



MATRIX SERVICE
COMPANY

FISCAL 2023 | FIRST
QUARTER RESULTS



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.



SAFETY MOMENT

ABOUT MATRIX

ABOUT MATRIX SERVICE COMPANY

Matrix is a top tier North American industrial engineering and construction contractor committed to delivering the highest quality work – safely, on time and on budget.



OUR PURPOSE

We build a brighter future, improve quality of life, and create long-term value for our people, business partners, shareholders, and communities.

OUR VISION FULFILLS THIS PURPOSE

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

OUR CORE VALUES ARE THE FOUNDATION OF OUR SUCCESS

Our commitment has led to consistent recognition for excellence by our clients, our industry, the business world, and our employees



Commitment to safety

Put safety first for yourself and others. Create a zero-incident environment through leadership.



Integrity

Do the right thing every time, ethically and honestly.

Positive relationships

Be respectful, promote collaboration and build lasting relationships.

Stewardship

Safeguard all that is entrusted to us.



Community involvement

Make a difference in the communities where we live and work.

Deliver the best

Strive for excellence in all we do.



Consistently ranked among the Top Contractors by Engineering-News Record



Recognized for 29% of Board membership comprised of female directors

CEO **ACT!ON** FOR DIVERSITY & INCLUSION

Signatory to the largest chief executive officer-driven commitment in the United States



Consistently certified as a Great Place to Work®

STRATEGY AND OPPORTUNITY PIPELINE

STRATEGY

Strengthen the Core

Crude tanks and terminals
Refining

Expand in existing end markets

LNG and NGL storage terminals
Midstream gas processing
Thermal vacuum chambers
Electrical infrastructure
Mining and minerals

Grow into new end markets

Renewable energy infrastructure such
as Hydrogen and biofuels
Chemical and Petrochemical
Carbon capture
Renewable power in utility scale solar



POSITIONING AND EXECUTION

Prepared to Execute and Deliver Results

- Organization has streamlined its cost structure and optimized our business processes to make sure we are positioned to execute on the opportunities we see ahead of us
- Internal consolidation underway to further enhance Shared Services structure and create an Operational Center of Excellence
- Focused on the end markets with the greatest opportunity sets
- Continue to build on our bench strength with key business development, technical, and project resources to effectively win and execute projects
- Winning key awards and building backlog



