

US ECOLOGY, INC.
Form 10-Q
November 08, 2011
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: September 30, 2011

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: 0-11688

US ECOLOGY, INC.

(Exact Name of Registrant as Specified in Its Charter)

Delaware
(State of Incorporation)

95-3889638
(I.R.S. Employer Identification Number)

Lakepointe Centre I,
300 E. Mallard, Suite 300

Boise, Idaho
(Address of Principal Executive Offices)

83706
(Zip Code)

(208) 331-8400

(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.

Large accelerated filer Accelerated filer
Non-accelerated filer Smaller Reporting Company
(Do not check if smaller reporting company)

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

The number of shares of the registrant's common stock, \$0.01 par value, outstanding as of November 4, 2011 was 18,317,514.

Table of Contents

US ECOLOGY, INC.

TABLE OF CONTENTS

<u>PART I.</u>	<u>FINANCIAL INFORMATION</u>	
<u>Item 1.</u>	<u>Financial Statements (Unaudited)</u>	
	<u>Consolidated Balance Sheets as of September 30, 2011 and December 31, 2010</u>	1
	<u>Consolidated Statements of Operations for the three and nine months ended September 30, 2011 and 2010</u>	2
	<u>Consolidated Statements of Cash Flows for the nine months ended September 30, 2011 and 2010</u>	3
	<u>Consolidated Statements of Stockholders' Equity for the nine months ended September 30, 2011 and 2010</u>	4
	<u>Notes to Consolidated Financial Statements</u>	5
	<u>Report of Independent Registered Public Accounting Firm</u>	14
<u>Item 2.</u>	<u>Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	15
<u>Item 3.</u>	<u>Quantitative and Qualitative Disclosures About Market Risk</u>	24
<u>Item 4.</u>	<u>Controls and Procedures</u>	25
<u>PART II.</u>	<u>OTHER INFORMATION</u>	
<u>Cautionary Statement</u>		25
<u>Item 1.</u>	<u>Legal Proceedings</u>	26
<u>Item 1A.</u>	<u>Risk Factors</u>	26
<u>Item 2.</u>	<u>Unregistered Sales of Equity Securities and Use of Proceeds</u>	26
<u>Item 3.</u>	<u>Defaults Upon Senior Securities</u>	26
<u>Item 4.</u>	<u>Removed and Reserved</u>	26
<u>Item 5.</u>	<u>Other Information</u>	26
<u>Item 6.</u>	<u>Exhibits</u>	27
<u>SIGNATURE</u>		28

Table of Contents**PART I. FINANCIAL INFORMATION****Item 1. Financial Statements****US ECOLOGY, INC.****CONSOLIDATED BALANCE SHEETS****(in thousands, except per share amounts)****(unaudited)**

	September 30, 2011	December 31, 2010
Assets		
Current Assets:		
Cash and cash equivalents	\$ 6,059	\$ 6,342
Receivables, net	28,708	33,553
Prepaid expenses and other current assets	2,709	2,635
Income taxes receivable	29	
Deferred income taxes	872	455
Total current assets	38,377	42,985
Property and equipment, net	101,038	105,822
Restricted cash	4,115	4,115
Intangible assets, net	38,863	41,740
Goodwill	20,815	21,790
Other assets	721	897
Total assets	\$ 203,929	\$ 217,349
Liabilities and Stockholders Equity		
Current Liabilities:		
Accounts payable	\$ 5,516	\$ 5,033
Deferred revenue	4,076	3,620
Accrued liabilities	9,031	8,188
Accrued salaries and benefits	4,459	4,051
Income taxes payable	971	2,615
Current portion of closure and post-closure obligations	2,462	778
Current portion of capital lease obligations	3	7
Total current liabilities	26,518	24,292
Long-term closure and post-closure obligations	14,788	15,995
Long-term capital lease obligations	1	3
Reducing revolving line of credit	48,000	63,000
Other long-term liabilities	157	201
Unrecognized tax benefits	429	
Deferred income taxes	18,068	19,146

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Total liabilities	107,961	122,637
Contingencies and commitments		
Stockholders' Equity:		
Common stock \$0.01 par value, 50,000 authorized; 18,318 and 18,311 shares issued, respectively	183	183
Additional paid-in capital	62,188	61,892
Retained earnings	35,779	33,940
Treasury stock, at cost, 93 and 119 shares, respectively	(1,555)	(1,979)
Accumulated other comprehensive (loss) income	(627)	676
Total stockholders' equity	95,968	94,712
Total liabilities and stockholders' equity	\$ 203,929	\$ 217,349

See Notes to Consolidated Financial Statements.

Table of Contents

US ECOLOGY, INC.

CONSOLIDATED STATEMENTS OF OPERATIONS

(in thousands, except per share data)
(unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2011	2010	2011	2010
Revenue	\$ 39,670	\$ 25,984	\$ 113,350	\$ 65,356
Other direct operating costs	18,810	10,229	54,825	30,239
Transportation costs	5,571	5,383	20,689	11,027
Gross profit	15,289	10,372	37,836	24,090
Selling, general and administrative expenses	5,722	3,929	15,874	10,839
Operating income	9,567	6,443	21,962	13,251
Other income (expense):				
Interest income	6	16	21	47
Interest expense	(395)		(1,277)	(1)
Foreign currency loss	(3,661)	(35)	(2,193)	(59)
Other	73	65	245	179
Total other income (expense)	(3,977)	46	(3,204)	166
Income before income taxes	5,590	6,489	18,758	13,417
Income tax expense	1,864	2,551	7,087	5,366
Net income	\$ 3,726	\$ 3,938	\$ 11,671	\$ 8,051
Earnings per share:				
Basic	\$ 0.20	\$ 0.22	\$ 0.64	\$ 0.44
Diluted	\$ 0.20	\$ 0.22	\$ 0.64	\$ 0.44
Shares used in earnings per share calculation:				
Basic	18,202	18,172	18,194	18,167
Diluted	18,227	18,186	18,219	18,186
Dividends paid per share	\$ 0.18	\$ 0.18	\$ 0.54	\$ 0.54

See Notes to Consolidated Financial Statements.

Table of Contents

US ECOLOGY, INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS

(in thousands)
(unaudited)

	Nine Months Ended September 30,	
	2011	2010
Cash Flows From Operating Activities:		
Net income	\$ 11,671	\$ 8,051
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization of property and equipment	9,911	5,011
Amortization of intangible assets	1,076	
Accretion of closure and post-closure obligations	970	830
Unrealized foreign currency loss	2,217	
Deferred income taxes	(904)	117
Stock-based compensation expense	623	789
Unrecognized tax benefits	429	
Net loss on sale of property and equipment	99	167
Changes in assets and liabilities:		
Receivables	4,585	(1,456)
Income tax receivable	(31)	
Other assets	80	(646)
Accounts payable and accrued liabilities	2,392	1,884
Deferred revenue	516	483
Accrued salaries and benefits	483	(78)
Income tax payable	(1,646)	861