

CLEAN HARBORS INC

Form 10-Q/A

November 14, 2003

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SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

Form 10-Q/A

Amendment No. 1

Quarterly Report Pursuant to Section 13 or 15(d)

of the Securities Exchange Act of 1934

for the Quarterly Period Ended

June 30, 2003

Commission File Number 0-16379

Clean Harbors, Inc.

(Exact name of registrant as specified in its charter)

Massachusetts
(State of Incorporation)

1501 Washington Street, Braintree, MA
(Address of Principal Executive Offices)

04-2997780
(IRS Employer Identification No.)

02184-7535
(Zip Code)

(781) 849-1800 ext. 4454

(Registrant's Telephone Number, Including Area Code)

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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 twelve 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 is an accelerated filer (as defined in Rule 12b-2 of the Act). Yes ☐ No ☒

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Common Stock, \$.01 par value

(Class)

13,846,432

(Outstanding at November 4, 2003)

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EXPLANATORY NOTE

This Amendment No. 1 of the Quarterly Report on Form 10-Q of Clean Harbors, Inc. sets forth restated Consolidated Statements of Cash Flows for the six months ended June 30, 2003, and revised related disclosures as a result of making corrections to the previously filed Consolidated Statements of Cash Flows. These corrections reclassify on the Statements of Cash Flows certain non-cash items associated with purchase accounting and increase both the previously reported net cash provided by operating activities and net cash used for investing activities by an approximately corresponding amount. See Note 11 to our unaudited consolidated financial statements for further discussion of the restatement. The restatement does not affect the previously filed Consolidated Statements of Operations, Consolidated Balance Sheets or Consolidated Statement of Stockholders' Equity. Financial Statements (Part I, Item 1) and Management's Discussion and Analysis of Financial Condition and Results of Operations (Part I, Item 2) have been revised to reflect the restatement of the Consolidated Statements of Cash Flows.

In order to preserve the nature and character of the disclosures set forth in such items as originally filed, no attempt has been made in this amendment to modify or update the disclosures in the original Quarterly Report on Form 10-Q for the quarter ended June 30, 2003, except as required to reflect the effects of the restated Consolidated Statements of Cash Flows, to reflect the effects of the restatement on Notes 4 and 11 to the Consolidated Financial Statements, to reflect the effects of the restatement on the Liquidity and Capital Resources section of Management's Discussion and Analysis of Financial Condition and Results of Operations. As a result, this amended Quarterly Report on Form 10-Q/A for the quarter ended June 30, 2003 contains forward-looking information that has not been updated for events subsequent to the date of the original filing of the Form 10-Q for the quarter ended June 30, 2003, and the Company directs you to its SEC filings made subsequent to that original filing date for additional information.

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CLEAN HARBORS, INC.

QUARTERLY REPORT ON FORM 10-Q

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	June 30, 2003	December 31, 2002
	(Unaudited)	
Current assets:		
Cash and cash equivalents	\$ 5,405	\$ 13,682
Accounts receivable, net of allowance for doubtful accounts of \$3,211 and \$2,388, respectively	124,093	118,964
Other receivables	1,081	6,662
Due from Safety-Kleen	7,750	15,261
Unbilled accounts receivable	10,817	13,556
Deferred costs	3,359	4,430
Prepaid expenses	6,332	8,438
Supplies inventories	9,779	9,629
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Total current assets	168,616	190,622
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Property, plant, and equipment:		
Land	18,486	17,775
Landfill assets	11,001	14,781
Buildings and improvements	85,714	90,694
Vehicles and equipment	156,806	158,820
Furniture and fixtures	2,288	2,282
Asset retirement costs	1,852	
Construction in progress	13,336	7,438
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	289,483	291,790
Less accumulated depreciation and amortization	122,311	110,116
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	167,172	181,674
	<hr/>	<hr/>
Other assets:		
Restricted cash and cash equivalents	83,919	60,509
Deferred financing costs	6,529	7,036
Goodwill, net	19,032	19,032
Permits and other intangibles	81,964	95,694
Other	6,472	5,123
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	197,916	187,394
	<hr/>	<hr/>
Total assets	\$ 533,704	\$ 559,690
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The accompanying notes are an integral part of these consolidated financial statements.

