



FY 2022 | THIRD QUARTER 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.

SAFETY MOMENT

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

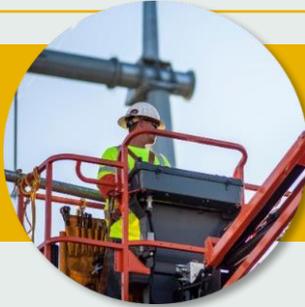


Consistently certified as a Great Place to Work®

STRATEGY AND OPPORTUNITY PIPELINE

SERVICES AND STRATEGIC FOCUS AREAS

UTILITY & POWER INFRASTRUCTURE



- Utility grade LNG peaking facilities
- Projects addressing aging, hardening, and integrity electrical infrastructure
- Electrical interconnect for renewable power
- Load-following projects such as simple cycle units, reciprocating engines, green hydrogen, carbon capture, and combined heat and power

PROCESS & INDUSTRIAL FACILITIES



- Expanded services in the mid-stream natural gas space
- Mining and mineral projects driven by growing demand
- Chemicals and petrochemical services
- Thermal Vacuum Chambers design and construction
- Refinery turnarounds, maintenance, and repair
- Sulfur reduction, biofuels, and refinery conversion projects

STORAGE & TERMINAL SOLUTIONS



- Natural gas, LNG, ammonia, renewable energy, and NGL storage and terminal solutions driven by strong demand across North America, Central America, and the Caribbean
- Domestic crude oil storage opportunities continue to be delayed and limited

KEY DRIVERS

GLOBAL ENERGY SECURITY

- Crude oil
- Refined products
- Natural Gas and Gas Liquids

DOMESTIC ENERGY SUPPLY ASSURANCE

- LNG Storage and Peak Shaving
- Aging and Secure Infrastructure

CLEAN ENERGY TRANSITION

- Hydrogen, Ammonia
- Natural Gas
- Carbon Capture
- Electrification of Everything

DEMAND FOR OTHER COMMODITIES

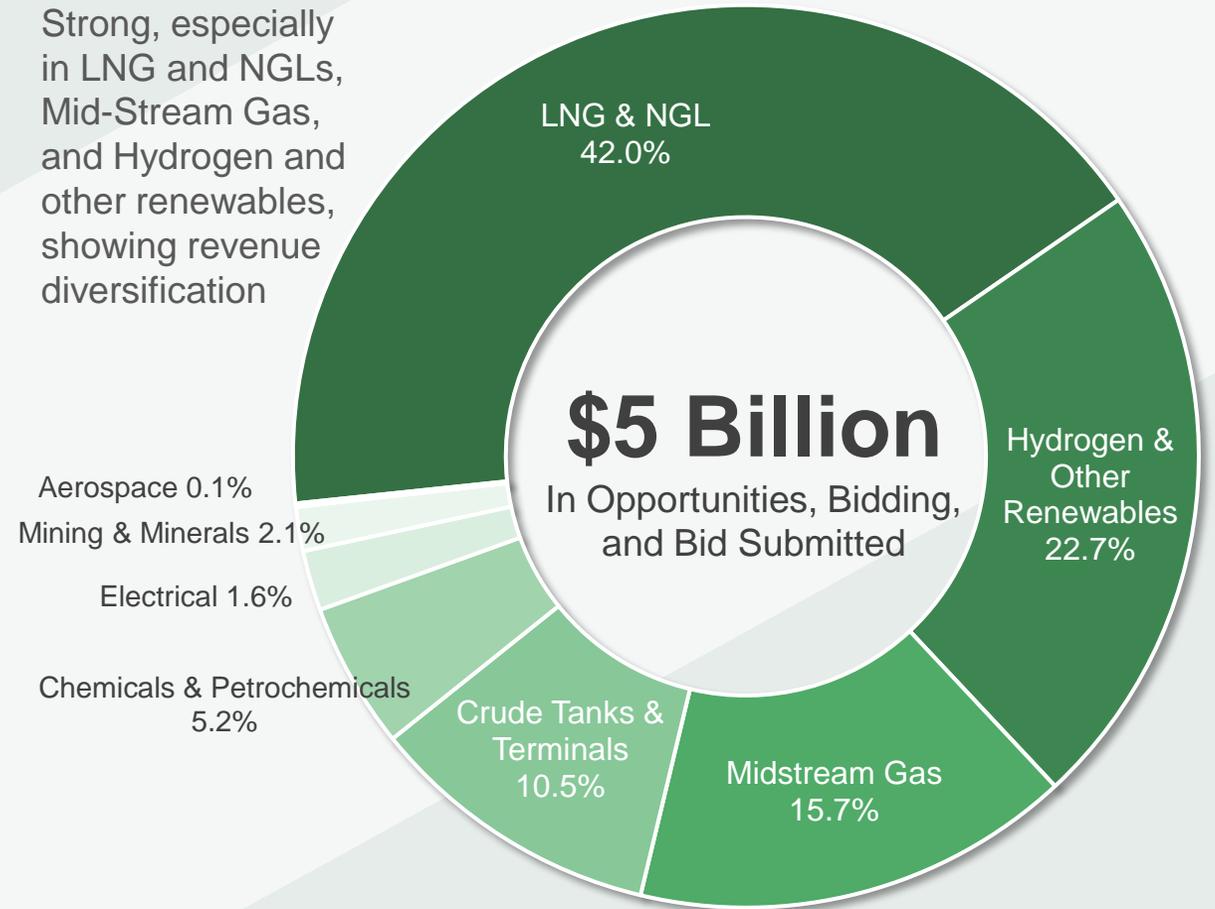
- Metals, Mining and Minerals Investment
- Batteries, infrastructure, etc.

