



# FY24 Q1 PRESENTATION

# 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.



# 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®

# OUR EXPERTISE | REPORTING SEGMENTS

TOP-TIER SOLUTIONS IN CAPITAL PROJECTS, TURNAROUNDS, MAINTENANCE AND REPAIR SERVICES.



## STORAGE AND TERMINAL SOLUTIONS

### OUR EXPERTISE

- STORAGE TANKS AND TERMINALS
  - SPECIALTY VESSELS INCLUDING COMPLEX CRYOGENIC INFRASTRUCTURE
  - ATMOSPHERIC STORAGE TANKS (FLAT BOTTOM TANKS)
  - MAINTENANCE AND UPGRADES
- SPECIALTY TANK PRODUCTS

## UTILITY AND POWER INFRASTRUCTURE

### OUR EXPERTISE

- LNG PEAK SHAVING STORAGE FACILITIES
- TRADITIONAL ELECTRICAL:
  - SUBSTATIONS
  - TRANSMISSION & DISTRIBUTION
  - STORM REPAIRS
  - FACILITY ELECTRICAL & INSTRUMENTATION

## PROCESS AND INDUSTRIAL FACILITIES

### OUR EXPERTISE

- REFINERY MAINTENANCE, REPAIR, AND TURNAROUNDS
- UPGRADES AND RETROFITS FOR RENEWABLE FUELS
- NATURAL GAS FACILITIES
- THERMAL VACUUM CHAMBERS
- MINING AND MINERALS INFRASTRUCTURE

# STRATEGY AND OPPORTUNITY PIPELINE

# MARKET STRATEGY

## Strengthen the Core

Traditional energy 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 built a quality-based execution infrastructure, streamlined its supporting cost structure and optimized our business processes including our Center of Excellence and shared services to make sure we are positioned to execute on the opportunities and award cycle we see ahead.
- Focused on the end markets with the greatest opportunity sets that align with our skills.
- Continue to build on our bench strength with key business development, proposal, technical, and project resources to effectively win and execute projects.
- Ongoing people focus through recruiting, retention, and development of a diverse and inclusive employee base across the organization.
- Winning key awards and building backlog.



**Our focus is on winning, executing, and delivering better than anyone else in a strong market.**

# OUR CRYOGENIC EXPERTISE

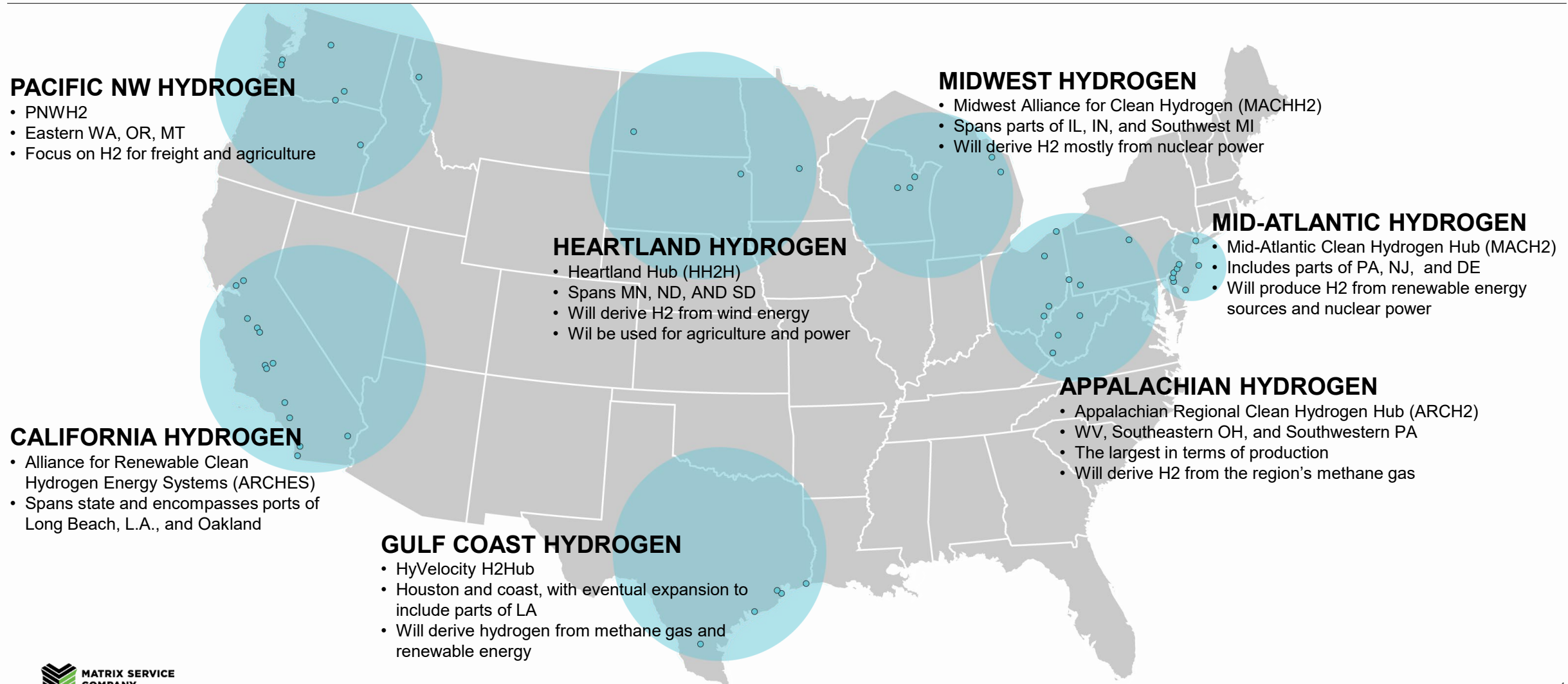
- 65 years of leading expertise in cryogenic storage and application.
- Over the past two decades we have honed our full terminal capabilities.
- Since 2018 our small to mid scale LNG strategy has produced six awards, generating strong market presence and share of available opportunities, most recently:
  - an LNG Peak Shaver award in our Utility and Power Infrastructure Segment (FY2023, Q4)
  - an LNG liquefaction and storage facility for back up fuel supply in our Storage and Terminal Segment (FY2024, Q1)
- This market covers a range of uses: peak shaving, backup power plant fuel supply, ship bunkering, rocket fueling, and export facilities.
- Adjacent to this strong position in the small to mid-size LNG market, our strategy extends to other specialty vessels and facilities for ammonia, ethane, and other natural gas liquids.
- Today we can further extend this capability and skill sets to Hydrogen storage and facilities for de-carbonization of the global energy mix.



