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SEP 2016 - SEP 2017
USA

MATRIX SERVICE COMPANY

FISCAL 2017 – Second Quarter Results

Investor webcast | February 9, 2017

Various remarks that the Company may make about future expectations, plans and prospects for Matrix Service Company constitute forward-looking statements for purposes of the Private Securities Litigation Reform Act of 1995. Actual results may differ materially from those indicated by these forward-looking statements as a result of various factors, including those discussed in our 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.

Safe harbor

Welcome and introductory remarks

Safety moment

DISTRACTED DRIVING

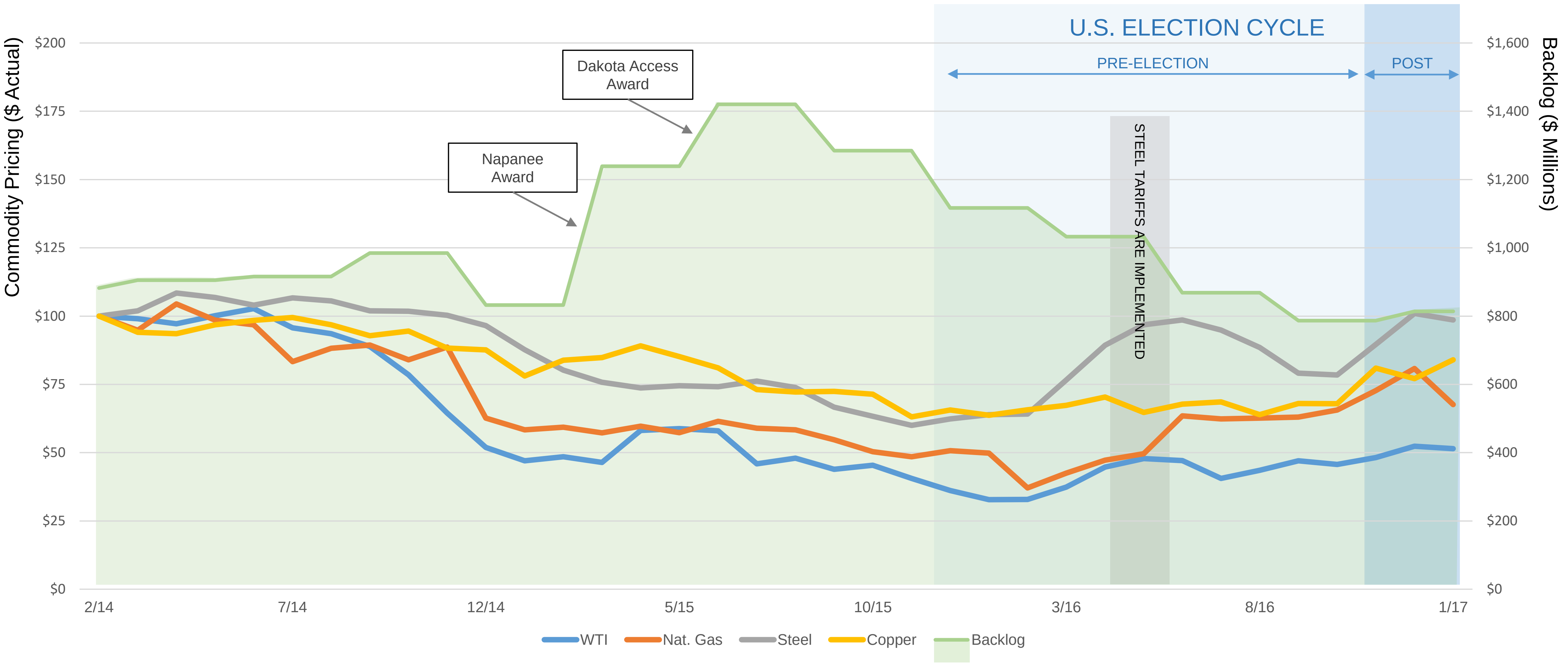
"The Last Text" - AT&T Don't Text While Driving Documentary - YouTube

