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

FORM 8-K

CURRENT REPORT

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

Date of Report (Date of earliest event reported) May 9, 2018

PERMA-FIX ENVIRONMENTAL SERVICES, INC.

(Exact name of registrant as specified in its charter)

| | | |
|---|---|---|
| <u>Delaware</u> (State or other jurisdiction of incorporation) | <u>1-11596</u> (Commission File Number) | <u>58-1954497</u> (IRS Employer Identification No.) |
| <u>8302 Dunwoody Place, Suite 250, Atlanta, Georgia</u> (Address of principal executive offices) | | <u>30350</u> (Zip Code) |

Registrant's telephone number, including area code: (770) 587-9898

Not applicable

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 or Rule 12b-2 of the Securities Exchange Act of 1934.

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act

Section 2 – Financial Information

Item 2.02 – Results of Operations and Financial Condition

On May 9, 2018 at 11:00 a.m. ET, Perma-Fix Environmental Services, Inc. (the “Company”) will hold a conference call broadcast live over the Internet. A press release dated May 4, 2018 announcing the conference call, is attached hereto as Exhibit 99.1 and is incorporated herein by reference. A transcript of the conference call will also be available on the Company’s web page at www.perma-fix.com.

On May 9, 2018, the Company issued a press release to report its financial results for the three months ended March, 31, 2018. The press release is attached hereto as Exhibit 99.2 and is incorporated herein by reference.

The information combined in this Item 2.02 of this Form 8-K and the Exhibits attached hereto are being furnished and shall not be deemed “filed” for purposes of Section 18 of the Securities Act of 1934 (as amended), or otherwise subject to the liabilities of such section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933 (as amended), except as shall be expressly set forth by specific reference in such filing.

Section 9 – Financial Statements and Exhibits

Item 9.01 – Financial Statements and Exhibits

(d) Exhibits

| <u>Exhibit Number</u> | <u>Description</u> |
|-----------------------|---|
| 99.1 | Press release dated May 4, 2018 |
| 99.2 | Press release dated May 9, 2018 |

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Company has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

PERMA-FIX ENVIRONMENTAL SERVICES, INC.

Dated: May 9, 2018

By: /s/ Ben Naccarato

Ben Naccarato
Vice President and
Chief Financial Officer



Perma-Fix Schedules First Quarter 2018 Conference Call

ATLANTA – May 4, 2018 — **Perma-Fix Environmental Services, Inc. (NASDAQ: PESI)** today announced that it will host a conference call at 11:00 a.m. ET on Wednesday, May 9, 2018. The call will be available on the Company’s website at www.perma-fix.com, or by calling 877-407-0778 for U.S. callers, or +1 201-689-8565 for international callers. The conference call will be led by Mark J. Duff, Chief Executive Officer, Dr. Louis F. Centofanti, Executive Vice President of Strategic Initiatives, and Ben Naccarato, Vice President and Chief Financial Officer of Perma-Fix Environmental Services, Inc.

A webcast will also be archived on the Company’s website and a telephone replay of the call will be available approximately one hour following the call, through 11:00 p.m. May 16, 2018, and can be accessed by calling: 877-481-4010 (U.S. callers) or +1 919-882-2331 (international callers) and entering conference ID: 29065.

About Perma-Fix Environmental Services

Perma-Fix Environmental Services, Inc. is a nuclear services company and leading provider of nuclear and mixed waste management services. The Company’s nuclear waste services include management and treatment of radioactive and mixed waste for hospitals, research labs and institutions, federal agencies, including the Department of Energy (“DOE”), the Department of Defense (“DOD”), and the commercial nuclear industry. The Company’s nuclear services group provides project management, waste management, environmental restoration, decontamination and decommissioning, and radiological protection, safety and industrial hygiene capability to our clients. The Company operates three nuclear waste treatment facilities and provides nuclear services at DOE, DOD, and commercial facilities, nationwide.

Please visit us at <http://www.perma-fix.com>.

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Perma-Fix Achieves Profitability for the First Quarter of 2018

ATLANTA – May 9, 2018 – Perma-Fix Environmental Services, Inc. (NASDAQ: PESI) (the “Company”) today announced financial results for the first quarter ended March 31, 2018.

