



Investor Presentation

November 2019



**MATRIX SERVICE
COMPANY**

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.



TOP TIER NORTH AMERICAN EPC CONTRACTOR

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



Storage Solutions

- Leader in above ground storage tanks and terminals for crude oil, LNG and NGLs
- Expertise and capabilities to manage full-cycle projects for small- to mid-sized LNG terminals
- Robust \$635 million revenue backlog and significant opportunity pipeline



Oil, Gas & Chemical

- Over 35 years of proven experience with refinery maintenance and repair, capital projects and turnarounds
- Expanding market penetration with new and existing customers
- Extending expertise into petrochemical market, natural gas processing and sulfur recovery, processing and handling



Electrical Infrastructure

- Proven leader in power delivery and power generation services
- Leveraging capabilities to pursue organic geographic growth
- Actively exploring M&A opportunities to extent footprint faster and more efficiently



Industrial

- Leading brand in North American to integrated iron and steel customers
- Longstanding relationships with largest industry participants in iron and steel as well as metals and mining
- Serving aerospace, fertilizer, cement, grain and general manufacturing industries

Feasibility, FEL, FEED, process design and preliminary engineering



Technology integration and services



Detail engineering



Procurement



Fabrication and construction



Commissioning



Ongoing maintenance and repair

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 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 100 Contractors by Engineering-News Record



Twice recognized as one of only 100 based on independent review of more than 2,500 publicly-traded non-financial American companies with market caps of \$250 million



Consistently certified as a Great Place to Work®

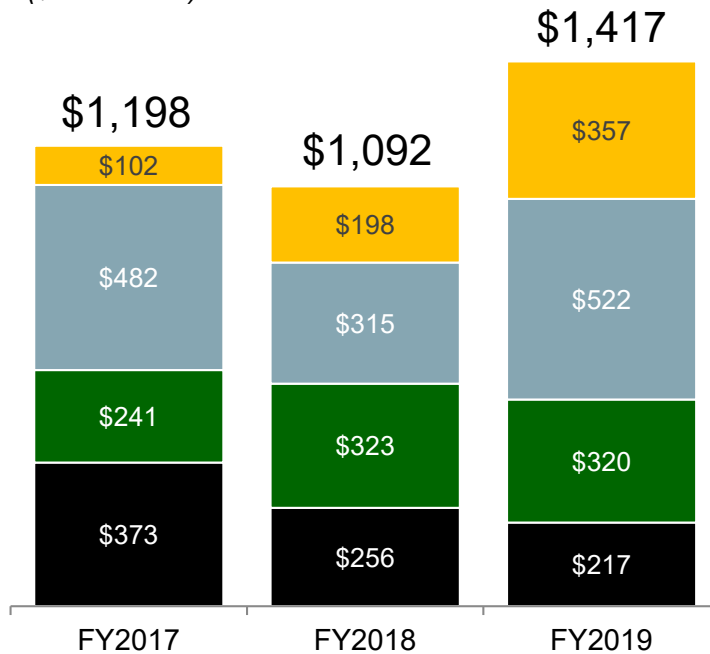


CONTINUED STRONG FINANCIAL PERFORMANCE

We have delivered a 10% average annual revenue growth since our IPO in 1991 and have diversified revenues along the way

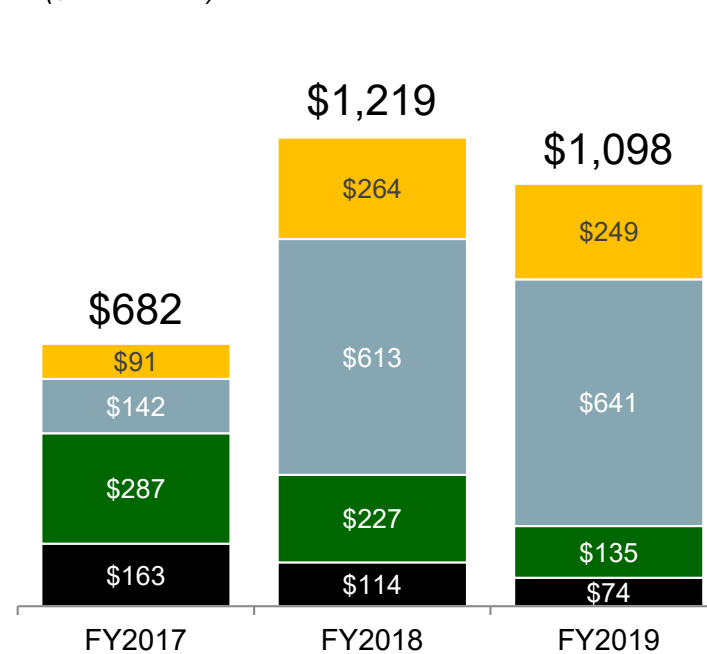
REVENUE

(\$ in millions)