Watch the video HERE

FISCAL 2017

SECOND QUARTER RESULTS | OPENING REMARKS

Commodity pricing (indexed) to backlog



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Fiscal 2017 | Second quarter results

$ in Millions, except EPS

	2Q17	2Q16
Revenue	$ 313	$ 324
Gross Profit	$ 28	$ 30
Gross Margin	9.0%	9.3%
SG&A	$ 20.0	$ 25.1
Net Income	$ 5.3	$ 5.4
EPS	$ 0.20	$ 0.20

Backlog roll

$ in Millions

	2Q17	First Six Months, FY 2017
Beginning Balance	$ 787	$ 869
Project Awards	$ 310	$ 570
Acquired Backlog	$ 30	$ 30
Revenue Recognized	$ (313)	$ (654)
Ending Backlog	$ 814	$ 814

Segment results

$ in Millions

2Q17	Electric Infrastructure	Oil Gas & Chemical	Storage Solutions	Industrial
Revenue	$ 103	$ 56	$ 129	$ 25
Gross Profit	$ 7.2	$ 2.4	$ 17.1	$ 1.5
Gross Margin	7.0%	4.4%	13.3%	5.9%

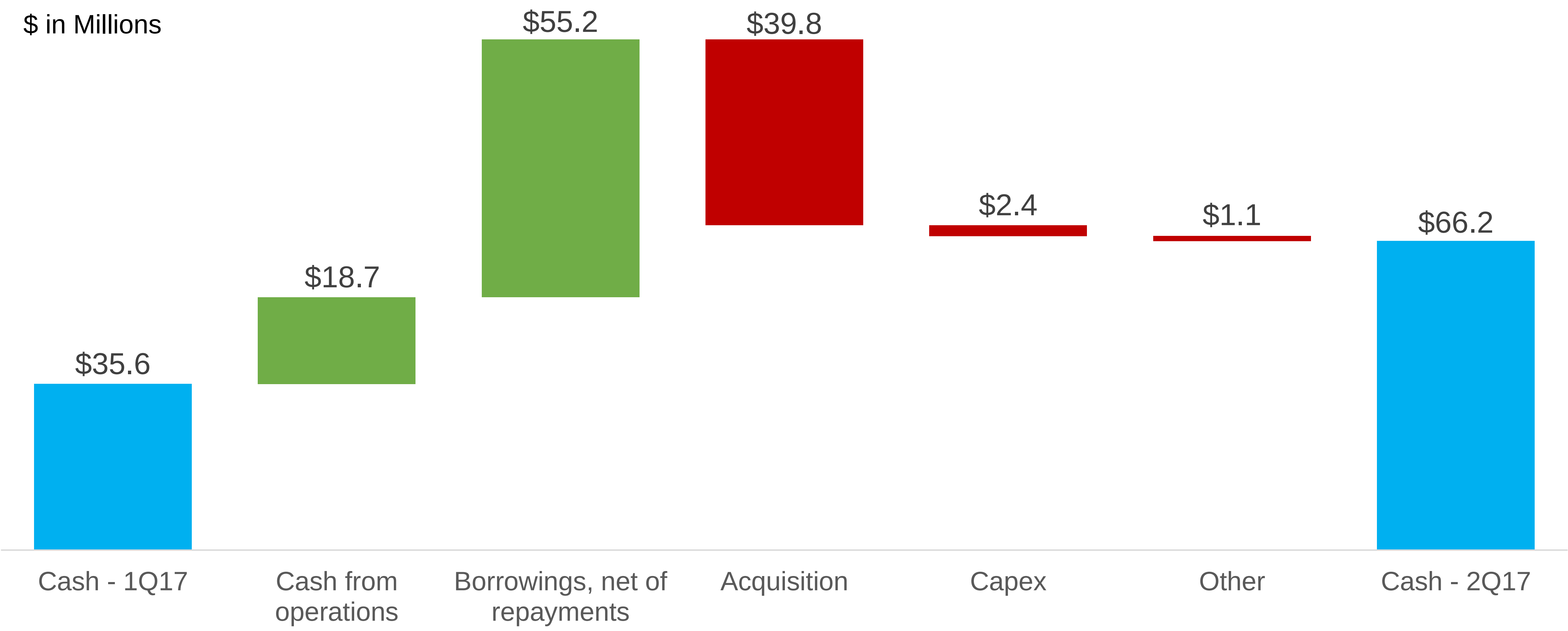
2Q16	Electric Infrastructure	Oil Gas & Chemical	Storage Solutions	Industrial
Revenue	$ 91	$ 62	$ 122	$ 48
Gross Profit	$ 4.0	$ 6.0	$ 14.4	$ 5.6
Gross Margin	4.4%	9.7%	11.8%	11.5%