With a strong opportunity pipeline, our strategy to offer complete solutions to the growing small to mid-sized LNG facility market is creating awards and growth for the company as we expand our brand and capture market share.

# CLEAN HYDROGEN HUBS

The DOE announced **\$7 billion** in funding to launch seven Regional Clean Hydrogen Hubs (H2Hubs) to accelerate the commercial-scale deployment of low-cost, clean hydrogen, which we believe also offers opportunity for Matrix:

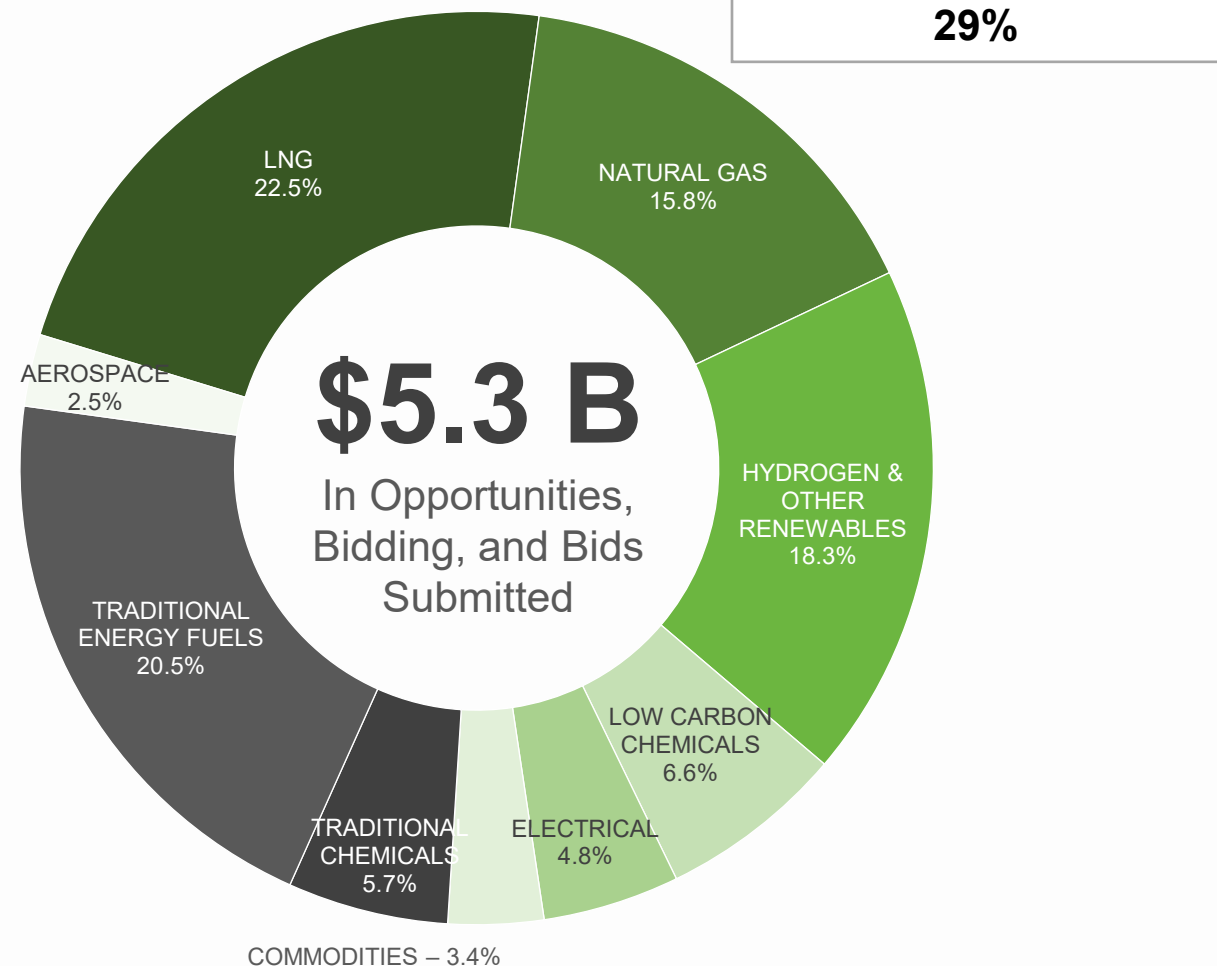


# OPPORTUNITY PIPELINE

Supports traditional and lower carbon energy mix, including LNG and NGLs, Hydrogen and other renewables.

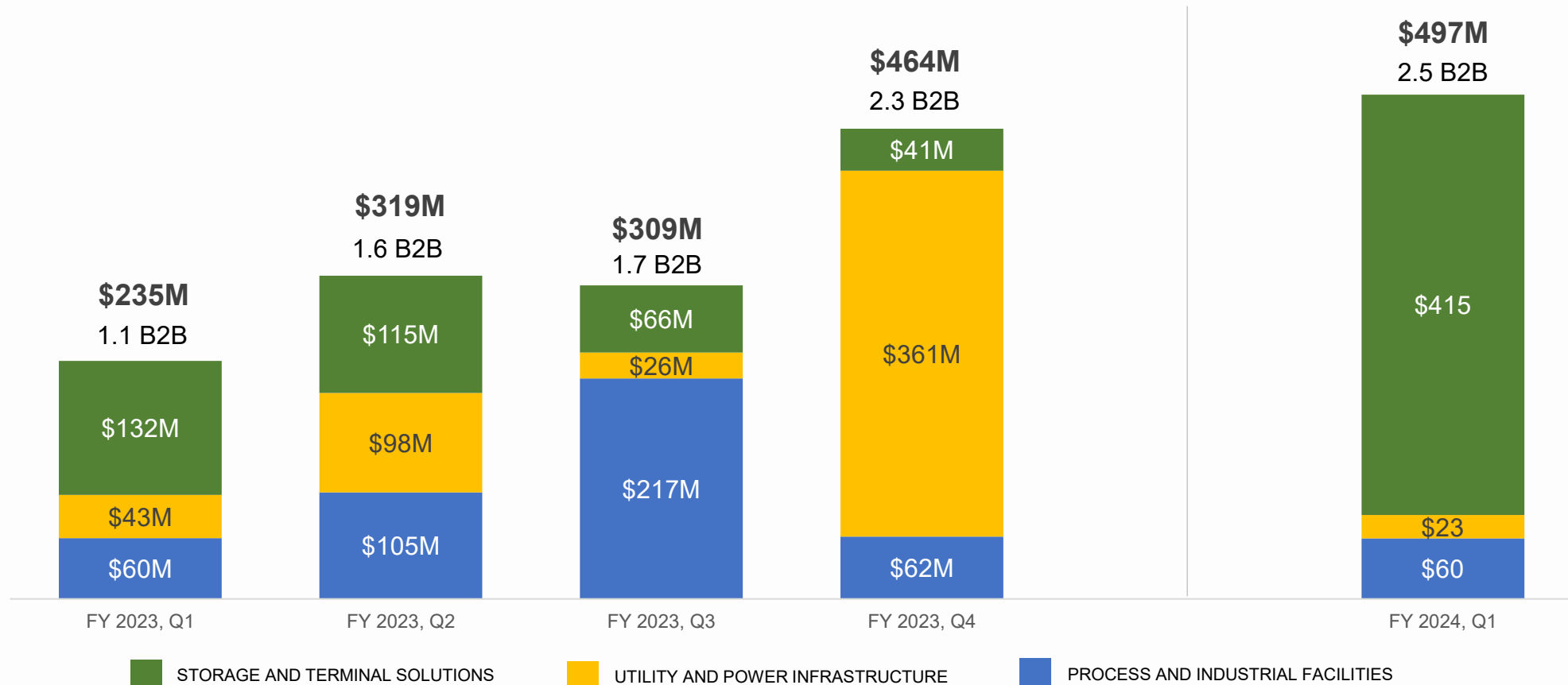
All three operating segments contain individual projects of **\$75 million or greater.**

This pipeline does not include our normal day-to-day and recurring maintenance, and small project activities across all three segments, which are strategic elements of our portfolio.



