



FY 2021 | FOURTH QUARTER AND FULL YEAR RESULTS



**MATRIX SERVICE
COMPANY**

Move to a higher standard™

SAFE HARBOR

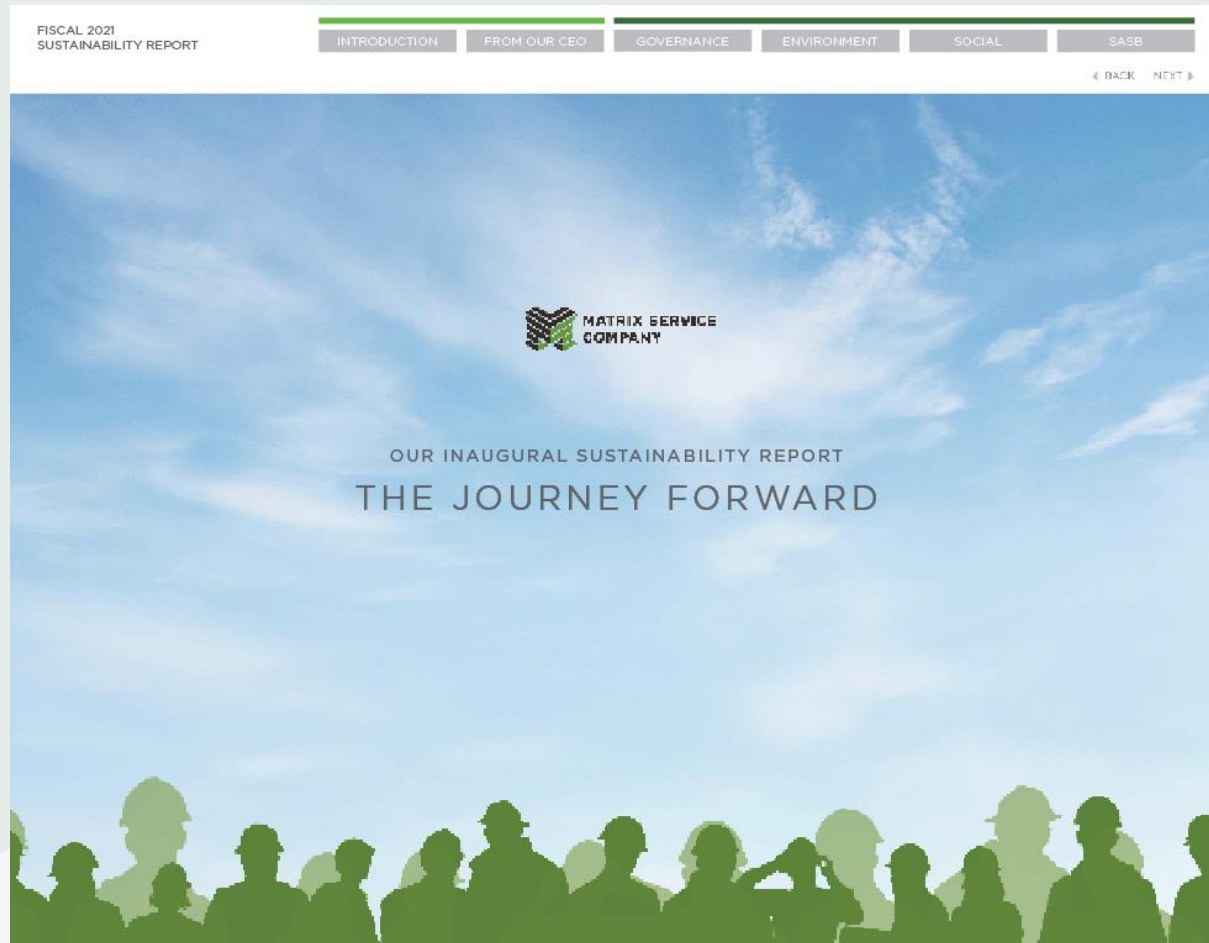
This presentation contains certain forward-looking statements concerning Matrix Service Company's operations, economic performance and management's best judgment as to what may occur in the future. The actual results for the current and future periods and other corporate developments will depend upon 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.



