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Heritage-Crystal Clean, Inc.
Form 10-Q
July 24, 2014

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

FORM 10-Q
(Mark One)

- QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934
For the quarterly period ended June 14, 2014
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 001-33987

HERITAGE-CRYSTAL CLEAN, INC.
(Exact name of registrant as specified in its charter)

Delaware
State or other jurisdiction of
Incorporation

26-0351454
(I.R.S. Employer
Identification No.)

2175 Point Boulevard
Suite 375
Elgin, IL 60123
(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code: (847) 836-5670

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

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Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definitions of “large accelerated filer,” “accelerated filer” and “smaller reporting company” in Rule 12b-2 of the Exchange Act.

Large accelerated filer

Non-accelerated filer

Accelerated filer

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

On July 18, 2014, there were outstanding 18,620,802 shares of Common Stock, \$0.01 par value, of Heritage-Crystal Clean, Inc.

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PART I

ITEM 1. FINANCIAL STATEMENTS

Heritage-Crystal Clean, Inc.
Consolidated Balance Sheets
(In Thousands, Except Share and Par Value Amounts)

	June 14, 2014 (unaudited)	December 28, 2013
ASSETS		
Current Assets:		
Cash and cash equivalents	\$18,029	\$22,632
Accounts receivable - net	35,921	31,172
Inventory - net	29,940	27,307
Deferred income taxes	1,004	1,004
Other current assets	3,980	3,661
Total Current Assets	88,874	85,776
Property, plant and equipment - net	87,829	85,039
Equipment at customers - net	20,534	19,358
Software and intangible assets - net	15,566	16,094
Goodwill	9,787	9,691
Total Assets	\$222,590	\$215,958
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities:		
Accounts payable	\$25,538	\$18,291
Current maturities of long-term debt and term loan	2,410	2,906
Accrued salaries, wages, and benefits	3,018	4,145
Taxes payable	1,790	1,292
Other accrued expenses	2,776	2,730
Total Current Liabilities	35,532	29,364
Term loan, less current maturities	17,125	17,500
Long-term debt, less current maturities	448	552
Deferred income taxes	9,205	9,238
Total Liabilities	\$62,310	\$56,654
STOCKHOLDERS' EQUITY:		
Common stock - 26,000,000 shares authorized at \$0.01 par value, 18,440,828 and 18,360,282 shares issued and outstanding at June 14, 2014 and December 28, 2013, respectively	\$184	\$184
Additional paid-in capital	146,829	146,043
Retained earnings	12,413	12,143
Total Heritage-Crystal Clean, Inc. Stockholders' Equity	159,426	158,370
Noncontrolling interest	854	934
Total Equity	\$160,280	\$159,304
Total Liabilities and Stockholders' Equity	\$222,590	\$215,958

See accompanying notes to financial statements.

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Heritage-Crystal Clean, Inc.
 Consolidated Statements of Income
 (In Thousands, Except per Share Amounts)
 (Unaudited)

	Second Quarter Ended,		First Half Ended,	
	June 14, 2014	June 15, 2013	June 14, 2014	June 15, 2013
Revenues				
Product revenues	\$38,614	\$28,906	\$67,917	\$55,464
Service revenues	39,467	34,644	76,129	68,093
Total revenues	\$78,081	\$63,550	\$144,046	\$123,557
Operating expenses				
Operating costs	\$63,525	\$52,201	\$120,890	\$104,487
Selling, general, and administrative expenses	8,306	7,049	17,149	13,640
Depreciation and amortization	2,692	2,163	5,318	4,022
Other expense - net	236	101	185	93
Operating income	3,322	2,036	504	1,315
Interest expense – net	33	107		