Fiscal 2020
Investor Presentation

Second Quarter Ended
December 31, 2019

MATRIX SERVICE
COMPANY

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

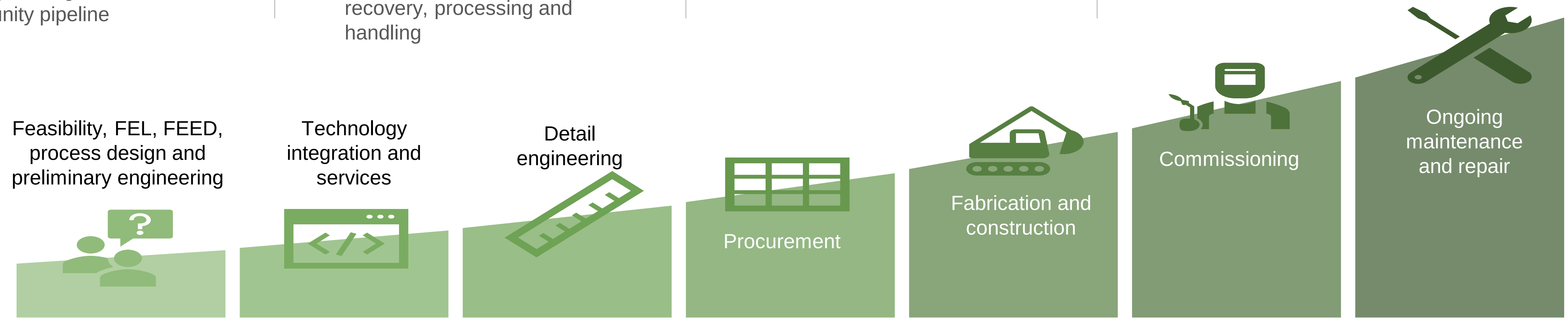
- Over 35 years of proven experience with refinery maintenance and repair, capital projects and turnarounds
- Expanding market penetration with new and existing customers
- Extending expertise into petrochemical market, natural gas processing and sulfur recovery, processing and handling

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

- Serving aerospace, fertilizer, cement, grain and general manufacturing industries
- Reorganization of operations to reflect the revised focus on this market



MATRIX SERVICE COMPANY

MATRIX VALUE PROPOSITION

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.

WITH THIS VISION WE IMPROVE QUALITY OF LIFE

STORAGE TERMINALS
Moving Products to Market

REFINED PRODUCTS
Transportation, Fuels, Chemicals, Lubricants

NATURAL GAS VALUE CHAIN
Chemicals, Heating, Power Generation, Cooking

ELECTRICAL ENERGY
Homes and Businesses

MATRIX SERVICE COMPANY

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®

MATRIX SERVICE COMPANY

FY2020 SECOND QUARTER RECENT DEVELOPMENTS

REVENUE

$319M

down 6.4% over the prior year

LIQUIDITY

$277M

includes cash of $110 million

EPS

($1.04)

includes non-cash charges

Adj. EPS

$0.19

excludes non-cash charges

Adj. EBITDA

3.9%

excludes non-cash charges

BACKLOG

$872M

on project awards of $197M

- Backlog of $872 million on project awards of $197 million; subsequent significant selections in Storage
- Storage Solutions reported third quarter in a row with over $140 million in revenue and 13.9% in gross margins
- Oil Gas & Chemical reported $56 million in revenue and 7.5% in gross margins as a result of under-recovered construction overhead costs on lower than expected volume
- Disappointing results in Electrical Infrastructure – improvement plan under way; goodwill impairment in the segment of $24.9 million
- Goodwill and other intangible asset impairments of $13.6 million in the Industrial segment due our strategic decision to reduce focus on iron and steel business
- Liquidity of $277 million including $111 million in cash
- Repurchased 500,000 shares of stock for $9.9 million during the second quarter. Additional stock repurchases in third quarter.