KEY DRIVERS

GLOBAL ENERGY SECURITY

- Natural Gas and Gas Liquids
- Refined products
- Crude oil

DOMESTIC ENERGY SUPPLY AND DISTRIBUTION ASSURANCE

- LNG Storage and Peak Shaving
- Aging and Secure Infrastructure

SUPPLY CHAIN SECURITY – North American Industrial Renaissance Investment

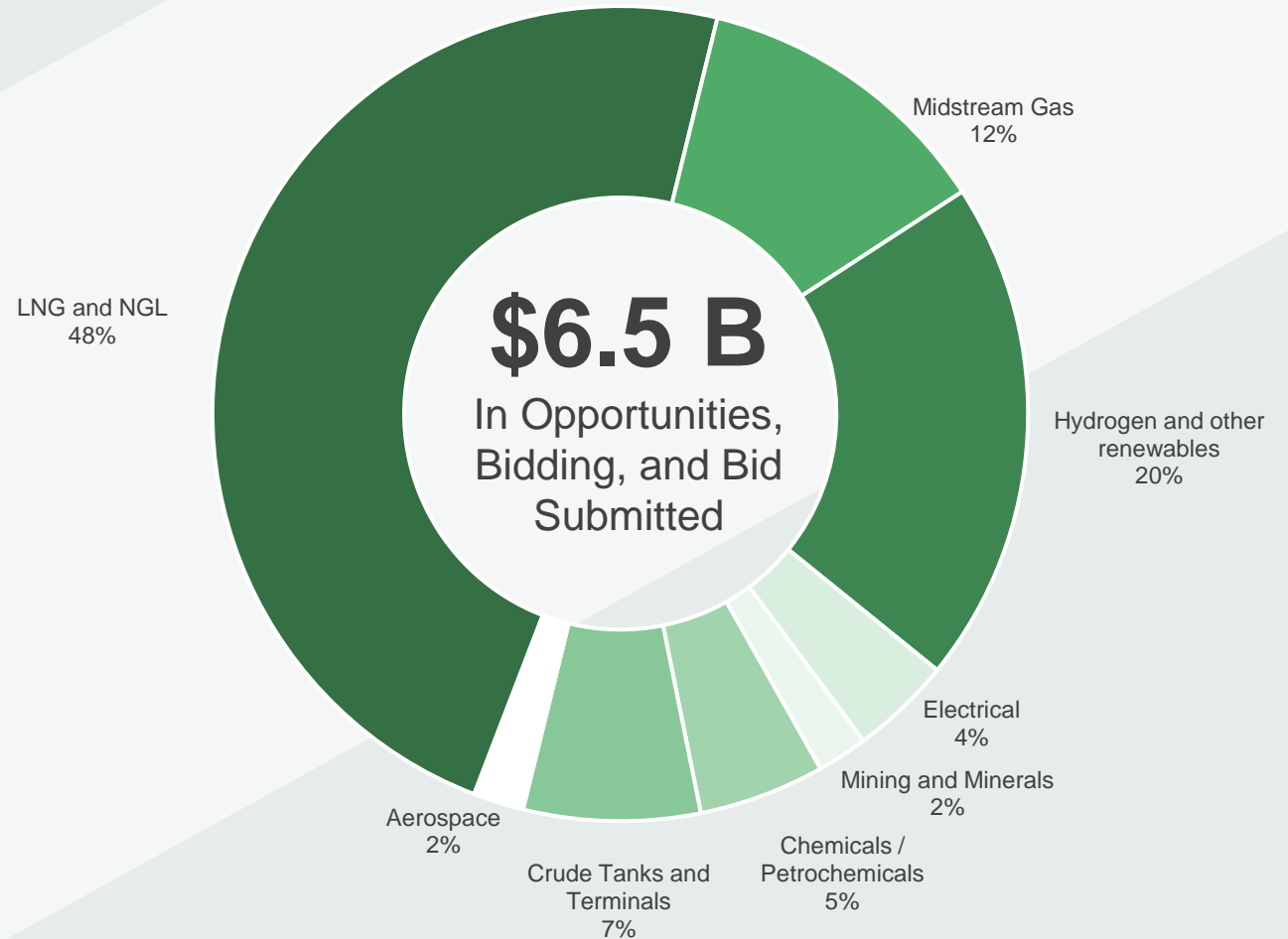
CLEAN ENERGY TRANSITION

- Hydrogen, Ammonia
- Natural Gas
- Carbon Capture
- Electrification of Everything
- Metals, Mining and Minerals Investment
- Batteries, infrastructure, etc.

FEDERAL INFRASTRUCTURE INVESTMENT

CAPITAL PROJECTS OPPORTUNITY PIPELINE

Pipeline supports transition to cleaner fuels, especially in LNG and NGLs, Mid-Stream Gas, and Hydrogen and other renewables



Project Opportunity Pipeline data is as of September 30, 2022, for projects of \$5 million or greater; does not include small capital projects or maintenance and repair.

