

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, DC 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): November 8, 2017

**INDUSTRIAL SERVICES OF AMERICA, INC.**

(Exact name of registrant as specified in its Charter)

Florida  
(State or other jurisdiction  
of incorporation)

0-20979  
(Commission  
File Number)

59-0712746  
(IRS Employer  
Identification No.)

7100 Grade Lane, Louisville, Kentucky

40213

(Address of principal executive offices)

(Zip Code)

Company's telephone number, including area code: (502) 366-3452

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 (17 CFR 230.425)

Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

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.

**Item 2.02 Results of Operations and Financial Condition.**

On November 8, 2017, Industrial Services of America, Inc. (the "Company") issued a press release announcing its operating results for the quarter ended September 30, 2017. A copy of the press release is furnished as Exhibit 99.1 to this Form 8-K.

The information in Item 2.02 of this report, including the related Exhibit 99.1, shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, nor shall it be incorporated by reference in any registration statement filed under the Securities Act of 1933, as amended, unless specifically identified therein as being incorporated by reference therein.

**Item 9.01 Financial Statements and Exhibits.**

(d) Exhibits

**Exhibit No. Description**

99.1 Press release dated November 8, 2017.

**SIGNATURES**

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

INDUSTRIAL SERVICES OF AMERICA, INC.

Date: November 8, 2017

By: /s/ Todd L. Phillips  
Todd L. Phillips  
President and Chief Financial Officer

**INDEX TO EXHIBITS**

**Exhibit No. Description**

99.1 Press release dated November 8, 2017.

## Industrial Services of America, Inc.

### Announces Revenue Increase and Improved Operating Performance

LOUISVILLE, KY (November 8, 2017) -- Industrial Services of America, Inc. (NASDAQ: [IDSA](#)), (the “Company” or “ISA”), a company that buys, processes and markets ferrous and non-ferrous metals and other recyclable commodities, and buys used autos in order to sell used auto parts, today announced the filing with the U.S. Securities and Exchange Commission of its Form 10-Q for the quarter ended September 30, 2017.

ISA reported a 59.4% revenue increase and a \$2.2 million improvement in net loss for the nine months ended September 30, 2017 compared to the same period in 2016.

The Company reported a net loss of \$825 thousand for the nine months ended September 30, 2017 compared to a net loss of \$2,990 thousand for the nine months ended September 30, 2016. Further, the Company reported positive Adjusted EBITDA of \$1,554 thousand during the nine months ended September 30, 2017, which marks a substantial improvement compared to the Adjusted EBITDA loss of \$813 thousand during the nine months ended September 30, 2016. This improvement in operating performance was due in part to the successful start-up of the Company’s auto shredder as well as improvements in pricing and volumes in the scrap metal commodity markets from 2016 to 2017. (See Non-GAAP Measures below.)

The Company reported a net loss of \$177 thousand for the three months ended September 30, 2017 compared to a net loss of \$938 thousand for the three months ended September 30, 2016. Further, the Company reported positive Adjusted EBITDA of \$647 thousand during the three months ended September 30, 2017, which marks an improvement compared to the Adjusted EBITDA loss of \$416 thousand during the three months ended September 30, 2016. This improvement in operating performance was primarily due to the successful start-up of the Company’s auto shredder as well as improvements in pricing and volumes in the scrap metal commodity markets from 2016 to 2017. (See Non-GAAP Measures below.)

	Three months ended September 30,		Nine months ended September 30,	
	2017	2016	2017	2016
	(in thousands)		(in thousands)	
Revenue	\$ 14,909	\$ 9,896	\$ 41,480	\$ 26,015
Net loss	\$ (177)	\$ (938)	\$ (825)	\$ (2,990)
Adjusted EBITDA	\$ 647	\$ (416)	\$ 1,554	\$ (813)

Also, as recently announced, the Company entered into a new lease which replaces the previous lease related to 7100 and 7020 Grade Lane. This new lease provides for an approximate 30% decrease in the related future rent expense and includes payment of certain deferred rent amounts.

Todd Phillips, President and Chief Financial Officer of ISA, commented, “The Company continues to progress following our recent turnaround efforts. We are pleased with the recent financial results and are excited about the opportunities in front of us.”

## Non-GAAP Measures

The information provided above in this release includes certain non-GAAP financial measures as defined under SEC rules. In accordance with SEC rules, the Company has provided, in the supplemental information below, a reconciliation of those measures to the most directly comparable GAAP measures. To provide additional information regarding the Company's results, the Company has disclosed in this press release Adjusted EBITDA. Adjusted EBITDA is not a measure of financial performance under accounting principles generally accepted in the United States of America. The Company defines Adjusted EBITDA as net income (loss) excluding depreciation and amortization, share-based compensation expense, interest expense, including loan fee amortization, gain on sale of assets, other income (expense), net, and income tax provision. The Company has included Adjusted EBITDA as a supplemental financial measure in this press release as it is a key measure used by management and the board of directors to understand and evaluate the core operating performance of the Company, to prepare budgets and operating plans, and because management believes such measure provides useful information in understanding and evaluating the Company's operating results. Adjusted EBITDA is also used in certain covenants contained in the Company's credit agreement. However, use of Adjusted EBITDA as an analytic tool has its limitations and you should not consider this measure in isolation or as a substitute for analysis of the Company's financial results as reported under GAAP, including net income (loss), gross profit, cash flows from operating, investing or financing activities, or any other measure calculated in accordance with GAAP. The following table presents the reconciliation between net loss and Adjusted EBITDA.

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2017	2016	2017	2016
	(in thousands)		(in thousands)	
Reconciliation from net loss to Adjusted EBITDA				
Net loss	\$ (177)	\$ (938)	\$ (825)	\$ (2,990)
Depreciation and amortization	534	596	1,669	1,715
Share-based compensation expense	31	(3)	90	333
Interest expense, including loan fee amortization	240	129	625	302
Gain on sale of assets	-	-	(28)	-
Other (income) expense, net	17	(237)	14	(250)
Income tax provision	2	37	9	77
Total net adjustments	824	522	2,379	2,177
Adjusted EBITDA	\$ 647	\$ (416)	\$ 1,554	\$ (813)

## About ISA

Headquartered in Louisville, Kentucky, Industrial Services of America, Inc., is a publicly traded company that buys, processes and markets ferrous and non-ferrous metals and other recyclable commodities, and buys used autos in order to sell used auto parts. More information about ISA is available at [www.isa-inc.com](http://www.isa-inc.com).

This news release contains forward-looking statements that involve risks and uncertainties that could cause actual results to differ from predicted results. Specific risks include fluctuations in commodity prices, varying demand for metal recycling, competitive pressures in metal recycling markets, the failure to operate the shredder successfully, competitive pressures in the used auto parts market, availability of liquidity and loss of customers. Further information on factors that could affect ISA's results is detailed in ISA's filings with the Securities and Exchange Commission. Except as required by law, ISA undertakes no obligation to publicly release the results of any revisions to the forward-looking statements.

ISA's SEC filings are available for review at the Securities and Exchange Commission web site at <http://www.sec.gov/edgar/searchedgar/companysearch.html>.