

**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): November 4, 2019

Gulf Island Fabrication, Inc.

(Exact name of registrant as specified in its charter)

Louisiana
(State or other jurisdiction
of incorporation)

001-34279
(Commission
File Number)

72-1147390
(IRS Employer
Identification No.)

**16225 Park Ten Place, Suite 300
Houston, Texas 77084**

(Address of principal executive offices)(Zip Code)

(713) 714-6100

(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:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, no par value per share	GIFI	NASDAQ

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 Exchange 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 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 4, 2019, Gulf Island Fabrication, Inc. issued a press release (the “Press Release”) announcing its third quarter 2019 results. A copy of the Press Release is attached as Exhibit 99.1.

Neither the information reported herein nor in the Press Release shall be deemed “filed” for purposes of Section 18 of the Exchange Act or otherwise subject to the liabilities of that section unless the Company specifically states that the information is to be considered “filed” under the Exchange Act or incorporates it by reference into a filing under the Securities Act or the Exchange Act.

Item 8.01 Other Events

On November 4, 2019, Gulf Island Fabrication, Inc. issued a press release (the “Press Release”) announcing the completion of its strategic review process. A copy of the Press Release is attached as Exhibit 99.2.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

The following exhibit is filed herewith:

Exhibit No.	Description
99.1 *	Press Release, dated November 4, 2019, announcing third quarter 2019 results.
99.2 *	Press Release, dated November 4, 2019, announcing the completion of strategic review process.

*Filed with this Current Report.

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.

GULF ISLAND FABRICATION, INC.

By: /s/ Westley S. Stockton
Westley S. Stockton
Executive Vice President, Chief Financial Officer, Secretary
and Treasurer (Principal Financial Officer)

Dated: November 4, 2019

**NEWS RELEASE
FOR IMMEDIATE RELEASE
Monday, November 4, 2019**

**GULF ISLAND
REPORTS THIRD QUARTER 2019 RESULTS**

Houston, TX - Gulf Island Fabrication, Inc. ("Gulf Island" or the "Company") (NASDAQ: GIFI) today reported a net loss of \$6.8 million (\$0.44 per share) on revenue of \$75.8 million for the third quarter 2019, compared to a net loss of \$5.2 million (\$0.34 per share) on revenue of \$80.5 million for the second quarter 2019 and net loss of \$10.9 million (\$0.73 per share) on revenue of \$49.7 million for the third quarter 2018. At September 30, 2019, the Company's cash and short-term investments totaled \$71.4 million and backlog totaled \$461.8 million.

"Results for the current quarter unfortunately reflect charges on certain projects which negatively impacted our results," said Kirk Meche, Gulf Island's President and Chief Executive Officer. "These project impacts are clearly disappointing and each has unique circumstances which we do not believe will result in additional charges going forward. During the quarter, we completed our fifth harbor tug vessel and were awarded a contract for the construction of a seventy-vehicle ferry. We also experienced solid performance on our remaining backlog, and we are focused on enhancing our proposal, estimating and operations resources, processes and procedures to improve our competitiveness and overall project execution."

Backlog

The Company's backlog at September 30, 2019 of \$461.8 million represents a decrease of \$14.6 million from June 30, 2019, and an increase of \$105.4 million from December 31, 2018. Backlog by operating segment was \$406.7 million for the Shipyard Division, \$39.9 million for the Fabrication Division, and \$15.2 million for the Services Division. Backlog for the Shipyard Division excludes customer options on contracts of approximately \$333.0 million, which include deliveries through 2025 should all options be exercised. See "Non-GAAP Measures" below for the Company's definition of Backlog.

Cash and Liquidity

The Company's cash and short-term investments at September 30, 2019 of \$71.4 million represents a decrease of \$4.6 million from June 30, 2019, and a decrease of \$7.8 million from December 31, 2018. The Company ended the quarter with no debt and total working capital of \$94.0 million, which includes \$18.5 million of assets held for sale. At September 30, 2019, the Company's total available liquidity was as follows (*in thousands*):

Available Liquidity	Total
Cash and cash equivalents	\$ 45,911
Short-term investments	25,457
Total cash, cash equivalents and short-term investments	71,368
Credit Agreement total capacity	40,000
Outstanding letters of credit	(10,434)
Availability under Credit Agreement	29,566
Total available liquidity	\$ 100,934

Results of Operations⁽¹⁾ (in thousands, except per share data)

