

An aerial photograph of a large, dark-colored industrial dome under construction. Several workers in high-visibility vests and hard hats are visible on the dome's surface. An American flag and other flags are planted on the dome. A crane is positioned on the right side of the dome. The construction site is surrounded by a dense forest and a body of water. A green diagonal graphic element is overlaid on the bottom right of the image.

# Fiscal 2018

## First Quarter Ended September 30, 2017



**MATRIX SERVICE  
COMPANY**

Move to a higher standard™

# Safe harbor

This presentation contains certain forward-looking statements concerning Matrix Service Company's operations, economic performance and management's best judgment as to what may occur in the future. The actual results for the current and future periods and other corporate developments will depend upon a number of economic, competitive and other influences, many of which are beyond the control of the Company, and any one of which, or a combination of which, could materially affect the results of the Company's operations. Such forward-looking statements are subject to a number of risks and uncertainties as identified in the Company's most recent Annual Report on Form 10-K and in subsequent filings made by the Company with the SEC. To the extent the Company utilizes non-GAAP measures, reconciliations will be provided in various press releases and on the Company's website.



# A top-tier North American EPC contractor



## ELECTRICAL INFRASTRUCTURE

- Power generation facilities
- Substation construction and upgrades
- Transmission & distribution
- Storm restoration



## OIL, GAS & CHEMICAL

- Refinery, gas plants and petrochemical facilities
- Sulfur recovery, processing and handling
- Industrial cleaning
- Upstream services



## STORAGE SOLUTIONS

- Crude tanks and terminals
- NGL tanks and terminals
- LNG tanks and terminals
- Other specialty vessels
- Precision engineered products



## INDUSTRIAL

- Iron and steel
- Mining and minerals
- Grain
- Cement
- Marine structures
- Bulk material handling
- Fertilizer production facilities
- Other industrial

Through our subsidiaries, Matrix provides engineering, fabrication, construction, construction management, maintenance and repair services across the Energy, Power, and Industrial markets

# 5 years of growth, development and diversification

- Grew organically in the markets we serve
- Transformed Storage Solutions work from tanks to full terminals
- Extended work from flat bottom tanks to specialty vessels
- Expanded construction expertise into new markets including power, integrated iron and steel, upstream oil and gas, mining and minerals, sulfur, gas processing, grain, and bulk material handling
- Augmented growth and geographic reach through multiple acquisitions
- Expanded engineering expertise to add capacity in front-end engineering design (FEED) as well as expertise in other engineering specialties such as marine structures, automation and controls, and global construction management
- Matured the organization: People, Process, Culture

## ACQUISITIONS



## MARKETPLACE RECOGNITION



Second consecutive year certified as a Great Place To Work



Twice by Forbes as one of America's Most Trustworthy Companies



#56 on ENR's Top 400 list  
10<sup>th</sup> consecutive year in Top 100

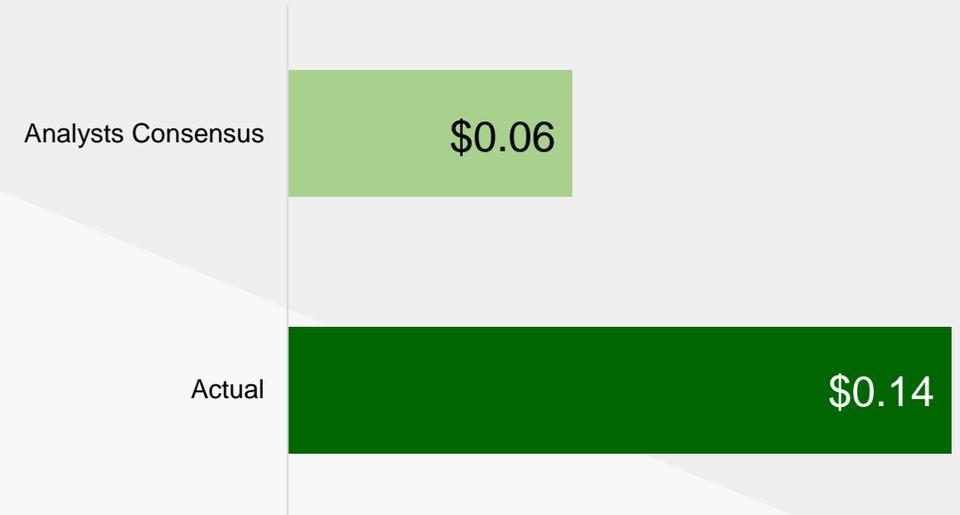


# First quarter results

## Key highlights:

- Company earned \$0.14 per fully diluted share in the first quarter
- Solid book-to-bill of 1.2 achieved on project awards of \$316.4 million, up almost 22% over a year ago
  - Book-to-bill was 1.4 excluding amounts attributable to the Napanee Power Generating Station
- Backlog increased to \$728.8 million compared to \$682.3 million at June 30, 2017
- Consolidated gross margins are 10.7% on strong project execution
- Balance sheet remains strong; liquidity increased to \$131.8 million