CORE EXPERTISE AND SERVICES

BUILDING LONG-TERM CLIENT AND INDUSTRY RELATIONSHIPS

EXPERTISE

- Leading storage solutions contractor
- Long-standing expertise in cryogenics
- Leading expertise in specialty storage vessels and terminals
- Strong brand in power distribution and power generation
- Significant operational bench strength across the energy and industrial markets

SERVICES

- FEL and FEED
- Turnkey EPC Solutions
- Engineering and Detail Design
- Construction
- Global Procurement and Supply Chain
- Fabrication
- Turnaround and Plant Services
- Inspection, Maintenance and Repair

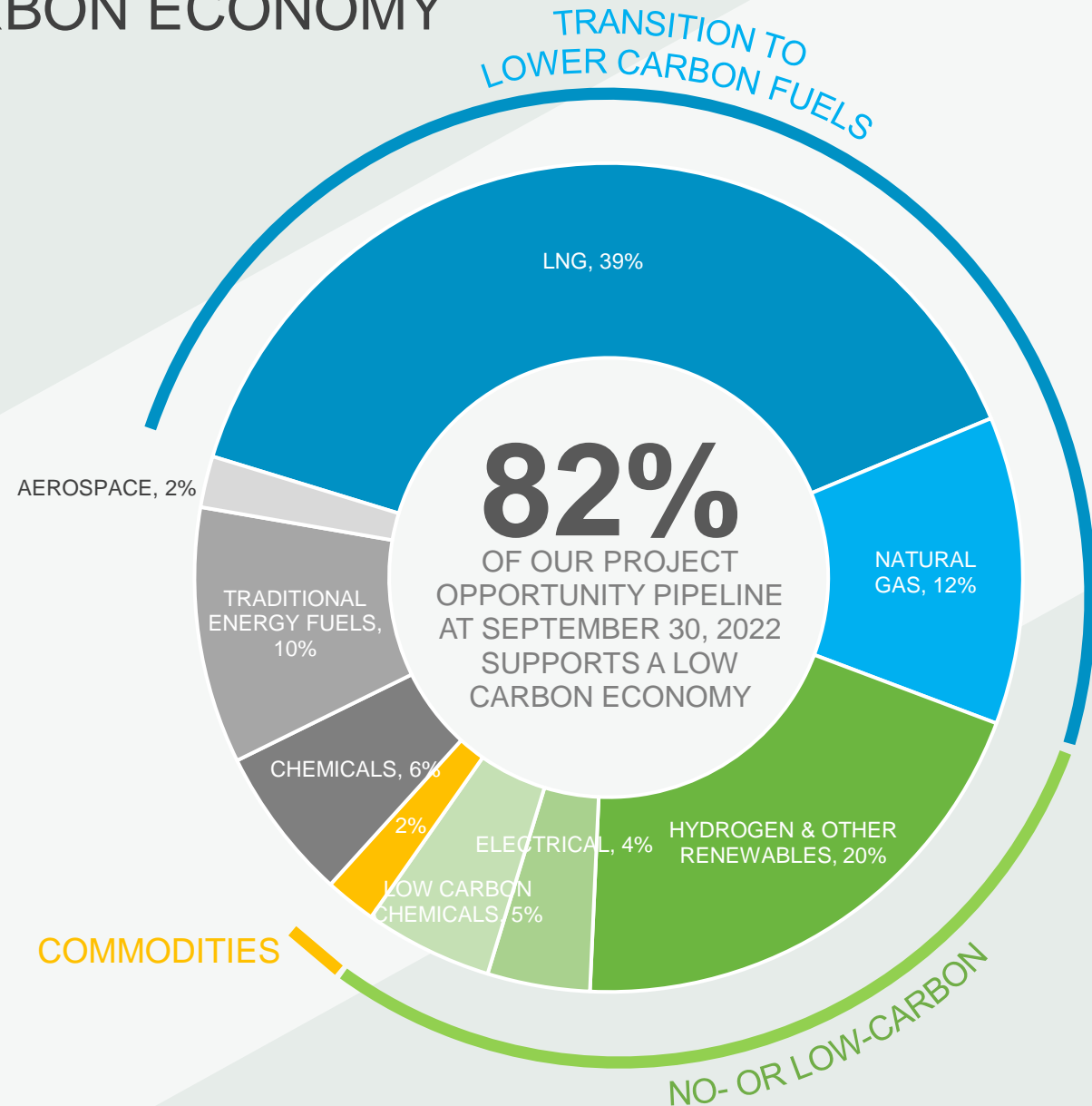
KEY INDUSTRY RELATIONSHIPS



TRANSITIONING TO A LOW CARBON ECONOMY

Enterprise-wide, our **skills and expertise are transferable** as the world and our clients transition to a low carbon economy