Q1 2018 financial highlights:

- Gross profit increases to \$3.3 million versus \$2.7 million for the first quarter of 2017
- Gross margin increases 480 basis points to 26.2%
- Reports net income attributable to common stockholders of \$136,000 or \$0.01 per share versus net loss of \$727,000 or (\$0.06) per share, for the same period in 2017
- Waste treatment backlog increases 34% versus the same period last year
- Achieves Adjusted EBITDA (defined below) of \$789,000

Mark Duff, President and CEO of the Company, commented, “I am pleased to report we achieved profitability for the first quarter of 2018, which reflects the success of our efforts to streamline operations while broadening our market base in both segments. Our revenue remained unchanged over Q1 2017 due to stability in our Services Segment, and strong backlog at our treatment facilities as we entered the first quarter. We continue to see our backlog grow within the Treatment Segment, which we believe provides us good visibility into the second quarter and second half of the year. We are further encouraged by the improved budget within the Department of Energy as well as defense clients that are beginning to move more waste while initiating remediation activities. As a result, we expect a solid year in our Treatment Segment. Within the Services Segment, this was an active quarter for project bids with several new proposal submittals, which we believe will provide potential for increased field projects this summer. Recent initiatives to increase efficiency at our treatment facilities coupled with reduced costs from closure of the M&EC facility, resulted in an improvement in both gross profit, and an increase in gross margin of more than 480 basis points. Accordingly, we generated \$789,000 of adjusted EBITDA and achieved positive net income attributable to common shareholders.”

“Looking ahead, we continue to expand our offering, and are actively pursuing new opportunities that we believe will help drive growth and further diversify our revenues. The expansion initiatives at each of our treatment facilities should come on line in the third quarter, which we expect will help to further enhance our offering to clients and increase the addressable market.”

Financial Results

Revenue was \$12.7 million for the first quarter of 2017 and 2018. Revenue from the Services Segment increased \$1.0 million to \$3.7 million for the first quarter of 2018 from \$2.7 million for the same period in 2017. Revenue for the Treatment Segment decreased to \$9.0 million for the first quarter of 2018 from \$10.0 million for the same period in 2017 primarily from decreased waste volume.

Gross profit for the first quarter of 2018 was \$3.3 million versus \$2.7 million for the first quarter of 2017 primarily due to higher revenue in the Services Segment. Gross margin increased to 26.2% from 21.4% for the same period last year primarily due to higher revenue achieved within our Services Segment and the reduction in our fixed costs in our Treatment Segment.

Operating income for the first quarter of 2018 was \$317,000 versus operating loss of \$520,000 for the first quarter of 2017. Net income attributable to common stockholders for the first quarter of 2018 was \$136,000 or \$0.01 per share versus net loss of \$727,000 or (\$0.06) per share, for the same period in 2017.

The Company reported Adjusted EBITDA of \$789,000 from continuing operations at March 31, 2018, as compared to Adjusted EBITDA of \$835,000 from continuing operations during the corresponding period of 2017. The Company defines EBITDA as earnings before interest, taxes, depreciation and amortization. Adjusted EBITDA is defined as EBITDA before research and development costs related to the Medical Isotope project. Both EBITDA and Adjusted EBITDA are not measures of performance calculated in accordance with Generally Accepted Accounting Principles in the United States of America ("GAAP"), and should not be considered in isolation of, or as a substitute for, earnings as an indicator of operating performance or cash flows from operating activities as a measure of liquidity. The Company believes the presentation of EBITDA and Adjusted EBITDA is relevant and useful by enhancing the readers' ability to understand the Company's operating performance. The Company's management utilizes EBITDA and Adjusted EBITDA as means to measure performance. The Company's measurements of EBITDA and Adjusted EBITDA may not be comparable to similar titled measures reported by other companies. The table below reconciles EBITDA and Adjusted EBITDA, both non-GAAP measures, to GAAP numbers for income (loss) from continuing operations for the three months ended March 31, 2018 and 2017.

| (In thousands) | Quarter Ended | |
|---|---------------|----------|
| | March 31, | |
| | 2018 | 2017 |
| Income (loss) from continuing operations | \$ 253 | \$ (675) |
| Adjustments: | | |
| Depreciation & amortization | 372 | 1,155 |
| Interest income | (49) | (35) |
| Interest expense | 53 | 100 |
| Interest expense - financing fees | 9 | 9 |
| Income tax expense | 51 | 81 |
| EBITDA | \$ 689 | \$ 635 |
| Research and development costs related to Medical Isotope project | 100 | 200 |
| Adjusted EBITDA | \$ 789 | \$ 835 |