## EARNINGS PER SHARE, FY 2018 Q1



# Project awards and book-to-bill\*

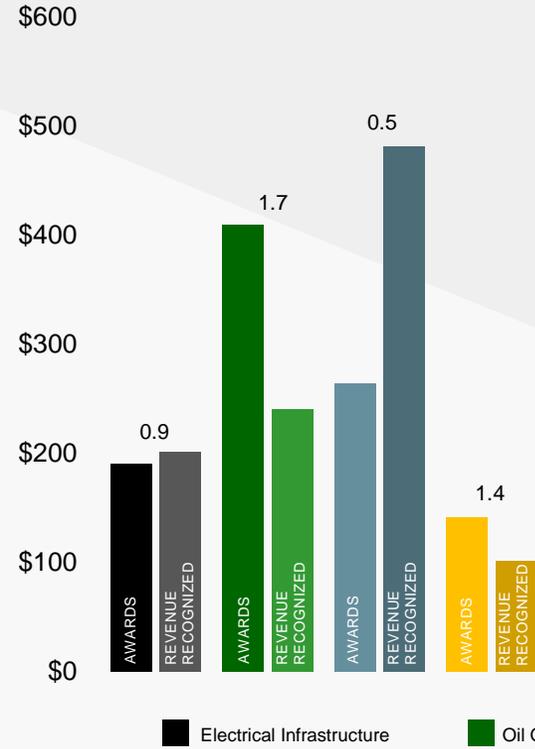
(\$ in thousands)