Six month results

$ in Millions, except EPS

	First Six Months, FY 2017	First Six Months, FY 2016
Revenue	$ 654	$ 643
Gross Profit	$ 60.5	$ 64.6
Gross Margin	9.2%	10.0%
SG&A	$ 38.0	$ 44.6
Net Income	$ 14.6	$ 15.4
EPS	$ 0.54	$ 0.56

Fiscal 2017 | Second quarter cash bridge



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Move to a higher standard℠

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SECOND QUARTER | MARKET OUTLOOK AND PROJECT PIPELINE

MATRIX NAC

MATRIX SERVICE

MATRIX PDM ENGINEERING

MATRIX APPLIED TECHNOLOGIES

Project awards and timing | A real world example

DESCRIPTION: Multi-million barrel crude oil terminal

CONTRACTING: Sole sourced

STATUS: Preliminary work including FEED, budget planning / development and permitting support began in early calendar 2016

1st Expected Award Date

2nd Expected Award Date

3rd Expected Award Date

4th Expected Award Date

5th Expected Award Date

CALENDAR 2016												CALENDAR 2017							
JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG

Macroeconomic and market outlook

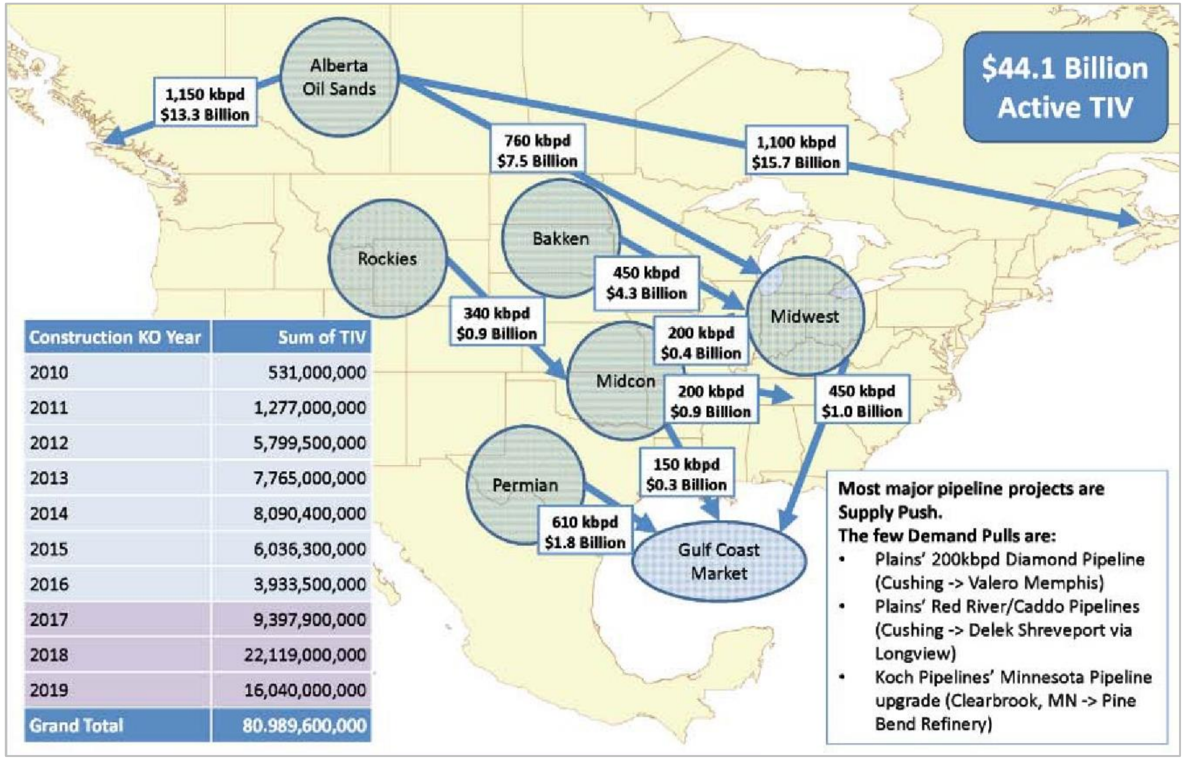
- ISM's consolidated PMI has been trending up, a signal of manufacturing strength going forward
- Commodity prices are improving
- Economists are forecasting modest improvements for Global GDP growth
- There is emerging consensus and growing political support for a more engaged fiscal policy to stimulate economic growth rather than relying solely on monetary policy
- Specific to the markets we serve, a different tone is coming from Washington and the new administration

