



**MATRIX SERVICE
COMPANY**

Fiscal 2019

Fourth Quarter Ended
June 30, 2019

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.



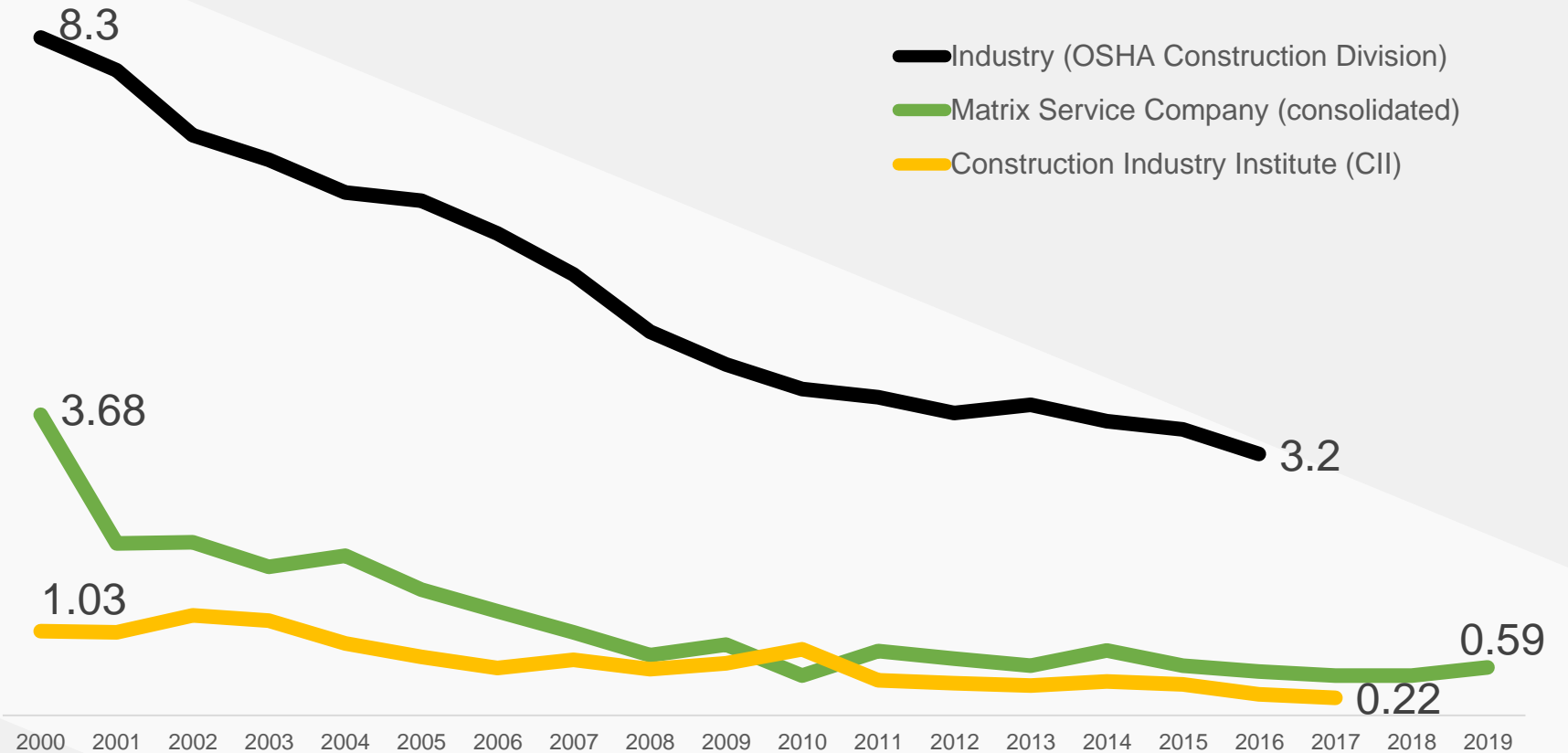
Safety Moment

Welcome and introductory remarks



INVESTING IN SAFETY

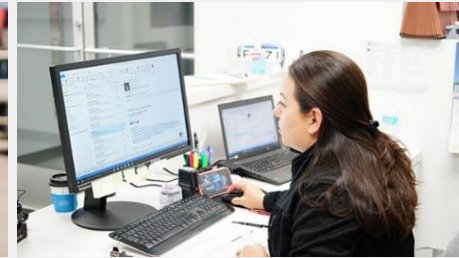
- Continue to:
 - Identify and implement engineered safety controls to reduce human exposure to hazards
 - Improve through Tap-Root investigations
- Implement:
 - Dropped objects training
 - Enhanced incident reporting and tracking system





