

---

---

**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) February 8, 2012**

---

**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))
- 
-

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

On February 8, 2012, Matrix Service Company (the “Company”) issued a press release announcing financial results for the second quarter and six months ending December 31, 2011. 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:

<u>Exhibit No.</u>	<u>Description</u>
99	Press Release dated February 8, 2012, announcing financial results for the second quarter and six months ending December 31, 2011.

**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: February 8, 2012

By: /s/ Kevin S. Cavanah

Kevin S. Cavanah

Vice President and Chief Financial Officer

---

**EXHIBIT INDEX**

<u>Exhibit No.</u>	<u>Description</u>
99	Press Release dated February 8, 2012, announcing financial results for the second quarter and six months ending December 31, 2011.



**MATRIX SERVICE COMPANY ANNOUNCES STRONG SECOND QUARTER RESULTS**

**Highlights:**

- Second quarter earnings \$0.27 per fully diluted share, up 35% from the second quarter of fiscal 2011
- Second quarter revenues \$201.0 million, up 14.7% from the second quarter of fiscal 2011
- December 31, 2011 backlog increased to \$433.6 million on \$207.9 million of project awards during the second quarter

TULSA, OK – February 8, 2012 – **Matrix Service Company** (Nasdaq: MTRX) today reported its financial results for the three and six months ended December 31, 2011.

**Second Quarter of Fiscal 2012 Results**

Revenues for the second quarter ended December 31, 2011 were \$201.0 million, an increase of \$25.7 million, or 14.7%, from \$175.3 million in the same period a year earlier. Net income for the second quarter of fiscal 2012 was \$7.0 million, or \$0.27 per fully diluted share. In the comparable period a year earlier, net income was \$5.3 million, or \$0.20 per fully diluted share.

Consolidated gross profit was \$23.1 million in the second quarter of fiscal 2012 compared to \$19.8 million in the same period a year earlier. The increase of \$3.3 million was due to higher revenues in the second quarter of fiscal 2012 when compared to the same period a year earlier and slightly higher gross margins, which increased to 11.5% in the second quarter of fiscal 2012 compared to 11.3% in the same period a year earlier. Selling, general and administrative expenses were \$11.9 million, or 5.9% of revenue, in the second quarter of fiscal 2012 compared to \$11.1 million, or 6.4% of revenue, in the second quarter of fiscal 2011.

John R. Hewitt, President and CEO of Matrix Service Company, said “We are pleased with our second quarter results and feel very good about our year. We are seeing strength return to the majority of our markets with increased opportunities in all business lines.”

**Six Month Fiscal 2012 Results**

Revenues for the six months ended December 31, 2011 were \$370.3 million, an increase of \$43.2 million, or 13.2%, from \$327.1 million in the same period a year earlier. Net income for the six months ended December 31, 2011 was \$10.5 million, or \$0.40 per fully diluted share. In the comparable period a year earlier, net income was \$8.4 million, or \$0.32 per fully diluted share.

Consolidated gross profit was \$41.2 million in the six months ended December 31, 2011 compared to \$35.5 million in the same period a year earlier. The increase of \$5.7 million was due to higher revenues in the six months ended December 31, 2011 when compared to the same period a year earlier and slightly higher gross margins which increased to 11.1% in the first half of fiscal 2012 compared to 10.8% the same period a year earlier. Selling, general and administrative expenses were \$23.4 million, or 6.3% of revenue, in the six months ended December 31, 2011 compared to \$21.7 million, or 6.6% of revenue, in the same period a year earlier.

---

**Backlog**

Consolidated backlog increased \$28.5 million, or 7.0%, to \$433.6 million as of December 31, 2011 compared to \$405.1 million as of June 30, 2011. The Company continues to see strong bid flow and booked approximately \$400 million of new work in the six months ended December 31, 2011. Backlog has increased in four consecutive quarters and is at its highest level since the third quarter of fiscal 2009.

**Financial Position**

At December 31, 2011, Matrix Service's cash balance was \$37.4 million with no borrowings outstanding on its senior credit facility.

**Share Buyback**

The Company purchased approximately 370,000 shares of Matrix Service common stock in the three months ended December 31, 2011 for \$3.3 million under the Company's stock buyback plan. Through the first six months of fiscal 2012, the Company has purchased approximately 887,000 shares for a total of \$8.1 million. The Company has the authority to purchase an additional 2.1 million shares under the stock buyback plan through the end of calendar 2012. The share buyback was financed with cash on hand.

**Earnings Guidance**

The Company is increasing its revenue guidance for fiscal 2012 to between \$725.0 million and \$775.0 million from the previously announced range of \$675.0 million to \$725.0 million and is increasing the lower end of its earnings guidance from the previously announced \$0.80 per fully diluted share to \$0.85 per fully diluted share. The upper end of the Company's fiscal 2012 earnings guidance is unchanged at \$0.95 per fully diluted share.