PROJECT AWARDS, FISCAL 2015, Q4 THROUGH FISCAL 2018, Q1



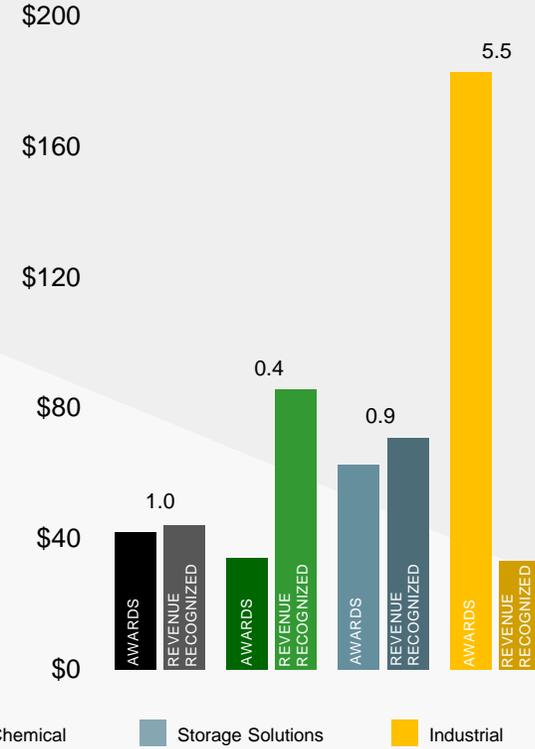
BOOK TO BILL, FISCAL 2017

CONSOLIDATED BOOK TO BILL  
**1.0**



BOOK TO BILL, FISCAL 2018, Q1

CONSOLIDATED BOOK TO BILL  
**1.4**



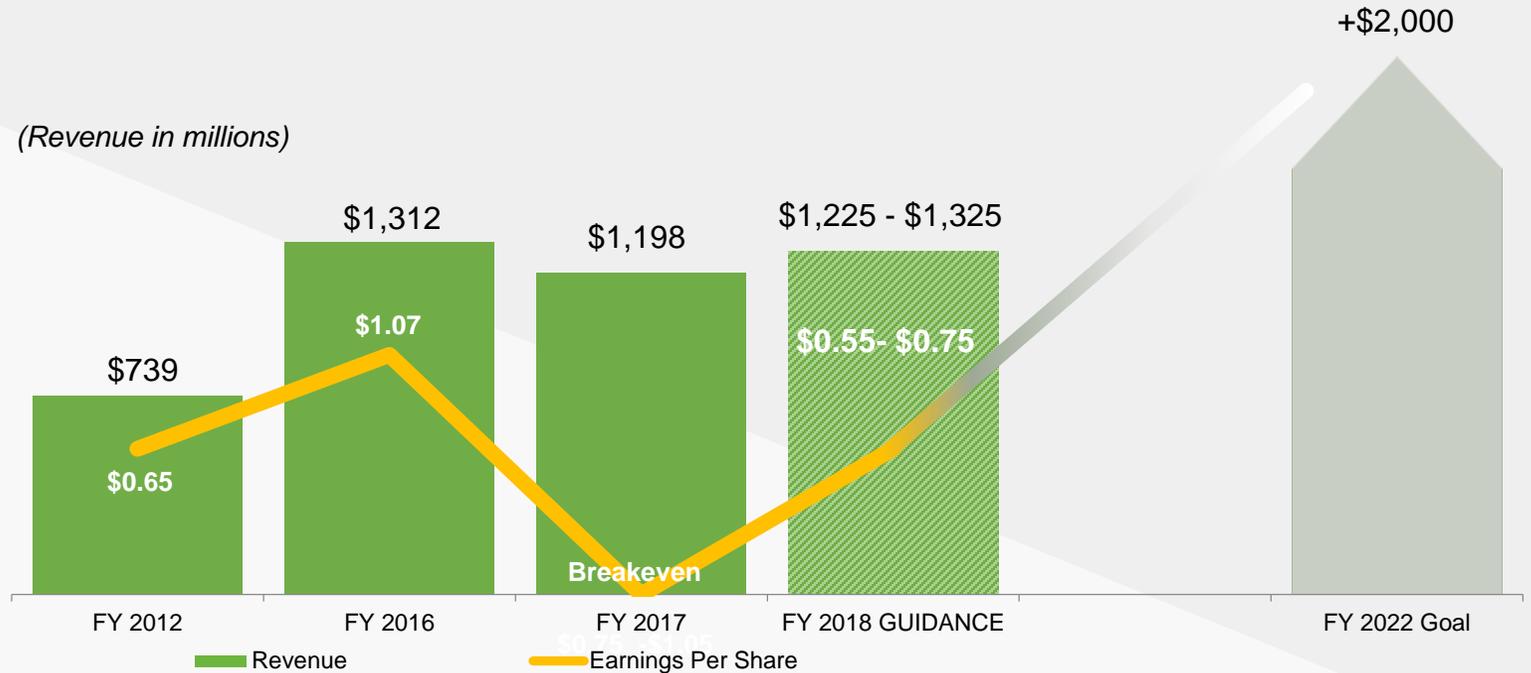
\*Project awards and revenue recognized exclude amounts attributable to the Napanee Power Generating Station

# Our long-term goals

## LONG-TERM GOALS

TRIR / Safety	<b>0</b>
Net working capital	<b>&lt; 6%*</b>
EBITDA	<b>≥ 7%*</b>
ROIC	<b>&gt; 12%</b>
Overhead recovery	Full Recovery
SG&A	<b>&lt; 5.5%*</b>
CAPEX	<b>&lt; 1.5%*</b>
Voluntary employee turnover (excluding Craft)	<b>&lt; 5%</b>
Average annual training hours per employee	<b>≥ 40</b>

\*As a percentage of consolidated revenue



Our strategic goals are designed to achieve growth and realization of top tier metrics to maximize long-term shareholder value.

# Our vision and strategy

Building strong, long-term shareholder value

# Our vision

To be the **company of choice** for engineering, constructing and maintaining the **energy** and **industrial infrastructure** that **people rely on** around the world.



# Our culture and core values

Our people, *living our values*, provide the foundation for success.

Safety

Integrity

Positive Relationships

Stewardship

Community Service

Delivering the Best



# Our strategic objectives

Our culture and core values underpin our strategic objectives.

1 Zero-Incident Safety	2 Best-in-Class People	3 Enhanced Communication	4 Sustainable Client Relationships	5 Continued Growth and Diversification	6 Sustained International Presence	7 New Market Opportunities	8 Application of Technologies	9 Corporate Effectiveness and Efficiency	10 Consistent, Sustainable Earnings
1 Safety	2 People and Communication	3 Clients and Growth					4 Execution		



