

**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 30, 2020

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 East Skelly Drive, Suite 500, Tulsa, Oklahoma 74135
(Address of principal executive offices and 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))

Securities registered pursuant to Section 12(b) of the Act:

<u>Title of each class</u>	<u>Trading Symbol(s)</u>	<u>Name of each exchange on which registered</u>
Common Stock, par value \$0.01 per share	MTRX	NASDAQ Global Select Market

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (17 CFR §230.405) or Rule 12b-2 of the Securities Act of 1934 (17 CFR §240.12b-2).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected to not 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.

Matrix Service Company (the "Company") changed its reportable segments as of July 1, 2020. Therefore, the Company will report its results under the new reportable segments beginning with its Quarterly Report on Form 10-Q for the quarter ended September 30, 2020. The new reportable segments along with a description of each are as follows:

- **Utility and Power Infrastructure:** consists of power delivery services provided to investor owned utilities, including construction of new substations, upgrades of existing substations, transmission and distribution line installations, upgrades and maintenance, as well as emergency and storm restoration services. The Company also provides construction and maintenance services to a variety of power generation facilities, including gas fired facilities in simple or combined cycle design, and provides engineering, fabrication, and construction services for liquefied natural gas ("LNG") utility peak shaving facilities.
- **Process and Industrial Facilities:** primarily serves customers in the downstream and midstream petroleum industries who are engaged in refining crude oil and processing, fractionating, and marketing of natural gas and natural gas liquids. The Company also serves customers in various other industries such as petrochemical, sulfur, mining and minerals companies engaged primarily in the extraction of non-ferrous metals, aerospace and defense, cement, agriculture, and other industrial customers. The Company's services include plant maintenance, turnarounds, industrial cleaning services, engineering, fabrication, and capital construction.
- **Storage and Terminal Solutions:** consists of work related to aboveground storage tanks ("AST") and terminals. Also included in this segment are cryogenic and other specialty storage tanks and terminals including LNG, liquid nitrogen/liquid oxygen, liquid petroleum and other specialty vessels such as spheres as well as marine structures and truck and rail loading/offloading facilities. The Company's services include engineering, fabrication, construction, and maintenance and repair, which includes planned and emergency services for both tanks and full terminals. Finally, the Company offers AST products, including geodesic domes, aluminum internal floating roofs, floating suction and skimmer systems, roof drain systems and floating roof seals.

In addition, beginning with the quarter ended September 30, 2020, the Company will report separately corporate selling, general and administrative expenses and other corporate expenses that were previously allocated to the segments.

The Company is filing this Current Report on Form 8-K in order to provide investors with quarterly and annual segment information for fiscal 2019 and 2020 on a basis that is consistent with the segment information that will be included in the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2020. The voluntary supplemental information included in this Form 8-K provides unaudited segment information for the following periods:

- Three months ended September 30, 2019
- Three months ended December 31, 2019
- Three months ended March 31, 2020
- Three months ended June 30, 2020
- Fiscal year ended June 30, 2020
- Three months ended September 30, 2018
- Three months ended December 31, 2018
- Three months ended March 31, 2019
- Three months ended June 30, 2019
- Fiscal year ended June 30, 2019

Except as footnoted in the supplemental information, this information in no way revises or restates the previously reported consolidated statements of income, consolidated statements of comprehensive income, consolidated balance sheets, consolidated statements of cash flows, consolidated statements of changes in stockholders' equity, or backlog for these reporting periods. This information is provided as supplemental financial information that may be of interest to the Company's stockholders.

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 exhibits are furnished herewith:

<u>Exhibit No.</u>	<u>Description</u>
99	Selected segment financial information for the fiscal years and interim periods of fiscal 2020 and 2019 (unaudited).
104	Cover Page Interactive Data File (embedded within the Inline XBRL document).

