

**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): July 7, 2017

**Mistras Group, Inc.**

(Exact name of registrant as specified in its charter)

**Delaware**

(State or other jurisdiction  
of incorporation)

**001- 34481**

(Commission  
File Number)

**22-3341267**

(IRS Employer  
Identification No.)

**195 Clarksville Road**

**Princeton Junction, New Jersey**

(Address of principal executive offices)

**08550**

(Zip Code)

Registrant's telephone number, including area code: **(609) 716-4000**

**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 8.01. Other Events**

As previously disclosed in its Current Report on Form 8-K filed with the Securities and Exchange Commission on January 4, 2017, Mistras Group, Inc. (the "Company") announced the change in its fiscal year from May 31 to December 31, effective December 31, 2016. Selected historical quarterly financial information for the year ended December 31, 2016 is included in the exhibit to this report.

This Form 8-K supersedes certain information from our Current Report on Form 8-K filed on March 16, 2017 and should be read in conjunction with our Current Report on Form 8-K filed on May 8, 2017. The information contained in Exhibit 99.1 is being furnished, not filed.

**Item 9.01. Financial Statement and Exhibits**

(d) Exhibits

99.1 Supplemental unaudited quarterly financial information for the year ended December 31, 2016

SIGNATURE

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.

MISTRAS GROUP, INC.

Date: July 7, 2017

By: /s/ Michael C. Keefe

Name: Michael C. Keefe

Title: Executive Vice President, General Counsel and Secretary

**Exhibit No.**

**Description**

99.1

Supplemental unaudited quarterly financial information for the year ended December 31, 2016

**Mistras Group, Inc. and Subsidiaries**  
**Condensed Consolidated Balance Sheets**  
(in thousands, except share and per share data)

	(unaudited)		(unaudited)			
	June 30, 2016		September 30, 2016	December 31, 2016		
<b>ASSETS</b>						
Current Assets						
Cash and cash equivalents	\$	18,442	\$	16,509	\$	19,154
Accounts receivable, net		133,851		131,382		130,852
Inventories		10,285		10,448		10,017
Deferred income taxes		6,192		6,042		6,230
Prepaid expenses and other current assets		12,786		15,087		16,399
Total current assets		181,556		179,468		182,652
Property, plant and equipment, net		77,542		76,630		73,149
Intangible assets, net		42,402		40,839		40,007
Goodwill		168,408		169,062		169,940
Deferred income taxes		982		972		1,086
Other assets		2,307		2,376		2,593
Total assets	\$	473,197	\$	469,347	\$	469,427
<b>LIABILITIES AND EQUITY</b>						
Current Liabilities						
Accounts payable	\$	8,552	\$	8,021	\$	6,805
Accrued expenses and other current liabilities		62,162		57,336		58,697
Current portion of long-term debt		12,329		2,030		1,379
Current portion of capital lease obligations		7,573		6,779		6,488
Income taxes payable		2,090		2,543		4,342
Total current liabilities		92,706		76,709		77,711
Long-term debt, net of current portion		67,169		71,483		85,917
Obligations under capital leases, net of current portion		11,821		11,276		9,682
Deferred income taxes		18,165		20,246		17,584
Other long-term liabilities		6,597		7,233		7,789
Total liabilities		196,458		186,947		198,683
Commitments and contingencies						
Equity						
Preferred stock, 10,000,000 shares authorized		—		—		—
Common stock, \$0.01 par value, 200,000,000 shares authorized, 28,940,455; 29,186,350; and 29,216,735 shares issued		290		293		292
Additional paid-in capital		214,189		215,237		217,211
Treasury stock, at cost, 0; 0; and 420,258 shares		—		—		(9,000)
Retained earnings		83,602		90,840		91,803
Accumulated other comprehensive loss		(21,468)		(24,108)		(29,724)
Total Mistras Group, Inc. stockholders' equity		276,613		282,262		270,582
Noncontrolling interests		126		138		162
Total equity		276,739		282,400		270,744
Total Liabilities and Equity	\$	473,197	\$	469,347	\$	469,427

**Mistras Group, Inc. and Subsidiaries**  
**Unaudited Condensed Consolidated Statements of Income**  
(in thousands, except per share data)