Storage Solutions

LEVERAGING OUR BRAND FROM TANKS TO TERMINALS

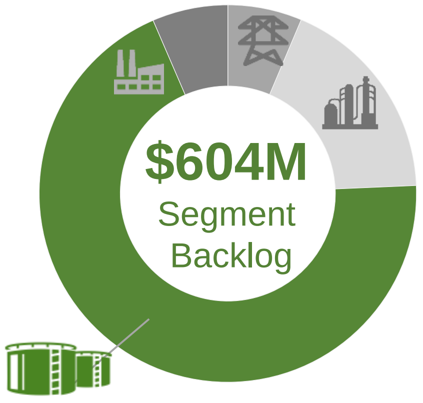
Building opportunity pipeline in LNG and crude infrastructure

Recent developments

- Generated revenue of $142.8 million in FY20 Q2 and $111.7 million in awards
- Duke Energy's Piedmont Natural Gas LNG Peak Shaving facility is under construction
- Selected as EPC contractor by Eagle LNG for their export facility – not in Q2 backlog
- Awarded crude oil terminal project on the Gulf Coast – not in Q2 backlog

Primary market drivers

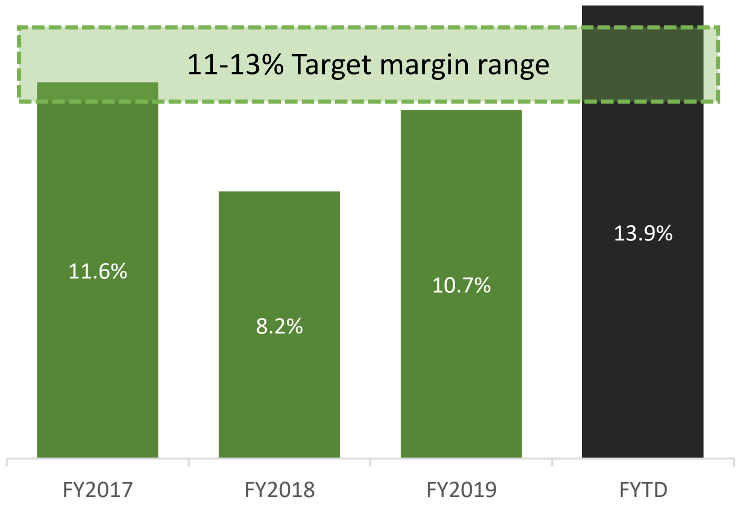
- Need for terminals to support abundant North American crude oil, LNG and NGLs
- Global demand for export capabilities and related energy infrastructure
- Need for mid-size LNG terminals to support peak shaving, bunkering, and power generation in off-grid and remote locations



of $872M total backlog

0.8x

Book-to-bill ratio in FY20 Q2



Leverage our full EPC and terminal capabilities to accelerate growth

Take advantage of our strong brand and expertise in LNG

Changes in the EPC competitive dynamic create significant opportunity

Oil, Gas & Chemical

EXPANDING MARKET SHARE WITH NEW AND EXISTING CLIENTS

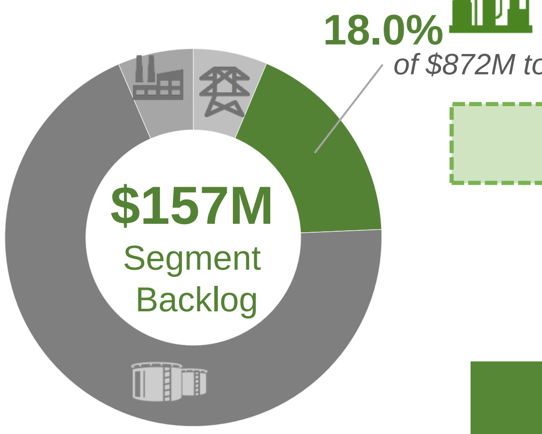
Quality performance is building the brand