The macroeconomic and market outlook provide opportunity for substantial growth

Market outlook | Energy *Long haul pipeline activity*

Crude Oil Pipelines

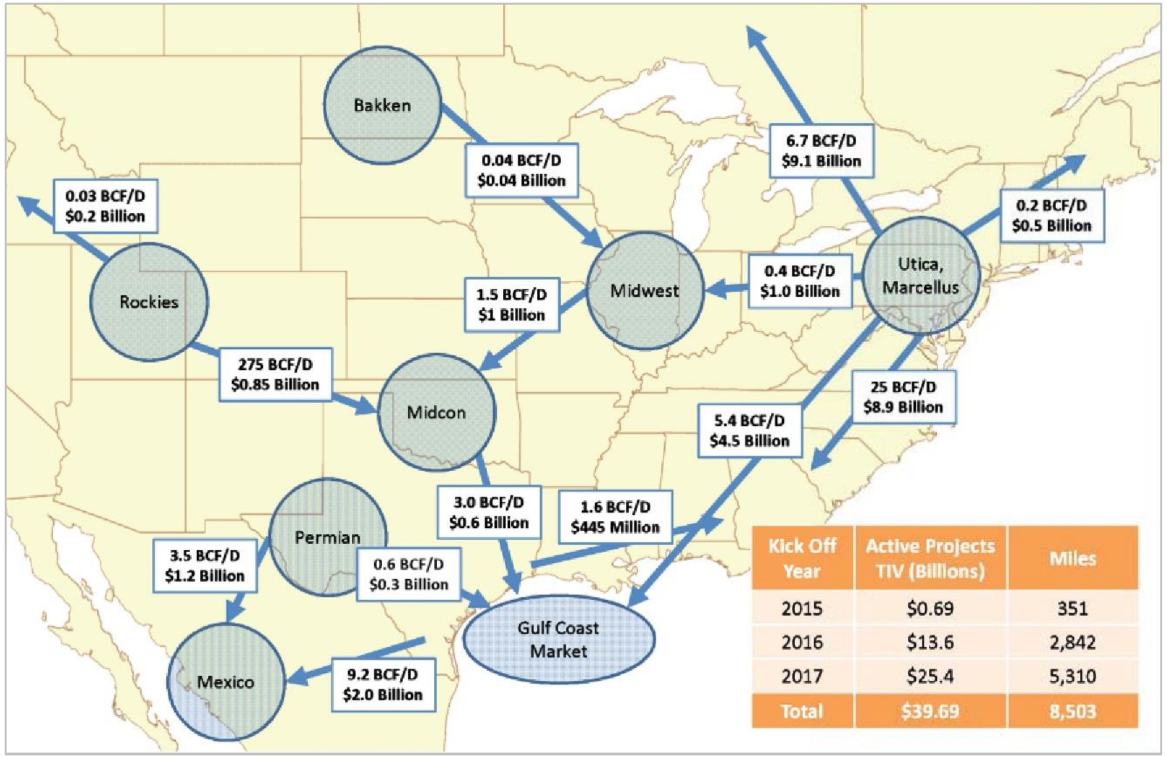
Pipeline activity to move product to market (2015 – 2020)



