

**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) September 3, 2014

Matrix Service Company

(Exact Name of Registrant as Specified in Its Charter)

DELAWARE
**(State or Other Jurisdiction
of Incorporation)**

001-15461
**(Commission
File Number)**

73-1352174
**(IRS Employer
Identification No.)**

5100 E Skelly Dr., Suite 700, Tulsa, OK
(Address of Principal Executive Offices)

74135
(Zip Code)

918-838-8822
(Registrant's Telephone Number, Including Area Code)

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 (see General Instruction A.2. below):

- 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))
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Item 2.02 Results of Operations and Financial Condition.

On September 3, 2014, Matrix Service Company (the “Company”) issued a press release announcing financial results for the fourth quarter and fiscal year ending June 30, 2014 and fiscal 2015 guidance. The full text of the press release is attached as Exhibit 99 to this Current Report on Form 8-K.

The information in this Item 2.02 and Exhibit 99 attached hereto is being furnished pursuant to Item 2.02 and shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in such a filing.

Item 9.01 Financial Statements and Exhibits.

The following exhibit is furnished herewith:

| Exhibit No. | Description |
|--------------------|--|
| 99 | Press Release dated September 3, 2014, announcing financial results for the fourth quarter and fiscal year ending June 30, 2014 and fiscal 2015 guidance |

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.

Matrix Service Company

Dated: September 3, 2014

By:

/s/ Kevin S. Cavanah

Kevin S. Cavanah
Vice President and Chief Financial Officer

EXHIBIT INDEX

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|-------------|--|
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MATRIX SERVICE COMPANY

MATRIX SERVICE COMPANY ANNOUNCES RECORD FISCAL 2014 RESULTS AND SETS 2015 GUIDANCE

- **Record fiscal 2014 earnings per share of \$1.33 including \$0.28 in the fourth quarter**
- **Backlog increased by 46.1% in fiscal 2014 to a new high of \$915.8 million on project awards of over \$1.3 billion**
- **Revenues increased 46.2% in the fourth quarter to \$344.4 million and 41.5% in the fiscal year to \$1.263 billion**
- **Liquidity hits record high of \$242.5 million with cash generated from operating activities totaling \$77.0 million**

TULSA, OK – September 3, 2014 – **Matrix Service Company** (Nasdaq: MTRX) today reported its financial results for the fourth quarter and year ended June 30, 2014.

"We experienced a record year in terms of revenue, earnings per share and backlog, with strong organic and acquisition related growth, while continuing to strengthen our balance sheet" said John Hewitt, President and CEO of Matrix Service Company.

Hewitt emphasized that the Company continues to build on its internal infrastructure while integrating the people and processes related to the Company's acquisition of Kvaerner North American Construction. In addition, the Company is increasing its portfolio with balance of plant terminal work and expanding opportunities in power generation and delivery, gas value chain as well as mining and metals projects. In addition, the recently announced August acquisition of HDB Ltd., an upstream construction contractor in central California, advances a key strategic objective of increasing the Company's presence with upstream oil and gas clients.

Fourth Quarter Fiscal 2014 Results

Revenues for the fourth quarter ended June 30, 2014 were \$344.4 million compared to \$235.6 million in the same period a year earlier, an increase of \$108.8 million, or 46.2%. Net income for the fourth quarter of fiscal 2014 was \$7.6 million, or \$0.28 per fully diluted share compared to \$7.4 million, or \$0.28 per fully diluted share a year earlier.

Revenues increased in the Industrial, Storage Solutions and Electrical Infrastructure segments by \$52.1 million, \$43.9 million, and \$27.3 million, respectively. Revenues in the Oil, Gas and Chemical segment were \$52.1 million in the fourth quarter of fiscal 2014 compared to \$66.5 million in the same period a year earlier. Consolidated gross profit was \$36.9 million in the fourth quarter of fiscal 2014 compared to \$27.0 million in the same period a year earlier. Gross margins were 10.7% in the fourth quarter of fiscal 2014 versus 11.5% in the fourth quarter of fiscal 2013. Selling, general and administrative costs were \$22.7 million in the fourth quarter of fiscal 2014 compared to \$15.4 million in the same period a year earlier. Integration costs of \$1.3 million increased selling, general and administrative expense as a percent of revenue by 0.4% to 6.6% compared to 6.5% in the same period a year earlier.

Fiscal 2014 Results

Fiscal 2014 revenues were \$1.263 billion compared to \$892.6 million in fiscal 2013, an increase of \$370.6 million, or 41.5%. Net income for fiscal 2014 was \$35.8 million, or \$1.33 per fully diluted share. In fiscal 2013 the Company earned \$24.0 million, or \$0.91 per fully diluted share.