The tables below present certain unaudited financial information for the business segments, which excludes allocation of corporate expenses:

| (In thousands) | Quarter Ended March 31, 2018 (Unaudited) | | | Quarter Ended March 31, 2017 (Unaudited) | | |
|-----------------------|--|----------|---------|--|----------|---------|
| | Treatment | Services | Medical | Treatment | Services | Medical |
| Revenues | \$ 8,959 | \$ 3,699 | \$ — | \$ 10,034 | \$ 2,673 | \$ — |
| Gross profit | 2,780 | 541 | — | 2,687 | 32 | — |
| Segment profit (loss) | 1,693 | (86) | (100) | 1,522 | (707) | (200) |

Conference Call

Perma-Fix will host a conference call at 11:00 a.m. ET on Wednesday, May 9, 2018. The call will be available on the Company's website at www.perma-fix.com, or by calling 877-407-0778 for U.S. callers, or +1 201-689-8565 for international callers. The conference call will be led by Mark J. Duff, Chief Executive Officer, Dr. Louis F. Centofanti, Executive Vice President of Strategic Initiatives, and Ben Naccarato, Vice President and Chief Financial Officer of Perma-Fix Environmental Services, Inc.

A webcast will also be archived on the Company's website and a telephone replay of the call will be available approximately one hour following the call, through 11:00 p.m. May 15, 2018, and can be accessed by calling: 877-481-4010 (U.S. callers) or +1 919-882-2331 (international callers) and entering conference ID: 29065.

About Perma-Fix Environmental Services

Perma-Fix Environmental Services, Inc. is a nuclear services company and leading provider of nuclear and mixed waste management services. The Company's nuclear waste services include management and treatment of radioactive and mixed waste for hospitals, research labs and institutions, federal agencies, including the DOE, the Department of Defense ("DOD"), and the commercial nuclear industry. The Company's nuclear services group provides project management, waste management, environmental restoration, decontamination and decommissioning, new build construction, and radiological protection, safety and industrial hygiene capability to our clients. The Company operates three nuclear waste treatment facilities and provides nuclear services at DOE, DOD, and commercial facilities, nationwide.

Please visit us at <http://www.perma-fix.com>.

This press release contains "forward-looking statements" which are based largely on the Company's expectations and are subject to various business risks and uncertainties, certain of which are beyond the Company's control. Forward-looking statements generally are identifiable by use of the words such as "believe", "expects", "intends", "anticipate", "plan to", "estimates", "projects", and similar expressions. Forward-looking statements include, but are not limited to: good visibility into the second quarter and second half of the year; potential for increased field projects this summer; continue growth of backlog at our treatment facilities; encouraged by the improved budget within the Department of Energy as well as defense clients; expect a solid year in our Treatment Segment; expand our offering and pursuing new opportunities that will help drive growth and further diversify our revenues; expansion initiatives at each our treatment facilities should come on line in the third quarter; and reduced overhead. These forward-looking statements are intended to qualify for the safe harbors from liability established by the Private Securities Litigation Reform Act of 1995. While the Company believes the expectations reflected in this news release are reasonable, it can give no assurance such expectations will prove to be correct. There are a variety of factors which could cause future outcomes to differ materially from those described in this release, including, without limitation, future economic conditions; industry conditions; competitive pressures; our ability to apply, commercialize, and market our new technologies; the government or such other party to a contract granted to us fails to abide by or comply with the contract or to deliver waste as anticipated under the contract or terminates existing contracts; Our Medical Segment obtains necessary financing or capital to complete its development; regulatory approvals; that Congress provides continuing funding for the DOD's and DOE's remediation projects; ability to obtain new foreign and domestic remediation contracts; and the additional factors referred to under "Risk Factors" and "Special Note Regarding Forward-Looking Statements" of our 2017 Form 10-K and Form 10-Q for quarter ended March 31, 2018. The Company makes no commitment to disclose any revisions to forward-looking statements, or any facts, events or circumstances after the date hereof that bear upon forward-looking statements.

Please visit us on the World Wide Web at <http://www.perma-fix.com>.