TOTAL RECORDABLE INCIDENT RATE



ENVIRONMENTAL, SOCIAL, AND GOVERNANCE



- Describes ESG governance framework;
- Reaffirms our commitment to uphold the highest standards of ethics, integrity, and respect;
- Reports baseline metrics for Greenhouse Gas emissions;
- Documents our employee diversity baseline;
- Reports on other key areas including Safety, Health, and Well-Being; Training and Development; and Community; and
- Reaffirms our role in society and our commitment to supporting our communities, being a good steward of the environment, and being a trusted partner to all stakeholders.

UTILITY & POWER INFRASTRUCTURE

	3Q FY 2021	4Q FY 2021	FY 2021
Revenue	\$44,720	\$52,638	\$210,052
Gross Profit	(4,692)	(6,312)	1,506
Gross Profit %	(10.5%)	(12.0%)	0.7%
SG&A	2,356	2,728	9,882
Operating Income	(7,451)	(9,126)	(9,688)

KEY POINTS

- Difficult quarter for the segment – Revenue was up and the Electrical delivery business executed well, offset by a reduction in margin on a capital project and under recovered overhead.
- Electrical services performed well, producing a direct gross margin within our normal expected range.
- Incurred a charge on a capital project that is in startup and commissioning as the Company incurred additional costs in order to achieve completion within the customer’s schedule; this project will be completed in early fiscal 2022.
- Revenue increased 18% over the third quarter.
- Segment still had under recovery, which negatively impacted gross margins by over 400 basis points.

OUTLOOK

- Expect to see this segment return to our expected gross margin range of 10 to 12%.
- However, the near term will be impacted by under recovery of overhead as well as completion of the capital project at a low gross margin.

PROCESS & INDUSTRIAL FACILITIES

	3Q FY 2021	4Q FY 2021	FY 2021
Revenue	\$42,834	\$59,890	\$199,917
Gross Profit	(171)	6,290	17,642
Gross Profit %	(0.4%)	10.5%	8.8%
SG&A	3,882	3,437	14,756
Operating Income	(4,834)	2,691	(921)

KEY POINTS

- Good quarter for the segment – Revenue was up to the highest level of the year; gross margin performance was good despite some under recovery of construction overhead.
- As a result of increased refinery maintenance and turnaround activity, revenue increased almost 40% over the third quarter and was the highest quarterly revenue number for the year.
- Project execution was strong throughout the segment including refinery turnaround and maintenance services.
- The segment under recovery improved but still negatively impacted gross margins by 100 basis points.

OUTLOOK

- Based upon the mix of work, we are increasing our gross margin expectation for this segment to 10 to 12% as compared to our prior target range of 9 to 11%.
- As we look forward to fiscal 2022, we expect the first quarter revenue to be seasonally lower due to the impact of the summer driving months on refinery volumes but then expect increasing revenue as we move through the rest of fiscal 2022.

STORAGE & TERMINAL SOLUTIONS

	3Q FY 2021	4Q FY 2021	FY 2021
Revenue	\$60,706	\$62,371	\$263,429
Gross Profit	6,423	1,564	13,617
Gross Profit %	10.6%	2.5%	5.2%
SG&A	4,792	4,790	18,644
Operating Income	1,041	(3,373)	(6,418)

KEY POINTS

- Mixed quarter for the segment.
- Revenue increased modestly over the third quarter but was still impacted by the current environment.
- The segment results were negatively impacted by the settlement of a dispute from a prior project that was completed in 2018. The settlement resulted in a \$2.9 million fourth quarter charge and the receipt of \$8.9 million in the first quarter of fiscal 2022. The settlement allowed us to avoid future legal costs, eliminate any litigation risk, and increase our cash balance.
- Excluding the settlement impact, the direct margins earned in the segment were just below the normal 10 to 12% range as a higher percentage of the revenue is related to maintenance services.
- As a result of the low revenue volume, under recovery also impacted the segment by 200 basis points in the quarter.

OUTLOOK

- As we look forward, we expect to see this segment return to our expected gross margin range of 10 to 12%. However, the near term could still be impacted by under recovery.