Construction KO Year	Sum of TIV
2010	531,000,000
2011	1,277,000,000
2012	5,799,500,000
2013	7,765,000,000
2014	8,090,400,000
2015	6,036,300,000
2016	3,933,500,000
2017	9,397,900,000
2018	22,119,000,000
2019	16,040,000,000
Grand Total	80.989,600,000

Natural Gas Distribution

Pipeline activity to meet demand (2015 – 2020)



Kick Off Year	Active Projects TIV (Billions)	Miles
2015	$0.69	351
2016	$13.6	2,842
2017	$25.4	5,310
Total	$39.69	8,503

Pipeline build outs will require import, export and trans-shipment terminals, pumping stations and gas processing facilities

Source: Industrial Info Resources (IIR) 2017 Outlook

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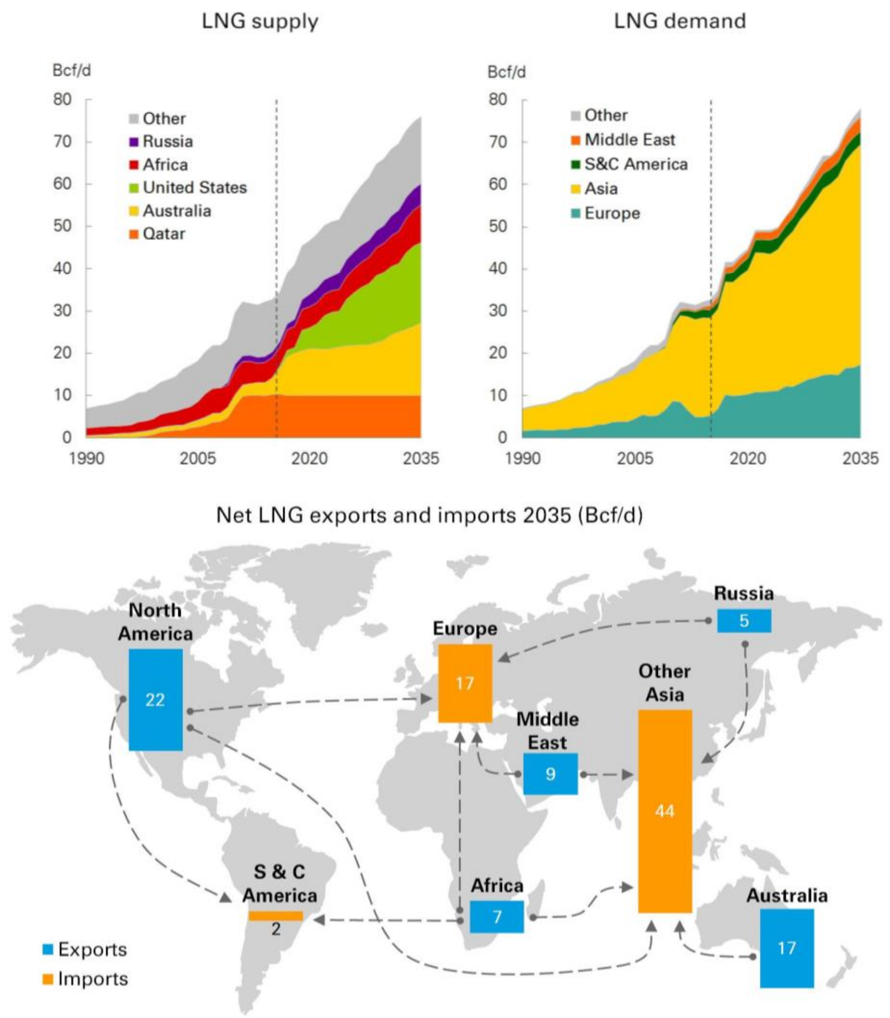
Market outlook | Energy *Liquid Natural Gas (LNG)*

