

**DETREX CORPORATION**  
**QUARTERLY INFORMATION AND DISCLOSURE STATEMENT**  
**For Fiscal Quarter ended March 31, 2015**

All information contained in this Information and Disclosure Statement has been compiled to fulfill the disclosure requirements of OTC Markets Group Inc. The captions contained herein correspond to the sequential format as set forth in the disclosure guidelines.

Item 1            The Exact Name of the Issuer and the Address of its Principal Executive Offices.

Detrex Corporation  
24901 Northwestern Highway, Suite 410  
Southfield, MI 48075  
Telephone: (248) 358-5800  
Facsimile: (248) 799-7192  
Website: [www.detrex.com](http://www.detrex.com)

Investor Relations Contact for the Issuer:

Thomas E. Mark  
Detrex Corporation  
24901 Northwestern Highway, Suite 410  
Southfield, MI 48075

Telephone: (248) 358-5800  
Facsimile: (248) 799-7192

Item 2            Shares Outstanding.

A.      Quarter ended March 31, 2015:

- (i)      Authorized – 4,000,000 common at par value \$2.00 per share and 1,000,000 preferred at par value \$2.00 per share.
- (ii)     Outstanding – 1,675,939 common stock. No preferred stock outstanding.
- (iii)    Free Trading – 1,659,179 common.
- (iv)    Shareholders - 145 common of record with the Company's transfer agent.

Item 3            Interim Financial Statements

See Below

**DETREX CORPORATION**  
**CONSOLIDATED BALANCE SHEETS**

	UNAUDITED <u>March 31, 2015</u>	AUDITED <u>December 31, 2014</u>
<u><b>ASSETS</b></u>		
Current Assets:		
Cash and cash equivalents	\$ 1,490,009	\$ 1,778,331
Accounts receivable (net of allowance for uncollectible accounts of \$23,500 in 2015 and \$30,000 in 2014)	5,957,664	4,697,086
Inventories		
Raw materials	2,440,446	1,836,648
Finished goods	2,959,212	3,608,489
Total Inventories	5,399,658	5,445,137
Income taxes receivable	301,000	301,000
Prepaid expenses and other	282,307	391,017
Deferred income taxes	292,000	292,000
Total Current Assets	13,722,638	12,904,571
Land, buildings, and equipment-net	9,277,069	9,396,600
Deferred income taxes	1,224,238	1,224,238
Other assets	504,488	472,235
Total Assets	<u>\$ 24,728,433</u>	<u>\$ 23,997,644</u>
<u><b>LIABILITIES AND STOCKHOLDERS' EQUITY</b></u>		
Current Liabilities:		
Current portion of long-term debt	1,230,000	1,230,000
Accounts payable	2,243,888	1,757,842
Current portion of environmental reserve	685,000	685,000
Accrued compensation	314,816	302,349
Other accruals	1,977,587	1,659,134
Total Current Liabilities	6,451,291	5,634,325
Long-term debt, net of current portion	2,810,000	3,117,500
Environmental reserve	1,169,338	1,295,672
Accrued pension and other	3,720,005	3,666,314
Equity:		
Detrex Corporation Shareholders Equity		
Common capital stock, \$2 par value, authorized 4,000,000 shares, outstanding 1,675,939 shares	3,351,878	3,351,878
Additional paid-in capital	881,730	881,730
Retained earnings	17,717,775	17,423,809
Accumulated other comprehensive income (loss)	(11,373,584)	(11,373,584)
Total equity	10,577,799	10,283,833
Total liabilities and equity	<u>\$ 24,728,433</u>	<u>\$ 23,997,644</u>

**DETREX CORPORATION**  
**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**  
**UNAUDITED**

	<b>Capital Stock</b>	<b>Additional Paid-in Capital</b>	<b>Retained Earnings</b>	<b>Accumulated Other Comprehensive Income (Loss)</b>	<b>Total</b>
Balance at December 31, 2014	\$ 3,351,878	\$ 881,730	\$17,423,708	\$(11,373,584)	\$10,283,833
Net Income			712,951		712,951
Stock Options		-			-
Dividends			(418,985)		(418,985)
Balance at March 31, 2015	\$ 3,351,878	\$ 881,730	\$ 17,717,775	\$(11,373,584)	\$ 10,577,799

**DETREX CORPORATION****CONSOLIDATED UNAUDITED STATEMENT OF OPERATIONS  
UNAUDITED**

	Three Months Ended <u>March 31</u>	
	<u>2015</u>	<u>2014</u>
Net sales	\$ 10,941,870	\$ 10,186,801
Cost of sales	7,610,659	6,941,490
Selling, general and administrative expenses	1,908,589	2,018,872
Provision for depreciation and amortization	340,017	339,150
Provision for environmental expense	-	-
Other income expense	7,751	11,923
Interest (income) expense	26,396	54,238
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Income before income taxes	1,048,458	821,128
Provision for income taxes	335,507	279,183
	<hr/>	<hr/>
Net Income	<u>\$ 712,951</u>	<u>\$ 541,946</u>
Basic earnings per share:	\$ 0.43	\$ 0.32
Fully diluted earnings per share:	\$ 0.41	\$ 0.31
Weighted average shares outstanding:		
Basic	1,675,939	1,675,939
Effects of dilutive stock options	51,705	53,236
Diluted	<u>1,727,644</u>	<u>1,729,175</u>