FEDERAL INFRASTRUCTURE INVESTMENT

SUPPLY CHAIN SECURITY – North American Industrial Renaissance Investment

CAPITAL PROJECT OPPORTUNITY PIPELINE

Strong, especially in LNG and NGLs, Mid-Stream Gas, and Hydrogen and other renewables, showing revenue diversification



CAPITAL PROJECT OPPORTUNITY PIPELINE

UTILITY & POWER INFRASTRUCTURE



- LNG peak shaving and back-up fuel inquiries currently include small- and mid-scale LNG projects for multiple investor-owned and public utilities
- Inspection, maintenance, repair and upgrade projects for older LNG facilities is also producing project opportunities across North America
- Overall electrical business is expected to remain steady:
 - Traditional substation market will be flat in the short term, with increased opportunities related to interconnection of renewable power generation
 - Utility substation work has shifted from new substations and major rebuilds to equipment control technology upgrades and security protection
 - Ohio-based electrical business is growing on steady work from investor-owned utilities

CAPITAL PROJECT OPPORTUNITY PIPELINE

PROCESS & INDUSTRIAL FACILITIES



- Midstream gas market is strong with increases in export demand for U.S. LNG driving a growth in the project funnel for gas supply
- This sector is also actively looking at energy transition projects involving carbon capture and storage driven by a push from investors and tax credits
- In mining and minerals, commodity prices remain high, driving new investments
 - Project activity in lithium and other rare earth elements is increasing to support the energy transition
 - Traditional mining companies are increasing their sustaining and expansion capital, bringing both small and large capital project opportunities in copper
- Thermal vacuum chamber (TVC) opportunities continue to increase, reinforced by our leadership position, two recent awards to be announced by press release soon, and several others as well as cryogenic storage opportunities for launch sites in our pipeline
- Chemical/petrochemical clients are actively pursuing decarbonization resulting in significant capital expenditures driven by regulatory pressures and private equity funding for ‘green’ projects
- Refining companies are directing new capital investment toward the energy transition, with many adding to or converting refineries to process renewable fuels, supporting carbon reduction efforts
 - We are seeing many projects involving new tank and existing tank conversions for renewable fuels
 - Sub-contract opportunities with large E&Cs also exist on many large-scale refinery renewables projects

SERVICES AND STRATEGIC FOCUS AREAS

STORAGE & TERMINAL SOLUTIONS



- LNG bunkering and mid-size export projects are coming to fruition, with the launch of early engineering on a new LNG export terminal
- Large Scale LNG export terminal activity is at its highest in four years, with long-term contracts being announced for many of the second wave facilities that did not initially receive positive Final Investment Decision (FID); Matrix sub-contractor opportunities exist for tanks and battery balance of plant on these projects
- NGL opportunities are strong for Ethane, Ethylene, Propane and Butane projects in the U.S., Caribbean and Central America with several integrated energy companies
- Hydrogen projects are also coming to fruition, with our first FEED award for a hydrogen facility, expected to convert to full EPC in the near term
 - Considerable activity is ongoing for the development of large-scale hydrogen storage with multiple integrated energy and hydrogen-specific companies, as well as other FEED projects for hydrogen facilities and liquefaction projects
 - Currently have bid or are bidding five separate hydrogen spheres for three separate clients