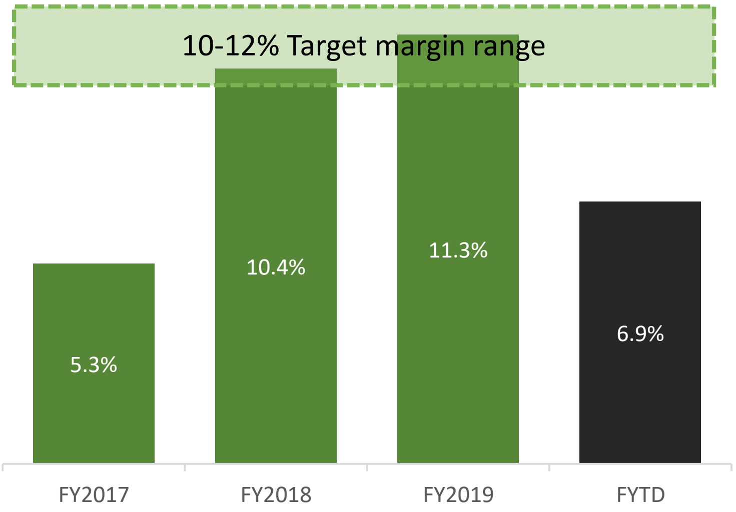
Recent developments

- Generated revenue of $56.0 million in FY20 Q2 and $44.4 million in awards
- Size and scope of turnaround activities was lower than normal in Q2
- Multiple capital projects ongoing, incl. first alkylation unit in the U.S. to use ionic liquids and multiple sulfur processing and handling projects
- Brand awareness in mid-stream gas processing is creating more opportunities

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





0.8x

Book-to-bill ratio in FY20 Q2

ENLINK MIDSTREAM · Chevron · ExxonMobil · Shell · Marathon · ConocoPhillips · Sunoco · Phillips 66 · HollyFrontier · bp · CITGO · Monroe Energy · VALERO

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Expanding our reach into natural gas processing for NGLs	Extend expertise to the petrochemical market	Build on refinery turnaround expertise with more nested maintenance opportunities

OPERATING IMPROVEMENT PLAN ONGOING

Focused on corrective actions to improve performance

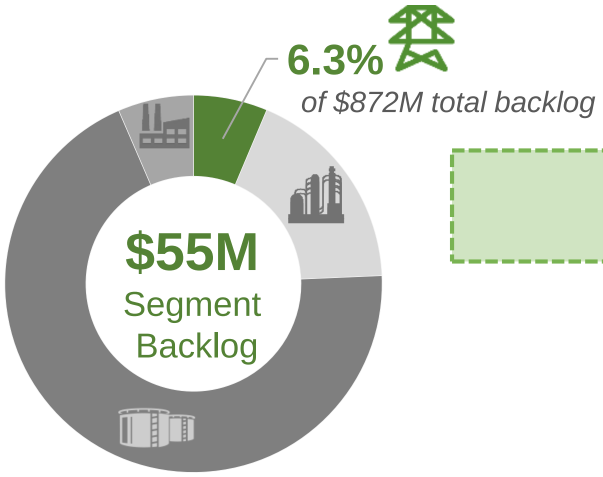
Electrical Infrastructure

Recent developments

- Generated revenue of $30.0 million in FY20 Q2 and $12.8 million in awards
- Power generation strategic shift to subcontract service packages has proven successful; gross margins strong and in target range
- Management focused in fixing issues that have negatively impacted an underperforming portion of the power deliver segment by continuing to implement ongoing operating improvement initiatives

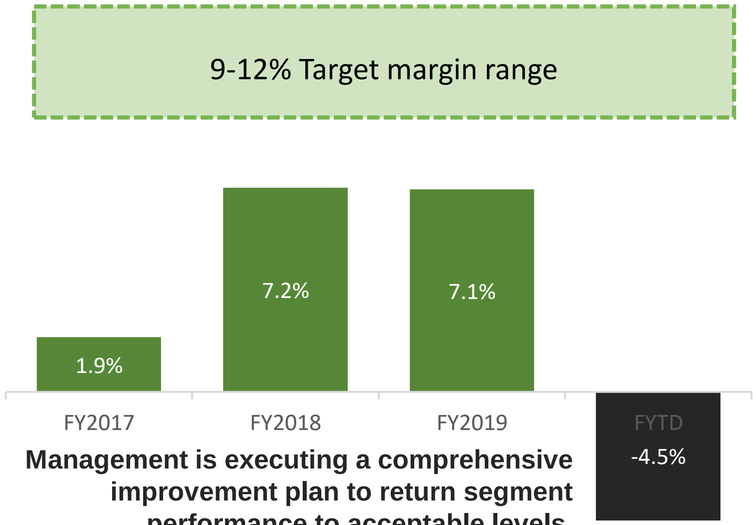
Primary market drivers

- 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



0.4x

Book-to-bill ratio in FY20 Q2



Management is executing a comprehensive improvement plan to return segment performance to acceptable levels.