INVESTING IN PEOPLE AND COMMUNICATION

- Developing current and future workforce
- Improving hiring and selection processes
- Strengthening our learning culture
- Building an inclusive and diverse workplace
- Ensuring a harassment-free environment
- Defining and articulating our employee value proposition
- Promoting workforce health and wellness





Storage Solutions

- Robust need for crude oil aboveground storage terminals across North America including Mexico
- Strong market activity in spheres / specialty vessels including associated Balance of Plant:
 - NGLs including storage tanks for butane, LPG, propane, ethane, and ethylene and related balance of plant
 - Large LNG export infrastructure
 - Small- to mid-size LNG facilities

INVESTING IN CLIENTS AND GROWTH





Oil, Gas & Chemical

INVESTING IN CLIENTS AND GROWTH

- Improved refinery spending on turnarounds, greater opportunity for capital construction projects and daily onsite maintenance services
- Extension of expertise in capital construction, specialty vessels, turnaround and plant services to the North American petrochemical and chemical markets
- Growth in natural gas demand domestically and globally with significant opportunity in midstream infrastructure

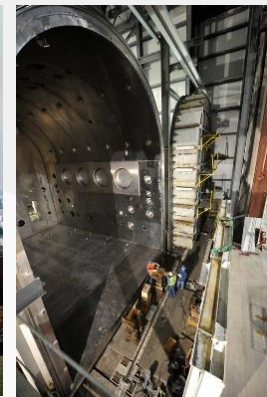




Industrial

INVESTING IN CLIENTS AND GROWTH

- Significant strength in iron and steel for foreseeable future as manufacturers upgrade and build new facilities to support growing demand dynamics
- Improving opportunities in mining and minerals
- Opportunistic opportunities in niche markets including bulk material handling, cement, grain and aerospace





Electrical Infrastructure

- Strong domestic market dynamics create significant opportunity in power delivery services
- Demand for environmentally compliant generation and more reliable, efficient, secure, and interconnected distribution infrastructure
- Continued opportunity in power generation packages that fit our legacy expertise and risk profile

INVESTING IN CLIENTS AND GROWTH



INVESTING IN EXECUTION EXCELLENCE

LONG-TERM PERFORMANCE TARGETS

TRIR / Safety	0	Construction overhead	Full Recovery
2022 Revenue goal	\$2+ Billion	SG&A	< 5.5%*
Net working capital	< 6%*	CAPEX	< 1.5%*
EBITDA	> 6.5%*	Voluntary employee turnover excluding Craft)	< 5%
ROIC	> 12%	Average annual training hours per employee	> 40

*As a percentage of consolidated revenue

TOP GROWTH INVESTMENTS FOR MATRIX SERVICE COMPANY



Power Delivery - expand power delivery reach, client base, and revenue organically and through acquisitions



International Growth - expansion through investment in business development and operational resources as well as key acquisitions



EPC Capabilities - EPC project expansion in Storage Solutions and Oil Gas & Chemical through addition of people resources and bolt-on acquisitions



Engineering - expand depth and breadth with active recruitment and targeted acquisitions



Invest in People - recruit, retain and develop best in class people

OTHER INVESTMENT AREAS TO GROW, STRENGTHEN, AND IMPROVE THE BUSINESS



Canadian operations – build scale through small acquisitions



Industrial electrical services in Matrix Service Inc. – create/enhance capability through organic additions and strategic acquisitions



Midstream natural gas market – add construction and fabrication resume to take better advantage of market



Renewables – continue to assess potential entry into the renewable energy space



Federal market – accelerate entry via joint bidding activities and/or acquisition in the defense sector to apply and expand our Storage Solutions and Energy infrastructure capabilities



Fabrication:

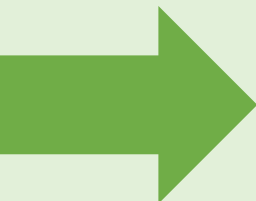
- **Expand fabrication capability** in steel plate structures, piping systems, and modularization
- **Add specialty vessel fabrication**, including sphere fabrication capability, either through equipment investment or acquisition