	Three Months Ended			Nine Months Ended	
	September 30,	June 30,	September 30,	September 30,	September 30,
	2019	2019	2018	2019	2018
Revenue	\$ 75,802	\$ 80,456	\$ 49,712	\$ 223,863	\$ 161,016
Cost of revenue	78,487	82,054	52,924	227,593	164,248
Gross loss	(2,685)	(1,598)	(3,212)	(3,730)	(3,232)
General and administrative expense	3,970	3,987	4,902	11,791	14,703
Asset impairments and (gain) loss on assets held for sale, net	324	—	146	254	(5,683)
Other (income) expense, net	(51)	(201)	2,484	(181)	2,859
Operating loss ⁽²⁾	(6,928)	(5,384)	(10,744)	(15,594)	(15,111)
Interest (expense) income, net	139	126	72	527	(166)
Net loss before income taxes	(6,789)	(5,258)	(10,672)	(15,067)	(15,277)
Income tax (expense) benefit	10	10	(277)	(2)	(419)
Net loss	\$ (6,779)	\$ (5,248)	\$ (10,949)	\$ (15,069)	\$ (15,696)
Per share data:					
Basic and diluted loss per common share	\$ (0.44)	\$ (0.34)	\$ (0.73)	\$ (0.99)	\$ (1.05)

(1) See "Results of Operations by Segment" below for results by division.

(2) Operating loss includes charges on certain projects in the Shipyard Division for the three months ended September 30, 2019 and June 30, 2019, and for the nine months ended September 30, 2019, of \$2.4 million, \$2.3 million and \$4.4 million, respectively, and charges on a project in the Services Division for the three and nine months ended September 30, 2019, of \$1.5 million and \$1.4 million, respectively. Operating loss for the three months ended September 30, 2019, June 30, 2019 and September 30, 2018, and nine months ended September 30, 2019 and 2018, includes legal fees and other costs of \$0.5 million, \$1.0 million, \$1.1 million, \$1.7 million, and \$2.2 million, respectively, associated with two customer disputes.

EBITDA⁽¹⁾ (in thousands)

	Three Months Ended			Nine Months Ended	
	September 30,	June 30,	September 30,	September 30,	September 30,
	2019	2019	2018	2019	2018
Net loss	\$ (6,779)	\$ (5,248)	\$ (10,949)	\$ (15,069)	\$ (15,696)
Less: Income tax (expense) benefit	10	10	(277)	(2)	(419)
Less: Interest (expense) income, net	139	126	72	527	(166)
Operating loss	(6,928)	(5,384)	(10,744)	(15,594)	(15,111)
Add: Depreciation and amortization	2,290	2,422	2,480	7,264	7,788
EBITDA	\$ (4,638)	\$ (2,962)	\$ (8,264)	\$ (8,330)	\$ (7,323)

(1) EBITDA is a non-GAAP measure. See "Non-GAAP Measures" below for the Company's definition of EBITDA.

Condensed Cash Flow Information (in thousands)

	Three Months Ended			Nine Months Ended	
	September 30,	June 30,	September 30,	September 30,	September 30,
	2019	2019	2018	2019	2018
Net cash provided by (used in) operating activities	\$ (3,822)	\$ 5,593	\$ 7,761	\$ (6,706)	\$ (18,666)
Net cash provided by (used in) investing activities	19,630	(25,260)	5,296	(16,997)	55,542
Net cash used in financing activities	(89)	(39)	(41)	(843)	(839)

Condensed Balance Sheet Information (in thousands)

	September 30, 2019	June 30, 2019	December 31, 2018
Cash and cash equivalents	\$ 45,911	\$ 30,192	\$ 70,457
Short-term investments	25,457	45,791	8,720
Total current assets	178,804	177,927	159,955
Property, plant and equipment, net	74,770	75,862	79,930
Total assets	277,165	277,591	258,290
Total current liabilities	84,822	78,780	56,101
Total shareholders' equity	187,044	193,442	201,100

Quarterly Conference Call

Gulf Island will hold a conference call on Tuesday, November 5, 2019 at 9:00 a.m. Central Time (10:00 a.m. Eastern Time) to discuss the Company's financial results. The call will be available by webcast and can be accessed on Gulf Island's website at www.gulfisland.com. Participants may also join the call by dialing 1.800.353.6461 and requesting the "Gulf Island" conference call. A replay of the webcast will be available on the Company's website for seven days after the call.