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 30, 2020

By:

/s/ Kevin S. Cavanah

Kevin S. Cavanah

Vice President and Chief Financial Officer

Selected Segment Financial Information for the Fiscal Year and Interim Periods of Fiscal 2020
(Unaudited)
(In thousands)

	Three Months Ended				Fiscal
	September 30, 2019	December 31, 2019	March 31, 2020	June 30, 2020	Year Ended June 30, 2020
Gross revenue⁽¹⁾					
Utility and Power Infrastructure	\$ 47,727	\$ 49,155	\$ 55,670	\$ 59,449	\$ 212,001
Process and Industrial Facilities ⁽²⁾	155,452	143,769	76,297	49,192	424,710
Storage and Terminal Solutions	136,001	128,008	118,711	88,151	470,871
	<u>\$ 339,180</u>	<u>\$ 320,932</u>	<u>\$ 250,678</u>	<u>\$ 196,792</u>	<u>\$ 1,107,582</u>
Less: Intersegment revenue⁽¹⁾					
Process and Industrial Facilities	\$ 575	\$ 886	\$ 1,327	\$ 51	\$ 2,839
Storage and Terminal Solutions	508	1,369	1,024	904	3,805
	<u>\$ 1,083</u>	<u>\$ 2,255</u>	<u>\$ 2,351</u>	<u>\$ 955</u>	<u>\$ 6,644</u>
Consolidated revenue					
Utility and Power Infrastructure	\$ 47,727	\$ 49,155	\$ 55,670	\$ 59,449	\$ 212,001
Process and Industrial Facilities ⁽²⁾	154,877	142,883	74,970	49,141	421,871
Storage and Terminal Solutions	135,493	126,639	117,687	87,247	467,066
	<u>\$ 338,097</u>	<u>\$ 318,677</u>	<u>\$ 248,327</u>	<u>\$ 195,837</u>	<u>\$ 1,100,938</u>
Gross profit (loss)					
Utility and Power Infrastructure	\$ (168)	\$ (1,226)	\$ 3,138	\$ 5,337	\$ 7,081
Process and Industrial Facilities	13,590	13,838	3,070	5,851	36,349
Storage and Terminal Solutions	19,742	18,026	14,907	8,738	61,413
Corporate	(699)	(637)	(638)	(693)	(2,667)
	<u>\$ 32,465</u>	<u>\$ 30,001</u>	<u>\$ 20,477</u>	<u>\$ 19,233</u>	<u>\$ 102,176</u>
Selling, general and administrative expenses					
Utility and Power Infrastructure	\$ 2,632	\$ 2,778	\$ 2,081	\$ 2,556	\$ 10,047
Process and Industrial Facilities	6,938	7,385	5,343	4,600	24,266
Storage and Terminal Solutions	6,986	6,791	6,165	6,444	26,386
Corporate	7,135	6,211	6,129	6,102	25,577
	<u>\$ 23,691</u>	<u>\$ 23,165</u>	<u>\$ 19,718</u>	<u>\$ 19,702</u>	<u>\$ 86,276</u>
Intangible asset impairments and restructuring costs					
Utility and Power Infrastructure	\$ —	\$ 24,900	\$ 935	\$ 1,790	\$ 27,625
Process and Industrial Facilities	—	13,615	4,087	5,212	22,914
Storage and Terminal Solutions	—	—	821	245	1,066
Corporate	—	—	716	204	920
	<u>\$ —</u>	<u>\$ 38,515</u>	<u>\$ 6,559</u>	<u>\$ 7,451</u>	<u>\$ 52,525</u>
Operating income (loss)					
Utility and Power Infrastructure	\$ (2,800)	\$ (28,904)	\$ 122	\$ 991	\$ (30,591)
Process and Industrial Facilities	6,652	(7,162)	(6,360)	(3,961)	(10,831)
Storage and Terminal Solutions	12,756	11,235	7,921	2,049	33,961
Corporate	(7,834)	(6,848)	(7,483)	(6,999)	(29,164)
	<u>\$ 8,774</u>	<u>\$ (31,679)</u>	<u>\$ (5,800)</u>	<u>\$ (7,920)</u>	<u>\$ (36,625)</u>
Adjusted operating income (loss)⁽³⁾					
Utility and Power Infrastructure	\$ (2,800)	\$ (4,004)	\$ 1,057	\$ 2,781	\$ (2,966)
Process and Industrial Facilities	6,652	6,453	(2,273)	1,251	12,083
Storage and Terminal Solutions	12,756	11,235	8,742	2,294	35,027
Corporate	(7,834)	(6,848)	(6,767)	(6,795)	(28,244)
	<u>\$ 8,774</u>	<u>\$ 6,836</u>	<u>\$ 759</u>	<u>\$ (469)</u>	<u>\$ 15,900</u>