LONG-TERM PERFORMANCE TARGETS

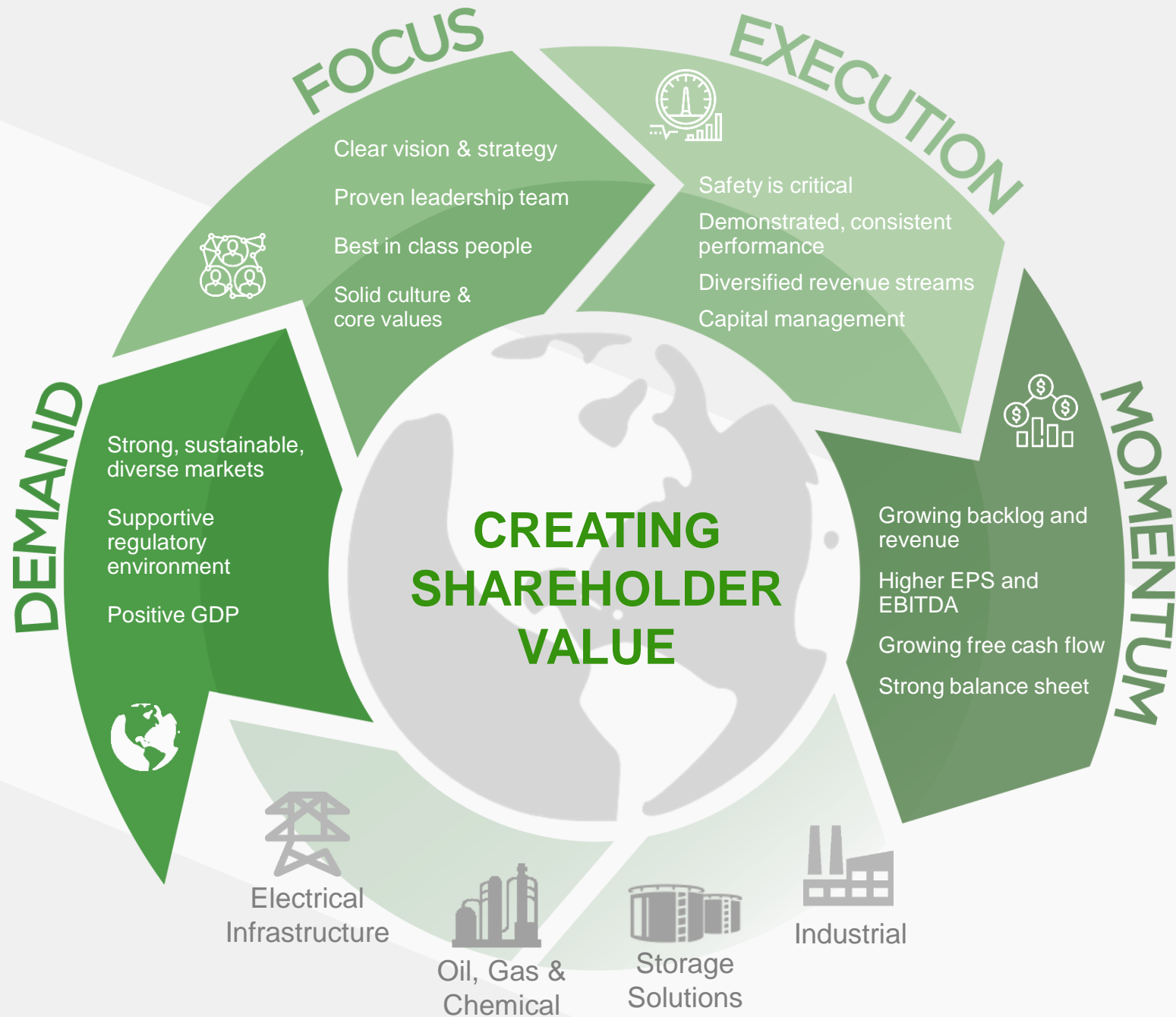
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TAILWINDS AND HEADWINDS

- 
- Continued growth in U.S. economy, including growing position as world energy leader
 - Pro-business legislative/regulatory environment
 - Significant need for energy infrastructure buildout in U.S., Mexico and the Caribbean
 - Growth in natural gas demand, domestically and on a global scale
 - Demand for environmentally compliant generation and more reliable, efficient, secure, and interconnected distribution infrastructure
 - High growth opportunity from massive chemical investment

- 
- Safety performance is essential to ongoing growth
 - Slowing global GDP and commodity price uncertainty
 - Increasingly tight and competitive labor market
 - Escalating trade tensions through Presidential cycle
 - Geopolitical and cyber security issues
 - Potential for technologically driven disruption to core energy markets
 - Timing of project awards and starts
 - Leadership changes in the governments of Mexico and the U.S.