About Gulf Island

Gulf Island is a leading fabricator of complex steel structures, modules and marine vessels used in energy extraction and production, petrochemical and industrial facilities, power generation, alternative energy and shipping and marine transportation operations. The Company also provides project management, installation, hookup, commissioning, repair, maintenance and civil construction services. The Company operates and manages its business through three operating divisions: Fabrication, Shipyard and Services, with its corporate headquarters located in Houston, Texas and operating facilities located in Houma, Jennings and Lake Charles, Louisiana.

Non-GAAP Measures

This Release includes certain non-GAAP measures, including earnings before interest, taxes, depreciation and amortization ("EBITDA") and Backlog. The Company believes EBITDA is a useful supplemental measure as it reflects the Company's operating results excluding the non-cash impacts of depreciation and amortization. Reconciliations of EBITDA to the most comparable GAAP measure are presented under "*EBITDA*" above and "*Results of Operations by Segment*" below. The Company believes Backlog is a useful supplemental measure as it represents work that the Company is contractually obligated to perform under its current contracts. Backlog represents the unearned value of new project awards and may differ from the value of remaining performance obligations for contracts as determined under GAAP. Backlog at September 30, 2019 of \$461.8 million includes the Company's performance obligations of \$439.9 million, plus \$21.9 million of backlog subject to a contract termination dispute with a customer to build two multi-purpose service vessels that does not meet the criteria to be reported as remaining performance obligations under GAAP.

Non-GAAP measures are not intended to be replacements or alternatives to GAAP measures, and investors are urged to consider these non-GAAP measures in addition to, and not in substitution for, measures prepared in accordance with GAAP. The Company may present or calculate non-GAAP measures differently from other companies.

Company Information

Kirk J. Meche
Chief Executive Officer
713.714.6100

Westley S. Stockton
Chief Financial Officer
713.714.6100

Cautionary Statement

This Release contains forward-looking statements in which we discuss our potential future performance. Forward-looking statements, within the meaning of the safe harbor provisions of the U.S. Private Securities Litigation Reform Act of 1995, are all statements other than statements of historical facts, such as projections or expectations relating to oil and gas prices, operating cash flows, capital expenditures, liquidity and tax rates. The words “anticipates,” “may,” “can,” “plans,” “believes,” “estimates,” “expects,” “projects,” “targets,” “intends,” “likely,” “will,” “should,” “to be,” “potential” and any similar expressions are intended to identify those assertions as forward-looking statements.

We caution readers that forward-looking statements are not guarantees of future performance and actual results may differ materially from those anticipated, projected or assumed in the forward-looking statements. Important factors that can cause our actual results to differ materially from those anticipated in the forward-looking statements include the cyclical nature of the oil and gas industry, competition, consolidation of our customers, timing and award of new contracts, reliance on significant customers, financial ability and credit worthiness of our customers, nature of our contract terms, competitive pricing and cost overruns on our projects, adjustments to previously reported profits or losses under the percentage-of-completion method, weather conditions, changes in backlog estimates, suspension or termination of projects, ability to raise additional capital, ability to amend or obtain new debt financing or credit facilities on favorable terms, ability to remain in compliance with our covenants contained in our Credit Agreement, ability to generate sufficient cash flow, ability to sell certain assets, customer or subcontractor disputes, ability to resolve the dispute with a customer relating to the purported termination of contracts to build two MPSVs, operating dangers and limits on insurance coverage, barriers to entry into new lines of business, ability to employ skilled workers, loss of key personnel, performance of subcontractors and dependence on suppliers, changes in trade policies of the U.S. and other countries, compliance with regulatory and environmental laws, lack of navigability of canals and rivers, shutdowns of the U.S. government, systems and information technology interruption or failure and data security breaches, performance of partners in our joint ventures and other strategic alliances, and other factors described in Item 1A in our Annual Report on Form 10-K for the Year Ended December 31, 2018, as updated by subsequent filings with the U.S. Securities and Exchange Commission.

Investors are cautioned that many of the assumptions upon which our forward-looking statements are based are likely to change after the forward-looking statements are made, which we cannot control. Further, we may make changes to our business plans that could affect our results. We caution investors that we do not intend to update forward-looking statements more frequently than quarterly notwithstanding any changes in our assumptions, changes in business plans, actual experience or other changes, and we undertake no obligation to update any forward-looking statements.

