

US ECOLOGY, INC.
Form 10-Q
October 31, 2013
[Table of Contents](#)

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 September 30, 2013

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: 0000-11688

US ECOLOGY, INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of incorporation or organization)

95-3889638
(I.R.S. Employer Identification No.)

251 E. Front St., Suite 400
Boise, Idaho
(Address of principal executive offices)

83702
(Zip Code)

Registrant's telephone number, including area code: **(208) 331-8400**

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 (§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.

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

At October 25, 2013, there were 18,534,510 shares of the registrant's Common Stock outstanding.

Table of Contents

US ECOLOGY, INC.

FORM 10-Q

TABLE OF CONTENTS

| Item | | Page |
|------------|--|------|
| | <u>PART I FINANCIAL INFORMATION</u> | |
| <u>1.</u> | <u>Financial Statements (Unaudited)</u> | 3 |
| | <u>Consolidated Balance Sheets as of September 30, 2013 and December 31, 2012</u> | 3 |
| | <u>Consolidated Statements of Operations for the three and nine months ended September 30, 2013 and 2012</u> | 4 |
| | <u>Consolidated Statements of Comprehensive Income for the three and nine months ended September 30, 2013 and 2012</u> | 5 |
| | <u>Consolidated Statements of Cash Flows for the nine months ended September 30, 2013 and 2012</u> | 6 |
| | <u>Notes to Consolidated Financial Statements</u> | 7 |
| | <u>Report of Independent Registered Public Accounting Firm</u> | 17 |
| <u>2.</u> | <u>Management's Discussion and Analysis of Financial Condition and Results of Operations</u> | 18 |
| <u>3.</u> | <u>Quantitative and Qualitative Disclosures About Market Risk</u> | 27 |
| <u>4.</u> | <u>Controls and Procedures</u> | 27 |
| | <u>PART II OTHER INFORMATION</u> | |
| | <u>Cautionary Statement</u> | 28 |
| <u>1.</u> | <u>Legal Proceedings</u> | 28 |
| <u>1A.</u> | <u>Risk Factors</u> | 28 |
| <u>2.</u> | <u>Unregistered Sales of Equity Securities and Use of Proceeds</u> | 29 |
| <u>3.</u> | <u>Defaults Upon Senior Securities</u> | 29 |
| <u>4.</u> | <u>Mine Safety Disclosures</u> | 29 |
| <u>5.</u> | <u>Other Information</u> | 29 |
| <u>6.</u> | <u>Exhibits</u> | 29 |
| | <u>SIGNATURE</u> | 30 |

Table of Contents

PART I - FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

US ECOLOGY, INC.

CONSOLIDATED BALANCE SHEETS

(Unaudited)

(In thousands, except par value amount)

| | September 30, 2013 | December 31, 2012 |
|---|--------------------|-------------------|
| Assets | | |
| Current Assets: | | |
| Cash and cash equivalents | \$ 4,378 | \$ 2,120 |
| Receivables, net | 40,794 | 33,947 |
| Prepaid expenses and other current assets | 4,076 | 3,161 |
| Deferred income taxes | 888 | 1,276 |
| Total current assets | 50,136 | 40,504 |
| Property and equipment, net | 115,284 | 109,792 |
| Restricted cash | 4,111 | 4,111 |
| Intangible assets, net | 38,354 | 40,771 |
| Goodwill | 22,359 | 23,105 |
| Other assets | 487 | 411 |
| Total assets | \$ 230,731 | \$ 218,694 |
| Liabilities And Stockholders Equity | | |
| Current Liabilities: | | |
| Accounts payable | \$ 8,070 | \$ 6,333 |
| Deferred revenue | 6,439 | 3,919 |
| Accrued liabilities | 8,291 | 7,322 |
| Accrued salaries and benefits | 5,925 | 7,570 |
| Income taxes payable | 3,168 | 426 |
| Current portion of closure and post-closure obligations | 894 | 1,913 |
| Total current liabilities | 32,787 | 27,483 |
| Long-term closure and post-closure obligations | 16,286 | 15,449 |
| Reducing revolving line of credit | 35,500 | 45,000 |
| Other long-term liabilities | 80 | 114 |
| Unrecognized tax benefits | 477 | 467 |
| Deferred income taxes | 15,693 | 18,159 |
| Total liabilities | 100,823 | 106,672 |
| Commitments and contingencies | | |

Edgar Filing: US ECOLOGY, INC. - Form 10-Q

Stockholders Equity:

| | | | | |
|---|----|----------------|----|----------------|
| Common stock \$0.01 par value, 50,000 authorized; 18,534 and 18,385 shares issued, respectively | | 185 | | 184 |
| Additional paid-in capital | | 65,838 | | 63,969 |
| Retained earnings | | 64,723 | | 48,424 |
| Treasury stock, at cost, 19 and 71 shares, respectively | | (319) | | (1,183) |
| Accumulated other comprehensive income (loss) | | (519) | | 628 |
| Total stockholders equity | | 129,908 | | 112,022 |
| Total liabilities and stockholders equity | \$ | 230,731 | \$ | 218,694 |

The accompanying notes are an integral part of these financial statements.

Table of Contents

US ECOLOGY, INC.

CONSOLIDATED STATEMENTS OF OPERATIONS

(Unaudited)

(In thousands, except per share amounts)

| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|-------------------------------|----------------------------------|-----------|---------------------------------|------------|
| | 2013 | 2012 | 2013 | 2012 |
| Revenue | \$ 53,090 | \$ 45,739 | \$ 141,766 | \$ 118,732 |
| Direct operating costs | | | | |