# Safety

**EAZI**  
ELIMINATING ACCIDENTS  
ZERO INCIDENTS



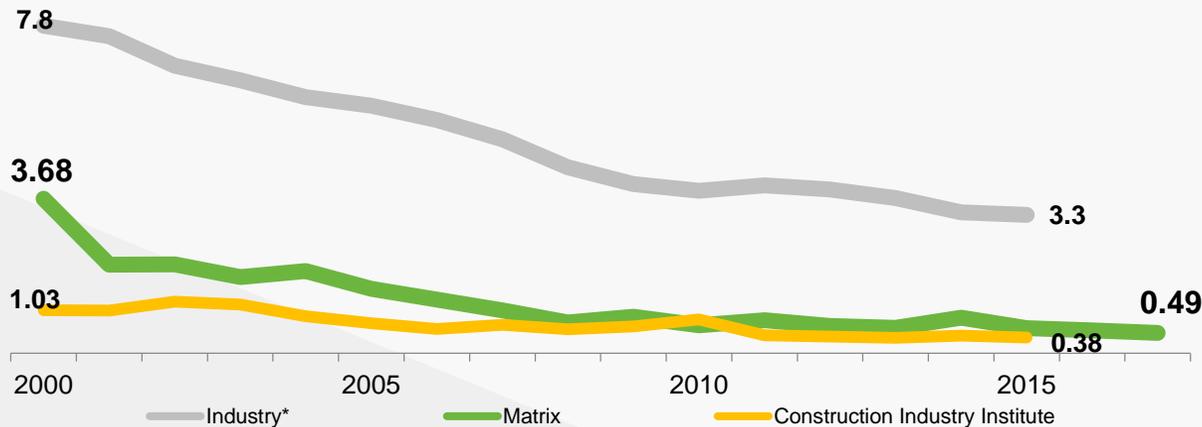
## FY 2018 FOCUS AREAS

Achieve zero incident safety performance

- Employ top-down leadership to drive the right mindset to frontline supervisors and craft
- Challenge the status quo to ensure our actions are aligned with our values in terms of safety
- Expand awareness and engagement in the HSE management system
- Develop and implement engineered solutions to reduce human exposure to hazards and improve efficiency and quality

FY 2017 Total Recordable Incident Rate (TRIR)  
– Record Safety Performance

**0.49**



\*2016 CII and OSHA (NAICS 236-238 (SIC 15-17) data not yet available.

# People and Communication



## FY 2018 FOCUS AREAS

- Continue to improve our succession, employee skills, and leadership depth
- Ensure all employees have the attitude, leadership capabilities, and skillsets to support our vision, values and culture
- Focus on deeper and broader communication throughout the business to include strategy, culture and business performance

# Clients and Growth

## FY 2018 FOCUS AREAS

- Achieve a consolidated book to bill above 1.0
- Solidify tactics to support strategy for international expansion
- Leverage our enhanced engineering capabilities as a growth engine across the enterprise
- Continue to explore and evaluate new market opportunities
- Strengthen and continue to build additional long-term sustainable client relationships across the enterprise



# Execution Excellence



## FY 2018 FOCUS AREAS

- Achieve project execution performance excellence resulting in more predictable financial outcomes
- Achieve consistent, sustainable earnings and long-term shareholder value creation
- Strengthen liquidity with working capital management, capital efficiency and positive project cash flow
- Strengthen investor relations to continually improve confidence and market awareness

# Macroeconomic and market outlook

- Balance of the decade is expected to have stronger global GDP growth
- Improved regulatory environment should speed projects to closure
- Aging infrastructure is creating critical demand for new infrastructure
- North American transition to global energy producer requires additional infrastructure

## ENERGY



## POWER



## INDUSTRIAL



# Energy

- North American pipeline buildouts have created **demand for significant infrastructure** including storage terminals, pumping stations and gas processing facilities
- Growing global demand for LNG is creating **significant opportunity in large- and small-scale LNG facilities**
- North America's transition from energy importer to exporter has created **need for export terminals**
- **Small cap, maintenance and repair work** inside refineries and petrochemical processing facilities is trending up, though delays may persist

## STRATEGY

- Build on our reputation as a world-class EPC contractor for crude oil, LNG, NGL and other storage tanks and terminals
- Leverage the added capacity and expertise of our enhanced engineering to support the energy value chain
- Build on our long-standing relationships inside North America's refineries

## BOOK TO BILL

### STORAGE SOLUTIONS

**FY17: 0.5 | FY 18 Q1: 0.9**

Major awards nearing contract finalization

Uptick in bidding opportunities and awards on both full terminal and smaller tank-only projects

### OIL, GAS & CHEMICAL

**FY17: 1.7 | FY18 Q1: 0.4**

Increased M&R and turnaround work inside refineries and petrochemical facilities

Increased requests for multi-year Master Service agreements

Additional awards and higher margin work as a result of enhanced engineering subsidiary



# Power

- In substation, transmission and distribution, immense projected infrastructure needs are being driven by **grid modernization and repairs**
- In power generation, demand for gas fired power generation creates substantial project opportunity for individual packages including **civil/structural, centerline erection, mechanical, piping, and electrical and instrumentation**
- **Storm response** work provides additional incremental opportunity

## STRATEGY

- Build on our market leading position in power distribution in the Northeast to grow organically
- Leverage acquisitions to extend substation, transmission and distribution work to new geographies
- Focus on our legacy work in individual system packages on gas fired power plant construction

## BOOK TO BILL\*

ELECTRICAL INFRASTRUCTURE  
**FY17: 1.0 | FY18 Q1: 1.0**

Continued awards by public and private utilities in high voltage work including substations, transmission and distribution