	Three months ended			Six months ended	Nine months ended	Year ended
	June 30, 2016	September 30, 2016	December 31, 2016	June 30, 2016	September 30, 2016	December 31, 2016
<b>Revenue</b>	\$ 178,340	\$ 168,811	\$ 170,156	\$ 345,795	\$ 514,606	\$ 684,762
Cost of revenue	121,044	112,754	116,902	239,273	352,027	468,929
Depreciation	5,761	5,406	5,276	11,017	16,423	21,699
<b>Gross profit</b>	51,535	50,651	47,978	95,505	146,156	194,134
Selling, general and administrative expenses	37,217	34,995	41,648	72,271	107,266	148,914
Research and engineering	623	643	742	1,285	1,928	2,670
Depreciation and amortization	2,865	2,513	2,549	5,627	8,140	10,689
Legal settlement	6,320	—	—	6,320	6,320	6,320
Acquisition-related expense (benefit), net	(330)	384	94	(483)	(99)	(5)
<b>Income from operations</b>	4,840	12,116	2,945	10,485	22,601	25,546
Interest expense	340	778	857	1,440	2,218	3,075
<b>Income before provision for income taxes</b>	4,500	11,338	2,088	9,045	20,383	22,471
Provision for income taxes	1,737	4,083	1,100	2,825	6,908	8,008
<b>Net income</b>	2,763	7,255	988	6,220	13,475	14,463
Less: net income attributable to noncontrolling interests, net of taxes	2	17	25	12	29	54
<b>Net income attributable to Mistras Group, Inc.</b>	\$ 2,761	\$ 7,238	\$ 963	\$ 6,208	\$ 13,446	\$ 14,409
<b>Earnings per common share</b>						
Basic	\$ 0.10	\$ 0.25	\$ 0.03	\$ 0.21	\$ 0.46	\$ 0.50
Diluted	\$ 0.09	\$ 0.24	\$ 0.03	\$ 0.21	\$ 0.45	\$ 0.48
<b>Weighted average common shares outstanding:</b>						
Basic	28,932	29,051	28,943	28,924	28,966	28,960
Diluted	30,152	30,231	29,920	30,083	30,139	30,114

**Mistras Group, Inc. and Subsidiaries**  
**Unaudited Condensed Consolidated Statements of Cash Flows**  
(in thousands)

	Six months ended June 30, 2016	Nine months ended September 30, 2016	Year ended December 31, 2016
<b>Cash flows from operating activities</b>			
Net income	\$ 6,220	\$ 13,475	\$ 14,463
Adjustments to reconcile net income to net cash provided by operating activities			
Depreciation and amortization	16,644	24,563	32,388
Deferred income taxes	(1,655)	512	(1,775)
Share-based compensation expense	3,195	5,161	7,324
Fair value adjustments to contingent consideration	(933)	(582)	(697)
Other	(1,075)	(2,017)	600
Changes in operating assets and liabilities, net of effect of acquisitions:			
Accounts receivable	7,930	9,968	8,092
Inventories	237	200	608
Prepaid expenses and other assets	(449)	(2,777)	(4,645)
Accounts payable	(1,271)	(1,761)	(2,792)
Accrued expenses and other liabilities	9,337	5,247	7,509
Income taxes payable	(402)	120	2,136
<b>Net cash provided by operating activities</b>	<b>37,778</b>	<b>52,109</b>	<b>63,211</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	(6,787)	(11,238)	(14,452)
Purchase of intangible assets	(829)	(1,106)	(1,421)
Acquisition of businesses, net of cash acquired	(33)	(1,200)	(8,287)
Proceeds from sale of equipment	281	1,057	1,752
<b>Net cash used in investing activities</b>	<b>(7,368)</b>	<b>(12,487)</b>	<b>(22,408)</b>
<b>Cash flows from financing activities</b>			
Repayment of capital lease obligations	(4,221)	(6,703)	(9,305)
Proceeds from borrowings of long-term debt	648	761	1,034
Repayment of long-term debt	(1,645)	(12,187)	(13,364)
Proceeds from revolver	15,100	38,200	63,000
Repayments of revolver	(30,100)	(49,000)	(58,700)
Payment of contingent consideration for business acquisitions	(2,123)	(2,919)	(2,925)
Purchases of treasury stock	—	—	(9,000)
Taxes paid related to net share settlement of equity awards	(62)	(2,146)	(2,378)
Excess tax benefit from share-based payment compensation	129	646	698
Proceeds from the exercise of stock options	323	857	909
<b>Net cash used in financing activities</b>	<b>(21,951)</b>	<b>(32,491)</b>	<b>(30,031)</b>
Effect of exchange rate changes on cash and cash equivalents	384	(221)	(1,217)
<b>Net change in cash and cash equivalents</b>	<b>8,843</b>	<b>6,910</b>	<b>9,555</b>
<b>Cash and cash equivalents</b>			
Beginning of period	9,599	9,599	9,599
End of period	\$ 18,442	\$ 16,509	\$ 19,154
<b>Supplemental disclosure of cash paid</b>			
Interest	\$ 1,484	\$ 2,454	\$ 3,174
Income taxes	\$ 4,502	\$ 9,562	\$ 12,364
<b>Noncash investing and financing</b>			
Equipment acquired through capital lease obligations	\$ 6,229	\$ 7,408	\$ 8,320
Issuance of notes payable and other debt obligations primarily related to acquisitions	\$ 325	\$ 325	\$ 325

