Performance

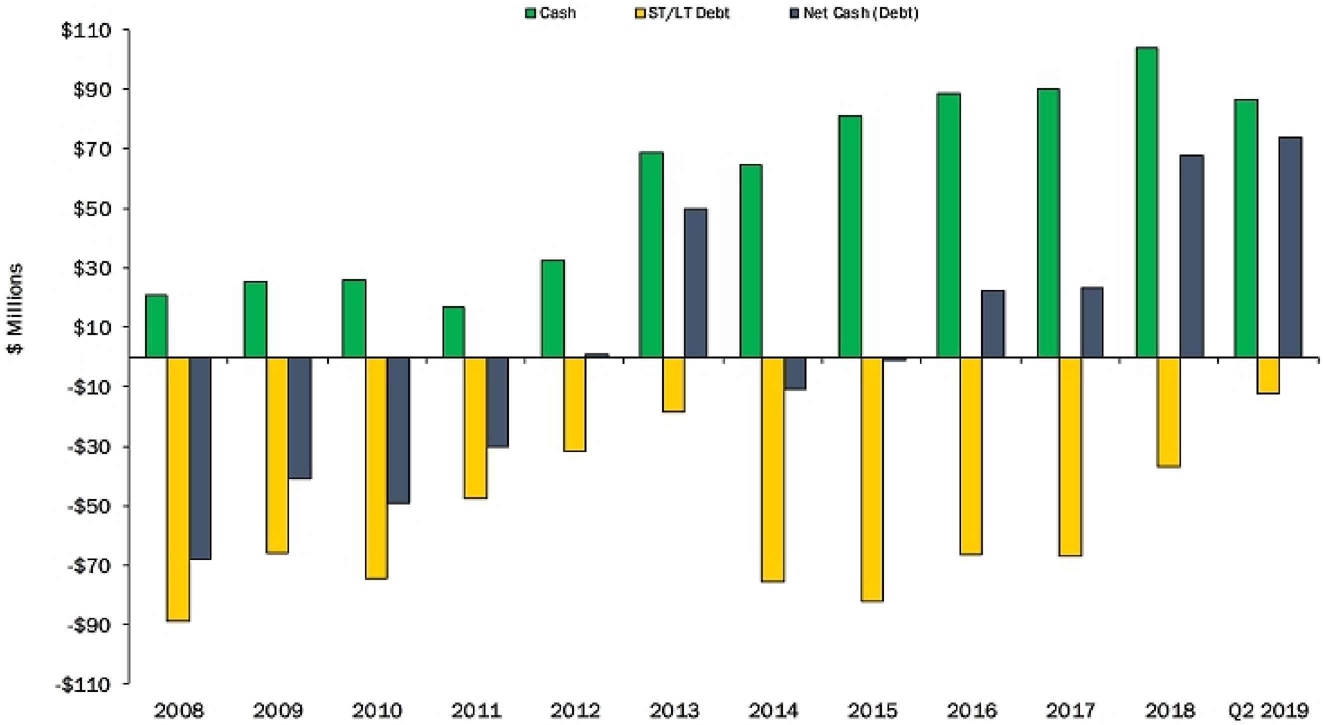


*Refer to Appendix and non-GAAP reconciliations; recast for changes in adjusted EBITDA presentation in Q1'19.

Chart #8

Balance Sheet

Cash and Debt



Continued strong balance sheet as the Company's cash exceeded its debt ~ $74 million

Chart #9

APPENDIX

Non-GAAP EPS Reconciliation

Quaker Houghton
Forward Together

	Q2 2019	Q2 2018	YTD 2019	YTD 2018
GAAP earnings per diluted share	$ 1.17	$ 1.44	$ 2.20	$ 2.40
Equity income in a captive insurance company per diluted share	(0.03)	(0.08)	(0.06)	(0.05)
Houghton combination and other acquisition-related expenses per diluted share	0.34	0.29	0.69	0.66
U.S. Transition tax adjustment per diluted share	-	(0.09)	-	(0.09)
Pension and postretirement benefit costs, non-service components per diluted share	0.06	0.03	0.11	0.06
Charges related to the settlement of a non-core equipment sale per diluted share	0.02	-	0.02	-
Currency conversion impacts of hyper-inflationary economies per diluted share	(0.00)	0.00	0.01	0.02
Non-GAAP earnings per diluted share	$ 1.56	$ 1.59	$ 2.97	$ 3.00