Revenues increased in the Storage Solutions, Industrial and Electrical Infrastructure segments by \$217.7 million, \$152.6 million, and \$34.4 million, respectively. Revenues in the Oil, Gas and Chemical segment were \$239.7 million in fiscal 2014 compared to \$273.8 million in fiscal 2013. Consolidated gross profit was \$136.5 million in fiscal 2014 compared to \$94.7 million in fiscal 2013. Gross margins were 10.8% in fiscal 2014 versus 10.6% in fiscal 2013. Selling, general and administrative costs were \$77.9 million in fiscal 2014 compared to \$58.0 million in fiscal 2013. Acquisition and integration costs of \$3.8 million increased selling, general and administrative expense as a percent of revenue by 0.3% to 6.2%. Selling, general and administrative costs as a percentage of revenue were 6.5% in the same period a year earlier.

Income Tax Expense

The effective tax rates were 38.6% and 35.1% for the three months and fiscal year ended June 30, 2014. The Company estimates that its fiscal 2015 effective tax rate will approximate 37.0%.

Backlog

Backlog at June 30, 2014 totaled \$915.8 million, an increase of \$289.1 million, or 46.1%, compared to the backlog at June 30, 2013 of \$626.7 million and increased by \$10.7 million, compared to the March 31, 2014 backlog of \$905.1 million. Project awards totaled \$355.1 million and \$1.3 billion in the three months and fiscal year ended June 30, 2014. Backlog acquired in the fiscal year ended June 30, 2014 was \$242.0 million.

Financial Position

The Company's cash balance increased to \$77.1 million at June 30, 2014 as compared to \$63.8 million a year earlier. The cash balance along with availability under the senior credit facility gives the Company liquidity of \$242.5 million. In fiscal 2014, the Company generated \$77.0 million from operations, which allowed it to fund the Kvaerner North American Construction acquisition, \$23.6 million of capital expenditures and the organic growth of the business while borrowing only \$11.6 million at June 30, 2014.

Earnings Guidance

The Company expects that fiscal 2015 revenues will be between \$1.425 billion and \$1.525 billion and earnings to be between \$1.40 and \$1.60 per fully diluted share. The Company is anticipating normal quarterly variability with the first quarter being the lowest as activity in the Electrical Infrastructure and Oil Gas and Chemical segments are typically slower in the summer months.

Conference Call Details

In conjunction with the earnings release, Matrix Service Company will host a conference call with John R. Hewitt, President and CEO, and Kevin S. Cavanah, Vice President and CFO. The call will take place at 11:00 a.m. (Eastern) / 10:00 a.m. (Central) on Thursday, September 4, 2014 and will be simultaneously broadcast live over the Internet which can be accessed at the Company's website at matrixservicecompany.com on the Investors' page under Conference Calls/Events. Please allow extra time prior to the call to visit the site and download the streaming media software required to listen to the Internet broadcast. The conference call will be recorded and will be available for replay within one hour of completion of the live call and can be accessed following the same link as the live call.

About Matrix Service Company

Matrix Service Company provides engineering, fabrication, construction and repair and maintenance services to the Electrical Infrastructure, Oil Gas & Chemical, Storage Solutions and Industrial markets.

The Company is headquartered in Tulsa, Oklahoma, with regional operating facilities throughout the United States and Canada.

This release contains forward-looking statements that are made in reliance upon the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. These statements are generally accompanied by words such as "anticipate," "continues," "expect," "forecast," "outlook," "believe," "estimate," "should" and "will" and words of similar effect that convey future meaning, concerning the Company's operations, economic performance and management's best judgment as to what may occur in the future. Future events involve risks and uncertainties that may cause actual results to differ materially from those we currently anticipate. The actual results for the current and future periods and other corporate developments will depend upon a number of economic, competitive and other influences, including those factors discussed in the "Risk Factors" and "Forward Looking Statements" sections and elsewhere in the Company's reports and filings made from time to time with the Securities and Exchange Commission. Many of these risks and uncertainties are beyond the control of the Company, and any one of which, or a combination of which, could materially and adversely affect the results of the Company's operations and its financial condition. We undertake no obligation to update information contained in this release.