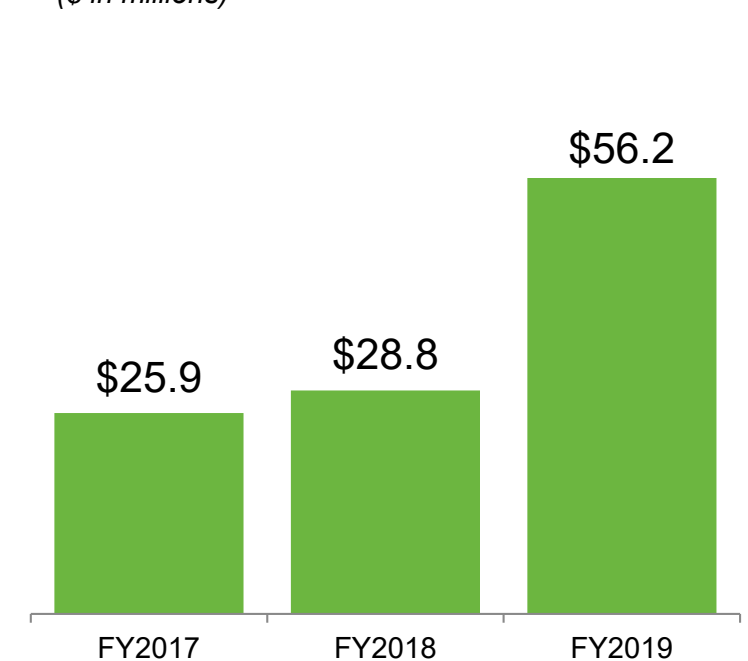
BACKLOG

(\$ in millions)



EBITDA

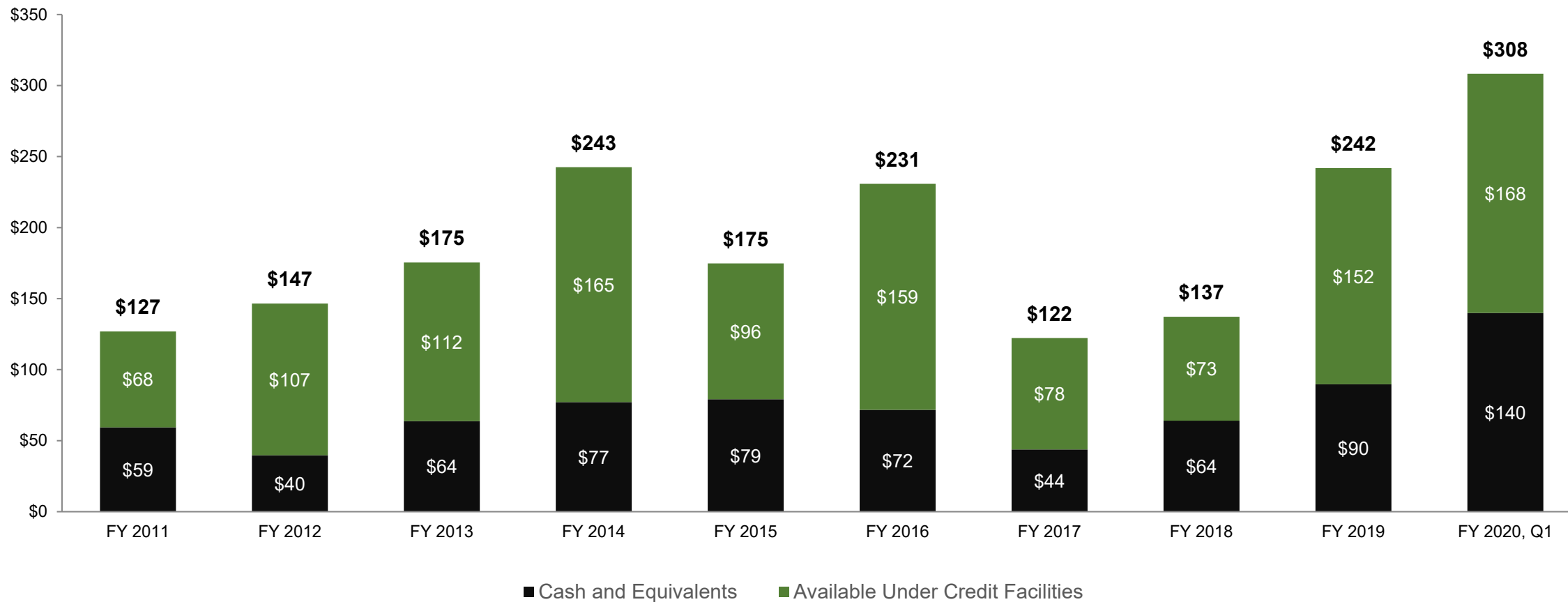
(\$ in millions)



Electrical Infrastructure
 Oil Gas & Chemical
 Storage Solutions
 Industrial

BALANCED CAPITAL ALLOCATION STRATEGY

Our strong balance sheet allows us to fund our business while weathering cyclical downturns and returning value to our shareholders



MEASURING OUR SUCCESS

Our key performance targets for FY 2022

OUR EMPLOYEES COME FIRST

KEY FINANCIAL TARGETS

0 TRIR / Safety	\$2+ Billion Revenue goal	100% Construction overhead recovery
> 40 Average annual training hours per employee	> 6.5% EBITDA target*	> 12% ROIC target
< 5% Voluntary employee turnover	< 5.5% SG&A target*	< 1.5% CAPEX target*