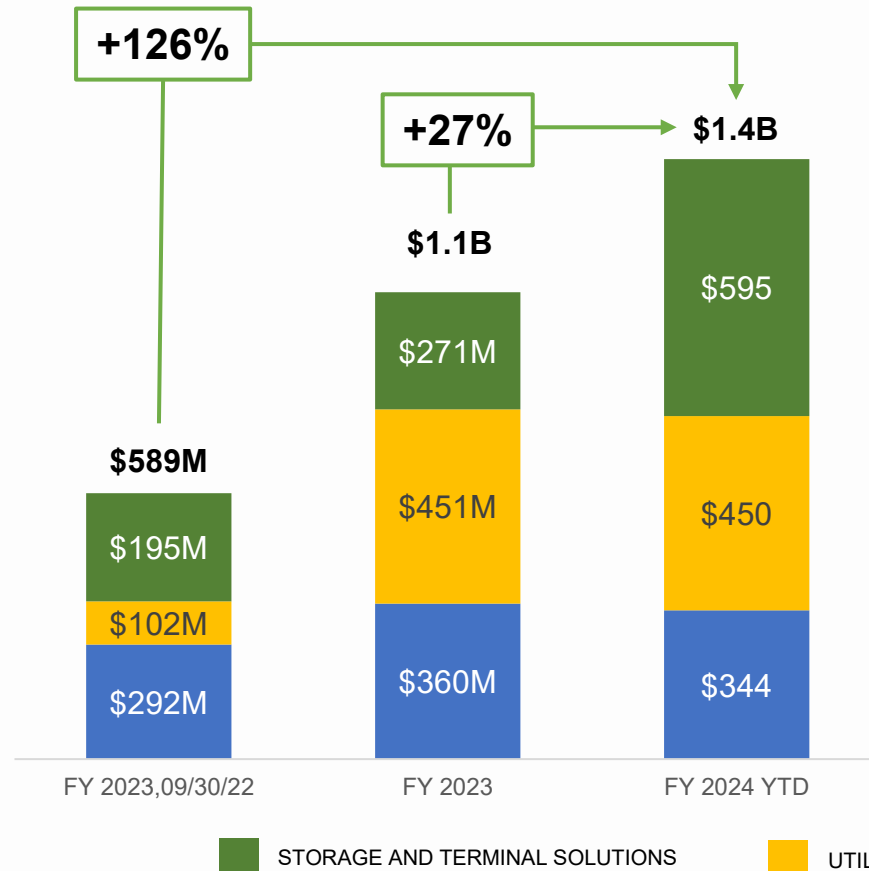
Project Opportunity Pipeline data is as of September 30, 2023, for projects of \$5 million or greater and does not include small capital projects or maintenance and repair.

# PROJECT AWARDS AND BOOK-TO-BILL (B2B)



We generated \$497 million in awards in FY 2024, Q1 – the highest quarterly awards in five years. FY 2024, Q1 book-to-bill ratio was 2.5. Project awards totaling \$1.6 billion in the last 4 quarters have resulted in 126% growth in backlog over that period.

# SEPTEMBER 30, 2023 BACKLOG | \$1.4B, 126% YEAR-OVER-YEAR INCREASE



Number of capital projects, including two large ethane tank projects and the recent addition of an LNG liquefaction and storage terminal.