The largest opportunities in the opportunity pipeline are in Storage and Terminal Solutions, with many individual project values greater than \$75 million and expected significant improvement in book-to-bill in the next two quarters

FINANCIAL UPDATE

CONSOLIDATED

	Q3 FY 2022	YTD FY 2022
Revenue	\$177,003	\$507,061
Gross Profit (Loss)	(1,763)	(2,064)
Gross Profit %	(1.0%)	(0.4%)
SG&A	17,041	49,592
Restructuring Costs	(1,578)	(278)
Goodwill Impairment	18,312	18,312
Operating Income (Loss)	(35,538)	(69,690)
Adjusted Operating Income (Loss) ¹	(18,804)	(51,656)
Net Income (Loss)	(34,899)	(77,356)
Adjusted Net Income (Loss) ¹	(13,405)	(39,571)
EPS	(1.30)	(2.90)
Adjusted EPS ¹	(0.50)	(1.48)
Adjusted EBITDA ¹	(12,304)	(33,673)

KEY POINTS

- Revenue increased 9% over 2Q and was in the range of our expectations
 - Increased maintenance and reimbursable work
 - Delays in starts and award of capital projects
- Gross margins were breakeven in the quarter as a result of:
 - The most significant impact to margins was under recovery of construction overhead costs which negatively by ~400 basis points
 - Margins impacted by competitive environment
 - A lower than forecasted margins on a Process and Industrial Facilities project and a Utility and Power Infrastructure project
- Bottom line results were an EPS loss of 1.30 and adjusted EPS loss of 50 cents, which excludes:
 - 56 cent impact of a \$18.3 million non-cash goodwill impairment, net of tax
 - 28 cent impact of a \$7.7 million non-cash valuation allowance related to deferred tax assets, and
 - 4 cent improvement from restructuring, net of tax

OUTLOOK

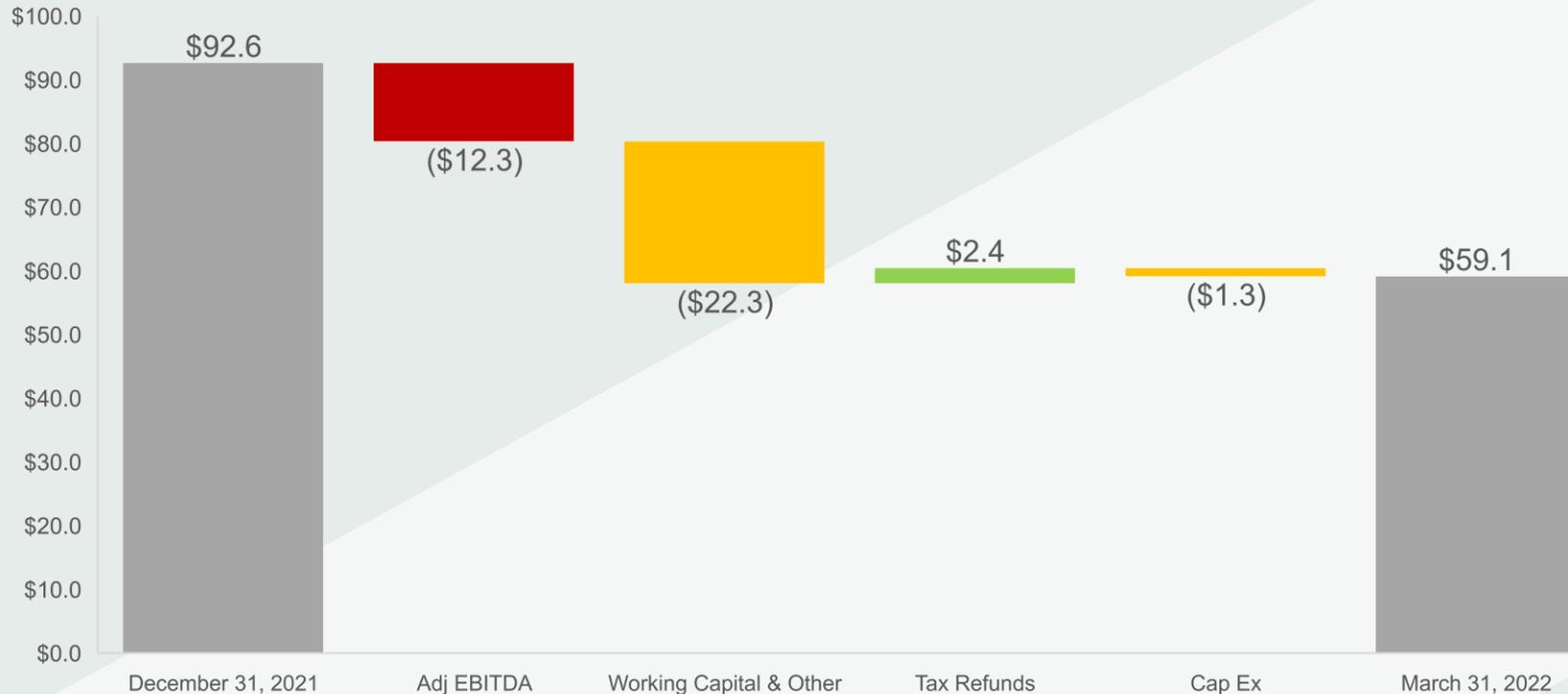
- Overall bidding environment is strong and the company expects significant project awards through the remainder of calendar 2022, which should improve direct gross margins, overhead recovery and SG&A leverage