FY 2020 FIRST QUARTER HIGHLIGHTS

REVENUE

\$338M

up 6% over the prior year

EPS

\$0.22

improved earnings performance

BACKLOG

\$1.1B

on project awards of \$322M

LIQUIDITY

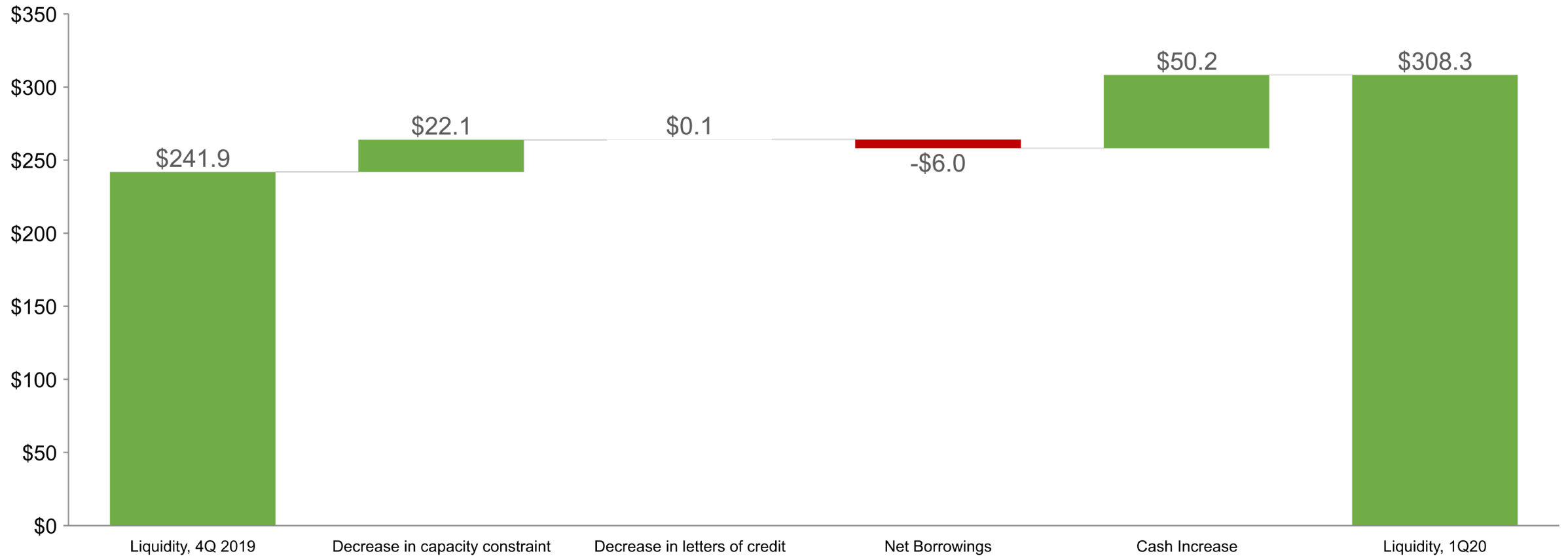
\$308M

up 138.5% over the prior year

- Revenue increased 6% organically over FY 2019, Q1
- Fully diluted EPS increase 175% to \$0.22 compared to FY 2019, Q1
- Gross Margins increased to 9.6% vs. 7.4% in FY 2019, Q1
- Book-to-bill of 1.0 on awards \$322 million for the quarter
- Liquidity increased 138.5% or \$179 million year over year to \$308 million, our highest level in 5 years
- Announced share repurchase of up to \$20 million to be executed during the remainder of FY 2020, Q2

LIQUIDITY BRIDGE (\$ in millions)

1Q20



Improved financial performance and working capital management has increased liquidity by \$66.4 million