FISCAL 2019 | FOURTH QUARTER RESULTS *(\$ in Millions, except EPS)*

	3Q18	4Q18	1Q19	2Q19	3Q19	4Q19
Revenue	\$ 246	\$ 293	\$ 319	\$341	\$359	\$399
Electrical	58	53	45	58	61	54
Oil Gas & Chemical	69	80	75	86	83	76
Storage Solutions	77	96	113	126	134	149
Industrial	42	64	86	71	81	120
Gross Profit	\$ 14.9	\$ 21.5	\$ 23.4	\$27.9	\$36.9	\$43.7
Gross Margin	6.1%	7.3%	7.4%	8.2%	10.3%	11.0%
SG&A	\$ 20.8	\$ 20.6	\$ 21.2	\$22.4	\$24.1	\$26.3
EPS	\$(0.19)	\$(0.55)*	\$ 0.08	\$0.14	\$0.33	\$0.47
Adjusted EPS	N/A	\$ 0.03**	N/A	N/A	N/A	N/A

* Impacted by impairment charges of \$18.0 million

** Adjusted EPS excludes impairment charges

FISCAL 2019 | FOURTH QUARTER RESULTS *(\$ in Millions, except EPS)*

	4Q18	4Q19
Revenue	\$ 293	\$ 399
Electrical	53	54
Oil Gas & Chemical	80	76
Storage Solutions	96	149
Industrial	64	120
Gross Profit	\$ 21.5	\$ 43.7
Gross Margin	7.3%	11.0%
SG&A	\$ 20.6	\$ 26.3
SG&A % of Revenue	7.0%	6.6%
Operating Income (Loss)	\$ (17.1)*	\$ 17.4
Net Income (Loss)	\$ (14.7)*	\$ 12.8
EPS	\$ (0.55)*	\$ 0.47
Adjusted EPS	\$ 0.03**	N/A

* Impacted by impairment charges of \$18.0 million

** Adjusted EPS excludes impairment charges

SEGMENT RESULTS *(\$ in Millions)*

4Q19	Electrical Infrastructure	Oil Gas & Chemical	Storage Solutions	Industrial	TOTAL
Revenue	\$ 54	\$ 76	\$ 149	\$ 120	\$ 399
Gross Profit	2.3	10.5	20.7	10.2	43.7
Gross Margin	4.3%	13.9%	13.9%	8.5%	11.0%

4Q18	Electrical Infrastructure	Oil Gas & Chemical	Storage Solutions	Industrial	TOTAL
Revenue	\$ 53	\$ 80	\$ 96	\$ 64	\$ 293
Gross Profit	2.7	5.9	8.8	4.1	21.5
Gross Margin	5.2%	7.3%	9.1%	6.4%	7.3%

FISCAL 2019 | FOURTH QUARTER RESULTS *(\$ in Millions, except EPS)*

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Revenue	\$ 246	\$ 293	\$ 319	\$341	\$359	\$399
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EPS	\$(0.19)	\$(0.55)*	\$ 0.08	\$0.14	\$0.33	\$0.47
Adjusted EPS	N/A	\$ 0.03**	N/A	N/A	N/A	N/A

* Impacted by impairment charges of \$18.0 million

** Adjusted EPS excludes impairment charges

FISCAL 2019 | FULL YEAR RESULTS *(\$ in Millions, except EPS)*

	Fiscal 2018	Fiscal 2019
Revenue	\$ 1,092	\$ 1,417
Electrical	256	217
Oil Gas & Chemical	323	320
Storage Solutions	315	522
Industrial	198	358
Gross Profit	\$ 91.9	\$ 132.0
Gross Margin	8.4%	9.3%
SG&A	\$ 84.4	\$ 94.0
SG&A % of Revenue	7.7%	6.6%
Operating Income (Loss)	\$ (10.5)*	\$ 37.9
Net Income (Loss)	\$ (11.5)*	\$ 28.0
EPS	\$ (0.43)*	\$ 1.01
Adjusted EPS	\$ 0.15**	\$ N/A