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

CASH FLOW

Q3 FY 2022 Cash Bridge

(in millions)



KEY POINTS

Cash Flow

- Ended Q3 FY 2022 with cash of \$59 million and no debt
- The \$34 million cash decrease in the quarter was related to investment in working capital and the quarterly adjusted EBITDA loss

Liquidity

- ABL credit facility borrowing base of \$77 million
 - Utilized \$24 million for letters of credit, which is down \$9 million in the quarter
 - Credit facility availability of \$53 million
- Liquidity of \$87 million, excluding \$25 million of restricted cash

The Company continues to have a strong, debt-free balance sheet, with an opportunity to strengthen it further.

HIGHLIGHTS FOR THE QUARTER

1

Continued Momentum in Project Awards

- Third consecutive quarter with a book-to-bill above 1.0
- Year-to-date book-to-bill was 1.3
- FY 2022 YTD awards 81% higher than FY 2021

2

Momentum Driven by Market Recovery and More Focused Approach

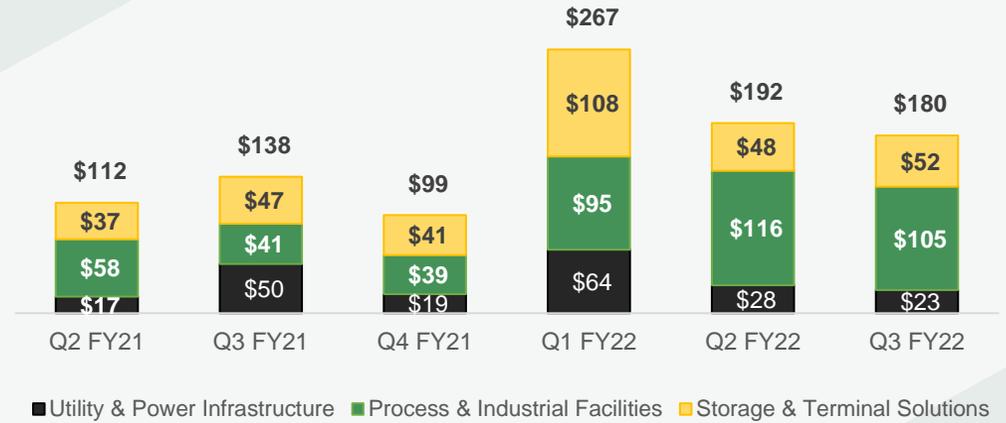
- Return of client confidence and normalization of environment
- Centralization of BD organization with a more focused and total solutions approach