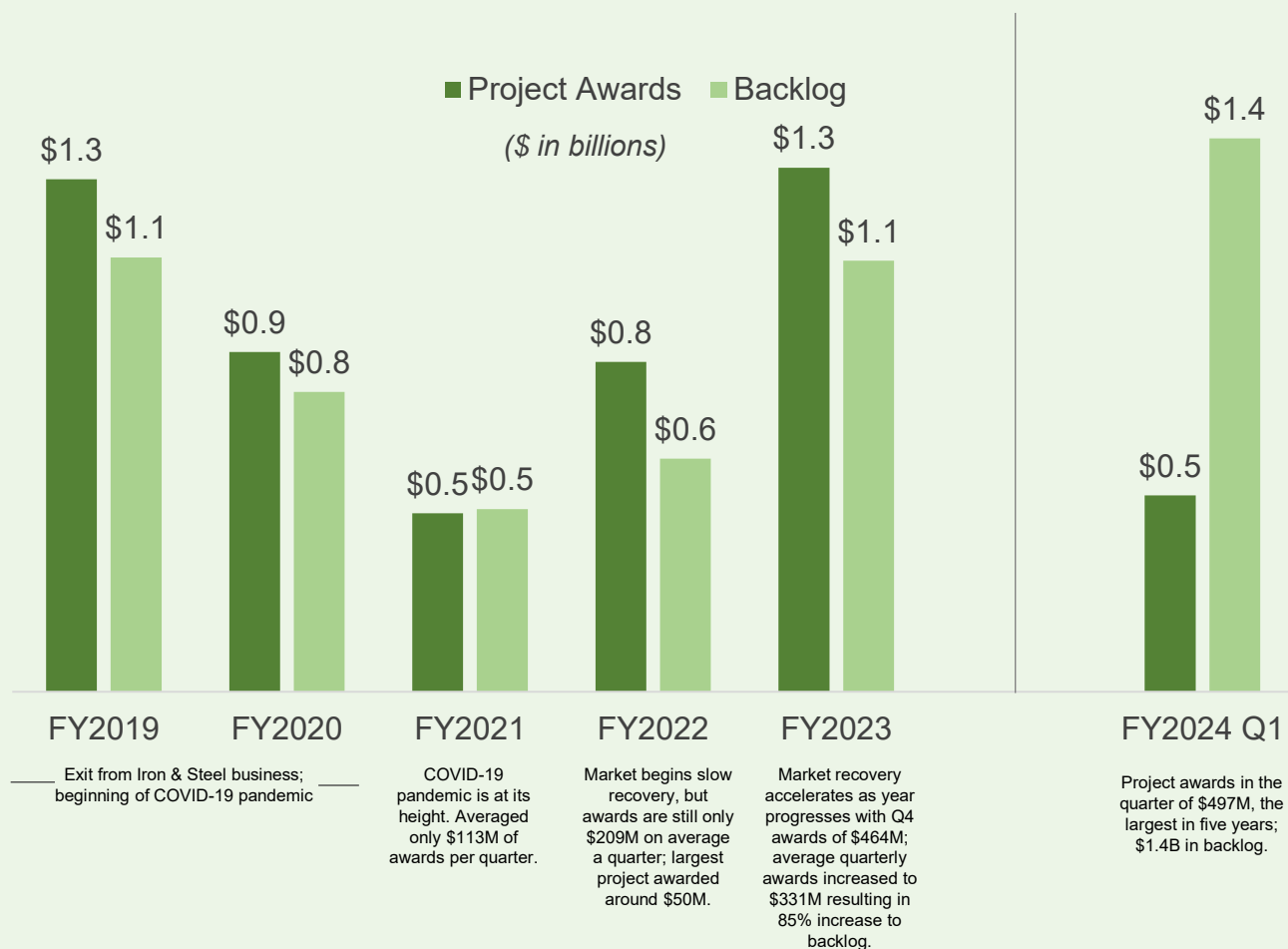
Includes recent award of an LNG peak shaver that will begin later in the year, as well as other ongoing work including a previously awarded LNG peak shaver and traditional electrical work.

Includes large natural gas compressor project as well as embedded maintenance and repair work and other industrial projects (thermal vacuum chambers and renewable fuel projects).

Strong growth in our core markets and strategic focus areas.  
 More opportunities remain for further backlog build during FY 2024.

# FINANCIAL UPDATE

# PROJECT AWARDS AND BACKLOG



## FISCAL 2024 EXPECTATIONS:

- This quality backlog will allow us to fully recover our construction overhead, appropriately leverage SG&A, and improve overall operating results.
- Revenue in Q2 of FY 2024 will be consistent with revenue in Q1.
- Revenue is expected to have strong growth in the second half of FY 2024.
- Bottom line results will follow a similar path as revenue.
- Adjusted EBITDA is expected to be positive across the fiscal year.
- As we move through the fiscal year, we anticipate accelerated movement toward our longer-term financial targets.
- Balance sheet is strong at September 30, and expected to strengthen through FY 2024.

Backlog has increased to pre-pandemic levels and will drive higher revenue as we move through FY 2024 and beyond.



# QUARTERLY TREND | CONSOLIDATED

*(In thousands except % and per share amounts)*

	FY2023, Q1	FY2023, Q2	FY2023, Q3	FY2023, Q4	FY2024, Q1
<b>Revenue</b>	\$ 208,431	\$ 193,040	\$ 186,895	\$ 205,854	\$ 197,659
<b>Gross Profit (Loss)</b>	13,008	(1,302)	4,419	14,695	11,859
<b>Gross Margin</b>	6.2%	(0.7%)	2.4%	7.1%	6.0%
<b>SG&amp;A Expense</b>	16,811	17,545	16,862	17,031	17,113
<b>Operating Income</b>	(5,090)	(32,441)	(12,759)	(2,597)	(5,254)
<b>Operating Income %</b>	(2.4%)	(16.7%)	(6.8%)	(1.3%)	(2.7%)
<b>Adjusted Operating Income</b>	(3,803)	(18,847)	(12,443)	(2,336)	(5,254)
<b>Adjusted Operating Income %</b>	(1.8%)	(9.8%)	(6.7%)	(1.1%)	(2.7%)
<b>Net Income (Loss)</b>	(6,512)	(32,827)	(12,686)	(336)	(3,167)
<b>Income (Loss) Per Share</b>	\$ (0.24)	\$ (1.22)	\$ (0.47)	\$ (0.01)	\$ (0.12)
<b>Adjusted Loss Per Share</b>	\$ (0.19)	\$ (0.71)	\$ (0.46)	\$ (0.11)	\$ (0.21)
<b>Adjusted EBITDA</b>	\$ 844	\$ (13,090)	\$ (7,736)	\$ 2,283	\$ (712)

- Revenue declined due to the completion of certain projects awarded in prior years, as well as normal summer seasonality.
- Gross Margins declined from Q4 FY2023 due to lower revenue volumes.