CONSOLIDATED

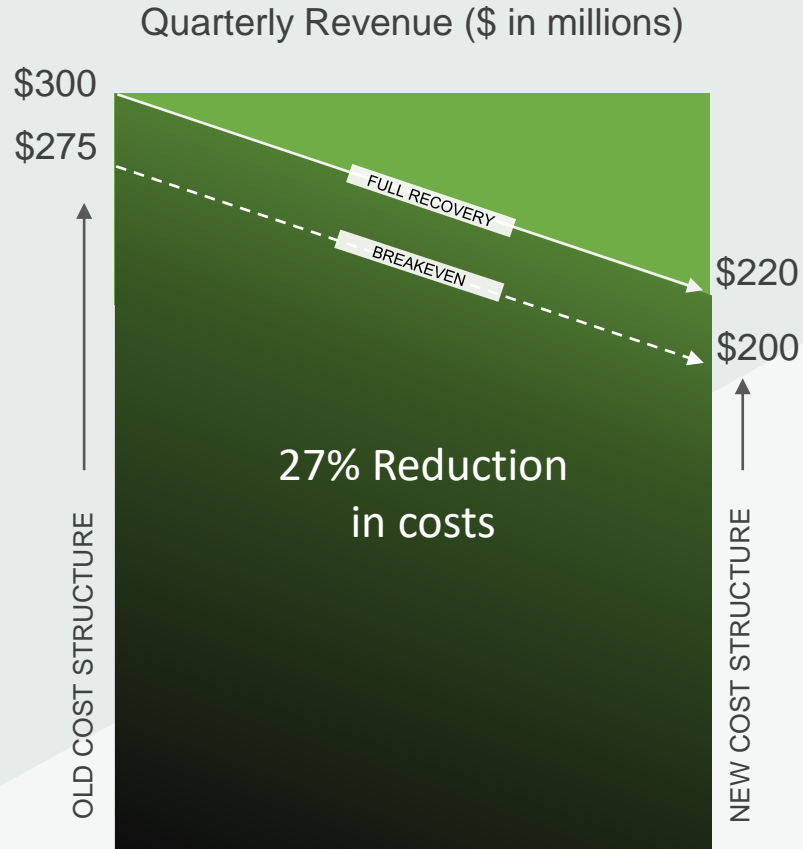
	3Q FY 2021	4Q FY 2021	FY 2021
Revenue	\$148,260	\$174,899	\$673,398
Gross Profit	1,560	1,542	32,765
Gross Profit %	1.1%	0.9%	4.9%
SG&A	17,179	17,725	69,756
Operating Income	(17,479)	(16,354)	(43,747)
Adjusted Operating Income ¹	(15,619)	(16,183)	(36,991)
Net Income	(12,873)	(10,723)	(31,224)
Adjusted Net Income ¹	(11,492)	(10,596)	(26,207)
EPS	(0.49)	(0.40)	(1.18)
Adjusted EPS ¹	(0.43)	(0.40)	(0.99)
Adjusted EBITDA ¹	(9,185)	(10,123)	(8,934)

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

KEY POINTS

- Fourth quarter was a disappointing end to a tough fiscal year.
- While revenue levels were \$30 million short of our expectations as a result of the pandemic, fourth quarter revenue was up 18% over the third quarter.
- SG&A and Construction Overhead costs have been positively impacted by cost reductions implemented over the past 2 years and were in line with our expectations. However, low revenue volume still led to under recovery of overheads which negatively impacted gross margin.
- Direct Gross Profit was below expectations due to:
 - A project charge in the Utility & Power Infrastructure segment and a dispute settlement in the Storage & Terminal Solutions segment.
 - Partially offset by the remainder of the business executing near our 10 to 12% gross margin range.
- Under recovery of overheads also impacted gross margins by more than 200 basis points.
- SG&A costs were in line with expectations.
- We had expected the fourth quarter was going to be closer to break-even performance, but EPS was a loss of \$0.40 due to:
 - The project charge resulted in a negative \$0.16 in the quarter as compared to an expected benefit of \$0.06.
 - The dispute settlement negatively impacted earnings by \$0.08.
 - The remainder of the difference is that while revenue increased 18% over the third quarter, we expected a larger increase as revenue levels are still impacted by the pandemic.