3

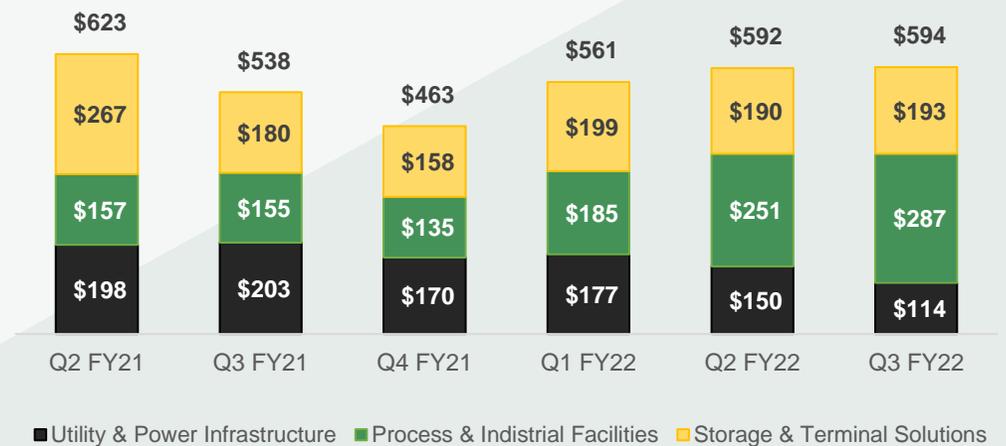
Backlog of \$594 million as of 3/31/2022

- Expect significant growth backlog through the remainder calendar 2022 based upon the status of specific projects included in our funnel

Project Awards (\$ millions)



Ending Backlog (\$ millions)