Table of Contents**CLEAN HARBORS, INC. AND SUBSIDIARIES****CONSOLIDATED BALANCE SHEETS****LIABILITIES, REDEEMABLE CONVERTIBLE PREFERRED STOCK AND STOCKHOLDERS' EQUITY**

(dollars in thousands)

	June 30, 2003	December 31, 2002
	(Unaudited)	
Current liabilities:		
Uncashed checks	\$ 8,123	\$ 7,233
Revolving credit facility	40,162	17,709
Current portion of long term obligations	477	396
Accounts payable	56,967	56,360
Accrued disposal costs	1,989	1,998
Deferred revenue	18,170	24,273
Other accrued expenses	34,854	33,863
Current portion of environmental liabilities	22,216	19,821
Income taxes payable	376	1,560
Total current liabilities	183,334	163,213
Other liabilities:		
Environmental liabilities, less current portion	144,637	184,790
Long-term obligations, less current maturities	154,649	155,000
Long-term capitalized lease obligations, less current portion	1,469	1,245
Deferred tax liability	4,004	3,330
Other long-term liabilities	16,903	16,194
Accrued pension cost	662	593
Total other liabilities	322,324	361,152
Commitments and contingent liabilities		
Redeemable Series C Convertible Preferred Stock, \$.01 par value: Authorized 25,000 shares; Issued and outstanding 25,000 shares (liquidation preference of \$25.0 million), net of issuance costs and fair value of embedded derivative	14,187	13,543
Stockholders' equity:		
Preferred stock, \$.01 par value:		
Series A convertible preferred stock: Authorized 894,585 shares; issued and outstanding none		
Series B convertible preferred stock: Authorized 156,416 shares; issued and outstanding 112,000 shares (liquidation preference of \$5.6 million)	1	1
Common stock, \$.01 par value:		
Authorized 20,000,000 shares; issued and outstanding 13,451,949 and 12,307,043 shares, respectively	135	123
Additional paid-in capital	64,636	65,630
Accumulated other comprehensive income (loss)	6,606	(396)
Accumulated deficit	(57,519)	(43,576)
Total stockholders' equity	13,859	21,782

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Total liabilities, redeemable convertible preferred stock and stockholders' equity	\$ 533,704	\$ 559,690
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The accompanying notes are an integral part of these consolidated financial statements.

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CLEAN HARBORS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS

Unaudited

(in thousands except per share amounts)

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2003	2002	2003	2002
Revenues	\$ 172,035	\$ 60,105	\$ 314,340	\$ 113,424
Cost of revenues	131,797	42,048	238,411	80,990
Selling, general and administrative expenses	31,003	12,001	58,092	21,932
Accretion of environmental liabilities	2,783		5,516	
Depreciation and amortization	6,439	2,649	13,087	5,344
Restructuring			(124)	
Income (loss) from operations	13	3,407	(642)	5,158
Other income	429		446	
Interest expense, net	5,979	2,483	11,489	4,756
Income (loss) before provision for income taxes and cumulative effect of change in accounting principle	(5,537)	924	(11,685)	402
Provision for income taxes	1,262	441	2,250	161
Income (loss) before cumulative effect of change in accounting principle	(6,799)	483	(13,935)	241
Cumulative effect of change in accounting principle, net of \$0 taxes			8	
Net income (loss)	(6,799)	483	(13,943)	241
Dividends and accretion on preferred stock	814	112	1,618	224
Net income (loss) attributable to common shareholders	\$ (7,613)	\$ 371	\$ (15,561)	\$ 17
Basic income (loss) per share:				
Income (loss) before cumulative effect of change in accounting principle	\$ (0.57)	\$ 0.03	\$ (1.17)	\$ 0.00
Cumulative effect of change in accounting principle, net of income taxes	\$	\$	\$	\$
Income (loss) attributable to common shareholders	\$ (0.57)	\$ 0.03	\$ (1.17)	\$ 0.00
Diluted loss per share:				
Income (loss) before change in accounting principle	\$ (0.57)	\$ 0.03	\$ (1.17)	\$ 0.00
Cumulative effect of change in accounting principle, net of income taxes	\$	\$	\$	\$

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Income (loss) attributable to common shareholders	\$ (0.57)	\$ 0.03	\$ (1.17)	\$ 0.00
Weighted average common shares outstanding	13,436	12,064	13,353	11,932
Weighted average common shares outstanding plus potentially dilutive common shares	13,436	14,362	13,353	