- LNG supply traded globally has quadrupled in the last two decades and is set to double in the next two
- Activity in the U.S. and Australia lead supply growth, with more diversified distribution of U.S. LNG supplies
- Demand is being driven by:
  - Global economic growth in Europe and Southeast Asia
  - Adoption of higher efficiency technology
  - Use of LNG as an alternative transport fuel for shipping, trucks and trains, as well as a power source for remote small-scale grids
- As projects currently under development are completed, growth is expected to resume at a more moderate pace

- Current global supply/demand will be in balance by 2021-22, but with 4-year build out, Matrix is well positioned for the next wave of **large scale** facilities
- Demand for **small scale** LNG facilities continues to grow, with Matrix uniquely positioned as a contractor of choice



Source: BP 2017 Energy Outlook ©

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Market outlook | Energy *Petrochemical - Refineries*

- Steady growth in refined product exports during the last decade together with substantial investments in downstream processing have positioned the U.S. refinery industry as a global processing hub
- Supply/demand imbalances seem to be tightening
  - Even if recent OPEC production cuts do not fully materialize, it should accelerate the drawdown of global oil inventories and support crude prices in 2017
  - It remains to be seen how quickly and to what extent U.S. shale drillers may respond
- Consumption/demand of gasoline and jet fuel remain strong
- Low natural gas prices remain an advantage to U.S. refiners as a fuel source
- Refiners have run facilities at maximum utilization for several years, postponing repairs and maintenance
- Compliance with country-mandated regulatory requirements such as ultra low sulfur is providing opportunity for major capital project work, as well as sulfur processing, handling and waste management

Beginning in 2017, an anticipated $885 million to $1.55 billion in planned maintenance is expected to be spent by Gulf Coast refiners with an additional $485 million to $884 million planned for California

Source: Industrial Info Resources (IIR) 2017 Outlook

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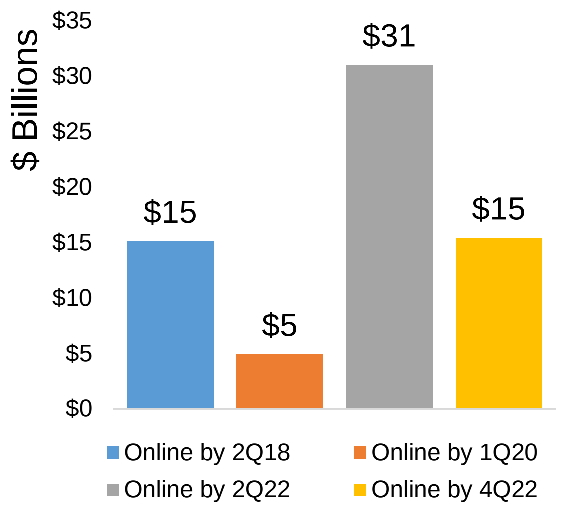
Market outlook | Energy *Petrochemical – Gas processing, NGLs*

Abundant, low cost natural gas continues to drive new capacity build out and spending

U.S. and Canada
New Capacity Build-out for Ethylene



- CP Chem
- ExxonMobil
- Formosa
- Ingleside (Oxy)
- Sasol
- LACC (Lotte)
- Shintech
- Shell
- Williams
- Badlands
- Appalachian
- Siluria
- Total
- Aither
- PTT
- Nova
- Sabic/Exxon
- Formosa

- The U.S. is now among the lowest-cost producers globally of key petrochemicals and resins
- This shift is boosting export demand and driving significant new capital investment toward the U.S.
- Through late November 2016, approximately 275 new chemical production projects have been announced with a total value exceeding $170 billion
- Capital spending for U.S. chemical manufacturing is expected to increase 4.4% in 2017, with an expected average increase of 8% per year during the 2018 – 2021 period