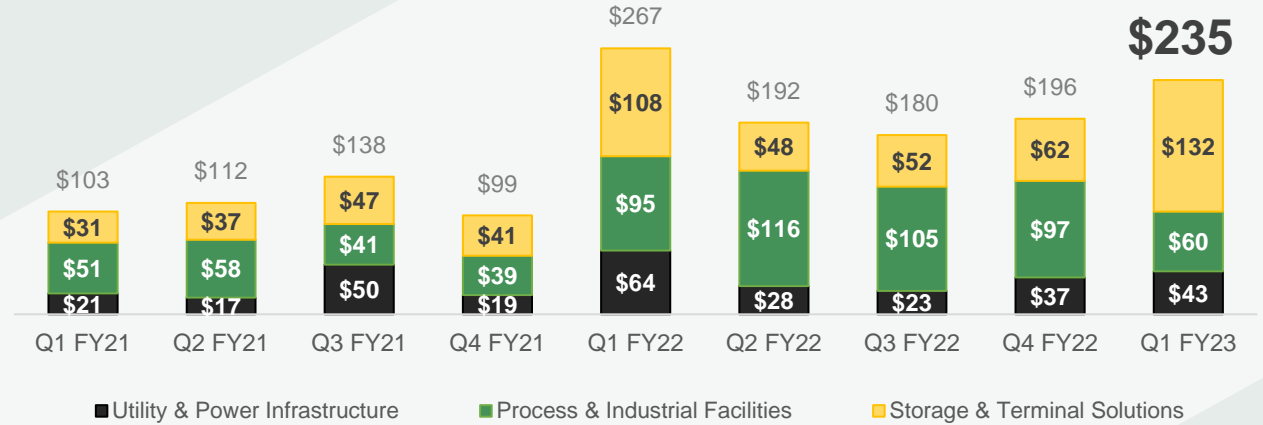
The call to action for clean energy and renewables is reflected in a **growing number of opportunities** and in the **low carbon infrastructure projects** being pursued by our clients.