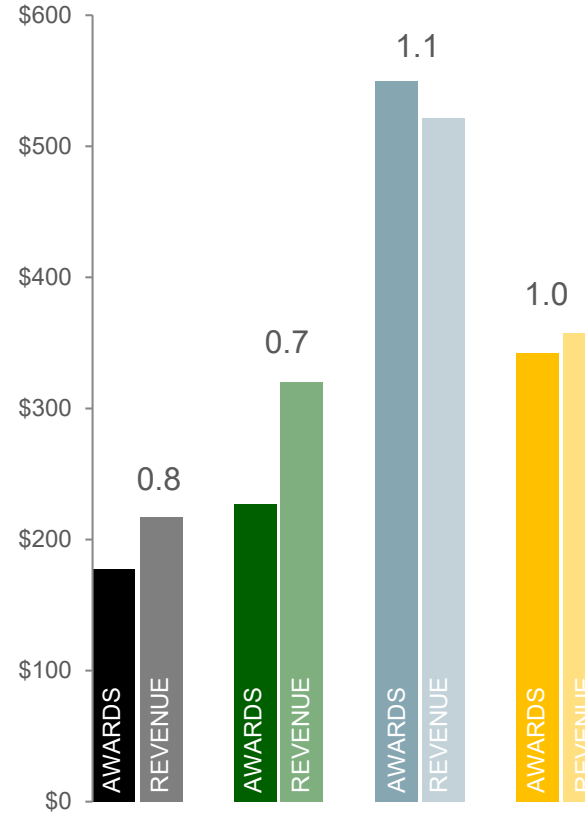
PROJECT AWARDS AND BOOK-TO-BILL

PROJECT AWARDS TRAILING FOUR QUARTERS



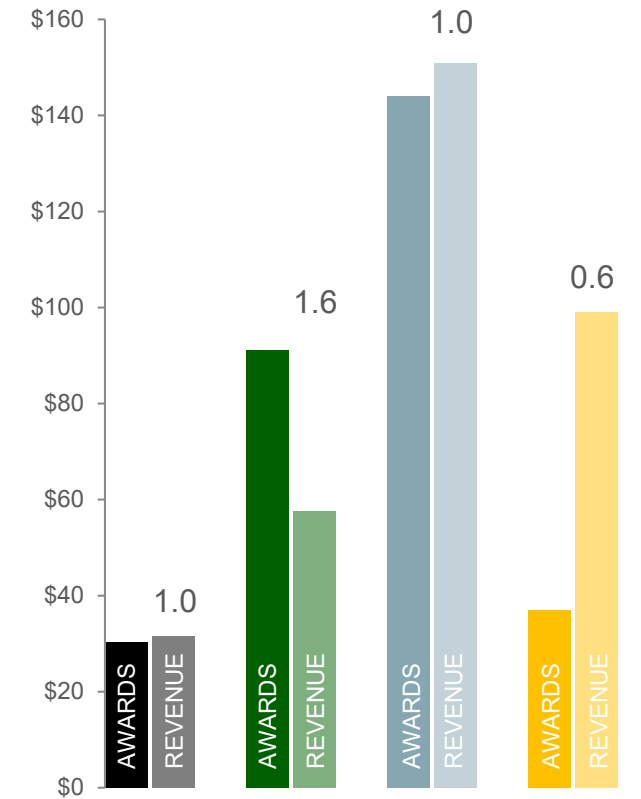
BOOK TO BILL, FISCAL 2019

CONSOLIDATED BOOK TO BILL
0.9



BOOK TO BILL, FISCAL 2020, Q1

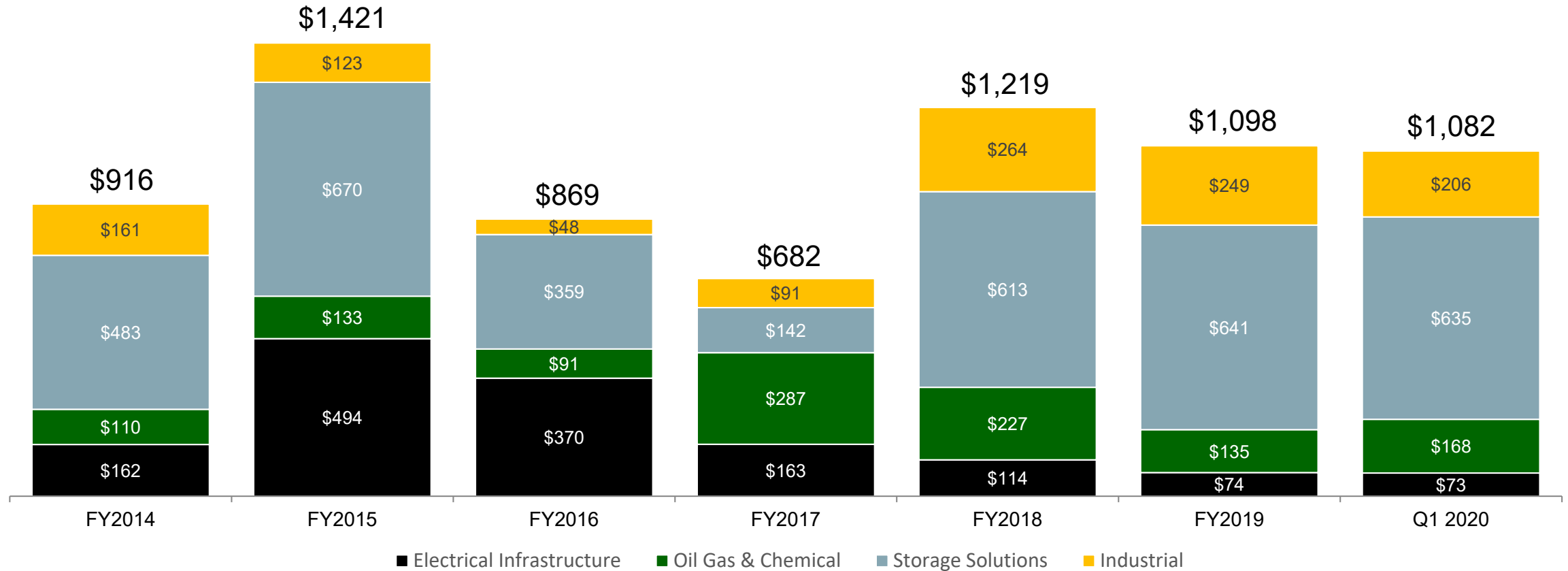
CONSOLIDATED BOOK TO BILL
1.0



■ Electrical Infrastructure ■ Oil Gas & Chemical ■ Storage Solutions ■ Industrial