- (1) Fiscal 2020 gross revenue and intersegment revenue increased by \$22 thousand compared to previously reported gross and intersegment revenue as a result of the reclassification of intercompany work caused by the segment change.
- (2) The Company made a strategic decision to exit the domestic iron and steel business early in the third quarter of fiscal 2020, which reduced revenue in the Process and Industrial Facilities segment during the second half of fiscal 2020.
- (3) Adjusted operating income (loss) depicts our operating income (loss) before the impacts of intangible asset impairments and restructuring costs. This measure is non-GAAP. The most directly comparable financial measure is operating income (loss) in our consolidated statements of income. We presented this measure because we believe it more clearly depicts the core operating results of the Company during the periods presented and provides a more comparable measure of the Company's operating results to our peers. Since this measure is not calculated in accordance with GAAP, it should be considered in addition to, rather than as a substitute for, the most directly comparable GAAP financial measure.

Selected Segment Financial Information for the Fiscal Year and Interim Periods of Fiscal 2019
(Unaudited)
(In thousands)

	Three Months Ended				Fiscal
	September 30, 2018	December 31, 2018	March 31, 2019	June 30, 2019	Year Ended June 30, 2019
Gross revenue⁽¹⁾					
Utility and Power Infrastructure	\$ 53,131	\$ 65,267	\$ 66,450	\$ 65,019	\$ 249,867
Process and Industrial Facilities	155,504	151,891	159,831	188,911	656,137
Storage and Terminal Solutions	110,726	124,930	133,587	145,705	514,948
	<u>\$ 319,361</u>	<u>\$ 342,088</u>	<u>\$ 359,868</u>	<u>\$ 399,635</u>	<u>\$ 1,420,952</u>
Less: Intersegment revenue⁽¹⁾					
Process and Industrial Facilities	\$ 71	\$ 1,201	\$ 795	\$ 56	\$ 2,123
Storage and Terminal Solutions	779	319	186	865	2,149
	<u>\$ 850</u>	<u>\$ 1,520</u>	<u>\$ 981</u>	<u>\$ 921</u>	<u>\$ 4,272</u>
Consolidated revenue					
Utility and Power Infrastructure	\$ 53,131	\$ 65,267	\$ 66,450	\$ 65,019	\$ 249,867
Process and Industrial Facilities	155,433	150,690	159,036	188,855	654,014
Storage and Terminal Solutions	109,947	124,611	133,401	144,840	512,799
	<u>\$ 318,511</u>	<u>\$ 340,568</u>	<u>\$ 358,887</u>	<u>\$ 398,714</u>	<u>\$ 1,416,680</u>
Gross profit (loss)					
Utility and Power Infrastructure	\$ 4,400	\$ 4,686	\$ 7,023	\$ 5,052	\$ 21,161
Process and Industrial Facilities	10,599	12,849	16,138	19,267	58,853
Storage and Terminal Solutions	9,122	11,064	14,508	19,906	54,600
Corporate	(700)	(713)	(763)	(487)	(2,663)
	<u>\$ 23,421</u>	<u>\$ 27,886</u>	<u>\$ 36,906</u>	<u>\$ 43,738</u>	<u>\$ 131,951</u>
Selling, general and administrative expenses					
Utility and Power Infrastructure	\$ 2,230	\$ 2,642	\$ 2,646	\$ 2,324	\$ 9,842
Process and Industrial Facilities	6,390	6,264	6,517	7,761	26,932
Storage and Terminal Solutions	6,772	7,053	7,916	8,578	30,319
Corporate	5,809	6,400	7,033	7,686	26,928
	<u>\$ 21,201</u>	<u>\$ 22,359</u>	<u>\$ 24,112</u>	<u>\$ 26,349</u>	<u>\$ 94,021</u>
Operating income (loss)					
Utility and Power Infrastructure	\$ 2,170	\$ 2,044	\$ 4,377	\$ 2,728	\$ 11,319
Process and Industrial Facilities	4,209	6,585	9,621	11,506	31,921
Storage and Terminal Solutions	2,350	4,011	6,592	11,328	24,281
Corporate	(6,509)	(7,113)	(7,796)	(8,173)	(29,591)
	<u>\$ 2,220</u>	<u>\$ 5,527</u>	<u>\$ 12,794</u>	<u>\$ 17,389</u>	<u>\$ 37,930</u>

(1) Fiscal 2019 gross revenue and intersegment revenue decreased by \$324 thousand compared to previously reported gross and intersegment revenue as a result of the reclassification of intercompany work caused by the segment change.