COST STRUCTURE LEVERAGE



COST STRUCTURE CHANGES

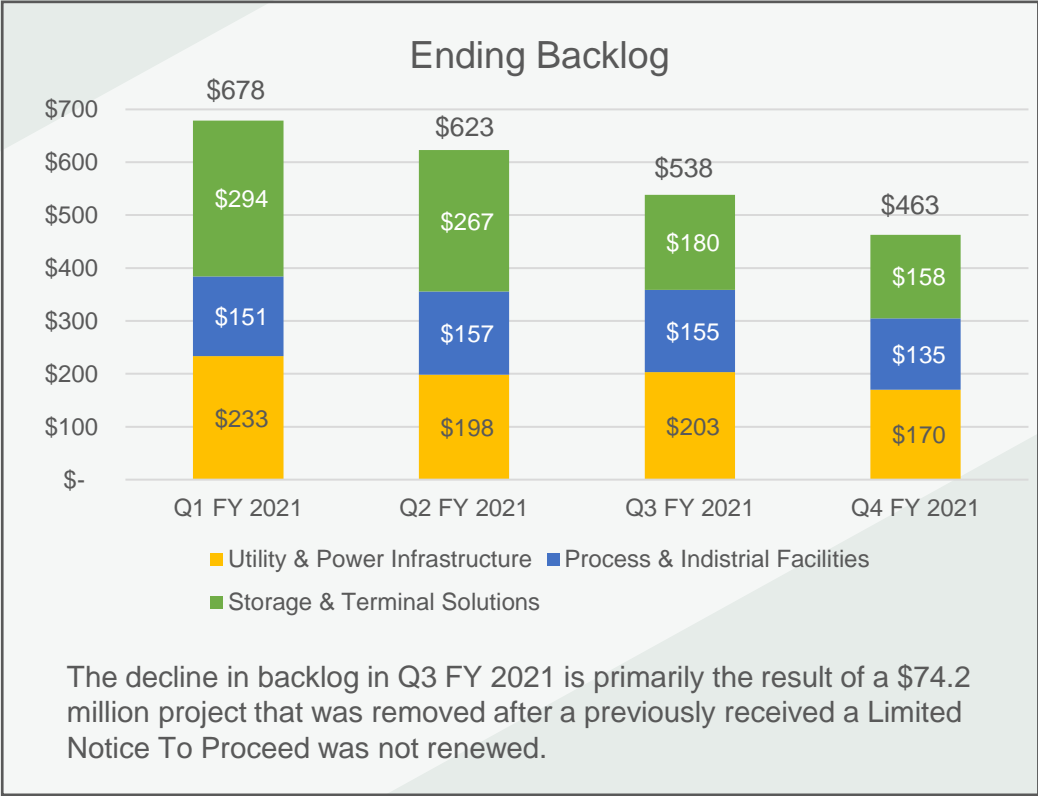
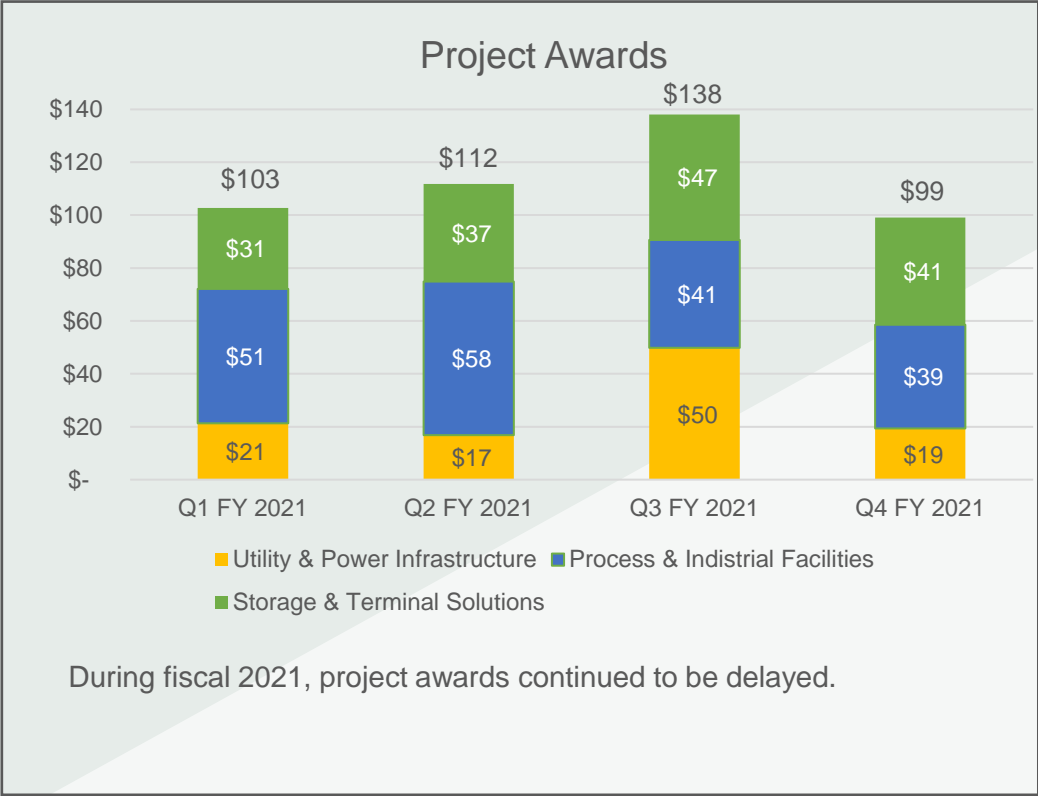
- The Company has implemented ~\$70 million of cost reductions on an annualized basis, translating to ~27% decrease in overhead cost structure.
- Cost reductions have occurred throughout the business, a significant portion of which are permanent. However, necessary construction overhead resources will be added to effectively win and execute projects as revenue volume returns.