BACKLOG AT SEPTEMBER 30, 2019

Long-term backlog trend demonstrates strength and growth





LEVERAGING OUR BRAND FROM TANKS TO TERMINALS

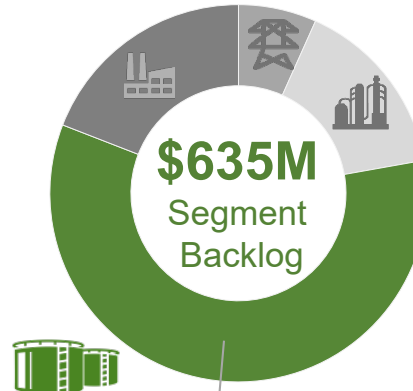
Building opportunity pipeline in LNG and crude infrastructure

Recent developments

- Generated revenue of \$150.1 million in FY20 Q1 and \$143.5 million in awards
- Began work on Duke Energy's Piedmont Natural Gas LNG Peak Shaving facility
- Pursuing \$4+ billion in real and active opportunities across the segment

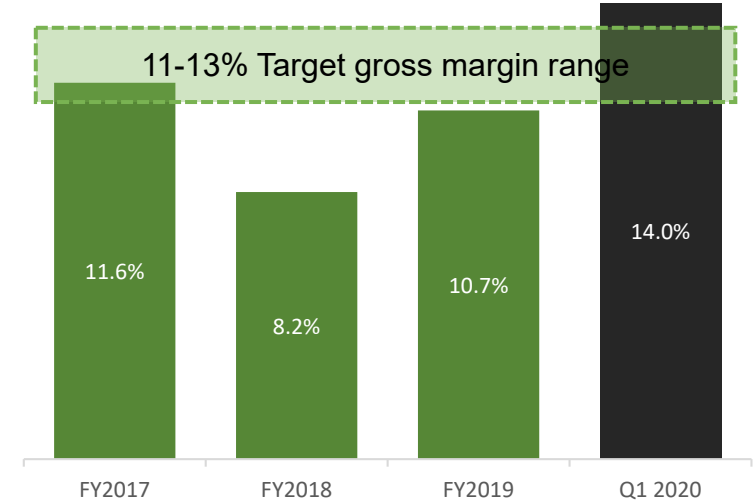
Primary market drivers

- Need for terminals to support abundant North American crude oil, LNG and NGLs
- Global demand for export capabilities and related energy infrastructure
- Need for mid-size LNG terminals to support peak shaving, bunkering, and power generation in off-grid and remote locations



58.7%
of ~\$1.1B total backlog

1.0x
Book-to-bill ratio
in FY20 Q1



Draw on our full EPC and terminal capabilities to accelerate growth

Take advantage of our strong expertise in LNG

Leverage business stability in the market



Industrial

MAINTAINING LEADING POSITION IN CYCLICAL INDUSTRIES


Dominant market share in iron and steel

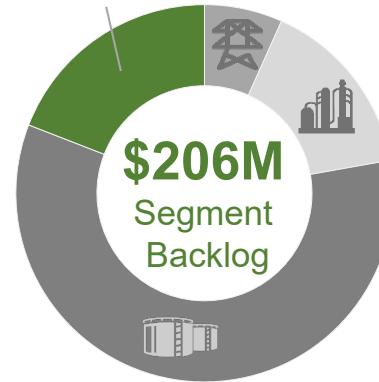
Recent developments

- Generated revenue of \$99.0 million in FY20 Q1 and \$56.7 million in awards
- Nearing completion of large-scale capital project
- Continued aerospace industry investment in Thermal Vacuum Chambers to support next generation satellite testing

Primary market drivers

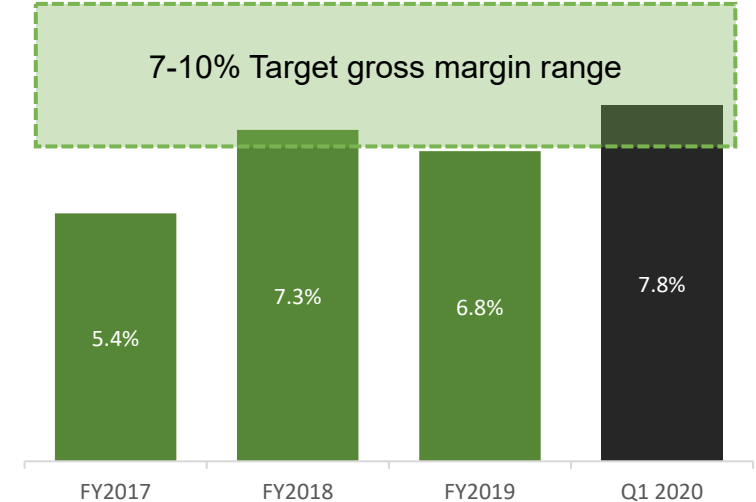
- Continued investment by North America's integrated iron and steel companies in advanced high-strength steel, operating efficiencies and other next-generation processes
- Commodity pricing for ferrous and non-ferrous metals
- Overall supply and demand for grain, cement, global fertilizer and other bulk materials