Balance of plant aboveground electrical construction work on a new 540-megawatt combined cycle power facility

\*Book to bill excludes amounts attributable to the Napanee Power Generating Station



# Industrial

- **Improving commodity prices** and infrastructure needs will positively impact iron and steel and mining and minerals operations
- Global demand for grain, as well other materials such as fertilizer, sulfur and cement bring substantial opportunity in **material handling, bulk material loading/unloading, marine structures, and automation and controls**
- **Demand for thermal vacuum chambers** brings additional opportunity and demonstrates our leading engineering and construction expertise

## STRATEGY

- Leverage the added capacity and expertise of Matrix PDM to extend our work into new markets
- Draw on the international construction management expertise of Matrix PDM to build a sustained international presence
- Build on our long-standing customer relationships

## BOOK TO BILL

### INDUSTRIAL

**FY17: 1.4 | FY18 Q1: 5.5**

Increased project awards in Iron and Steel

Increased project work brought by Matrix PDM Engineering in the cement, agriculture and fertilizer markets as well as other material handling applications

Two thermal vacuum chambers, a niche specialty area for Matrix

Anticipated improvement in Mining and Minerals on improving copper prices



# Why Matrix is a good long-term investment



- Strong culture of living our core values
- Clear vision and strategy
- Strong balance sheet with low capital demand
- Blue chip customer base; majority long-term customers
- Positive trends in our end markets
- Diversified portfolio of projects with mix of capital construction and recurring revenue
- EPC and EPCM model, along with existing global footprint in products, provides low-risk entry to international markets
- Foundationally built for long-term growth

## LONG-TERM GOALS

TRIR / Safety	<b>0</b>
2022 Revenue goal	<b>\$2+ Billion</b>
Net working capital	<b>&lt; 6%*</b>
EBITDA	<b>≥ 7%*</b>
ROIC	<b>&gt; 12%</b>
Overhead recovery	Full Recovery
SG&A	<b>&lt; 5.5%*</b>
CAPEX	<b>&lt; 1.5%*</b>
Voluntary employee turnover (excluding Craft)	<b>&lt; 5%</b>
Average annual training hours per employee	<b>≥ 40</b>

\*As a percentage of consolidated revenue



# Appendix

Project highlights

# Electrical Infrastructure | Substation



Matrix NAC installed all substation underground conduits, ground grid and trench, as well as three (3) 500 kV breakers and five (5) switches, and three (3) 230 kV breakers and six (6) switches. The team also:

- Installed the field steel supports, insulators, bus, CCVTs and LAs
- Set-up the pre-manufactured control house and its internal wiring
- Installed the power and control cable (86,500 LF and 2,640 terminations) and tertiary supports and bus



# Oil Gas & Chemical | Refinery



Deconstruction / reconstruction of Tier 3 Ultra-Low Sulfur Gasoline (ULSG) unit at the Monroe Energy refinery in Trainer, PA.

- Currently providing mechanical, electrical and instrumentation construction services including deconstruction and reconstruction of an idle 60,000 barrels per day SCANfining™ unit currently at another facility.



# Storage Solutions | LNG storage



EPC of 1,000,000 gallon LNG  
cryogenic tank



# Industrial | Sulfur melter



Full EPC of 1.2 million metric ton per year Sulfur Melter; 6,000 million ton silo, truck unloading, sulfur filters and integration into fertilizer facility for Mosaic



# Electrical Infrastructure | Substation



- Install New Greenfield 500/230kV Substation
- Install 500kV yard structures, equipment and bus including four (4) 500kV breakers and associated switches
- Install 138/69kV yard structures, equipment, and bus
- Install new control house, relays and yard cable
- Install all below grade grounding, conduit and Trenwa
- Install site lighting