IMPACT OF COST STRUCTURE CHANGES

- The quarterly revenue required to achieve break-even results has decreased from ~\$275 million to ~\$200 million. However, at that level the Company would still have some under recovery of construction overheads.
- The quarterly revenue required to achieve full recovery of Construction Overhead Cost has decreased from ~\$300 million to ~\$220 million.

The cost reductions implemented position the Company for significant earnings improvement as revenue volumes improve.

AWARDS AND BACKLOG



Project award activity has accelerated in the first quarter of fiscal 2022 in all three segments.

CASH FLOW

FY2021 Cash Bridge (in millions)



KEY POINTS

- Ended fiscal 2021 with cash of \$84 million and zero debt.
 - Beginning of the year balances were cash of \$100 million and debt of \$10 million.
- Cash flow usage in the year was:
 - \$10 million to pay-off outstanding borrowings.
 - \$4 million for capital expenditures which were 0.7% of Revenue.
 - \$4 million for restructuring costs
- Subsequent to year end, the Company entered into a new \$100 million asset backed credit facility that replaces the previous \$200 million credit facility
 - The borrowing base under the new facility is calculated on a monthly basis and is initially \$70 million.
 - \$43 million is utilized for outstanding letters of credit that will reduce by almost 50% in the first half of fiscal 2022.

CEO COMMENTARY

John Hewitt

OUR STRATEGY

SAFETY

PEOPLE AND
COMMUNICATION

CLIENTS AND GROWTH

STRENGTHEN
THE CORE

EXPAND WITHIN
EXISTING END
MARKETS

GROW INTO NEW
END MARKETS

EXECUTION EXCELLENCE

CLIENTS AND GROWTH

Strengthen the Core

Crude tanks and terminals

Refining

Leverage our strong brand and position in markets that will continue to be a critical part of the business as the energy transition occurs over the next decade

Deliver competitive, high-quality refining turnaround services and add more nested maintenance operations to build a steady base of revenue

Pursue crude tanks and terminal opportunities, with a focus on the Gulf Coast and in other key logistical places



CLIENTS AND GROWTH

Expand within existing end markets

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

Markets where we have a strong value proposition and where there is a growth opportunity for the business, driven by either our existing position or market maturity