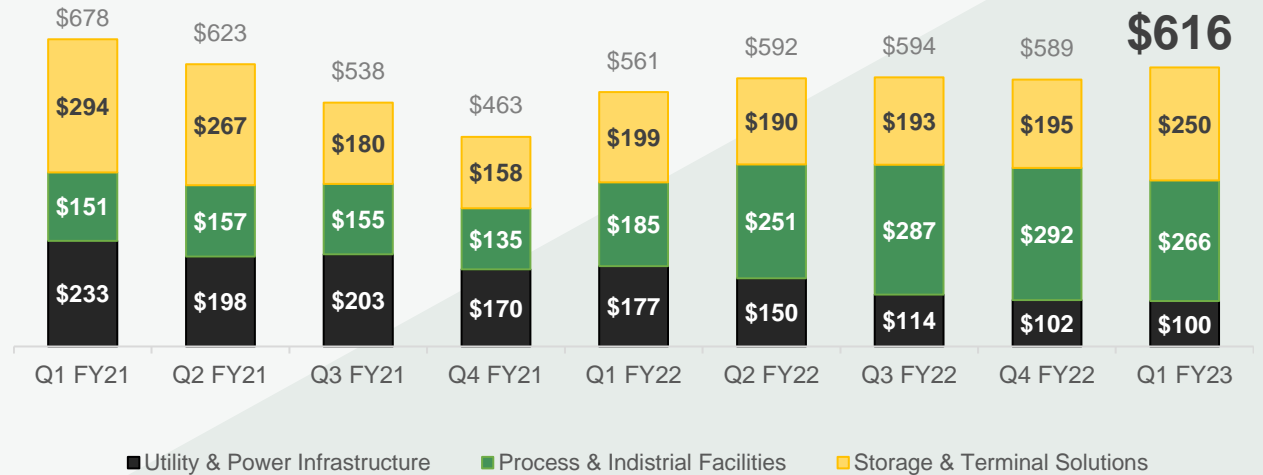
HIGHLIGHTS FOR THE QUARTER

- Continued Momentum in Project Awards
- First quarter Fiscal 2023 Book to Bill was 1.1 on project awards of \$235 million
- Backlog of \$616 million is the highest in over two years and expected to continue to grow
 - Storage and terminal solutions backlog is up 58% as compared to Fiscal 2021, Q4
 - Process and Industrial Facilities backlog is up 96% as compared to Fiscal 2021, Q4
 - Utility and Power Infrastructure backlog growth is dependent upon award of LNG peak shaving facilities, which we expect in the near term
- Second quarter award cycle expected to be stronger than the first quarter following significant capital project awards in October for the Storage and Terminal Solutions and Utility and Power Infrastructure segments

Project Awards (\$ millions)



Ending Backlog (\$ millions)



FINANCIAL UPDATE

QUARTERLY TREND | CONSOLIDATED

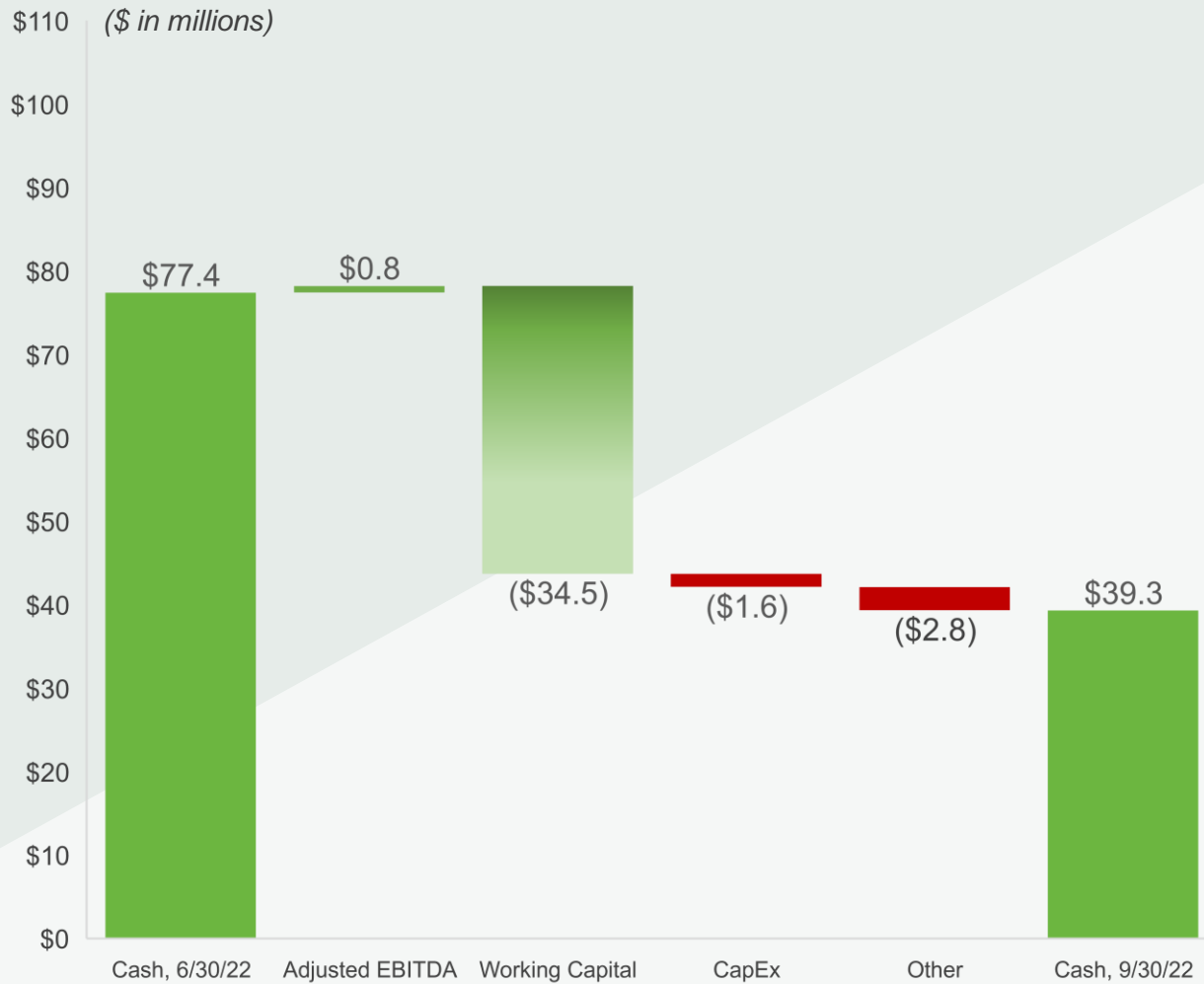
(In millions except %)