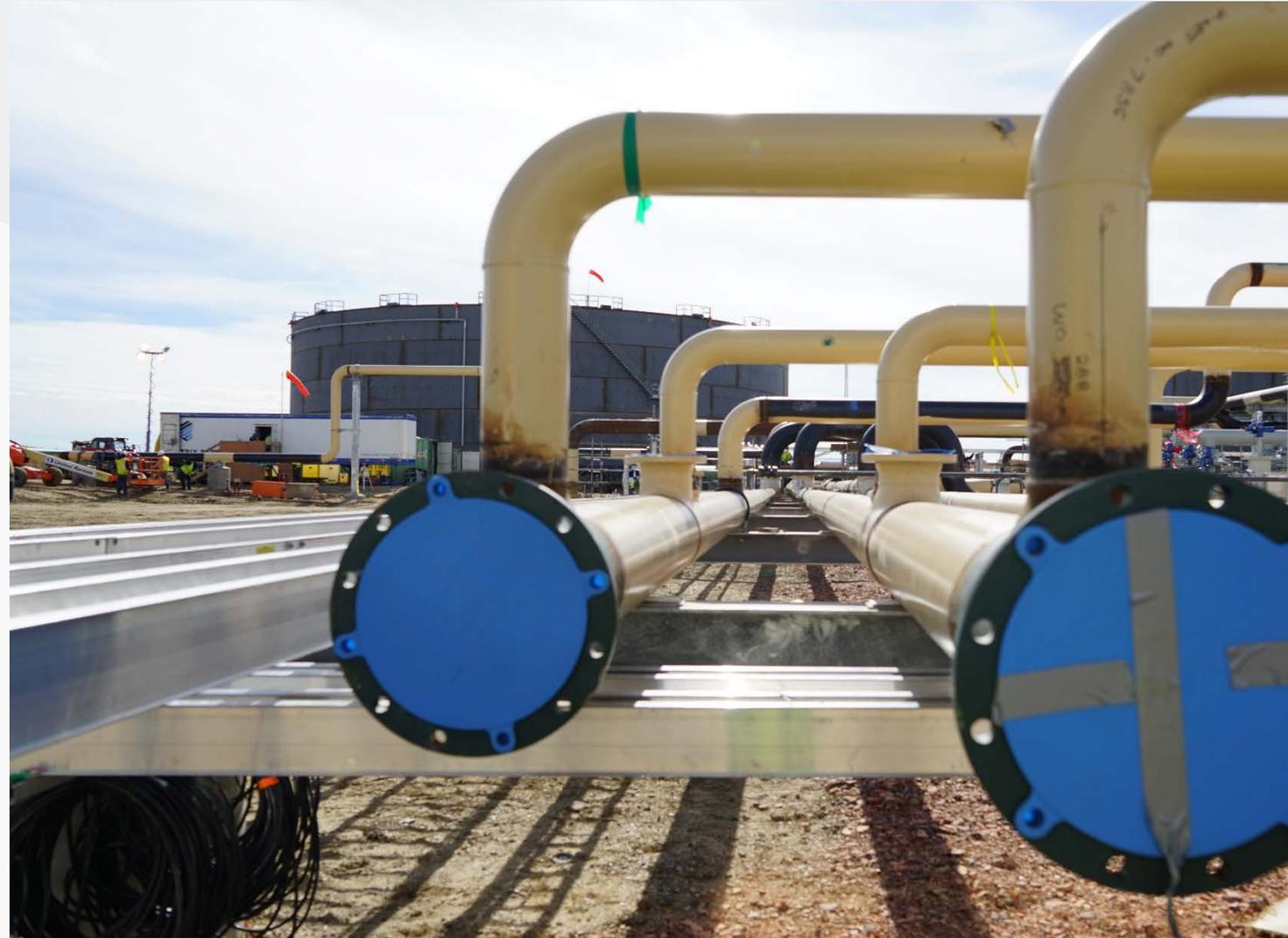
# Storage Solutions | Crude oil gathering terminals



ENERGY TRANSFER

EPC of all six gathering terminals for the Dakota Access Pipeline, one of the largest pipeline systems in the Bakken

- The pipeline will connect the Bakken and Three Forks production areas in North Dakota to Patoka, Illinois
- Each terminal will have a working capacity ranging from 200,000 to 600,000 barrels



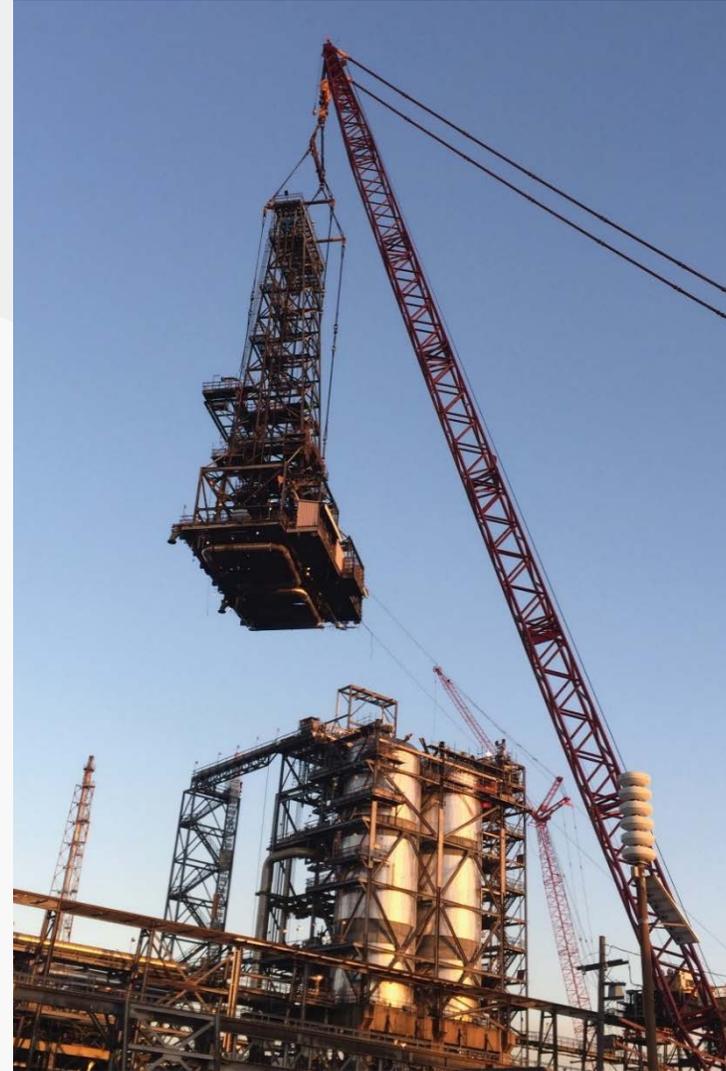
# Oil Gas & Chemical | Refinery coker turnaround