**Mistras Group, Inc. and Subsidiaries**  
**Unaudited Reconciliation of Net Income to Adjusted EBITDA and Unaudited Segment Data**  
(in thousands)

	Three months ended			Six months ended	Nine months ended	Year ended
	June 30, 2016	September 30, 2016	December 31, 2016	June 30, 2016	September 30, 2016	December 31, 2016
<b>Net income</b>	\$ 2,763	\$ 7,255	\$ 988	\$ 6,220	\$ 13,475	\$ 14,463
Less: net income attributable to noncontrolling interests, net of taxes	2	17	25	12	29	54
Net income attributable to Mistras Group, Inc.	2,761	7,238	963	6,208	13,446	14,409
Interest expense	340	778	857	1,440	2,218	3,075
Provision for income taxes	1,737	4,083	1,100	2,825	6,908	8,008
Depreciation and amortization	8,626	7,919	7,825	16,644	24,563	32,388
Share-based compensation expense	1,466	1,966	2,163	3,195	5,161	7,324
Acquisition-related expense (benefit), net	(330)	384	94	(483)	(99)	(5)
Severance	673	265	433	727	992	1,425
Asset write-offs and lease terminations	—	—	1,042	—	—	1,042
Foreign exchange (gain) loss	(237)	(835)	(107)	(519)	(1,354)	(1,461)
Legal settlement	6,320	—	—	6,320	6,320	6,320
<b>Adjusted EBITDA</b>	<b>\$ 21,356</b>	<b>\$ 21,798</b>	<b>\$ 14,370</b>	<b>\$ 36,357</b>	<b>\$ 58,155</b>	<b>\$ 72,525</b>

	Three months ended			Six months ended	Nine months ended	Year ended
	June 30, 2016	September 30, 2016	December 31, 2016	June 30, 2016	September 30, 2016	December 31, 2016
<b>Revenues</b>						
Services	\$ 136,358	\$ 127,153	\$ 124,289	\$ 267,936	\$ 395,089	\$ 519,378
International	36,373	37,922	43,486	67,353	105,275	148,761
Products and Systems	6,467	6,807	6,094	13,148	19,955	26,049
Corporate and eliminations	(858)	(3,071)	(3,713)	(2,642)	(5,713)	(9,426)
	<b>\$ 178,340</b>	<b>\$ 168,811</b>	<b>\$ 170,156</b>	<b>\$ 345,795</b>	<b>\$ 514,606</b>	<b>\$ 684,762</b>

	Three months ended			Six months ended	Nine months ended	Year ended
	June 30, 2016	September 30, 2016	December 31, 2016	June 30, 2016	September 30, 2016	December 31, 2016
<b>Gross Profit</b>						
Services	\$ 36,490	\$ 33,704	\$ 30,880	\$ 68,948	\$ 102,652	\$ 133,532
International	11,867	13,133	14,699	20,540	33,673	48,372
Products and Systems	3,050	3,686	2,481	5,789	9,475	11,956
Corporate and eliminations	128	128	(82)	228	356	274
	<b>\$ 51,535</b>	<b>\$ 50,651</b>	<b>\$ 47,978</b>	<b>\$ 95,505</b>	<b>\$ 146,156</b>	<b>\$ 194,134</b>

	Three months ended			Six months ended	Nine months ended	Year ended
	June 30, 2016	September 30, 2016	December 31, 2016	June 30, 2016	September 30, 2016	December 31, 2016
<b>Operating Income (Loss)</b>						
Services	\$ 7,372	\$ 12,221	\$ 6,856	\$ 18,711	\$ 30,932	\$ 37,788
International	2,454	5,751	3,983	3,174	8,925	12,908
Products and Systems	(114)	806	(740)	(246)	560	(180)
Corporate and eliminations	(4,872)	(6,662)	(7,154)	(11,154)	(17,816)	(24,970)
	<u>\$ 4,840</u>	<u>\$ 12,116</u>	<u>\$ 2,945</u>	<u>\$ 10,485</u>	<u>\$ 22,601</u>	<u>\$ 25,546</u>

	Three months ended			Six months ended	Nine months ended	Year ended
	June 30, 2016	September 30, 2016	December 31, 2016	June 30, 2016	September 30, 2016	December 31, 2016
<b>Adjusted EBITDA</b>						
Services	\$ 19,467	\$ 18,111	\$ 12,121	\$ 36,240	\$ 54,351	\$ 66,472
International	4,954	6,994	7,348	7,243	14,237	21,585
Products and Systems	492	1,358	(88)	938	2,296	2,208
Corporate and eliminations	(3,557)	(4,665)	(5,011)	(8,064)	(12,729)	(17,740)
	<u>\$ 21,356</u>	<u>\$ 21,798</u>	<u>\$ 14,370</u>	<u>\$ 36,357</u>	<u>\$ 58,155</u>	<u>\$ 72,525</u>