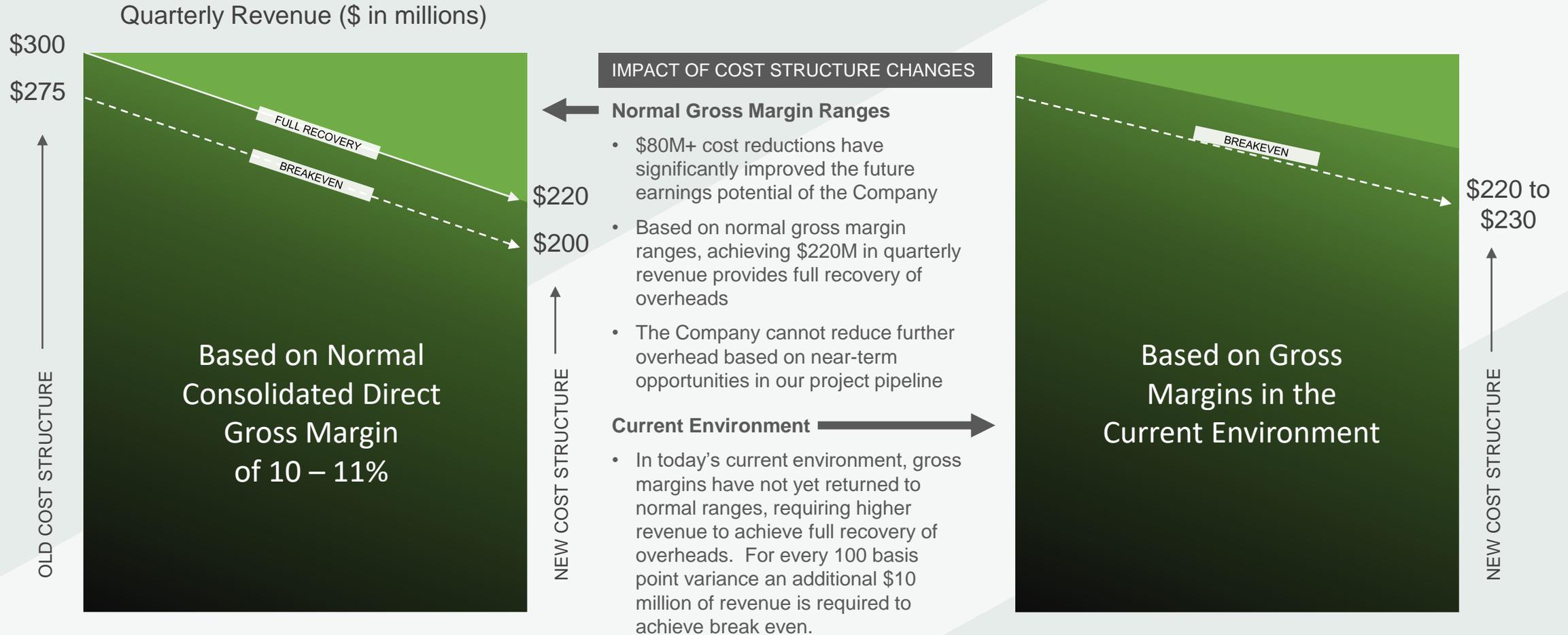
POSITIONING AND EXECUTION

Prepared to Execute and Deliver Results

- Organization has streamlined its cost structure by more than \$80 million and optimized our business processes to make sure we are positioned to execute on the opportunities we see ahead of us
- Internal consolidation underway to further enhance Shares Services structure and create an Operational Center of Excellence
- Focused on the end markets with the greatest opportunity sets
- Continue to build on our bench strength with key business development, technical, and project resources to effectively win and execute projects
- Winning key awards and building backlog



COST STRUCTURE LEVERAGE



The current competitive environment has impacted direct gross margins which results in a higher breakeven revenue level. Based upon the prospect for increased project awards and larger project sizes, the Company expects direct gross margins to progress back to the normal range as we move through fiscal 2023.

STRATEGY

Strengthen the Core

Crude 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



WHY MTRX IS A GOOD LONG-TERM INVESTMENT



Economic and market drivers bring **significant tailwinds**

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

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

Consistently strong balance sheet with financial and operational strength

MTRX is clearly undervalued, trading under tangible book value

KEY FINANCIAL TARGETS*

< 6%
Net Working
Capital

< 6%
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

MTRX is in the right place at the right time. We are well-positioned to capitalize on the dynamic environment and infrastructure needs of our clients as our core markets improve.



APPENDIX

UTILITY & POWER INFRASTRUCTURE

	Q3 FY 2022	YTD FY 2022
Revenue	\$59,341	\$171,298
Gross Profit (Loss)	(492)	(7,089)
Gross Profit %	(0.8%)	(4.1%)
SG&A	2,910	9,109
Restructuring Costs	-	46
Goodwill Impairment	2,659	2,659
Operating Income (Loss)	(6,061)	(18,903)
Adjusted Operating Income (Loss) ¹	(3,402)	(16,198)

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

KEY POINTS

- Quarter revenue increased 8 percent to \$59 million as compared to the second quarter
- Results were impacted by:
 - Under recovery of construction overhead costs and impacted gross margins by 380 basis points.
 - \$2.5 million adjustment to the forecasted outcome of a capital project
 - Working through projects that were marked down in previous periods and projects that were bid competitively and therefore present a lower margin opportunity.

OUTLOOK

- Extreme temperature conditions in some parts of the country and the sharp increase in natural gas prices over the last 12 months has driven further interest in peak shaving facilities by most utilities
- Interconnected world of electrical and renewable generation, along with an aging infrastructure system, creates organic growth potential for our electrical business currently operating in the Northeast, the Ohio valley and mid-Atlantic

PROCESS & INDUSTRIAL FACILITIES

	Q3 FY 2022	YTD FY 2022
Revenue	\$68,971	\$163,192
Gross Profit (Loss)	(441)	6,663
Gross Profit %	(0.6%)	4.1%
SG&A	3,198	8,752
Restructuring Costs	(1,589)	(1,606)
Goodwill Impairment	8,445	8,445
Operating Income	(10,495)	(8,928)
Adjusted Operating Income (Loss) ¹	(3,639)	(2,089)

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

KEY POINTS

- Revenue volume increased 37% over the second quarter and is at the highest quarterly level since the third quarter of fiscal 2020
- Revenue increase relates to increased refinery maintenance activity but does not yet reflect the strong project awards won during fiscal 2022
 - 1.9 YTD book-to-bill
 - Awards include some larger capital projects
- Gross profit impacted by \$4.8 million project forecast change on capital project, competitively priced projects and under recovered overheads

Outlook

- Improving revenue volume expected as we move through the year as recent project awards begin to generate revenue, which should also have a positive impact on the recovery of overheads and gross margin
- Significant uptick in bidding in natural gas infrastructure resulting from growth in global demand and recent increases in gas prices; facility upgrades also planned for compression and processing stations to minimize the carbon footprints of those facilities and increase capacity
- Refining sector is focused on large capex projects aimed at carbon reduction and renewable fuels; we expect our extensive refinery expertise and brand position to result in a growing number of project awards
- In mining, commodity prices are sustaining at higher levels, increasing customers' confidence to move forward with capital spending
- Project opportunities for thermal vacuum chambers remains robust