# DETREX CORPORATION

## CONSOLIDATED UNAUDITED STATEMENTS OF CASH FLOWS UNAUDITED

	Three Months Ended <u>March 31</u>	
	<u>2015</u>	<u>2014</u>
Cash Flows from Operating Activities:		
Net income	\$ 712,951	\$ 541,945
Adjustments to reconcile net income to net cash from operating activities:		
Depreciation and amortization	340,017	339,150
Loss on disposal of assets	11,751	11,499
Uncollectible receivable provision	12,471	-
Pension Expense (recovery)	74,248	(36,501)
Changes to operating assets and liabilities that provided (used) cash:		
Accounts receivable	(1,273,049)	(743,886)
Inventories	45,479	408,946
Prepaid expenses and other	108,710	86,205
Other assets	(32,253)	(79,890)
Accounts payable	486,046	(191,357)
Environmental Spending	(126,334)	(118,745)
Pension contributions	(20,557)	(1,557)
Other accruals	330,920	47,096
Net cash provided from (used in) operating activities	<u>670,400</u>	<u>262,905</u>
Cash Flows from Investing Activities:		
Capital expenditures	(232,237)	(65,022)
Proceeds from sale of fixed assets	-	-
Net cash (used in) total investing activities	<u>(232,237)</u>	<u>(65,022)</u>
Cash Flows from Financing Activities:		
Payments on bank debt and capital lease obligation	(307,500)	(20,000)
Dividends paid	(418,985)	(418,985)
Net cash (used in) total financing activities	<u>(726,485)</u>	<u>(438,985)</u>
Net (decrease) in cash and cash equivalents	(288,322)	(241,102)
Cash and cash equivalents at beginning of period	1,778,331	1,206,544
Cash and cash equivalents at end of period	<u>\$ 1,490,009</u>	<u>\$ 965,442</u>

## Item 4

Management's Discussion and Analysis of Financial Condition and Results of Operations.

Results from continuing operations for the quarter ended March 31, 2015 and 2014 are summarized below: (\$ in charts are in thousands)

	Qtr ended Mar 31, 2015		Qtr ended Mar 31, 2014	
	\$	%	\$	%
<b>The Elco Corporation</b>				
Net sales	10,942	100.0	10,187	100.0
Gross margin	3,331	30.4	3,245	31.9
Selling, general and admin	1,501	13.7	1,548	15.2
Depreciation and Amortization	339	3.1	338	3.3
Elco pre-tax income	1,479	13.6	1,348	13.2
<b>Detrex Corporation</b>				
Selling, general and admin	408	3.8	471	4.6
Depreciation and amortization	1	-	1	-
Environmental provision	-	-	-	-
Other expense, net	22	0.2	55	0.5
Total pre-tax income	1,048	9.6	821	8.1

Revenues for the quarter ended March 31, 2015 were \$0.8 million (7.4%) higher, compared to the same period in 2014. The increase was the result of gains in several product lines and improved sales of a product that tends to fluctuate in volume from month to month.

Gross margins improved by \$.1 million compared to the prior year period, due primarily to the increased volume. The overall selling, general and administrative expenses were reduced from the prior period a year ago due to decreased spending across several areas, including planned spending reductions for corporate expenses. The other expense amount represents the interest expense recorded on the company's credit facility.

### Liquidity and Financial Condition

Working capital at March 31, 2015 and December 31, 2014 was \$7.3 million. The Company believes that it has adequate cash flow and bank credit availability to fund its operations. Capital spending through the first three months of 2015 totaled approximately \$232,000. The Company has no material off-balance sheet lending arrangements.

Item 5      Legal Proceedings

None

Item 6      Defaults Upon Senior Securities

None

Item 7      Other Information

None

Item 8      Exhibits

None

Item 9      Certifications

See attached

### **CFO AND CEO CERTIFICATIONS**

I, Thomas E. Mark, President and CEO and currently performing the duties of the CFO, certify that:

- a) I have reviewed this quarterly disclosure statement of Detrex Corporation;
- b) Based on my knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement;
- c) Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the Company as of, and for the periods presented in this disclosure statement; and

WHEREFORE, the undersigned has executed this Certification on this 27th day of April, 2015.

Certified by: Thomas E. Mark  
Thomas E. Mark  
President and CEO