 **19.1%** of ~\$1.1B total backlog



0.6x

Book-to-bill ratio
in FY20 Q1



Offer industry-leading solutions to integrated iron and steel customers

Maintain strong customer relationships with our customers to ensure we are positioned to meet their needs



Oil, Gas & Chemical

EXPANDING MARKET SHARE WITH NEW AND EXISTING CLIENTS

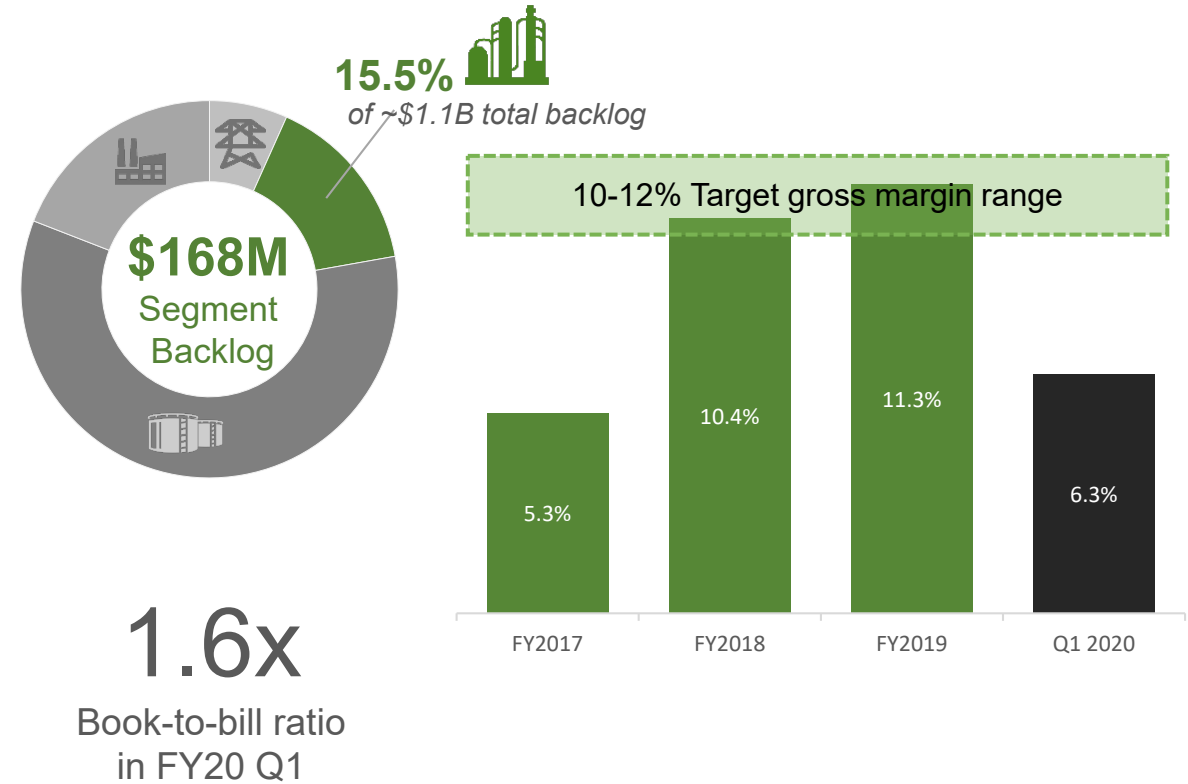
Quality performance is building the brand

Recent developments

- Generated revenue of \$57.5 million in FY20 Q1 and \$91.2 million in awards
- Expected seasonal low volumes in FY20 Q1; fall refinery turnaround season is fully booked and capital project activity is ramping up
- Multiple capital projects ongoing, incl. first alkylation unit in the U.S. to use ionic liquids and multiple sulfur processing and handling projects

Primary market drivers

- Ongoing need for refinery maintenance, turnarounds, and capital projects
- Abundant North American energy and global demand for environmentally friendly energy, including IMO2020, drives need for infrastructure
- Reshoring of petrochemical industry is driving additional need for upgrades as well as ongoing maintenance and repair



ExxonMobil



ConocoPhillips



HOLLYFRONTIER



Monroe Energy



Expanding our reach into natural gas processing for NGLs

Extend expertise to the petrochemical market

Build on refinery turnaround expertise with more fixed base maintenance opportunities