EVERSOURCE | Exelon | ppl | PSEG | AMERICAN ELECTRIC POWER | nationalgrid

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Focus on operating improvements in power delivery

Renewables, batteries, and digital technologies create growth opportunity

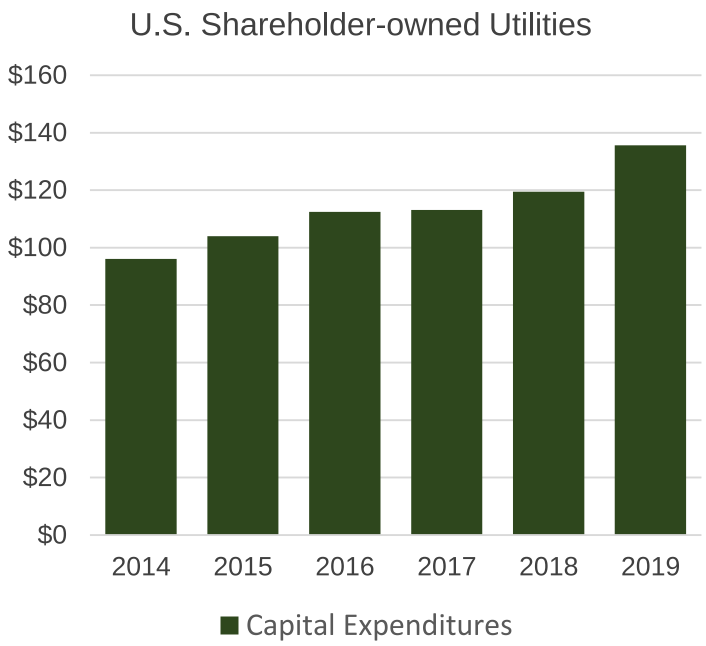
Long term plan to grow through acquisitions

ELECTRICAL IMPROVEMENT PLAN AND OUTLOOK

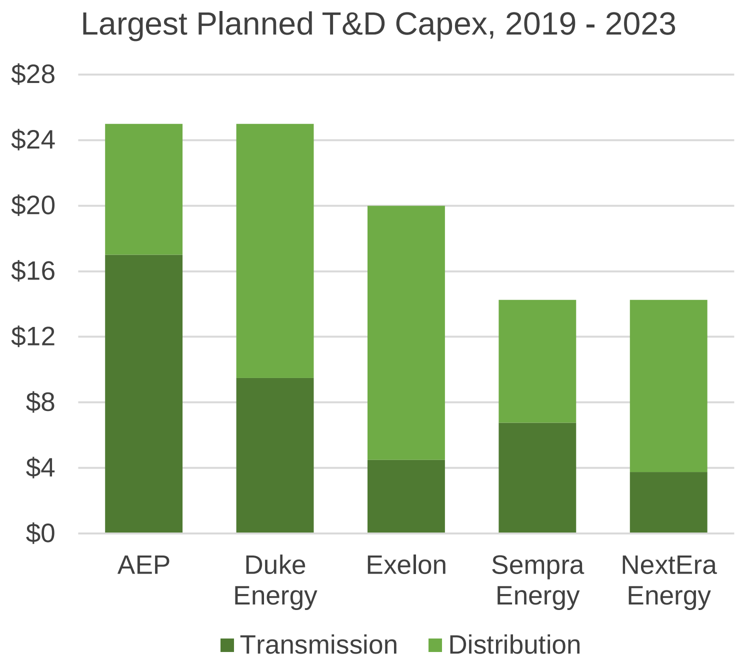
Electrical Infrastructure

- Upgrade leadership and project execution talent to support business improvement and expansion plans
- Expand business development staff to support growth of the business
- Add COCs/MSAs to increase recurring revenue
- Expand services to include civil construction
- Acquire businesses to enter new markets that require system upgrades and expand T&D capabilities
- Continue to pursue natural gas power generation package work
- Capitalize on opportunities in renewables and energy storage

($ in Billions)



U.S. electrical infrastructure spending is expected to remain high, with the American Society of Civil Engineers estimating a **cumulative investment gap at $177 billion between 2016 and 2025, resulting in an additional $153 billion between 2019 and 2025**



Not included are the **two largest Calif. utilities, PG&E and SCE**. While their future is uncertain, the need to repair and harden the electric I infrastructure in the state remains great.