CLIENTS AND GROWTH

Grow into new end markets

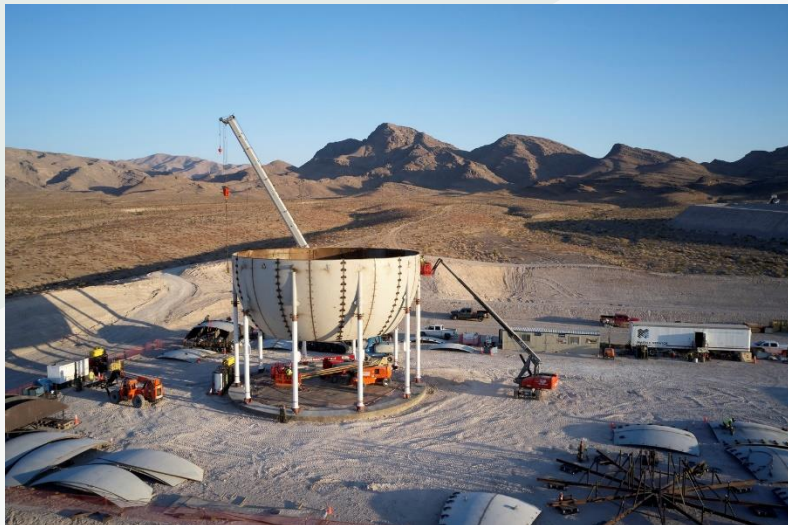
Renewable energy infrastructure such as Hydrogen and biofuels

Chemical and Petrochemical

Carbon capture

Renewable power in utility scale solar

Opportunities where we can apply our project and technical skills to new, developing, or adjacent markets



ACROSS ALL THREE SEGMENTS

In the near-term growth will come organically as our markets improve and our business development approach to marketing the entire enterprise creates an expansion in our bidding environment

Over time, acquisitions will also be required in engineering, process design, and key brands and skill sets in select targeted end markets



EXECUTION EXCELLENCE

Organization Redesign

With the help of a third-party business consultant, we have embarked on a 12-week organization review process to:

- Explore expanding shared service centers and operations centers of excellence
- Streamlining our management structure
- Employing lean procurement strategies
- Reviewing our operating model and organizational structure

