

US ECOLOGY, INC.
Form 10-Q
August 11, 2014
Table of Contents

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

- x QUARTERLY REPORT PURSUANT TO SECTION 13 or 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended June 30, 2014

or

- o 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 Smaller reporting company
(Do not check if a 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 August 7, 2014, there were 21,624,325 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 June 30, 2014 and December 31, 2013</u>	3
	<u>Consolidated Statements of Operations for the three and six months ended June 30, 2014 and 2013</u>	4
	<u>Consolidated Statements of Comprehensive Income for the three and six months ended June 30, 2014 and 2013</u>	5
	<u>Consolidated Statements of Cash Flows for the six months ended June 30, 2014 and 2013</u>	6
	<u>Notes to Consolidated Financial Statements</u>	7
	<u>Report of Independent Registered Public Accounting Firm</u>	21
<u>2.</u>	<u>Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	22
<u>3.</u>	<u>Quantitative and Qualitative Disclosures About Market Risk</u>	33
<u>4.</u>	<u>Controls and Procedures</u>	33
	<u>PART II OTHER INFORMATION</u>	
	<u>Cautionary Statement</u>	35
<u>1.</u>	<u>Legal Proceedings</u>	35
<u>1A.</u>	<u>Risk Factors</u>	36
<u>2.</u>	<u>Unregistered Sales of Equity Securities and Use of Proceeds</u>	38
<u>3.</u>	<u>Defaults Upon Senior Securities</u>	38
<u>4.</u>	<u>Mine Safety Disclosures</u>	38
<u>5.</u>	<u>Other Information</u>	38
<u>6.</u>	<u>Exhibits</u>	38
	<u>SIGNATURE</u>	39

Table of Contents

PART I - FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

US ECOLOGY, INC.

CONSOLIDATED BALANCE SHEETS

(Unaudited)

(In thousands, except par value amount)

	June 30, 2014	December 31, 2013
Assets		
Current Assets:		
Cash and cash equivalents	\$ 13,797	\$ 73,940
Receivables, net	128,345	43,636
Prepaid expenses and other current assets	12,681	3,612
Income taxes receivable	7,193	
Deferred income taxes	5,327	1,340
Total current assets	167,343	122,528
Property and equipment, net	221,146	114,859
Restricted cash and investments	5,723	4,097
Intangible assets, net	286,391	36,832
Goodwill	212,524	21,693
Other assets	12,258	547
Total assets	\$ 905,385	\$ 300,556
Liabilities And Stockholders Equity		
Current Liabilities:		
Accounts payable	\$ 23,381	\$ 7,277
Deferred revenue	9,427	8,870
Accrued liabilities	32,912	8,691
Accrued salaries and benefits	11,175	6,957
Income taxes payable	1,469	4,428
Current portion of closure and post-closure obligations	5,338	949
Current portion of long-term debt	4,002	
Total current liabilities	87,704	37,172
Long-term closure and post-closure obligations	53,250	16,519
Long-term debt	409,961	
Other long-term liabilities	1,288	69
Unrecognized tax benefits	487	480
Deferred income taxes	110,454	14,778
Total liabilities	663,144	69,018

Commitments and contingencies

Stockholders Equity:

Common stock \$0.01 par value, 50,000 authorized; 21,624 and 21,538 shares issued, respectively	216	215
Additional paid-in capital	164,926	162,830
Retained earnings	79,073	70,597
Treasury stock, at cost, 13 and 19 shares, respectively	(267)	(319)
Accumulated other comprehensive income (loss)	(1,707)	(1,785)
Total stockholders equity	242,241	231,538
Total liabilities and stockholders equity	\$ 905,385	\$ 300,556

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

Table of Contents