	FY2022, Q1	FY2022, Q2	FY2022, Q3	FY2022, Q4	FY2023, Q1
Revenue	\$ 168,093	\$ 161,965	\$177,003	\$200,719	\$208,431
Gross Profit (Loss)	(3,508)	3,207	(1,763)	858	13,008
Gross Margin	(2.1%)	2.0%	(1.0%)	0.4%	6.2%
SG&A Expense	16,629	15,922	17,041	18,098	16,811
Adjusted Operating Income	(20,137)	(12,715)	(18,802)	(17,240)	(3,803)
Adjusted Operating Income %	(12.0%)	(7.9%)	(10.6%)	(8.6%)	(1.8%)
Income (Loss) Per Share	\$ (0.66)	\$ (0.93)	\$ (1.30)	\$ 0.50	\$ (0.24)
Adjusted Loss Per Share	\$ (0.60)	\$ (0.38)	\$ (0.50)	\$ (0.52)	\$ (0.15)
Adjusted EBITDA	\$(14,278)	\$ (7,091)	\$(12,304)	\$(11,962)	\$ 844

- Revenue is up 24% over FY2022, Q1 and at its highest level since FY2020, Q3
- Gross margin is at its highest since FY2021, Q1, impacted 2.8% by under recovery of construction overhead costs
- Adjusted operating income is at its highest since FY2021, Q1

1Q FY23 revenue, gross margin, and operating income improved significantly.

CASH BRIDGE | FY 2023, Q1



Due to rising revenue volumes, **heavy investment in working capital was the primary driver of the cash decrease** during Q1.

Based on forecasted mix of work, including increasing capital projects, **we expect liquidity to improve** through the remainder of the fiscal year.

We continue to **proactively manage our balance sheet and liquidity.**

WHY MTRX IS A GOOD LONG-TERM INVESTMENT



Economic and market drivers bring **significant tailwinds**

Growth prospects with strong opportunity pipeline **end markets with long runway**

Brand strength reputation with **excellent customer relationships and safety culture**

Consistently strong balance sheet with financial and operational strength

MTRX is clearly undervalued, trading under tangible book value

KEY FINANCIAL TARGETS*

< 6%
Net Working
Capital

< 6%
SG&A target

> 4.5%
Operating
Margin target

> 12%
ROIC target

> 6.5%
EBITDA target

< 1.5%
CAPEX target

*Expect to achieve these targets within the next 12-18 months

MTRX is in the right place at the right time. We are well-positioned to capitalize on the dynamic environment and infrastructure needs of our clients as our core markets improve.