Overall, Q1 FY2024 was in line with expectations, highlighted by strong project awards. We expect revenue and earnings to be at a similar level in Q2 and then show strong growth from newly awarded projects in the second half of FY2024.

# OUTLOOK



Economic and market drivers bring **significant tailwinds**.

**Strong backlog** with recurring revenue streams and multi-year projects.

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

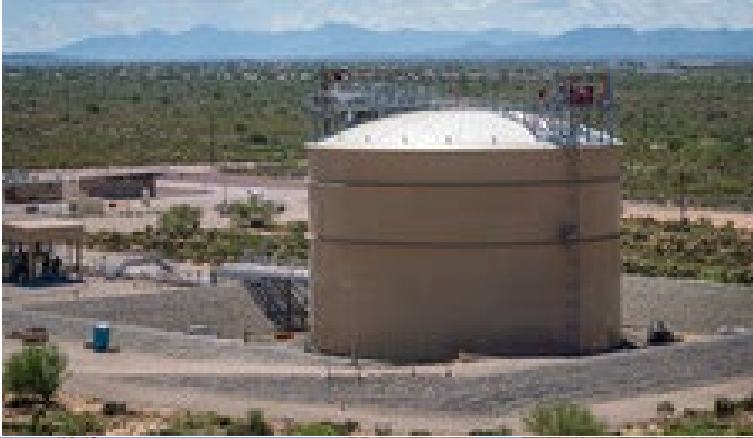
Brand strength reputation with **excellent customer relationships and safety culture**.

**Consistently strong balance sheet**.

KEY LONG-TERM FINANCIAL TARGETS*	
< 6% Net Working Capital	< 6.5% 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