Chart #10

Non-GAAP Operating Income Reconciliation

($ in thousands unless otherwise noted)

	Q2 2019	Q2 2018	YTD 2019	YTD 2018
Operating income	$ 20,531	$ 22,563	$ 40,360	$ 42,794
Houghton combination and other acquisition-related expenses	4,604	4,291	9,087	9,500
Charges related to the settlement of a non-core equipment sale	384	-	384	-
Non-GAAP operating income	$ 25,519	$ 26,854	$ 49,831	$ 52,294
Non-GAAP operating margin (%)	12.4%	12.1%	11.9%	12.0%

Chart #11

TTM Adjusted EBITDA Reconciliation

($ in thousands unless otherwise noted)

	I = G + H	H	G = F - D	F	E = C + D	D	C = B - A	B	A
	Trailing Twelve Months Q2 2019	YTD Q2 2019	Last Six Months 2018	FY 2018	Trailing Twelve Months Q2 2018	YTD Q2 2018	Last Six Months 2017	FY 2017	YTD Q2 2017
Net income	$ 56,930	$ 29,435	$ 27,495	$ 59,473	$ 33,358	$ 31,978	$ 1,380	$ 20,278	$ 18,898
Depreciation	12,130	6,087	6,043	12,373	12,595	6,330	6,265	12,598	6,333
Amortization	7,258	3,615	3,643	7,341	7,462	3,698	3,764	7,368	3,604
Interest, net *	3,316	1,509	1,807	4,041	3,219	2,234	985	1,358	373
Taxes on income before equity in net income of associated companies	25,555	9,729	15,826	25,050	39,788	9,224	30,564	41,653	11,089
Equity income in a captive insurance company	(1,059)	(736)	(323)	(966)	(2,163)	(643)	(1,520)	(2,547)	(1,027)
Houghton combination and other acquisition-related expenses	16,248	9,087	7,161	16,051	25,415	8,890	16,525	29,938	13,413
Pension and postretirement benefit costs, non-service components *	2,931	1,791	1,140	2,285	2,378	1,145	1,233	4,235	3,002
Loss on disposal of held-for-sale asset	-	-	-	-	125	-	125	125	-
Insurance insolvency recovery	(90)	-	(90)	(90)	(600)	-	(600)	(600)	-
Cost streamlining initiative	-	-	-	-	-	-	-	286	286
Gain on liquidation of an inactive legal entity	(446)	-	(446)	(446)	-	-	-	-	-
Charges related to the settlement of a non-core equipment sale	384	384	-	-	-	-	-	-	-
Currency conversion impacts of hyper-inflationary economies	583	163	420	664	292	244	48	388	340
Adjusted EBITDA	$ 123,740	$ 61,064	$ 62,676	$ 125,776	$ 121,869	$ 63,100	$ 58,769	$ 115,080	$ 56,311
Adjusted EBITDA Margin (%)	14.5%	14.6%	14.5%	14.5%	14.2%	14.5%	13.9%	14.0%	14.2%

* The Company updated its calculation methodology to include the use of interest expense net of interest income compared to the historical use of only interest expense, and also to include the non-service component of the Company's pension and postretirement benefit costs. Prior year amounts have been recast for comparability purposes.

Chart #12

Adjusted EBITDA Reconciliation

($ in thousands unless otherwise noted)