APPENDIX

QUARTERLY TREND | UTILITY & POWER INFRASTRUCTURE

(In millions except %)

	FY2022, Q1	FY2022, Q2	FY2022, Q3	FY2022, Q4	FY2023, Q1
Revenue	\$ 57,204	\$ 54,752	\$ 59,341	\$ 48,795	\$ 44,870
Gross Profit (Loss)	(6,107)	(491)	(492)	(1,497)	1,714
Gross Margin	(10.7%)	(0.9%)	(0.8%)	(3.1%)	3.8%
SG&A Expense	3,050	3,150	2,910	2,663	1,738
Adjusted Operating Income	(9,157)	(3,641)	(3,402)	(4,159)	(24)
Adjusted Operating Income %	(16.0%)	(6.6%)	(5.7%)	(8.5%)	(0.1%)

- Revenue is down 22% since FY2022, Q1 due to lower peak shaver revenue
- Gross margin is at its highest since FY2021, Q2, impacted 3.3% by under recovery of construction overhead costs
- Under recovery of construction overhead costs has improved by 40% compared to FY2022, Q1
- Adjusted operating income is near break-even with best performance since FY2021, Q2

Revenue improvement beginning in late FY2023 is expected with increased peak shaver work from the recently announced peak shaving upgrade project; some margin and operating income improvement is expected as we move through Fiscal 2023.

QUARTERLY TREND | PROCESS & INDUSTRIAL FACILITIES

(In millions except %)

	FY2022, Q1	FY2022, Q2	FY2022, Q3	FY2022, Q4	FY2023, Q1
Revenue	\$ 43,905	\$ 50,316	\$ 68,971	\$ 91,656	\$ 86,628
Gross Profit (Loss)	2,871	4,235	(441)	2,607	4,330
Gross Margin	6.5%	8.4%	(0.6%)	2.8%	5.0%
SG&A Expense	2,762	2,792	3,198	3,754	4,070
Adjusted Operating Income	109	1,443	(3,637)	(1,147)	260
Adjusted Operating Income %	0.2%	2.9%	(5.3%)	(1.3%)	0.3%

- Revenue is up 97% since FY2022, Q1 due to increased refinery, gas processing, and thermal vacuum chamber revenue
- Gross margin was impacted 2.3% by under recovery of construction overhead costs
- Adjusted operating income is break-even

Revenue is expected to continue to improve into the back half of FY2023; operating income is also forecasted to improve on increased revenue and full recovery of construction overhead costs.

QUARTERLY TREND | STORAGE & TERMINAL SOLUTIONS

(In millions except %)

	FY2022, Q1	FY2022, Q2	FY2022, Q3	FY2022, Q4	FY2023, Q1
Revenue	\$ 66,984	\$ 56,887	\$ 48,691	\$ 60,268	\$ 76,933
Gross Profit (Loss)	413	(172)	(458)	478	7,564
Gross Margin	0.6%	(0.3%)	(0.9%)	0.8%	9.8%
SG&A Expense	4,506	4,280	4,063	4,434	4,158
Adjusted Operating Income	(4,093)	(4,452)	(4,521)	(3,956)	3,406
Adjusted Operating Income %	(6.1%)	(7.8%)	(9.3%)	(6.6%)	4.4%

- Revenue is up 15% since FY2022, Q1; expect significant increase in the second half of FY2023
- Gross margin is at its highest since FY2021, Q3, impacted 2.3% by under recovery of construction overhead costs
- Under recovery of construction overhead costs has improved on higher revenue
- Adjusted operating income is at its highest since FY2020, Q3

Revenue improved significantly in FY2023, Q1 with expectations of a return to historical performance based on project opportunities and anticipated awards.