Results of Operations by Segment (in thousands, except for percentages)

Fabrication Division⁽¹⁾

	Three Months Ended			Nine Months Ended	
	September 30, 2019	June 30, 2019	September 30, 2018	September 30, 2019	September 30, 2018
Revenue	\$ 19,474	\$ 22,415	\$ 3,382	\$ 54,520	\$ 30,197
Cost of revenue	19,902	23,092	7,619	56,397	36,085
Gross loss	(428)	(677)	(4,237)	(1,877)	(5,888)
<i>Gross loss percentage</i>	(2.2)%	(3.0)%	(125.3)%	(3.4)%	(19.5)%
General and administrative expense	440	742	1,409	1,949	3,886
Asset impairments and (gain) loss on assets held for sale, net	—	—	146	(70)	(5,683)
Other (income) expense, net	(20)	(208)	2,485	(157)	2,481
Operating loss	\$ (848)	\$ (1,211)	\$ (8,277)	\$ (3,599)	\$ (6,572)

EBITDA⁽²⁾

Operating loss	\$ (848)	\$ (1,211)	\$ (8,277)	\$ (3,599)	\$ (6,572)
Add: Depreciation and amortization	840	891	1,023	2,698	3,219
EBITDA	\$ (8)	\$ (320)	\$ (7,254)	\$ (901)	\$ (3,353)

Shipyard Division

	Three Months Ended			Nine Months Ended	
	September 30, 2019	June 30, 2019	September 30, 2018	September 30, 2019	September 30, 2018
Revenue	\$ 39,436	\$ 37,567	\$ 24,492	\$ 113,590	\$ 66,677
Cost of revenue	41,838	40,479	26,256	119,184	72,240
Gross loss	(2,402)	(2,912)	(1,764)	(5,594)	(5,563)
<i>Gross loss percentage</i>	(6.1)%	(7.8)%	(7.2)%	(4.9)%	(8.3)%
General and administrative expense	657	590	696	1,871	2,089
Asset impairments and (gain) loss on assets held for sale, net	324	—	—	324	—
Other (income) expense, net	(34)	62	(6)	28	158
Operating loss	\$ (3,349)	\$ (3,564)	\$ (2,454)	\$ (7,817)	\$ (7,810)

EBITDA⁽²⁾

Operating loss	\$ (3,349)	\$ (3,564)	\$ (2,454)	\$ (7,817)	\$ (7,810)
Add: Depreciation and amortization	992	1,047	1,050	3,148	3,170
EBITDA	\$ (2,357)	\$ (2,517)	\$ (1,404)	\$ (4,669)	\$ (4,640)

Services Division

	Three Months Ended			Nine Months Ended	
	September 30, 2019	June 30, 2019	September 30, 2018	September 30, 2019	September 30, 2018
Revenue	\$ 17,507	\$ 24,065	\$ 22,617	\$ 61,174	\$ 66,692
Cost of revenue	17,297	21,928	19,426	57,086	57,302
Gross profit	210	2,137	3,191	4,088	9,390
<i>Gross profit percentage</i>	1.2%	8.9%	14.1%	6.7%	14.1%
General and administrative expense	614	464	705	1,530	2,201
Other (income) expense, net	3	(55)	4	(52)	(34)
Operating income (loss)	\$ (407)	\$ 1,728	\$ 2,482	\$ 2,610	\$ 7,223

EBITDA⁽²⁾

Operating income (loss)	\$ (407)	\$ 1,728	\$ 2,482	\$ 2,610	\$ 7,223
Add: Depreciation and amortization	362	363	365	1,099	1,141
EBITDA	\$ (45)	\$ 2,091	\$ 2,847	\$ 3,709	\$ 8,364

Corporate Division

	Three Months Ended			Nine Months Ended	
	September 30, 2019	June 30, 2019	September 30, 2018	September 30, 2019	September 30, 2018
Revenue (eliminations)	\$ (615)	\$ (3,591)	\$ (779)	\$ (5,421)	\$ (2,550)
Cost of revenue (eliminations)	(550)	(3,445)	(377)	(5,074)	(1,379)
Gross loss	(65)	(146)	(402)	(347)	(1,171)
<i>Gross loss percentage</i>	n/a	n/a	n/a	n/a	n/a
General and administrative expense	2,259	2,191	2,092	6,441	6,527
Other (income) expense, net	—	—	1	—	254
Operating loss	\$ (2,324)	\$ (2,337)	\$ (2,495)	\$ (6,788)	\$ (7,952)

EBITDA⁽²⁾

Operating loss	\$ (2,324)	\$ (2,337)	\$ (2,495)	\$ (6,788)	\$ (7,952)
Add: Depreciation and amortization	96	121	42	319	258
EBITDA	\$ (2,228)	\$ (2,216)	\$ (2,453)	\$ (6,469)	\$ (7,694)

(1) During the first quarter 2019, the Company's former EPC Division was operationally combined with its Fabrication Division, and accordingly, the Company's current reportable segments are "Fabrication", "Shipyard", "Services", and "Corporate." The segment results for the EPC Division for the three and nine months ended September 30, 2018 were combined with the Fabrication Division to conform to the presentation of the Company's reportable segments for the 2019 period.