## Shell Deer Park Refinery Maya II Coke Drum Replacement on a single derrick, two-drum structure

- Installation of two new Coke Drums, each 18" greater in diameter than the existing drums and each weighing 1.1 million pounds
- Replacement required infrastructure expansion before the replacement could occur, which in turn meant pre-turnaround work to relocate and replace existing beams and structural members, install breakout spools, cut and replace grading and floor plate

Ongoing work at other Shell locations across the country



# Industrial | Fertilizer storage and refrigeration system



*Greenfield fertilizer facility near Wever, Iowa*

The first nitrogen fertilizer plant built in the U.S. in nearly 30 years

- Engineering, procurement, fabrication and construction of two Ammonia and three Urea Ammonium Nitrate storage tanks
- Installation of the refrigeration system including fill lines to all five tanks, associated pipe racks, the electrical substation and other ancillary items



# Electrical Infrastructure | Storm response



In the wake of Hurricane Irma which has left millions of homes and businesses without power, Matrix NAC teams have deployed 30 bucket and line trucks and 60+ employees to assist customers including Florida Power & Light, TECO and Georgia Power.

Matrix NAC is providing resources from Connecticut, New Jersey, Pennsylvania, Maryland and Delaware.



# Oil Gas & Chemical | Gas processing plant

## Final design for engineering and construction of a 200 mmscfd natural gas processing plant

- Plant expansion involved integration of a Thomas Russell cryogenic plant, an amine liquid treater, thermal oxidizer, flare, compressors, control system expansion and programming at the Godley, TX facility.
- The new plant was integrated into the space between existing operating plants
- In addition to FEED services, additional phases of the project included providing the balance of plant (BOP) engineering, integration of the master P&IDs, project management, purchase of engineered equipment, development of a coordinated project schedule, and assistance on commissioning and start-up activities



# Industrial | Coke and sulfur handling facility

The Sincor Coke and Sulfur Handling Facility in Jose, Venezuela, designed to handle 2.4 million tpy of petroleum coke and 380,000 tpy of either molten or prilled sulfur

- Project scope included EPCM (Engineer, Procure, Construction Management) services for the construction of this major coke and sulfur export facility



# Oil Gas & Chemical | Primary onsite refinery contractor



22+ year relationship, serving as primary onsite contractor for BP Cherry Point Refinery

- Nearly 300 employees onsite daily providing maintenance and repair and capital construction services, with 900+ onsite during major turnarounds

Ongoing work at other BP sites across the country



# Storage Solutions | Crude storage, BOP and M&R



10+ year alliance providing engineering, fabrication, procurement and construction of critical infrastructure across the United States

- Construction to date of 29+ million barrels of storage across Illinois, Indiana, Michigan, North Dakota, Oklahoma, Wisconsin and Canada
- Balance of plant work across multiple facilities
- Ongoing maintenance and repair work



# Industrial | Grain export facility

Conceptual development, preliminary engineering and cost estimates for the EGT 4.3 million bushel state-of-the-art greenfield grain export facility, the first built in the U.S. in over 25 years



- Facility layout, railroad coordination and rail loop track layout for multiple unit trains and silo engineering
- Worked closely with geotechnical consultants to prepare various silo foundation solutions to address the challenging seismic and liquefy-able soil conditions at the site
- Provided equipment vendor coordination and pricing, material quantity estimates and construction cost estimating
- At construction, worked with the EPC contractor to provide final engineering for various portions of the project and also consulted with the owner on final design and construction issues



# Oil Gas & Chemical | Refinery turnarounds, M&R



HOLLYFRONTIER

30+ year relationship providing safe, quality work at its refineries in Oklahoma, Kansas, New Mexico and Wyoming