FINANCIAL TABLES FOLLOW

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PERMA-FIX ENVIRONMENTAL SERVICES, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
(UNAUDITED)

| (Amounts in Thousands, Except for Per Share Amounts) | Three Months Ended March 31, | |
|---|---------------------------------|-----------------|
| | 2018 | 2017 |
| Revenues | \$ 12,658 | \$ 12,707 |
| Cost of goods sold | 9,337 | 9,988 |
| Gross profit | <u>3,321</u> | <u>2,719</u> |
| Selling, general and administrative expenses | 2,780 | 2,850 |
| Research and development | 232 | 389 |
| Gain on disposal of property and equipment | (8) | — |
| Income (loss) from operations | <u>317</u> | <u>(520)</u> |
| Other income (expense): | | |
| Interest income | 49 | 35 |
| Interest expense | (53) | (100) |
| Interest expense-financing fees | (9) | (9) |
| Income (loss) from continuing operations before taxes | <u>304</u> | <u>(594)</u> |
| Income tax expense | (51) | (81) |
| Income (loss) from continuing operations, net of taxes | <u>253</u> | <u>(675)</u> |
| Loss from discontinued operations, net of taxes of \$0 | (157) | (131) |
| Net income (loss) | <u>96</u> | <u>(806)</u> |
| Net loss attributable to non-controlling interest | <u>(40)</u> | <u>(79)</u> |
| Net Income (loss) attributable to Perma-Fix Environmental Services, Inc. common stockholders | <u>\$ 136</u> | <u>\$ (727)</u> |
| Net income (loss) per common share attributable to Perma-Fix Environmental Services, Inc. stockholders - basic and diluted: | | |
| Continuing operations | \$.02 | \$ (.05) |
| Discontinued operations | (.01) | (.01) |
| Net income (loss) per common share | <u>\$.01</u> | <u>\$ (.06)</u> |
| Number of common shares used in computing net income (loss) per share: | | |
| Basic | <u>11,747</u> | <u>11,681</u> |
| Diluted | <u>11,773</u> | <u>11,681</u> |

PERMA-FIX ENVIRONMENTAL SERVICES, INC.
CONSOLIDATED BALANCE SHEET

| (Amounts in Thousands, Except for Share and Per Share Amounts) | (Unaudited) March 31, 2017 | (Audited) December 31, 2017 |
|---|-------------------------------|--------------------------------|
| ASSETS | | |
| Current assets: | | |
| Cash and equivalents | \$ 2,916 | \$ 1,063 |
| Account receivable, net of allowance for doubtful accounts of \$725 and \$720, respectively | 4,762 | 7,940 |
| Unbilled receivables | 4,574 | 4,547 |
| Other current assets | 3,621 | 3,674 |
| Assets of discontinued operations included in current assets, net of allowance for doubtful accounts of \$0 for each period presented | 94 | 89 |
| Total current assets | 15,967 | 17,313 |
| Net property and equipment | 14,830 | 14,870 |
| Property and equipment of discontinued operations, net of accumulated depreciation of \$10 for each period presented | 81 | 81 |
| Intangibles and other assets | 26,928 | 27,079 |
| Other assets related to discontinued operations | 176 | 195 |
| Total assets | \$ 57,982 | \$ 59,538 |
| LIABILITIES AND STOCKHOLDERS' EQUITY | | |
| Current liabilities | \$ 17,547 | \$ 18,676 |
| Current liabilities related to discontinued operations | 892 | 905 |
| Total current liabilities | 18,439 | 19,581 |
| Long-term liabilities | 10,869 | 11,152 |
| Long-term liabilities related to discontinued operations | 351 | 359 |
| Total liabilities | 29,659 | 31,092 |
| Commitments and Contingencies | | |
| Series B Preferred Stock of subsidiary, \$1.00 par value; 1,467,396 shares authorized, 1,284,730 shares issued and outstanding, liquidation value \$1.00 per share plus accrued and unpaid dividends of \$1,011 and \$955, respectively | 1,285 | 1,285 |
| Stockholders' equity: | | |
| Preferred Stock, \$.001 par value; 2,000,000 shares authorized, no shares issued and outstanding | — | — |
| Common Stock, \$.001 par value; 30,000,000 shares authorized, 11,754,697 and 11,738,623 shares issued, respectively; 11,747,055 and 11,730,981 shares outstanding, respectively | 12 | 12 |
| Additional paid-in capital | 106,523 | 106,417 |
| Accumulated deficit | (78,074) | (77,893) |
| Accumulated other comprehensive loss | (120) | (112) |
| Less Common Stock held in treasury, at cost: 7,642 shares | (88) | (88) |
| Total Perma-Fix Environmental Services, Inc. stockholders' equity | 28,253 | 28,336 |
| Non-controlling interest in subsidiary | (1,215) | (1,175) |
| Total stockholders' equity | 27,038 | 27,161 |
| Total liabilities and stockholders' equity | \$ 57,982 | \$ 59,538 |