STORAGE & TERMINAL SOLUTIONS

	Q3 FY 2022	YTD FY 2022
Revenue	\$48,691	\$172,571
Gross Profit (Loss)	(458)	(216)
Gross Profit %	(0.9%)	(0.1%)
SG&A	4,063	12,850
Restructuring Costs	11	85
Goodwill Impairment	7,208	7,208
Operating Income	(11,740)	(20,359)
Adjusted Operating Income (Loss) ¹	(4,521)	(13,066)

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

KEY POINTS

- Revenue level has not benefitted yet from recently awarded projects
 - 1.2 YTD book-to-bill
 - \$208 million in project awards
- The segment gross margin was challenged by
 - Under recovery on low revenue volume which impacted gross margins almost 740 basis points and
 - competitively bid smaller projects which present a lower margin opportunity

OUTLOOK

- Recent project awards will benefit revenue volume and overhead recovery
- Opportunities across the Americas and the Caribbean in LNG and NGLs, and LNG bunkering facilities continue to increase and are moving forward
- Opportunities in hydrogen continue to increase, recently resulting in FEED study award; we are also pursuing additional opportunities in hydrogen as well as ammonia
- Bidding activity in crude tanks and terminals, as well as maintenance and repair, has recently accelerated to pre-pandemic levels with near-term booking opportunities growing

ADJUSTED EBITDA

	THREE MONTHS ENDED		NINE MONTHS ENDED	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Net Loss	\$ (34,899)	\$ (12,873)	\$ (77,356)	\$ (20,501)
Restructuring Costs	(1,578)	1,860	(278)	6,585
Goodwill Impairment	18,312	—	18,312	—
Stock-Based Compensation	2,088	2,214	5,823	6,413
Interest Expense	204	322	2,705	1,055
Provision (Benefit) for Income Taxes	(147)	(5,060)	5,564	(6,002)
Depreciation and Amortization	3,716	4,352	11,557	13,639
Adjusted EBITDA	\$ (12,304)	\$ (9,185)	\$ (33,673)	\$ 1,189

RECONCILIATION OF CERTAIN NON-GAAP MEASURES

	THREE MONTHS ENDED		NINE MONTHS ENDED	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Net Loss	\$ (34,899)	\$ (12,873)	\$ (77,356)	\$ (20,501)
Restructuring Costs	(1,578)	1,860	(278)	6,585
Goodwill Impairment	18,312	—	18,312	—
Accelerated amortization of deferred debt amendment fees	—	—	1,518	—
Deferred tax asset valuation allowance	7,671	—	21,869	—
Tax impact of adjustments	(2,911)	(479)	(3,636)	(1,695)
Adjusted net loss	\$ (13,405)	\$ (11,492)	\$ (39,571)	\$ (15,611)
Loss per fully diluted share	\$ (1.30)	\$ (0.49)	\$ (2.90)	\$ (0.78)
Adjusted loss per fully diluted share	\$ (0.50)	\$ (0.43)	\$ (1.48)	\$ (0.59)

RECONCILIATION OF CERTAIN NON-GAAP MEASURES

	THREE MONTHS ENDED MARCH 31, 2022				
	Utility and Power Infrastructure	Process and Industrial Facilities	Storage and Terminal Solutions	Corporate	Total
Total Operating Loss	\$ (6,061)	\$ (10,495)	\$ (11,740)	\$ (7,242)	\$ (35,538)
Restructuring Costs	–	(1,589)	11	–	(1,578)
Goodwill Impairment	2,659	8,445	7,208	–	18,312
Adjusted Operating Income (Loss)	\$ (3,402)	\$ (3,639)	\$ (4,531)	\$ (7,242)	\$ (18,804)

	NINE MONTHS ENDED MARCH 31, 2022				
	Utility and Power Infrastructure	Process and Industrial Facilities	Storage and Terminal Solutions	Corporate	Total
Total Operating Loss	\$ (18,903)	\$ (8,928)	\$ (20,359)	\$ (21,500)	\$ (69,690)
Restructuring Costs	46	(1,606)	85	1,197	(278)
Goodwill Impairment	2,659	8,445	7,208	–	18,312
Adjusted Operating Income (Loss)	\$ (16,198)	\$ (2,089)	\$ (13,066)	\$ (20,303)	\$ (51,656)