Quaker Houghton
Forward Together

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Net income	$ 9,833	$ 16,058	$ 32,120	$ 45,892	$ 47,405	$ 56,339	$ 56,492	$ 51,180	$ 61,403	$ 20,278	$ 59,473
Depreciation	10,879	9,525	9,867	11,455	12,252	12,339	12,306	12,395	12,557	12,598	12,373
Amortization	1,177	1,078	988	2,338	3,106	3,445	4,325	6,811	7,009	7,368	7,341
Interest, net *	4,409	4,805	4,024	3,585	3,691	1,936	(170)	961	852	1,358	4,041
Taxes on income before equity in net income of associated companies	4,977	7,065	12,616	14,256	15,575	20,489	23,539	17,785	23,226	41,653	25,050
Equity loss (income) in a captive insurance company	1,299	162	(313)	(2,323)	(1,812)	(5,451)	(2,412)	(2,078)	(1,688)	(2,547)	(966)
Non-cash gain from the purchase of an equity affiliate	-	-	-	(2,718)	-	-	-	-	-	-	-
Equity affiliate out of period charge	-	-	564	-	-	-	-	-	-	-	-
Restructuring expense (credit)	2,916	2,289	-	-	-	-	-	6,790	(439)	-	-
Executive transition costs	3,505	-	-	-	609	-	-	-	-	-	-
Houghton combination and other acquisition-related expenses	-	-	-	-	-	-	-	2,813	1,531	29,938	16,051
Customer bankruptcy costs	-	-	-	-	1,254	-	825	328	-	-	-
Pension and postretirement benefit costs, non-service components *	2,051	5,944	3,880	2,548	3,504	4,040	3,833	3,308	2,302	4,235	2,285
Cost streamlining initiatives	-	-	-	-	-	1,419	1,166	173	-	286	-
Loss on disposal of held-for-sale asset	-	-	-	-	-	-	-	-	-	125	-
Insurance insolvency recovery	-	-	-	-	-	-	-	-	-	(600)	(90)
Non-income tax contingency charge	-	-	4,132	-	-	796	-	-	-	-	-
Change in acquisition-related earnout liability	-	-	-	(595)	(1,737)	(497)	-	-	-	-	-
Mineral oil excise tax refund	-	-	-	-	-	(2,540)	-	-	-	-	-
Gain on liquidation of an inactive legal entity	-	-	-	-	-	-	-	-	-	-	(446)
Currency conversion impacts of hyper-inflationary economies	-	-	322	-	-	357	321	2,806	88	388	664
Adjusted EBITDA	$ 41,046	$ 46,926	$ 68,200	$ 74,438	$ 83,847	$ 92,672	$ 100,225	$ 103,272	$ 106,841	$ 115,080	$ 125,776
Adjusted EBITDA Margin (%)	7.1%	10.4%	12.5%	10.9%	11.8%	12.7%	13.1%	14.0%	14.3%	14.0%	14.5%

* The Company updated its calculation methodology to include the use of interest expense net of interest income compared to the historical use of only interest expense, and also to include the non-service component of the Company's pension and postretirement benefit costs. Prior year amounts have been recast for comparability purposes.

Chart #13

Segment Performance

($ in thousands)

	Q2 2019	Q2 2018	YTD 2019	YTD 2018
Net sales				
North America	$ 94,383	$ 97,392	$ 189,636	$ 189,212
EMEA	53,150	60,166	109,438	122,221
Asia/Pacific	49,827	55,348	100,354	104,125
South America	8,509	9,056	17,651	18,459
Total net sales	$ 205,869	$ 221,962	$ 417,079	$ 434,017

	Q2 2019	Q2 2018	YTD 2019	YTD 2018
Operating earnings, excluding indirect operating expenses				
North America	$ 20,547	$ 23,237	$ 41,419	$ 43,602
EMEA	9,043	9,096	17,825	19,389
Asia/Pacific	12,685	14,621	25,767	26,763
South America	1,220	1,114	2,417	1,749
Total operating earnings, excluding indirect operating expenses	43,495	48,068	87,428	91,503
Combination and other acquisition-related expenses	(4,604)	(4,291)	(9,087)	(9,500)
Non-operating charges	(16,533)	(19,344)	(34,266)	(35,383)
Depreciation of corporate assets and amortization	(1,827)	(1,870)	(3,715)	(3,826)
Operating Income	20,531	22,563	40,360	42,794
Other income (expense), net	43	261	(592)	(108)
Interest expense	(1,283)	(1,602)	(2,497)	(3,294)
Interest income	550	571	988	1,060
Income before taxes and equity in net income of associated companies	$ 19,841	$ 21,793	$ 38,259	$ 40,452

Chart #14