Backlog

The following tables present the Company's quarterly and annual summary of changes in backlog during fiscal 2020 and fiscal 2019 under the new basis of segmentation.

Fiscal 2020

Three months ended September 30, 2019:

	Utility and Power Infrastructure	Process and Industrial Facilities	Storage and Terminal Solutions	Total
(In thousands)				
Backlog as of June 30, 2019	\$ 271,840	\$ 376,239	\$ 450,270	\$ 1,098,349
Project awards	30,791	146,819	144,078	321,688
Revenue recognized	(47,727)	(154,877)	(135,493)	(338,097)
Backlog as of September 30, 2019	\$ 254,904	\$ 368,181	\$ 458,855	\$ 1,081,940
Book-to-bill ratio ⁽¹⁾	0.6	0.9	1.1	1.0

(1) Calculated by dividing project awards by revenue recognized.

Three months ended December 31, 2019:

	Utility and Power Infrastructure	Process and Industrial Facilities	Storage and Terminal Solutions	Total
(In thousands)				
Backlog as of September 30, 2019	\$ 254,904	\$ 368,181	\$ 458,855	\$ 1,081,940
Project awards	13,506	72,734	111,042	197,282
Project cancellations ⁽¹⁾	—	(88,310)	—	(88,310)
Revenue recognized	(49,155)	(142,883)	(126,639)	(318,677)
Backlog as of December 31, 2019	\$ 219,255	\$ 209,722	\$ 443,258	\$ 872,235
Book-to-bill ratio ⁽²⁾	0.3	0.5	0.9	0.6

(1) Process and Industrial Facilities cancellations related to our exit from the iron and steel business in the United States and the cancellation of a coke battery project in Canada.

(2) Calculated by dividing project awards by revenue recognized.

Three months ended March 31, 2020:

	Utility and Power Infrastructure	Process and Industrial Facilities	Storage and Terminal Solutions	Total
(In thousands)				
Backlog as of December 31, 2019	\$ 219,255	\$ 209,722	\$ 443,258	\$ 872,235
Project awards	19,221	37,271	56,821	113,313
Project cancellations ⁽¹⁾	—	(10,165)	—	(10,165)
Revenue recognized	(55,670)	(74,970)	(117,687)	(248,327)
Backlog as of March 31, 2020	\$ 182,806	\$ 161,858	\$ 382,392	\$ 727,056
Book-to-bill ratio ⁽²⁾	0.3	0.5	0.5	0.5

(1) Process and Industrial Facilities cancellations consists of turnaround work transferred to a local contractor as a result of COVID-19 precautions and cancellation of work due to the final wind-down of our domestic iron and steel maintenance business following our strategic decision to exit the business.

(2) Calculated by dividing project awards by revenue recognized.

Three months ended June 30, 2020:

	Utility and Power Infrastructure	Process and Industrial Facilities	Storage and Terminal Solutions	Total
(In thousands)				
Backlog as of March 31, 2020	\$ 182,806	\$ 161,858	\$ 382,392	\$ 727,056
Project awards	149,459	33,008	44,779	227,246
Revenue recognized	(59,449)	(49,141)	(87,247)	(195,837)
Backlog as of June 30, 2020	\$ 272,816	\$ 145,725	\$ 339,924	\$ 758,465
Book-to-bill ratio ⁽¹⁾	2.5	0.7	0.5	1.2

(1) Calculated by dividing project awards by revenue recognized.