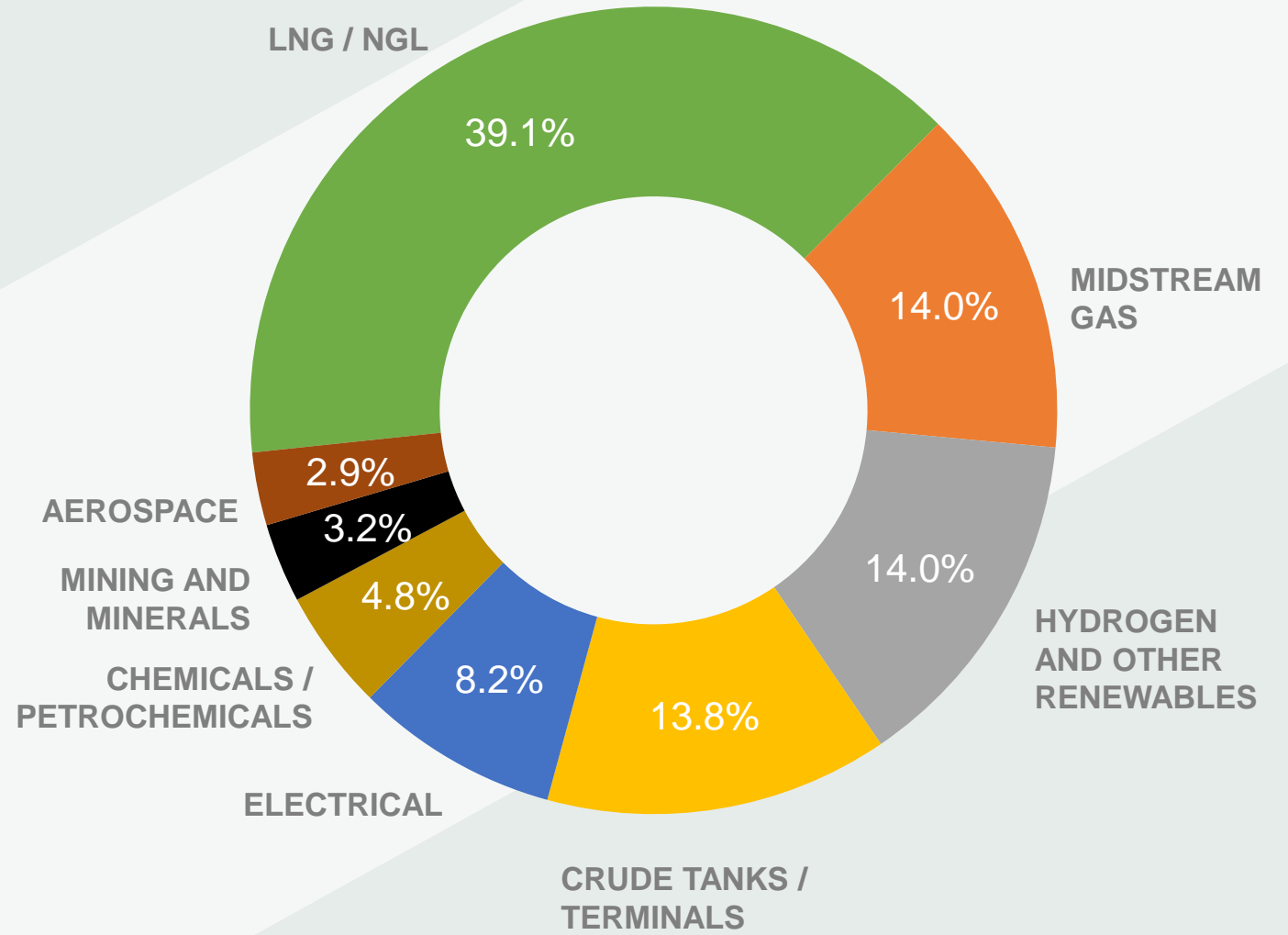


Our objective is to be more efficient administratively and more effective with the enterprise's resources across all our reporting segments.

OPPORTUNITY PIPELINE AND PROJECT AWARDS

Our opportunity pipeline is strong across all segments and supports our revenue expectations in the near term, and growth aspirations for the future

In the first 60 days of fiscal 2022, we have formally booked or received notice of award on approximately \$180 million in new contracts –the highest award level since Q4 of fiscal 2020.



IN CLOSING

- Health and safety is our primary focus
- COVID-19 Delta variant does not appear to be having a significant impact on client spending plans
- Project award cycle is accelerating in Q1 of fiscal 2022, representing the highest in four quarters
- Strategy demonstrates our commitment to supporting our clients existing business needs as well as the world's transition to a low carbon future
- Our opportunity pipeline is strong and supports both near-term revenue and long-term growth objectives
- Our organization re-design will create improved, more consistent performance





Q&A

Appendix

RECONCILIATION OF CERTAIN NON-GAAP MEASURES

	3Q FY 2021	4Q FY 2021	FY 2021
Operating Loss	\$ (17,479)	\$ (16,354)	\$ (43,747)
Restructuring Costs	1,860	171	6,756
Adjusted Operating Loss	\$ (15,619)	\$ (16,183)	\$ (36,991)
Net Loss	\$ (12,873)	\$ (10,723)	\$ (31,224)
After Tax Impact of Restructuring Costs	1,381	127	5,017
Adjusted Net Loss	\$ (11,492)	\$ (10,596)	\$ (26,207)
EPS	\$ (0.49)	\$ (0.40)	\$ (1.18)
EPS Impact of Restructuring Costs	(0.06)	(0.00)	(0.19)
Adjusted EPS	\$ (0.43)	\$ (0.40)	\$ (0.99)

ADJUSTED EBITDA

	3Q FY 2021	4Q FY 2021	FY 2021
Net Loss	\$ (12,873)	\$ (10,723)	\$ (31,224)
Restructuring Costs	1,860	171	6,756
Stock-Based Compensation	2,214	1,743	8,156
Interest Expense	322	504	1,559
Benefit for Federal, State and Foreign Income Taxes	(5,060)	(6,037)	(12,039)
Depreciation and Amortization	4,352	4,219	17,858
Adjusted EBITDA	\$ (9,185)	\$ (10,123)	\$ (8,934)

CASH FLOW

4Q FY2021 Cash Bridge

(in millions)