For more information, please contact:

Matrix Service Company

Kevin S. Cavanah

Vice President and CFO

T: 918-838-8822

Email: kcavanah@matrixservicecompany.com

Matrix Service Company
Consolidated Statements of Income
(In thousands, except per share data)

| | Three Months Ended | | Twelve Months Ended | |
|--|--------------------|------------------|---------------------|------------------|
| | June 30, 2014 | June 30, 2013 | June 30, 2014 | June 30, 2013 |
| Revenues | \$ 344,358 | \$ 235,560 | \$ 1,263,089 | \$ 892,574 |
| Cost of revenues | 307,455 | 208,561 | 1,126,616 | 797,872 |
| Gross profit | 36,903 | 26,999 | 136,473 | 94,702 |
| Selling, general and administrative expenses | 22,694 | 15,412 | 77,866 | 57,988 |
| Operating income | 14,209 | 11,587 | 58,607 | 36,714 |
| Other income (expense): | | | | |
| Interest expense | (538) | (195) | (1,436) | (800) |
| Interest income | 55 | 7 | 112 | 32 |
| Other | (325) | (123) | (472) | (30) |
| Income before income tax expense | 13,401 | 11,276 | 56,811 | 35,916 |
| Provision for federal, state and foreign income taxes | 5,179 | 3,909 | 19,934 | 11,908 |
| Net income | 8,222 | 7,367 | 36,877 | 24,008 |
| Less: Net income attributable to noncontrolling interest | 666 | — | 1,067 | — |
| Net income attributable to Matrix Service Company | \$7,556 | \$7,367 | \$35,810 | \$24,008 |
| Basic earnings per common share | \$ 0.29 | \$ 0.28 | \$ 1.36 | \$ 0.92 |
| Diluted earnings per common share | \$ 0.28 | \$ 0.28 | \$ 1.33 | \$ 0.91 |
| Weighted average common shares outstanding: | | | | |
| Basic | 26,423 | 26,086 | 26,288 | 25,962 |
| Diluted | 27,115 | 26,548 | 26,976 | 26,358 |

Matrix Service Company
Consolidated Balance Sheets
(In thousands)

| | June 30, 2014 | June 30, 2013 |
|---|------------------|------------------|
| Assets | | |
| Current assets: | | |
| Cash and cash equivalents | \$ 77,115 | \$ 63,750 |
| Accounts receivable, less allowances (2014 - \$204 ; 2013—\$795) | 204,692 | 140,840 |
| Costs and estimated earnings in excess of billings on uncompleted contracts | 73,008 | 73,773 |
| Inventories | 3,045 | 2,988 |
| Income taxes receivable | 2,797 | 3,032 |
| Deferred income taxes | 5,994 | 5,657 |
| Other current assets | 8,897 | 6,234 |
| Total current assets | 375,548 | 296,274 |
| Property, plant and equipment at cost: | | |
| Land and buildings | 31,737 | 29,649 |
| Construction equipment | 82,745 | 69,998 |
| Transportation equipment | 42,087 | 34,366 |
| Office equipment and software | 26,026 | 18,426 |
| Construction in progress | 9,892 | 9,080 |
| | 192,487 | 161,519 |
| Accumulated depreciation | (103,315) | (90,218) |
| | 89,172 | 71,301 |
| Goodwill | 69,837 | 30,836 |
| Other intangible assets | 28,676 | 7,551 |
| Other assets | 5,699 | 4,016 |
| Total assets | \$ 568,932 | \$ 409,978 |

Matrix Service Company
Consolidated Balance Sheets (continued)
(In thousands, except share data)

| | June 30, 2014 | June 30, 2013 |
|--|------------------|------------------|
| Liabilities and stockholders' equity | | |
| Current liabilities: | | |
| Accounts payable | \$ 111,863 | \$ 68,961 |
| Billings on uncompleted contracts in excess of costs and estimated earnings | 108,440 | 62,848 |
| Accrued wages and benefits | 36,226 | 21,919 |
| Accrued insurance | 8,605 | 7,599 |
| Other accrued expenses | 4,727 | 3,039 |
| Total current liabilities | 269,861 | 164,366 |
| Deferred income taxes | 5,167 | 7,450 |
| Borrowings under senior credit facility | 11,621 | — |
| Total liabilities | 286,649 | 171,816 |
| Commitments and contingencies | | |
| Stockholders' equity: | | |
| Common stock—\$.01 par value; 60,000,000 shares authorized; 27,888,217 shares issued as of June 30, 2014 and June 30, 2013 | 279 | 279 |
| Additional paid-in capital | 119,777 | 118,190 |
| Retained earnings | 177,237 | 141,427 |
| Accumulated other comprehensive income | (182) | 227 |
| | 297,111 | 260,123 |
| Less treasury stock, at cost— 1,453,770 and 1,779,593 shares as of June 30, 2014 and June 30, 2013 | (16,595) | (21,961) |
| Total Matrix Service Company stockholders' equity | 280,516 | 238,162 |
| Noncontrolling interest | 1,767 | — |
| Total liabilities and stockholders' equity | \$ 568,932 | \$ 409,978 |