Nationwide long-term infrastructure and renewable investments support our coast-to-coast electrical brand strategy

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Industrial

STRATEGIC DECISION TO FOCUS AWAY FROM IRON AND STEEL

Remain opportunistic in other industrial markets

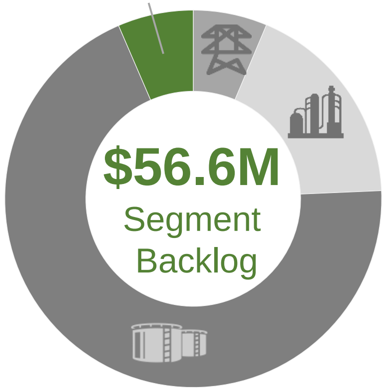
Recent developments

- Generated revenue of $90.0 million in FY20 Q2 and $28.4 million in awards
- Strategic decision to reduce resources in iron and steel business
    - Future work and earnings were expected to decline significantly
    - Deteriorated relationship with a key iron and steel customer
    - Cancellation of previously awarded capital and maintenance work
    - Low margin and high net working capital
    - General economic and trade issues impacting customer spending
- Goodwill and other intangible asset impairments of $13.6 million
- Reorganization of operations to reflect the revised focus on this market
- Remain opportunistic with respect to bidding projects in aerospace, mining and minerals, fertilizer, cement, grain and general manufacturing

Primary market drivers

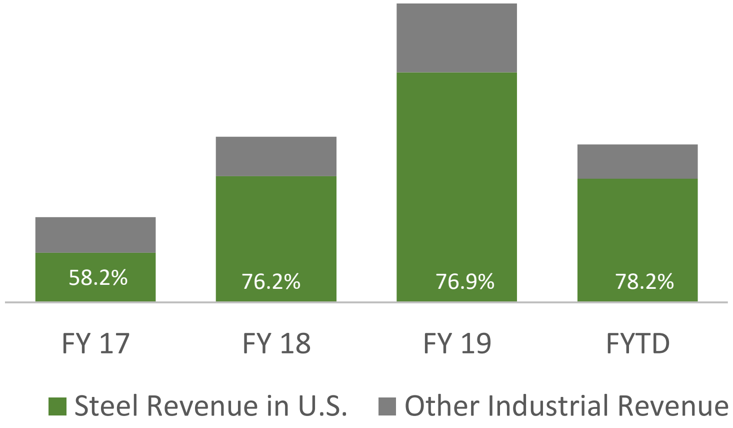
- Overall supply and demand for grain, cement, global fertilizer and other bulk materials
- Next generation satellite technology driving demand for thermal vacuum chambers, competition limited

6.5% *of $872M total backlog*



0.3x

Book-to-bill ratio in FY20 Q2



RioTinto | GOLDEN QUEEN | Lehigh Hanson HEIDELBERGCEMENT Group | LOCKHEED MARTIN | FREEPORT-MCMORAN

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Rapidly changing market dynamics in the iron and steel industry have resulted in a strategic decision to reduce our reliance on this end-market in the U.S.

BIG PICTURE VISION AND STRATEGIC OBJECTIVES

IMPROVE OVERALL PROJECT AND BUSINESS PROFITABILITY AND PREDICTABILITY

ATTACK THE GAS VALUE CHAIN

- Mid-stream processing nationwide
- Specialty vessels and terminals for NGLs (domestic and export)
- LNG storage tanks and terminals (with focus on small- to mid-size)

CONTINUE MID-STREAM CRUDE GROWTH

- Maintain dominant storage position, technology application
- Continue growth in full terminal EPC
- Take advantage of growing export facility market
- Improve our storage tank products business performance and market presence

INTERNATIONAL DEPLOYMENT

- Follow mid-stream and gas value chain clients to Caribbean, Latin America, and Mexico

EXPAND REFINING AND CHEMICAL/PETROCHEMICAL

- Continue to expand North American refining market share
- Move into chemical/petrochemical with full suite of services
- Secure more nested maintenance contracts

FIX AND GROW ELECTRICAL INFRASTRUCTURE

- Coast-to-coast electrical delivery (substation, distribution, transmission)
- Gas-fired power generation (package work for power companies and EPC firms)
- Growth in renewables, batteries, and digital technologies create growth opportunity

MEASURING OUR SUCCESS

Our key performance long-term targets

OUR EMPLOYEES COME FIRST	KEY FINANCIAL TARGETS	
0 TRIR / Safety	**< 6%** New Working Capital	**< 5.5%** SG&A target
> 40 Average annual training hours per employee	**> 4.5%** Operating Margin target	**> 12%** ROIC target
< 5% Voluntary employee turnover	**> 6.5%** EBITDA target	**< 1.5%** CAPEX target