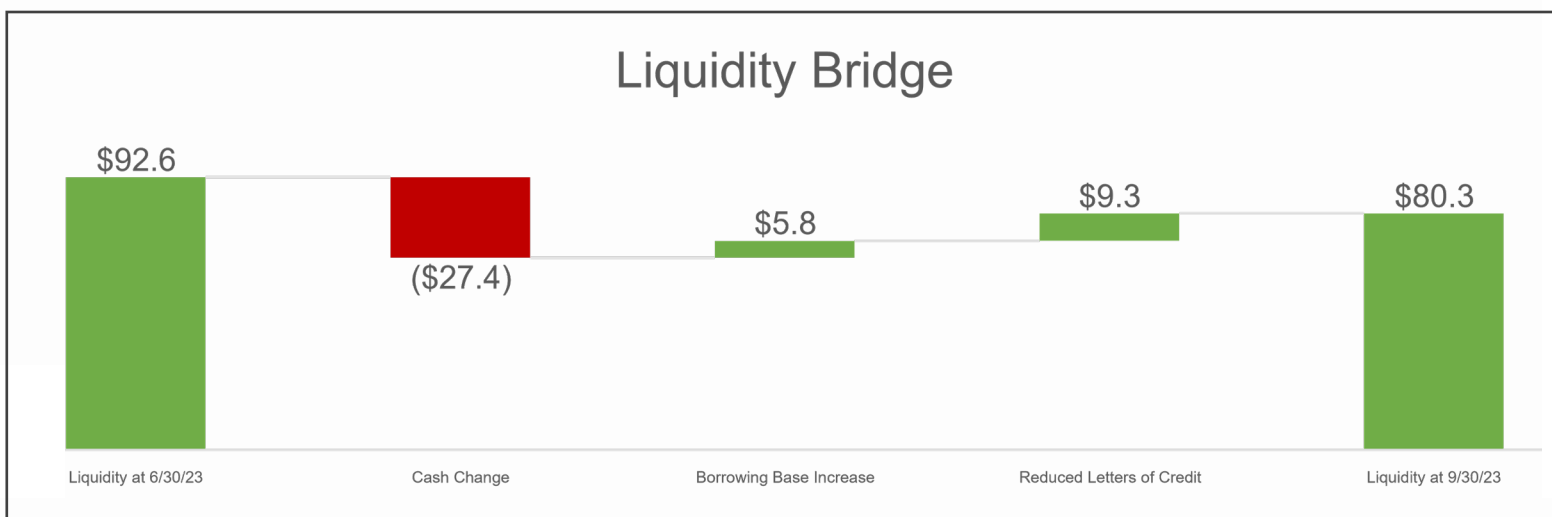
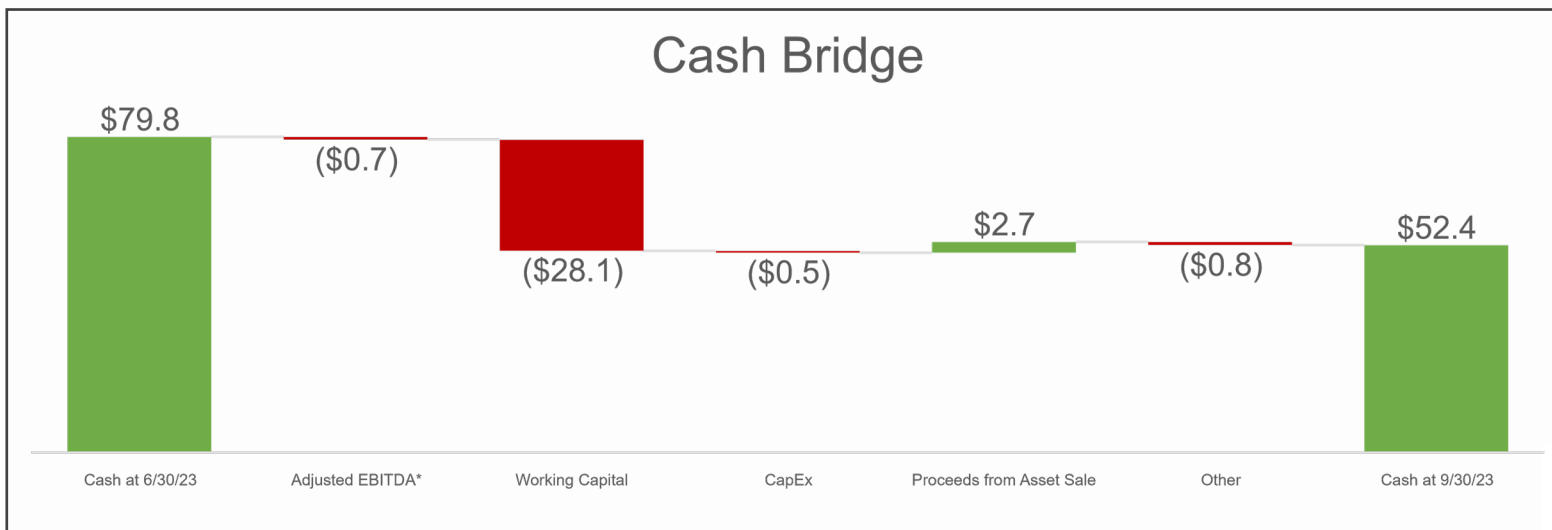
With existing backlog and strong end-markets, MTRX is well-positioned to achieve our key financial targets and provide value appreciation for our stockholders.



# APPENDIX

# FISCAL YEAR 2024, Q1

(\$ in millions)



- As expected, cash decreased in Q1 due to use of working capital resulting from the timing of project cash flows. Improved cash flow is expected through the remainder of FY2024.
- In early Q2, the Company reached favorable resolution on a long-standing legal dispute with an iron and steel customer that resulted in the receipt of \$16.8 million, the full amount owed under a reimbursable contract.
- Based on our improving financial position, the Company repaid all outstanding borrowings under the credit facility in early November.

# QUARTERLY TREND | STORAGE & TERMINAL SOLUTIONS

<i>(In thousands except %)</i>	FY2023, Q1	FY2023, Q2	FY2023, Q3	FY2023, Q4	FY2024, Q1
<b>Revenue</b>	\$ 76,933	\$ 62,516	\$ 52,165	\$ 64,079	\$ 90,144
<b>Gross Profit (Loss)</b>	7,564	1,648	(810)	2,067	4,952
<b>Gross Margin</b>	9.8%	2.6%	(1.6%)	3.2%	5.5%
<b>SG&amp;A Expense</b>	4,158	5,450	5,735	4,712	4,629
<b>Operating Income</b>	2,884	(4,185)	(6,624)	(2,630)	323
<b>Operating Income %</b>	3.7%	(6.7%)	(12.7%)	(4.1%)	0.4%
<b>Adjusted Operating Income</b>	3,406	(3,802)	(6,545)	(2,645)	323
<b>Adjusted Operating Income %</b>	4.4%	(6.1%)	(12.5%)	(4.1%)	0.4%

- Revenue increased 41% from 4Q FY2023 and improved with commencement of capital projects awarded in the prior fiscal year which included the procurement of materials and components.
- Gross Margin improved on strong project execution but was impacted by under-recovery of overhead as we move resources to this segment in anticipation of significant growth during the second half of FY2024.

Operating performance is expected to improve in the second half of FY2024 as recent project awards begin to meaningfully impact revenue, eliminate under recovery of construction overheads, and produce significantly higher operating income.