Electrical Infrastructure

OPERATING IMPROVEMENT PLAN ONGOING

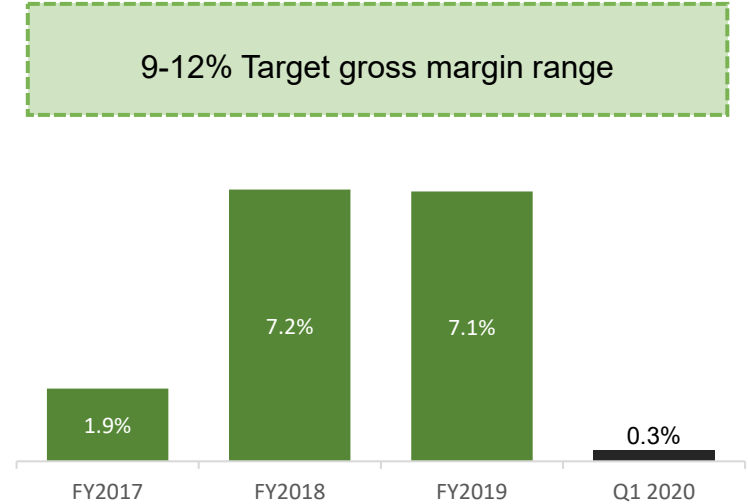
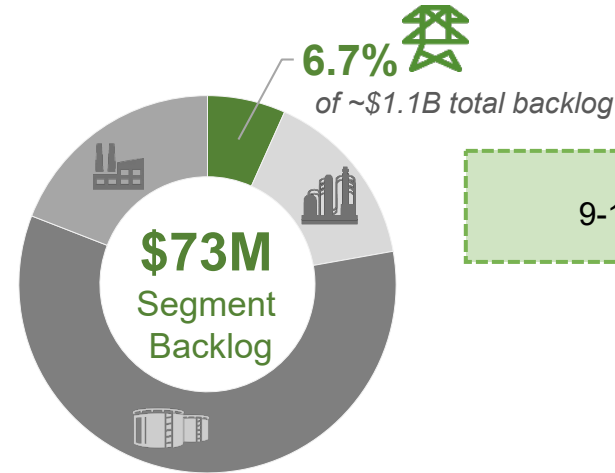
Focused on geographic growth and margin improvement

Recent developments

- Generated revenue of \$31.5 million in FY20 Q1 and \$30.3 million in awards
- Power generation strategic shift to subcontract service packages has proven successful
- Power delivery impacted by low seasonal volumes, cost associated with organic growth, continued geographic restrictions, and operating improvement initiatives not yet fully implemented

Primary market drivers

- Majority of North America's electrical grid is past its useful life
- Need for more reliable, efficient, secure and interconnected distribution infrastructure
- Demand for environmentally friendly power generation and fuel switching from coal and nuclear to natural gas