Increased activity in domestic petrochemical facilities will drive maintenance and small cap projects, creating additional strategic opportunity

Source: Industrial Info Resources (IIR) 2017 Outlook and American Chemistry Council (01-17-2017)

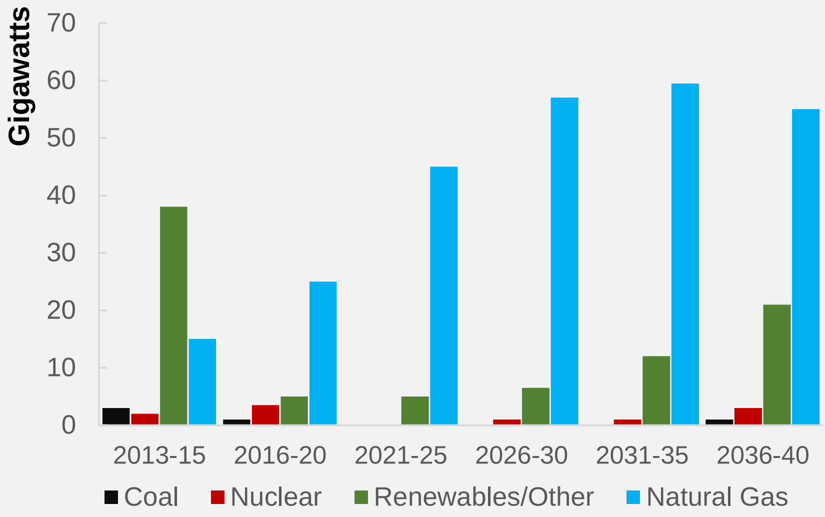
Market outlook | Power

Generation facilities

- Coal-fired facilities are being retired due to regulatory initiatives and the resurgence of gas generation, although larger baseload facilities may be retrofitted or converted
- Natural gas combined-cycle power plants are being constructed as baseload generators as a result of:
  - Abundant natural gas supply
  - Persistent low prices
- Natural gas as a percentage of total power generation is expected to grow from 23% in 2015 to 31% by 2040 as a result of:
  - Favorable cost advantage (lower fixed costs)
  - Shorter construction times than traditional power generation plants such as coal and nuclear
  - An accommodative political and regulatory environment

SOURCE: HARRIS WILLIAMS & CO.

Expected Power Generation Capacity **Additions by Fuel** (*gigawatts*)



By 2040, the EIA expects fixed capital costs of new build gas plants to be 20% that of coal, nuclear, and wind per kilowatt hour, supporting the ~250 gigawatts of expected natural gas power generation capacity additions projected

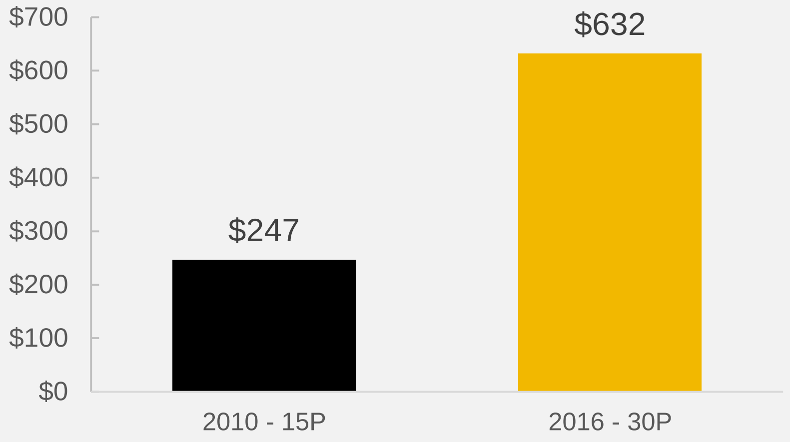
Long-term opportunities demand that we maintain and develop our project delivery capacity

Market outlook | Power *Transmission and distribution*

Investments are being driven by:

- Grid modernization to:
  - Include smart grid technologies that will enhance resiliency and security in both transmission and distribution, improve operating efficiencies and prepare for distributed energy resources including rooftop solar, battery storage, electric vehicles, micro-grids and demand response applications
  - Harden structures against severe weather or physical attack
  - Replace aging infrastructure
  - Reduce grid congestion
- Connection of renewable energy assets to the grid
- Shift from coal to natural gas power generation with resulting need to upgrade and improve transmission infrastructure and ensure grid reliability
- Increased demand for outsourced service providers
- Onsite demand for power at remote locations with little infrastructure in place

U.S. Transmission & Distribution Historical and Projected Spending *($ in billions)*



In addition to the nearly $880 billion invested by utilities in the U.S. through 2030, Canadian utilities are expected to invest nearly $100 billion over the same period.

SOURCE: HARRIS WILLIAMS & CO.

Projected infrastructure investments represent significant growth opportunity

Market outlook | Industrial

Material handling

- Through 2020, worldwide demand for material handling systems is forecast to rise 5.3 percent per year to $176 billion; for Matrix this includes opportunity in markets such as cement, grain, sulfur, mining and minerals
  - Trends in developing countries such as China and India support this market growth, with China accounting for a significant amount of new demand while developed countries such as Japan, the U.S. and Western Europe will see more restrained growth

Sulfur

- Need for global sulfur prilling and melting infrastructure and facilities will be driven by demand for sulfur as a valuable commodity in the manufacture of products, including fertilizers and chemicals, medicines, fibers, and plastics, and as a vital nutrient for plants, people and animals.

Market outlook | Industrial

Ferrous and non-ferrous metals

- Demand from the automotive sector remains strong
- Increased energy activity can create demand for pipe and drilling pipe
- North American markets continue to suffer from a strong dollar position and aggressive supply from China, however massive infrastructure spending together with sourcing protection could drive improvement

Cement

- The U.S. cement industry, which was severely impacted by the 2008 housing collapse is showing signs of recovery, with consumption growing from 67 million tons in 2009 to nearly 95 million tons in 2016 and is projected to be nearly 113 million tons by 2021
- This growth is resulting in renewed planning for additional import and distribution terminals in select regions.

Significant infrastructure needs and improving commodity pricing provide long-term opportunity in the industrial markets, domestically and abroad

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Matrix PDM Acquisition | Houston Interests

HOUSTON INTERESTS




Devco

RIVER CONSULTING

Devco Process Heaters

S & R Technical Services, Inc.

PROCESS PLANT SERVICES

BUILDING LONG-TERM SHAREHOLDER VALUE

5 Years of growth, development and diversification

- Achieved record safety results
- Diversified our markets and our services
- Transformed our Storage Solutions work from tanks to full terminals
- Extended our work from flat bottom tanks to specialty vessels
- Grown the scale / complexity of our projects
- Expanded our geographic footprint
- Significantly augmented our workforce
- Improved the depth of our resources, services and engineering capabilities
- And nearly doubled our revenue and average backlog

ACQUISITIONS

PELICHEM Industrial Cleaning Services | KVAERNER — KVAERNER NORTH AMERICAN CONSTRUCTION INC. | HDB — GENERAL ENGINEERING & CONSTRUCTION | BTE | HOUSTONINTERESTS

MARKETPLACE RECOGNITION

FORTUNE 100 FASTEST GROWING COMPANIES 2014 | Forbes AMERICA'S MOST TRUSTWORTHY COMPANIES | 2016 ENR TOP 400 CONTRACTORS | GREAT PLACE TO WORK® CERTIFIED SEP 2016 - SEP 2017 USA

Our strategy in 60 seconds …

- Achieve zero incident safety performance
- Improve execution and bottom line performance
- Continue to grow organically while accelerating that growth through a series of strategic acquisitions
- Strengthen our diversified portfolio
- Elevate engineering to top-tier status
- Develop best-in-class people at all levels of the organization

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Q&A