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Heritage-Crystal Clean, Inc.  
Form 10-Q  
October 18, 2012

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 September 8, 2012

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

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

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

On October 12, 2012, there were outstanding 18,068,352 shares of Common Stock, \$0.01 par value, of Heritage-Crystal Clean, Inc.

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## PART I

## ITEM 1. FINANCIAL STATEMENTS AND OTHER SUPPLEMENTARY DATA

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

	September 8, 2012	December 31, 2011
<b>ASSETS</b>		
Current Assets:		
Cash and cash equivalents	\$46,379	\$2,186
Accounts receivable - net	29,044	17,047
Inventory - net	26,415	21,260
Deferred income taxes	3,301	986
Income tax receivables - current	174	1,040
Other current assets	3,409	1,955
Total Current Assets	108,722	44,474
Property, plant and equipment - net	71,740	66,653
Equipment at customers - net	17,744	16,408
Software and intangible assets - net	4,424	4,469
Goodwill	1,798	1,798
Income tax receivables - noncurrent	—	254
Total Assets	\$204,428	\$134,056
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current Liabilities:		
Accounts payable	\$18,596	\$21,266
Accrued salaries, wages, and benefits	3,074	2,930
Taxes payable	1,310	1,121
Current maturities of long-term debt and term loan	1,678	1,053
Other accrued expenses	2,545	2,562
Total Current Liabilities	27,203	28,932
Term loan, less current maturities	18,625	19,500
Long-term debt, less current maturities	953	1,338
Contingent consideration, less current portion	580	1,027
Deferred income taxes	7,802	4,706
Total Liabilities	55,163	55,503
<b>STOCKHOLDERS' EQUITY:</b>		
Common stock - 22,000,000 shares authorized at \$0.01 par value, 18,062,091 and 14,448,331 shares issued and outstanding at September 8, 2012 and December 31, 2011, respectively	\$181	\$144
Additional paid-in capital	141,217	73,065
Retained earnings	7,867	5,344
Total Stockholders' Equity	149,265	78,553
Total Liabilities and Stockholders' Equity	\$204,428	\$134,056

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)

	Third Quarter Ended,		First Three Quarters Ended,	
	September 8, 2012	September 10, 2011	September 8, 2012	September 10, 2011
Revenues				
Product revenues	31,348	10,919	84,505	20,670
Service revenues	30,718	26,325	90,341	77,281
Total revenues	\$62,066	\$37,244	\$174,846	\$97,951
Operating expenses				
Operating costs	52,718	30,197	146,963	77,438
Selling, general, and administrative expenses	5,575	4,886	17,569	14,242
Depreciation and amortization	1,904	1,208	5,587	3,533
Loss (gain) on disposal of fixed assets - net	—	1	(3	) (11
Operating income	1,869	952	4,730	2,749
Interest expense – net	112	9	445	23
Income before income taxes	1,757	943	4,285	2,726
Provision for income taxes	723	335	1,762	1,061
Net income	\$1,034	\$608		