---

**Conference Call Details**

In conjunction with the press release, Matrix Service 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 February 9, 2012 and will be simultaneously broadcast live over the Internet which can be accessed at the Company's website at [www.matrixservice.com](http://www.matrixservice.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, construction and repair and maintenance services principally to the petroleum, power, bulk storage terminal, pipeline and industrial gas industries.

The Company is headquartered in Tulsa, Oklahoma, with regional operating facilities located 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 Cavanah

Vice President and CFO

T: 918-838-8822

E: [kcavanah@matrixservice.com](mailto:kcavanah@matrixservice.com)

**Matrix Service Company**

**Condensed Consolidated Statements of Income**

(In thousands, except per share data)

(unaudited)

	Three Months Ended		Six Months Ended	
	December 31, 2011	December 31, 2010	December 31, 2011	December 31, 2010
Revenues	\$ 200,964	\$ 175,252	\$ 370,285	\$ 327,090
Cost of revenues	177,866	155,484	329,094	291,620
Gross profit	23,098	19,768	41,191	35,470
Selling, general and administrative expenses	11,898	11,136	23,381	21,725
Operating income	11,200	8,632	17,810	13,745
Other income (expense):				
Interest expense	(166)	(197)	(443)	(367)
Interest income	3	9	6	22
Other	301	83	(375)	110
Income before income tax expense	11,338	8,527	16,998	13,510
Provision for federal, state and foreign income taxes	4,307	3,240	6,458	5,134
Net income	\$ 7,031	\$ 5,287	\$ 10,540	\$ 8,376
Basic earnings per common share	\$ 0.27	\$ 0.20	\$ 0.40	\$ 0.32
Diluted earnings per common share	\$ 0.27	\$ 0.20	\$ 0.40	\$ 0.32
Weighted average common shares outstanding:				
Basic	25,819	26,400	26,110	26,372
Diluted	26,111	26,628	26,420	26,584



**Matrix Service Company**  
**Condensed Consolidated Balance Sheets**

(In thousands)

(unaudited)

	<u>December 31, 2011</u>	<u>June 30, 2011</u>
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 37,442	\$ 59,357
Accounts receivable, less allowances (December 31, 2011—\$1,457 and June 30, 2011—\$1,428)	115,695	103,483
Costs and estimated earnings in excess of billings on uncompleted contracts	56,530	40,056
Inventories	2,581	2,249
Deferred income taxes	5,672	5,607
Other current assets	3,363	4,798
<b>Total current assets</b>	<b>221,283</b>	<b>215,550</b>
Property, plant and equipment at cost:		
Land and buildings	28,355	28,287
Construction equipment	58,133	55,272
Transportation equipment	24,488	21,690
Office equipment and software	15,915	15,442
Construction in progress	1,342	2,465
	128,233	123,156
Accumulated depreciation	(74,138)	(69,845)
	54,095	53,311
Goodwill	28,905	29,058
Other intangible assets	6,727	6,953
Other assets	4,588	1,564
<b>Total assets</b>	<b>\$ 315,598</b>	<b>\$306,436</b>

Matrix Service Company

Condensed Consolidated Balance Sheets

(In thousands, except share data)

(unaudited)

	December 31, 2011	June 30, 2011
<b>Liabilities and stockholders' equity</b>		
Current liabilities:		
Accounts payable	\$ 48,814	\$ 36,377
Billings on uncompleted contracts in excess of costs and estimated earnings	31,816	35,485
Accrued insurance	7,254	7,514
Accrued wages and benefits	13,331	18,099
Other accrued expenses	5,089	2,701
Total current liabilities	106,304	100,176
Deferred income taxes	5,877	5,789
Acquisition payable	800	800
Total liabilities	112,981	106,765
Commitments and contingencies	—	—
Stockholders' equity:		
Common stock—\$.01 par value; 60,000,000 shares authorized; 27,888,217 shares issued as of December 31, 2011, and June 30, 2011	279	279
Additional paid-in capital	114,913	113,686
Retained earnings	110,771	100,231
Accumulated other comprehensive income	715	1,436
	226,678	215,632
Less: Treasury stock, at cost – 2,169,927 shares as of December 31, 2011, and 1,417,539 shares as of June 30, 2011	(24,061)	(15,961)
Total stockholders' equity	202,617	199,671
Total liabilities and stockholders' equity	<u>\$ 315,598</u>	<u>\$306,436</u>