# QUARTERLY TREND | UTILITY & POWER INFRASTRUCTURE

<i>(In thousands except %)</i>	FY2023, Q1	FY2023, Q2	FY2023, Q3	FY2023, Q4	FY2024, Q1
<b>Revenue</b>	\$ 44,870	\$ 50,535	\$ 35,024	\$ 39,075	\$ 32,395
<b>Gross Profit (Loss)</b>	1,714	2,426	2,790	3,770	3,697
<b>Gross Margin</b>	3.8%	4.8%	8.0%	9.6%	11.4%
<b>SG&amp;A Expense</b>	1,738	1,787	1,869	1,651	1,548
<b>Operating Income</b>	(61)	639	921	2,119	2,149
<b>Operating Income %</b>	(0.1%)	1.3%	2.6%	5.4%	6.6%
<b>Adjusted Operating Income</b>	(24)	639	921	2,119	2,149
<b>Adjusted Operating Income %</b>	(0.1%)	1.3%	2.6%	5.4%	6.6%

- Revenue decline is due to lower levels of power delivery work during the summer months.
- Improved gross margins driven by strong project execution which led to favorable project closeouts, as well as LNG peak shaving projects which have a better margin profile.

Revenue improvement expected beginning in Q2 FY2024 with increased peak shaver work on recently awarded projects. Longer-term outlook includes strong funnel with additional peak shaver opportunities and demand for electrical infrastructure upgrades and expansion.

## QUARTERLY TREND | PROCESS & INDUSTRIAL FACILITIES

<i>(In thousands except %)</i>	FY2023, Q1	FY2023, Q2	FY2023, Q3	FY 2023, Q4	FY 2024, Q1
<b>Revenue</b>	\$ 86,628	\$ 80,789	\$ 99,706	\$ 102,700	\$ 75,120
<b>Gross Profit (Loss)</b>	4,330	(5,131)	3,160	8,397	5,078
<b>Gross Margin</b>	5.0%	(6.4%)	3.2%	8.2%	6.8%
<b>SG&amp;A Expense</b>	4,070	3,682	3,556	3,601	3,085
<b>Operating Income</b>	(55)	(21,511)	(502)	4,627	1,991
<b>Operating Income %</b>	(0.1%)	(26.6%)	(0.5%)	4.5%	2.7%
<b>Adjusted Operating Income</b>	260	(8,813)	(396)	4,796	1,991
<b>Adjusted Operating Income %</b>	0.3%	(10.9%)	(0.4%)	4.7%	2.7%

- Lower revenues were the result of the completion of certain gas processing work, lower refinery work during the summer months, and the sale of a non-core business during Q4 FY2023.
- Gross margins were negatively impacted by under-recovery of construction overhead costs due to lower revenue volumes.

Capital projects currently in backlog will positively impact revenue as we move into FY2025. Segment continues to be supported by turnaround and recurring repair and maintenance work.

# ADJUSTED NET LOSS

<i>(In thousands except per share amounts)</i>	FY2023, Q1	FY2023, Q2	FY2023, Q3	FY2023, Q4	FY2024, Q1
Net Income (Loss), as reported	\$ (6,512)	\$ (32,827)	\$ (12,686)	\$ (336)	\$ (3,167)
Restructuring costs	1,287	1,278	316	261	—
Goodwill impairment	—	12,316	—	—	—
Gain on sale of assets	—	—	—	(2,905)	(2,536)
Tax impact of adjustments	—	—	—	—	—
Adjusted Net Loss	(5,225)	(19,233)	(12,370)	(2,980)	(5,703)
Income (Loss) per Fully Diluted Share	\$ (0.24)	\$ (1.22)	\$ (0.47)	\$ (0.01)	\$ (0.12)
Adjusted Loss per Fully Diluted Share	\$ (0.19)	\$ (0.71)	\$ (0.46)	\$ (0.11)	\$ (0.21)



# ADJUSTED EBITDA

<i>(In thousands)</i>	<b>FY2023, Q1</b>	<b>FY2023, Q2</b>	<b>FY2023, Q3</b>	<b>FY2023, Q4</b>	<b>FY2024, Q1</b>
Net Income (Loss), as reported	\$ (6,512)	\$ (32,827)	\$ (12,686)	\$ (336)	\$ (3,167)
Restructuring costs	1,287	1,278	316	261	–
Goodwill impairment	–	12,316	–	–	–
Gain on sale of assets	–	–	–	(2,905)	(2,536)
Stock-based compensation expense*	2,055	1,692	1,407	1,637	1,755
Interest expense	372	916	268	468	325
Provision (benefit) for federal, state and foreign income taxes	–	–	(363)	(37)	–
Depreciation and amortization	3,642	3,535	3,322	3,195	2,911
Adjusted EBITDA	\$ 844	\$ (13,090)	\$ (7,736)	\$ 2,283	\$ (712)

\*Represents only the equity-settled portion of our stock-based compensation expense