- Complex and schedule-critical heavy turnarounds
- Ongoing turnaround, maintenance and repair services
- Industrial cleaning
- New construction
- Tank maintenance and repair
- New tank construction



# Storage Solutions | Crude storage and BOP



Long-standing relationship across the U.S. and Canada

- Design and construction to date of more than 8.3 million barrels of storage
- Terminal balance of plant construction



# Industrial | Galvanizing steel line



**ArcelorMittal**  
DOFASCO | HAMILTON

Mechanical and electrical installation  
for ArcelorMittal Dofasco's galvanized  
steel line, capable of producing  
700,000 tons of steel per year



# Storage Solutions | Crude oil terminal

Project management, procurement technical support, construction management, site engineering, and pre-commissioning and commissioning services for the construction of the new 355,000 bbl terminal.

- Also provided complete facility automation with PLC and HMI programming for loading/ unloading controls, interlocks, monitoring, security, alarms and incorporation of a third party terminal inventory management system hardware and software
- Process control system design was based on a Rockwell Automation PlantPAX platform
- Process control logic development and fail-over configuration was on redundant PAC topology with separate, dedicated process and administrative network design with failure tolerant ring topology for critical systems
- Working with the client's Terminal Management System vendor, incorporated real time data exchange for critical storage tank information, tank truck operations, inbound tank truck security and process upset conditions
- Additional programming and monitoring of safety systems, security systems and fire protection systems were also configured
- Warranty follow-up, job-site management and quality control



# Oil Gas & Chemical | Compressor station



Compressor station layout, piping design, civil design, instrumentation and electrical for multiple locations

## Locations:

- Charley CPF 3 & 4
- Cove Creek CPF 2, 3, & 4
- Gravel Hill CPF 2 & 4
- Griffin Mtn CPF 2
- Midge CPF 2 & 5
- NE Charley CPF 1 & 2
- NW Charley CPF 1 & 2
- New Quitman CPF 1, 2, 3, & 4
- Phillips Mts CPF 1, 2 & 3
- Pike CPF 1
- South Brownie CPF 1 & 2
- South Rainbow CPF 4
- Steelhead CPF 1, 2 & 3
- Sturgeon CPF 3
- Tiger CPF 1 & 2
- W. Cutthroat CPF 2

*All stations include 4-12 compressors*



# Industrial | Bulk storage, reclaim system and truck loadout

## KINDER MORGAN

Multidiscipline engineering design for the development of a new bulk storage building, reclaim system and truck loadout system equipped with new scales

- Bulk storage building was designed as a warehouse to meet site constraints, while maximizing storage capacity for multiple product divisions
- Building receives product from the existing ship and rail receiving systems
- Terminal will provide storage for urea, ammonia nitrate, ammonia sulfate, potash and diammonium phosphate (DAP)



Port Sutton | Tampa FL

# Industrial | Marine structures



Preliminary and final engineering design services for new marine structures to replace a portion of the facility's existing dock structures and support for a new pedestal mounted E-Crane ship unloader

- Preliminary engineering: preparation of dock design basis, dock general arrangement drawings, limits and functions drawing to confirm ship unloading requirements were met, and pile fabrication drawings and specifications
- Additional services: engineering review of existing structures to be re-used, mooring analysis and preparing demolition drawings
- Final engineering: preparation of a master site plan, technical specifications for the dock construction package, calculations, and design of new additions, necessary modifications and cathodic protection systems
- Project was delivered within a 16 week project window and completed on time and under budget.



Port Sutton | Tampa FL

# Storage Solutions | LPG storage facility



Designed the expansion of the existing LPG storage facility for Sea-3 (a subsidiary of Trammo), the largest importer and distributor of liquefied propane in the Northeastern United States

- The project consisted of converting the facility into a truck and barge loading facility with outbound metering with inbound rates of 10,000 bbl/hour and outbound rates of 7,500 bbl/hour
- Services included multidiscipline engineering, piping, programming and equipment procurement



# Project highlight: Vessel installation and tank modification



Multidiscipline design services to support the installation 36 new aboveground storage vessels with sufficient containment to ensure no leakage in the event of a tank rupture and with sufficient capacity to contain fire water/foam requirements.

- New 400,000 gallon firewater tank and components
- Complete foam system including building, tank, pump and zoned manifold distribution system
- New structural steel truck unloading rack assembly for 36 products including pipe rack, walkways and truck gangway access
- Permissive system with bar code for allowance of correct product to be transferred to respective tank
- Process and utility PFD and P&I development
- Unloading pumps and piping to new dedicated storage
- Transfer pumps and piping to reactor charging system manifold
- Piping design
- Foundation design and review
- Tank rupture containment



Solvent and Resin Storage

## INVESTOR RELATIONS

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