Results of Operations
(In thousands)

| | Electrical Infrastructure | Oil Gas & Chemical | Storage Solutions | Industrial | Total |
|--|------------------------------|-----------------------|----------------------|------------|--------------|
| Three Months Ended June 30, 2014 | | | | | |
| Gross revenues | \$ 73,369 | \$ 52,106 | \$ 140,496 | \$ 78,535 | \$ 344,506 |
| Less: inter-segment revenues | — | 16 | 132 | — | 148 |
| Consolidated revenues | 73,369 | 52,090 | 140,364 | 78,535 | 344,358 |
| Gross profit | 7,474 | 5,298 | 16,554 | 7,577 | 36,903 |
| Operating income (loss) | 3,045 | 1,017 | 7,634 | 2,513 | 14,209 |
| Three months ended June 30, 2013 | | | | | |
| Gross revenues | \$ 46,102 | \$ 66,609 | \$ 96,993 | \$ 26,472 | \$ 236,176 |
| Less: inter-segment revenues | — | 87 | 529 | — | 616 |
| Consolidated revenues | 46,102 | 66,522 | 96,464 | 26,472 | 235,560 |
| Gross profit | 5,425 | 8,951 | 10,910 | 1,713 | 26,999 |
| Operating income (loss) | 2,746 | 4,428 | 4,458 | (45) | 11,587 |
| Twelve Months Ended June 30, 2014 | | | | | |
| Gross revenues | \$ 205,570 | \$ 240,131 | \$ 611,826 | \$ 206,933 | \$ 1,264,460 |
| Less: inter-segment revenues | — | 441 | 930 | — | 1,371 |
| Consolidated revenues | 205,570 | 239,690 | 610,896 | 206,933 | 1,263,089 |
| Gross profit | 20,629 | 26,912 | 68,448 | 20,484 | 136,473 |
| Operating income (loss) | 7,703 | 9,939 | 34,310 | 6,655 | 58,607 |
| Twelve Months Ended June 30, 2013 | | | | | |
| Gross revenues | \$ 171,204 | \$ 273,979 | \$ 395,794 | \$ 54,321 | \$ 895,298 |
| Less: inter-segment revenues | — | 131 | 2,593 | — | 2,724 |
| Consolidated revenues | 171,204 | 273,848 | 393,201 | 54,321 | 892,574 |
| Gross profit | 21,754 | 32,879 | 37,455 | 2,614 | 94,702 |
| Operating income (loss) | 11,185 | 15,415 | 11,904 | (1,790) | 36,714 |

Backlog

We define backlog as the total dollar amount of revenues that we expect to recognize as a result of performing work that has been awarded to us through a signed contract, notice to proceed or other type of assurance that we consider firm. The following arrangements are considered firm:

- fixed-price awards;
- minimum customer commitments on cost plus arrangements; and
- certain time and material arrangements in which the estimated value is firm or can be estimated with a reasonable amount of certainty in both timing and amounts.

For long-term maintenance contracts we include only the amounts that we expect to recognize into revenue over the next 12 months. For all other arrangements, we calculate backlog as the estimated contract amount less revenues recognized as of the reporting date.

Three Months Ended June 30, 2014

The following table provides a summary of changes in our backlog for the three months ended June 30, 2014:

| | Electrical Infrastructure | Oil Gas & Chemical | Storage Solutions | Industrial | Total |
|------------------------------|------------------------------|-----------------------|----------------------|-------------------|-------------------|
| | (In thousands) | | | | |
| Backlog as of March 31, 2014 | \$ 196,421 | \$ 128,853 | \$ 413,878 | \$ 165,919 | \$ 905,071 |
| Net awards | 39,084 | 33,454 | 209,117 | 73,458 | 355,113 |
| Revenue recognized | (73,369) | (52,090) | (140,364) | (78,535) | (344,358) |
| Backlog as of June 30, 2014 | <u>\$ 162,136</u> | <u>\$ 110,217</u> | <u>\$ 482,631</u> | <u>\$ 160,842</u> | <u>\$ 915,826</u> |

Twelve Months Ended June 30, 2014

The following table provides a summary of changes in our backlog for the twelve months ended June 30, 2014:

| | Electrical Infrastructure | Oil Gas & Chemical | Storage Solutions | Industrial | Total |
|-----------------------------|------------------------------|-----------------------|----------------------|-------------------|-------------------|
| | (In thousands) | | | | |
| Backlog as of June 30, 2013 | \$ 103,520 | \$ 120,138 | \$ 319,718 | \$ 83,361 | \$ 626,737 |
| Net awards | 140,694 | 226,944 | 773,809 | 168,691 | 1,310,138 |
| Backlog acquired | 123,492 | 2,825 | — | 115,723 | 242,040 |
| Revenue recognized | (205,570) | (239,690) | (610,896) | (206,933) | (1,263,089) |
| Backlog as of June 30, 2014 | <u>\$ 162,136</u> | <u>\$ 110,217</u> | <u>\$ 482,631</u> | <u>\$ 160,842</u> | <u>\$ 915,826</u> |

