

STERICYCLE INC  
Form 10-Q  
November 07, 2013  
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UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended September 30, 2013 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 0-21229

Stericycle, Inc.  
(Exact name of registrant as specified in its charter)

Delaware  
(State or other jurisdiction of incorporation or organization)

28161 North Keith Drive  
Lake Forest, Illinois 60045  
(Address of principal executive offices, including zip code)  
(847) 367-5910  
(Registrant's telephone number, including area code)

36-3640402  
(IRS Employer Identification Number)

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 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 definition 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

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

As of November 1, 2013 there were 85,710,402 shares of the registrant's Common Stock outstanding.

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PART I. – FINANCIAL INFORMATION  
 ITEM 1. FINANCIAL STATEMENTS  
 STERICYCLE, INC. AND SUBSIDIARIES  
 CONDENSED CONSOLIDATED BALANCE SHEETS  
 (Unaudited)

In thousands, except share and per share data

	September 30, 2013	December 31, 2012
<b>ASSETS</b>		
Current Assets:		
Cash and cash equivalents	\$63,580	\$31,324
Short-term investments	447	503
Accounts receivable, less allowance for doubtful accounts of \$18,268 in 2013 and \$19,443 in 2012	370,077	322,246
Deferred income taxes	22,181	22,995
Prepaid expenses	30,909	27,042
Other current assets	40,778	37,176
Total Current Assets	527,972	441,286
Property, plant and equipment, net	352,368	335,870
Goodwill	2,207,845	2,065,103
Intangible assets, less accumulated amortization of \$82,180 in 2013 and \$64,215 in 2012	720,811	667,471
Other assets	36,133	37,008
Total Assets	\$3,845,129	\$3,546,738
<b>LIABILITIES AND EQUITY</b>		
Current liabilities:		
Current portion of long-term debt	\$107,577	\$87,781
Accounts payable	82,552	74,225
Accrued liabilities	135,472	124,261
Deferred revenues	19,491	18,095
Other current liabilities	66,512	26,698
Total Current Liabilities	411,604	331,060
Long-term debt, net of current portion	1,295,592	1,268,303
Deferred income taxes	384,110	359,780
Other liabilities	31,090	30,272
Equity:		
Common stock (par value \$.01 per share, 120,000,000 shares authorized, 85,692,918 issued and outstanding in 2013 and 85,987,883 issued and outstanding in 2012)	857	860
Additional paid-in capital	177,706	116,720
Accumulated other comprehensive loss	(54,998)	(39,064)
Retained earnings	1,581,964	1,463,277
Total Stericycle, Inc.'s Equity	1,705,529	1,541,793
Noncontrolling interest	17,204	15,530
Total Equity	1,722,733	1,557,323
Total Liabilities and Equity	\$3,845,129	\$3,546,738

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



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STERICYCLE, INC. AND SUBSIDIARIES  
 CONDENSED CONSOLIDATED STATEMENTS OF INCOME  
 (Unaudited)

In thousands, except share and per share data

	Three Months Ended September		Nine Months Ended September	
	30, 2013	2012	30, 2013	2012
Revenues	\$534,579	\$480,484	\$1,574,908	\$1,409,511
Costs and Expenses:				
Cost of revenues (exclusive of depreciation shown below)	280,645	253,526	826,703	746,540
Depreciation - cost of revenues	12,531	11,404	36,856	32,622
Selling, general and administrative expenses (exclusive of depreciation and amortization shown below)	96,689	92,966	282,580	259,246
Depreciation – selling, general and administrative expenses	2,610	2,480	8,373	6,892
Amortization	6,709	5,561	19,884	15,675
Total Costs and Expenses	399,184	365,937	1,174,396	1,060,975
Income from Operations	135,395	114,547	400,512	348,536
Other Income (Expense):				
Interest income	151	117	420	333
Interest expense	(13,467)	) (13,048	) (40,028	) (38,597
Other expense, net	(1,341)	) (488	) (2,899	) (556
Total Other Expense	(14,657)	) (13,419	) (42,507	) (38,820