(2) EBITDA is a non-GAAP measure. See "Non-GAAP Measures" above for the Company's definition of EBITDA.

**NEWS RELEASE
FOR IMMEDIATE RELEASE**

November 4, 2019

**Gulf Island Announces
Completion of Review of Alternative Strategies**

HOUSTON, TX – Gulf Island Fabrication, Inc. (“Gulf Island” or the “Company”) (NASDAQ: GIF1) announced today the completion of its previously announced review of alternative strategies that began in early May 2019 and was led by a special committee of the Board of Directors (“Board”) with assistance from the Board’s financial advisor, Johnson Rice & Company L.L.C. The review was designed to objectively evaluate alternative strategies for the Company, including possible merger or sale transactions, among other things. The review has not resulted in a viable proposal.

After careful consideration, the Board determined that the interests of the Company’s shareholders are best served if the Company remains independent and the Board focuses on executing the Company’s existing business plan, which includes enhancing the Company’s resources, processes and procedures to improve competitiveness and overall project execution and consideration of organic and inorganic opportunities for growth.

About Gulf Island

Gulf Island is a leading fabricator of complex steel structures, modules and marine vessels used in energy extraction and production, petrochemical and industrial facilities, power generation, alternative energy and shipping and marine transportation operations. The Company also provides project management, installation, hookup, commissioning, repair, maintenance and civil construction services. The Company operates and manages its business through three operating divisions: Fabrication, Shipyard and Services, with its corporate headquarters located in Houston, Texas and operating facilities located in Houma, Jennings and Lake Charles, Louisiana. For more information on the Company, visit Gulf Island’s website at www.gulfisland.com.

Company Information

Kirk J. Meche
Chief Executive Officer
713-714-6100

Westley S. Stockton
Chief Financial Officer
713-714-6100

Cautionary Statement

This press release contains forward-looking statements. Forward-looking statements, within the meaning of the safe harbor provisions of the U.S. Private Securities Litigation Reform Act of 1995, are all statements other than statements of historical facts, such as projections or expectations relating to oil and gas prices, operating cash flows, capital expenditures, liquidity and tax rates. The words “anticipates,” “may,” “can,” “plans,” “believes,” “estimates,” “expects,” “projects,” “targets,” “intends,” “likely,” “will,” “should,” “to be,” “potential” and any similar expressions are intended to identify those assertions as forward-looking statements.

We caution readers that forward-looking statements are not guarantees of future performance and actual results may differ materially from those anticipated, projected or assumed in the forward-looking statements. Important factors that can cause our actual results to differ materially from those anticipated in the forward-looking statements include the cyclical nature of the oil and gas industry, competition, consolidation of our customers, timing and award of new contracts, reliance on significant customers, financial ability and credit worthiness of our customers, nature of our contract terms, competitive pricing and cost overruns on our projects, adjustments to previously reported profits or losses under the percentage-of-completion method, weather conditions, changes in backlog estimates, suspension or termination of projects, ability to raise additional capital, ability to amend or obtain new debt financing or credit facilities on favorable terms, ability to remain in compliance with our covenants contained in our credit agreement, ability to generate sufficient cash flow, ability to sell certain assets, customer or subcontractor disputes, ability to resolve the dispute with a customer relating to the purported termination of contracts to build two multi-purpose support vessels, operating dangers and limits on insurance coverage, barriers to entry into new lines of business, ability to employ skilled workers, loss of key personnel, performance of subcontractors and dependence on suppliers, changes in trade policies of the U.S. and other countries, compliance with regulatory and environmental laws, lack of navigability of canals and rivers, shutdowns of the U.S. government, systems and information technology interruption or failure and data security breaches, performance of partners in our joint ventures and other strategic alliances, and other factors described in Item 1A in our Annual Report on Form 10-K for the Year Ended December 31, 2018, as updated by subsequent filings with the U.S. Securities and Exchange Commission.

Investors are cautioned that many of the assumptions upon which our forward-looking statements are based are likely to change after the forward-looking statements are made, which we cannot control. Further, we may make changes to our business plans that could affect our results. We caution investors that we do not intend to update forward-looking statements more frequently than quarterly notwithstanding any changes in our assumptions, changes in business plans, actual experience or other changes, and we undertake no obligation to update any forward-looking statements.