* Impacted by impairment charges of \$18.0 million

** Adjusted EPS excludes impairment charges

Segment results *(\$ in Millions)*

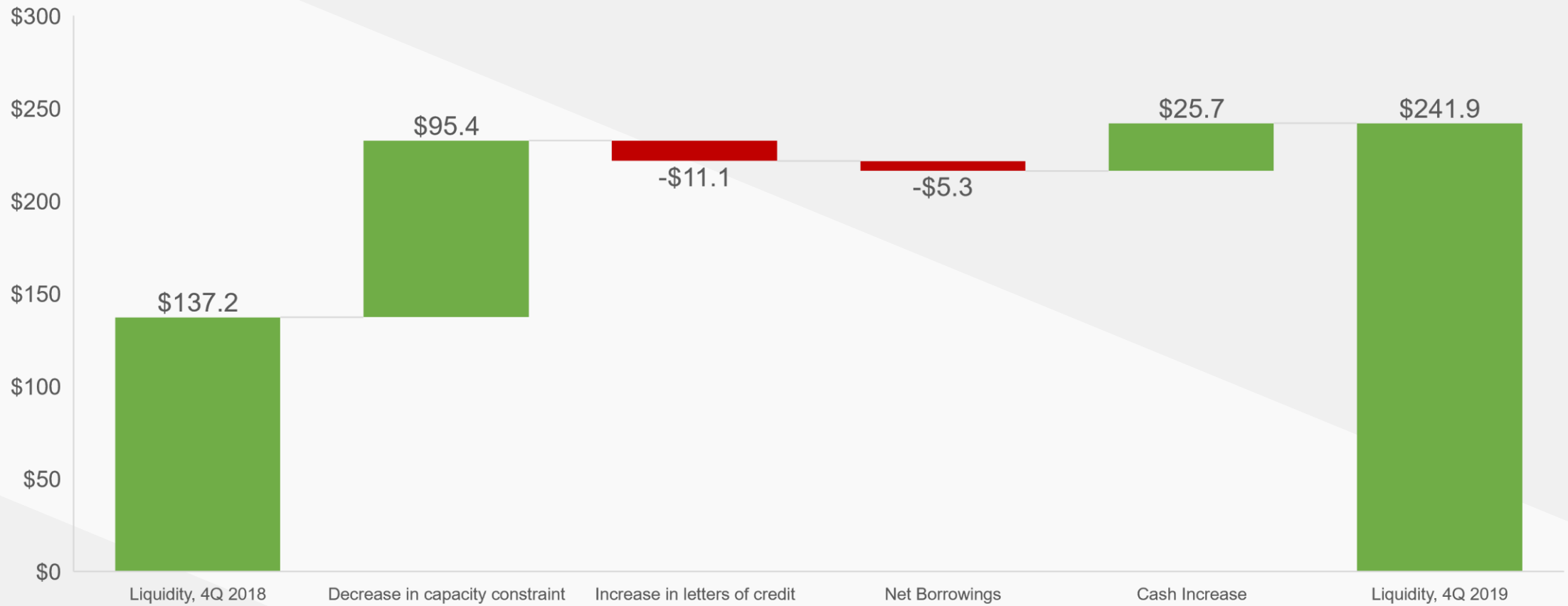
FY2019	Electrical Infrastructure	Oil Gas & Chemical	Storage Solutions	Industrial	Total
Revenue	\$ 217	\$ 320	\$ 522	\$ 358	\$ 1,417
Gross Profit	\$ 15.5	\$ 36.0	\$ 56.0	\$ 24.5	\$ 132.0
Gross Margin	7.1%	11.3%	10.7%	6.8%	9.3%
SG&A					\$ 94.0
Operating Income					\$ 37.9
Net Income					\$ 28.0
EPS					\$ 1.01