1.0x
Book-to-bill ratio
in FY20 Q1

EVERSOURCE

Exelon

ppl

PSEG

AMERICAN
ELECTRIC
POWER

nationalgrid

MATRIX SERVICE
COMPANY

Organic and acquisitive growth
in new geographies

Focus on operating improvements
in power delivery

CREATING SUSTAINABLE SHAREHOLDER VALUE

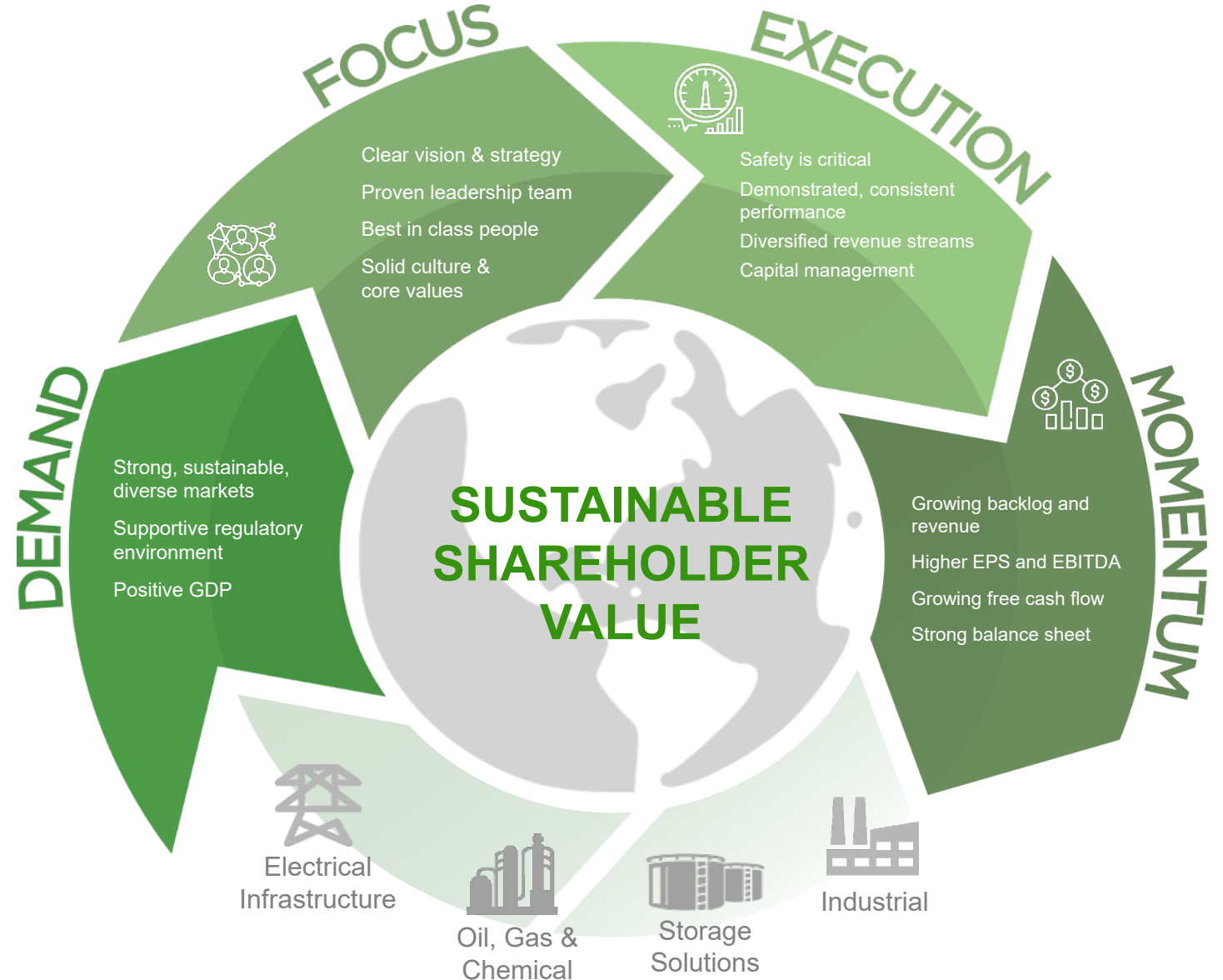
CONTINUOUS INVESTMENT

IN PEOPLE

- Safety of our employees comes first
- Culture and core values are critical
- Inclusion and diversity drives recruiting, retention, and innovation

IN PERFORMANCE

- Process improvements to drive results
- Diversification and growth are a key part of our strategy



FY 2020 GUIDANCE

Revenue Guidance	Earnings Guidance
\$1.4 - \$1.55 billion	\$1.10 to \$1.40 per fully diluted share

- Positive operating environment with some uncertainty in the macro environment
- Strong backlog and robust project funnel
 - Potential awards of large capital projects expected as we progress through the year
 - Expect to end fiscal 2020 in a strong backlog position
- We expect our revenue and earnings to improve as the year progresses
 - Q2 revenue and earnings should improve modestly from Q1 and then continue to improve as the year progresses
- Assumes tax rate of 27% for the remainder of the year
- Strong balance sheet and liquidity
- Capex of 1.5 – 2.0% of revenue



Appendix

FISCAL 2020 | FIRST QUARTER RESULTS *(\$ in thousands, except EPS)*

	1Q20		1Q19		
Revenue	\$	338,097	\$	318,511	
Gross profit		32,465	9.6%	23,421	7.4%
SG&A		23,691	7.0%	21,201	6.7%
Operating income		8,774	2.6%	2,220	0.7%
Pretax income		8,862	2.6%	2,756	0.9%
Income tax		2,711	30.6%	451	16.4%
Net income		6,151	1.8%	2,305	0.7%
Earnings per share		0.22		0.08	
EBITDA		14,030	4.1%	7,591	2.4%
Backlog	\$	1,081,940		\$	1,109,472
Awards		321,688		209,387	
Book-to-bill		1.0		0.7	

SEGMENT RESULTS *(\$ in thousands)*

1Q20	Electrical Infrastructure	Oil Gas & Chemical	Storage Solutions	Industrial	TOTAL
Revenue	\$ 31,532	\$ 57,530	\$ 150,067	\$ 98,968	\$ 338,097
Gross Profit	\$ 104	\$ 3,635	\$ 21,055	\$ 7,671	\$ 32,465
Gross Margin	0.3%	6.3%	14.0%	7.8%	9.6%
Backlog	\$ 72,663	\$ 168,193	\$ 634,695	\$ 206,389	\$ 1,081,940
Awards	\$ 30,312	\$ 91,160	\$ 143,467	\$ 56,749	\$ 321,688
Book-to-bill	1.0	1.6	1.0	0.6	1.0

1Q19	Electrical Infrastructure	Oil Gas & Chemical	Storage Solutions	Industrial	TOTAL
Revenue	\$ 44,701	\$ 75,491	\$ 112,762	\$ 85,557	\$ 318,511
Gross Profit	\$ 3,383	\$ 5,625	\$ 9,553	\$ 4,860	\$ 23,421
Gross Margin	7.6%	7.5%	8.5%	5.7%	7.4%

NON-GAAP RECONCILIATION – EBITDA

(\$ in thousands)

	Three Months Ended September 30,	
	2019	2018
Net income	\$ 6,151	\$ 2,305
Interest expense	389	292
Provision for income taxes	2,711	451
Depreciation and amortization	4,779	4,543
EBITDA	<u>\$ 14,030</u>	<u>\$ 7,591</u>

NON-GAAP RECONCILIATION – ADJUSTED EBITDA

(\$ in thousands)

	Fiscal Years Ended		
	June 30, 2019	June 30, 2018	June 30, 2017
Net income (loss)	\$27,982	\$(11,480)	\$(183)
Asset impairments	-	17,998	-
Interest expense	1,296	2,600	2,211
Provision (benefit) for income taxes	10,430	(668)	2,308
Depreciation and amortization	18,224	20,347	21,602
Adjusted EBITDA	\$57,932	\$28,797	\$25,938