CONSOLIDATED – Quarter and Year Comparison to Prior Year

	Q1 FY 2023	Q4 FY2022	Q1 FY 2022
Revenue	\$208,431	\$200,719	\$168,093
Gross Profit (Loss)	13,008	858	(3,508)
Gross Margin (Loss) %	6.2%	0.4%	(2.1%)
SG&A	16,811	18,098	16,629
Restructuring Costs	1,287	924	605
Operating Loss	(5,090)	(18,164)	(20,742)
Other Income (Loss)	(1,074)	31,898	(83)
Net Income (Loss)	(6,512)	13,456	(17,538)
Adjusted Net Loss ¹	(4,162)	(13,838)	(15,961)
EPS	\$ (0.24)	\$ 0.50	\$ (0.66)
Adjusted EPS ¹	\$ (0.15)	\$ (0.52)	\$ (0.60)
Adjusted EBITDA ¹	844	(11,962)	(14,278)

¹Represents non-GAAP measures; a reconciliation is provided in the Appendix

ADJUSTED EBITDA

	THREE MONTHS ENDED		
	September 30, 2022	June 30, 2022	September 30, 2021
Net Income (Loss), as reported	\$ (6,512)	\$ 13,456	\$ (17,538)
Gain on sale of facilities	–	(32,392)	–
Restructuring Costs	1,287	924	605
Stock-Based Compensation	2,055	2,054	1,869
Interest Expense	372	246	1,999
Provision (Benefit) for Income Taxes	–	53	(5,265)
Depreciation and Amortization	3,642	3,697	4,052
Adjusted EBITDA	\$ 844	\$ (11,962)	\$ (14,278)

RECONCILIATION OF CERTAIN NON-GAAP MEASURES

	THREE MONTHS ENDED		
	September 30, 2022	June 30, 2022	September 30, 2021
Net Income (Loss), as reported	\$ (6,512)	\$ 13,456	\$ (17,538)
Restructuring Costs	1,287	924	605
Gain on sale of facilities	–	(32,392)	–
Accelerated amortization of deferred debt amendment fees	–	–	1,518
Tax impact of adjustments	(331)	8,100	(546)
Deferred tax asset valuation allowance	1,394	(3,926)	–
Adjusted net loss	\$ (4,162)	\$ (13,838)	\$ (15,961)
Earnings (Loss) per fully diluted share	\$ (0.24)	\$ 0.50	\$ (0.66)
Adjusted loss per fully diluted share	\$ (0.15)	\$ (0.52)	\$ (0.60)

RECONCILIATION OF CERTAIN NON-GAAP MEASURES

	THREE MONTHS ENDED SEPTEMBER 30, 2022				
	Utility and Power Infrastructure	Process and Industrial Facilities	Storage and Terminal Solutions	Corporate	Total
Total Operating Income (Loss)	\$ (61)	\$ (55)	\$ 2,884	\$ (7,858)	\$ (5,090)
Restructuring Costs	37	315	522	413	1,287
Adjusted Operating Income (Loss)	\$ (24)	\$ 260	\$ 3,406	\$ (7,445)	\$ (3,803)

	THREE MONTHS ENDED JUNE 30, 2022				
	Utility and Power Infrastructure	Process and Industrial Facilities	Storage and Terminal Solutions	Corporate	Total
Total Operating Loss	\$ (4,200)	\$ (1,175)	\$ (3,993)	\$ (8,796)	\$ (18,164)
Restructuring Costs	41	28	37	818	924
Adjusted Operating Loss	\$ (4,159)	\$ (1,147)	\$ (3,956)	\$ (7,978)	\$ (17,240)

	THREE MONTHS ENDED SEPTEMBER 30, 2021				
	Utility and Power Infrastructure	Process and Industrial Facilities	Storage and Terminal Solutions	Corporate	Total
Total Operating Income (Loss)	\$ (9,166)	\$ 102	\$ (4,060)	\$ (7,618)	\$ (20,742)
Restructuring Costs	9	7	(33)	622	605
Adjusted Operating Income (Loss)	\$ (9,157)	\$ 109	\$ (4,093)	\$ (6,996)	\$ (20,137)