FY2018	Electrical Infrastructure	Oil Gas & Chemical	Storage Solutions	Industrial	Total
Revenue	\$ 256	\$ 323	\$ 315	\$ 198	\$ 1,092
Gross Profit	\$ 18.3	\$ 33.4	\$ 25.8	\$ 14.4	\$ 91.9
Gross Margin	7.2%	10.4%	8.2%	7.3%	8.4%
SG&A					\$ 84.4
Operating Loss					\$ (10.5) *
Net Loss					\$ (11.5) *
EPS					\$ (0.43) *

* Impacted by impairment charges of \$18.0 million

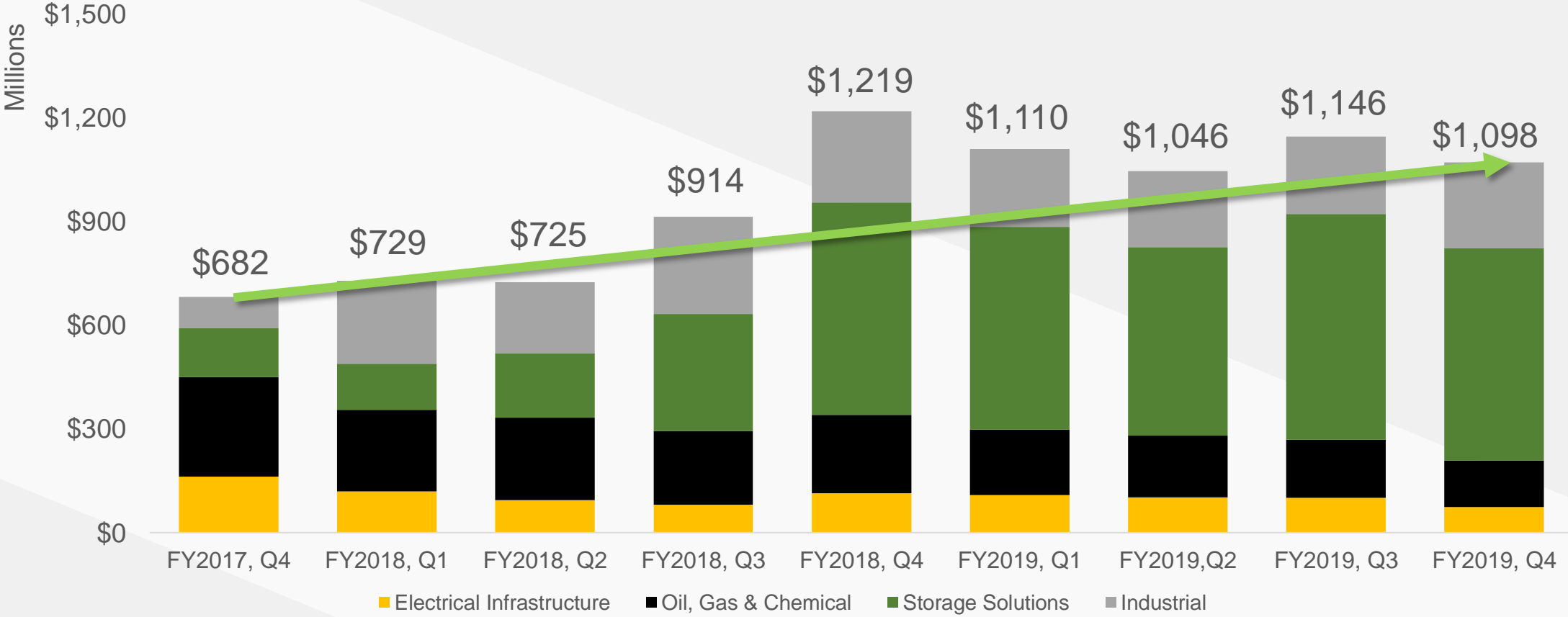
LIQUIDITY BRIDGE (\$ in Millions)

Fiscal 2019



Improved financial performance has reduced the capacity constraint on our credit facility by over \$95 million

FISCAL 2019 | BACKLOG AT JUNE 30, 2019



Long-term backlog trend demonstrates strength and growth

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
- We expect our revenue and earnings to improve as the year progresses
 - Q1 FY2020 revenue to be similar to the Q1 FY2019, with improved margins
 - First half of the year may be impacted by the timing of capital project awards and starts
- Strong backlog and robust project funnel
- Assumes tax rate of 27%
- Strong balance sheet and liquidity
- Capex of 1.5 – 2.0% of revenue



Q & A