**Results of Operations**  
(in thousands)

	Construction Services	Repair and Maintenance Services	Other	Total
<b>Three Months Ended December 31, 2011</b>				
Gross revenues	\$ 122,532	\$ 82,076	\$ —	\$204,608
Less: Inter-segment revenues	3,634	10	—	3,644
Consolidated revenues	118,898	82,066	—	200,964
Gross profit	13,598	9,500	—	23,098
Operating income	6,086	5,114	—	11,200
Segment assets	163,654	104,170	47,774	315,598
Capital expenditures	1,543	1,100	1,128	3,771
Depreciation and amortization expense	1,736	1,176	—	2,912
<b>Three Months Ended December 31, 2010</b>				
Gross revenues	\$ 107,886	\$ 69,855	\$ —	\$177,741
Less: Inter-segment revenues	2,282	207	—	2,489
Consolidated revenues	105,604	69,648	—	175,252
Gross profit	12,815	6,953	—	19,768
Operating income	6,144	2,488	—	8,632
Segment assets	141,477	101,964	47,504	290,945
Capital expenditures	1,286	93	891	2,270
Depreciation and amortization expense	1,516	1,209	—	2,725
<b>Six Months Ended December 31, 2011</b>				
Gross revenues	\$ 225,397	\$ 152,098	\$ —	\$377,495
Less: Inter-segment revenues	6,902	308	—	7,210
Consolidated revenues	218,495	151,790	—	370,285
Gross profit	24,469	16,722	—	41,191
Operating income	9,996	7,814	—	17,810
Segment assets	163,654	104,170	47,774	315,598
Capital expenditures	3,329	1,791	1,639	6,759
Depreciation and amortization expense	3,407	2,331	—	5,738
<b>Six Months Ended December 31, 2010</b>				
Gross revenues	\$ 207,506	\$ 124,286	\$ —	\$331,792
Less: Inter-segment revenues	4,388	314	—	4,702
Consolidated revenues	203,118	123,972	—	327,090
Gross profit	24,159	11,311	—	35,470
Operating income	10,923	2,822	—	13,745
Segment assets	141,477	101,964	47,504	290,945
Capital expenditures	2,158	331	2,040	4,529
Depreciation and amortization expense	3,065	2,458	—	5,523

Segment revenue from external customers by market is as follows:

	Construction Services	Repair and Maintenance Services	Total
	(In thousands)		
<b>Three Months Ended December 31, 2011</b>			
Aboveground Storage Tanks	\$ 55,090	\$ 28,435	\$ 83,525
Downstream Petroleum	33,317	31,267	64,584
Electrical and Instrumentation	24,836	22,364	47,200
Specialty	5,655	—	5,655
Total	<u>\$ 118,898</u>	<u>\$ 82,066</u>	<u>\$200,964</u>
<b>Three Months Ended December 31, 2010</b>			
Aboveground Storage Tanks	\$ 49,545	\$ 21,868	\$ 71,413
Downstream Petroleum	22,648	28,386	51,034
Electrical and Instrumentation	27,385	19,394	46,779
Specialty	6,026	—	6,026
Total	<u>\$ 105,604</u>	<u>\$ 69,648</u>	<u>\$175,252</u>
<b>Six Months Ended December 31, 2011</b>			
Aboveground Storage Tanks	\$ 113,744	\$ 53,034	\$166,778
Downstream Petroleum	52,938	63,155	116,093
Electrical and Instrumentation	39,875	35,601	75,476
Specialty	11,938	—	11,938
Total	<u>\$ 218,495</u>	<u>\$ 151,790</u>	<u>\$370,285</u>
<b>Six Months Ended December 31, 2010</b>			
Aboveground Storage Tanks	\$ 90,325	\$ 43,100	\$133,425
Downstream Petroleum	43,575	50,792	94,367
Electrical and Instrumentation	57,307	30,080	87,387
Specialty	11,911	—	11,911
Total	<u>\$ 203,118</u>	<u>\$ 123,972</u>	<u>\$327,090</u>

## 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 that we consider firm. The following contract types are considered firm:

- fixed-price arrangements;
- minimum customer commitments on cost plus arrangements; and
- certain time and material contracts in which the estimated contract 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 the revenue recognized as of the reporting date.

### Three Months Ended December 31, 2011

The following table provides a summary of changes in our backlog for the three months ended December 31, 2011:

	<u>Construction Services</u>	<u>Repair and Maintenance Services</u>	<u>Total</u>
		(In thousands)	
Backlog as of September 30, 2011	\$ 251,132	\$ 175,468	\$ 426,600
Net awards	132,328	75,616	207,944
Revenue recognized	(118,898)	(82,066)	(200,964)
Backlog as of December 31, 2011	<u>\$ 264,562</u>	<u>\$ 169,018</u>	<u>\$ 433,580</u>

### Six Months Ended December 31, 2011

The following table provides a summary of changes in our backlog for the six months ended December 31, 2011:

	<u>Construction Services</u>	<u>Repair and Maintenance Services</u>	<u>Total</u>
		(In thousands)	
Backlog as of June 30, 2011	\$ 225,733	\$ 179,385	\$ 405,118
Net awards	257,324	141,423	398,747
Revenue recognized	(218,495)	(151,790)	(370,285)
Backlog as of December 31, 2011	<u>\$ 264,562</u>	<u>\$ 169,018</u>	<u>\$ 433,580</u>