Twelve months ended June 30, 2020:

	Utility and Power Infrastructure	Process and Industrial Facilities	Storage and Terminal Solutions	Total
(In thousands)				
Backlog as of June 30, 2019	\$ 271,840	\$ 376,239	\$ 450,270	\$ 1,098,349
Project awards	212,977	289,832	356,720	859,529
Project cancellations ⁽¹⁾	—	(98,475)	—	(98,475)
Revenue recognized	(212,001)	(421,871)	(467,066)	(1,100,938)
Backlog as of June 30, 2020	\$ 272,816	\$ 145,725	\$ 339,924	\$ 758,465
Book-to-bill ratio ⁽²⁾	1.0	0.7	0.8	0.8

(1) Process and Industrial Facilities cancellations related to our exit from the iron and steel business in the United States, the cancellation of a coke battery project in Canada, and turnaround work transferred to a local contractor as a result of COVID-19 precautions.

(2) Calculated by dividing project awards by revenue recognized.

Fiscal 2019

Three months ended September 30, 2018:

	Utility and Power Infrastructure	Process and Industrial Facilities	Storage and Terminal Solutions	Total
(In thousands)				
Backlog as of June 30, 2018	\$ 149,150	\$ 464,033	\$ 605,413	\$ 1,218,596
Project awards	39,628	84,968	84,791	209,387
Revenue recognized	(53,131)	(155,433)	(109,947)	(318,511)
Backlog as of September 30, 2018	\$ 135,647	\$ 393,568	\$ 580,257	\$ 1,109,472
Book-to-bill ratio ⁽¹⁾	0.7	0.5	0.8	0.7

(1) Calculated by dividing project awards by revenue recognized.

Three months ended December 31, 2018:

	Utility and Power Infrastructure	Process and Industrial Facilities	Storage and Terminal Solutions	Total
(In thousands)				
Backlog as of September 30, 2018	\$ 135,647	\$ 393,568	\$ 580,257	\$ 1,109,472
Project awards	52,030	139,912	85,550	277,492
Revenue recognized	(65,267)	(150,690)	(124,611)	(340,568)
Backlog as of December 31, 2018	\$ 122,410	\$ 382,790	\$ 541,196	\$ 1,046,396
Book-to-bill ratio ⁽¹⁾	0.8	0.9	0.7	0.8

(1) Calculated by dividing project awards by revenue recognized.

Three months ended March 31, 2019:

	Utility and Power Infrastructure	Process and Industrial Facilities	Storage and Terminal Solutions	Total
(In thousands)				
Backlog as of December 31, 2018	\$ 122,410	\$ 382,790	\$ 541,196	\$ 1,046,396
Project awards	244,530	156,447	57,954	458,931
Revenue recognized	(66,450)	(159,036)	(133,401)	(358,887)
Backlog as of March 31, 2019	\$ 300,490	\$ 380,201	\$ 465,749	\$ 1,146,440
Book-to-bill ratio ⁽¹⁾	3.7	1.0	0.4	1.3

(1) Calculated by dividing project awards by revenue recognized.

Three months ended June 30, 2019:

	Utility and Power Infrastructure	Process and Industrial Facilities	Storage and Terminal Solutions	Total
(In thousands)				
Backlog as of March 31, 2019	\$ 300,490	\$ 380,201	\$ 465,749	\$ 1,146,440
Project awards	36,369	184,893	129,361	350,623
Revenue recognized	(65,019)	(188,855)	(144,840)	(398,714)
Backlog as of June 30, 2019	\$ 271,840	\$ 376,239	\$ 450,270	\$ 1,098,349
Book-to-bill ratio ⁽¹⁾	0.6	1.0	0.9	0.9

(1) Calculated by dividing project awards by revenue recognized.

Twelve months ended June 30, 2019:

	Utility and Power Infrastructure	Process and Industrial Facilities	Storage and Terminal Solutions	Total
(In thousands)				
Backlog as of June 30, 2018	\$ 149,150	\$ 464,033	\$ 605,413	\$ 1,218,596
Project awards	372,557	566,220	357,656	1,296,433
Revenue recognized	(249,867)	(654,014)	(512,799)	(1,416,680)
Backlog as of June 30, 2019	\$ 271,840	\$ 376,239	\$ 450,270	\$ 1,098,349
Book-to-bill ratio ⁽¹⁾	1.5	0.9	0.7	0.9

(1) Calculated by dividing project awards by revenue recognized.