Market Capitalization of $1 Billion

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DRIVING LONG-TERM VALUE

WE DEFINE LONG-TERM VALUE WITH THESE KEY ELEMENTS:

- BUSINESS PERFORMANCE - Creates consistent earnings and generates cash, and results in high quality backlog, client satisfaction, growth, and diversification
- CAPITAL STRUCTURE – Growth investments, balance sheet strength, share buybacks, dividends
- INVESTOR RELATIONS – Communication channels, sell-side dynamics, peer group, investor diversification and transparency
- ENVIRONMENT, SOCIAL & GOVERNANCE (ESG) – Building long-term sustainability
- MACRO ECONOMIC, POLITICAL & INDUSTRY DYNAMICS – Commodity pricing, legislative agendas, capital investments, technical trends

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Our purpose-driven strategy will improve share price, impact communities, improve quality of life, and help us to maneuver economic and market dynamics.

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Financial slides

FY 2020 UPDATED GUIDANCE

Revenue Guidance	Adjusted Earnings Guidance
$1.2 - $1.3 billion	**$0.70 to $0.90 per fully diluted share**

- Excludes 2Q goodwill and intangible impairments, the valuation on certain deferred tax assets and restructuring charges expected to be incurred in the last half of fiscal 2020
- Continue strong result expected in Storage Solutions
- Increased volumes and continued strong execution expected in Oil Gas & Chemical
- Business improvement plan in Electrical Infrastructure
- Significantly lower volumes expected in Industrial
- Decreased capital spending plan will result in Capex at 1.5% or lower of annual revenue despite the decrease in our forecasted Revenue
- Expected tax rate for the last half of fiscal 2020 increased from 27% to 28%
- Expect to maintain strong financial position

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

	2Q20		2Q19	
GAAP Based Measures				
Revenue	$ 318,677		$ 340,568	
Gross profit	30,001	9.4%	27,886	8.2%
SG&A	23,165	7.3%	22,359	6.6%
Operating income (loss)	(31,679)	-9.9%	5,527	1.6%
Net income (loss)	(28,008)	-8.8%	3,932	1.2%
Earnings (loss) per share	(1.04)		0.14	
Non GAAP Measures				
Adjusted net income	5,232			
Adjusted earnings per share	0.19			
Adjusted EBITDA	12,572	3.9%	10,362	3.0%

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SEGMENT RESULTS *($ in thousands)*

2Q20	Electrical Infrastructure	Oil Gas & Chemical	Storage Solutions	Industrial	TOTAL
Revenue	$ 30,030	$ 55,992	$ 142,769	$ 89,886	$ 318,677
Gross Profit	$ (2,880)	$ 4,197	$ 19,775	$ 8,909	$ 30,001
Gross Margin	-9.6%	7.5%	13.9%	9.9%	9.4%
Backlog	$ 55,429	$ 156,650	$ 603,604	$ 56,552	$ 872,235
Awards	$ 12,796	$ 44,449	$ 111,678	$ 28,359	$ 197,282
Project Cancellations	$ -	$ -	$ -	$ 88,310	$ 88,310
Book-to-bill	0.4	0.8	0.8	0.3	0.6

2Q19	Electrical Infrastructure	Oil Gas & Chemical	Storage Solutions	Industrial	TOTAL
Revenue	$ 58,173	$ 86,287	$ 125,723	$ 70,385	$ 340,568
Gross Profit	$ 3,562	$ 9,157	$ 11,147	$ 4,020	$ 27,886
Gross Margin	6.1%	10.6%	8.9%	5.7%	8.2%

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FISCAL 2020 | YEAR-TO-DATE RESULTS *($ in thousands, except EPS)*

	FISCAL 20 YTD		FISCAL 19 YTD	
GAAP Based Measures				
Revenue	$ 656,774		$ 659,079	
Gross profit	62,466	9.5%	51,307	7.8%
SG&A	46,856	7.1%	43,560	6.6%
Operating income (loss)	(22,905)	-3.5%	7,747	1.2%
Net income (loss)	(21,857)	-3.3%	6,237	0.9%
Earnings (loss) per share	(0.81)		0.23	
Non GAAP Measures				
Adjusted net income	11,383			
Adjusted earnings per share	0.41			
Adjusted EBITDA	26,602	4.1%	17,953	2.7%

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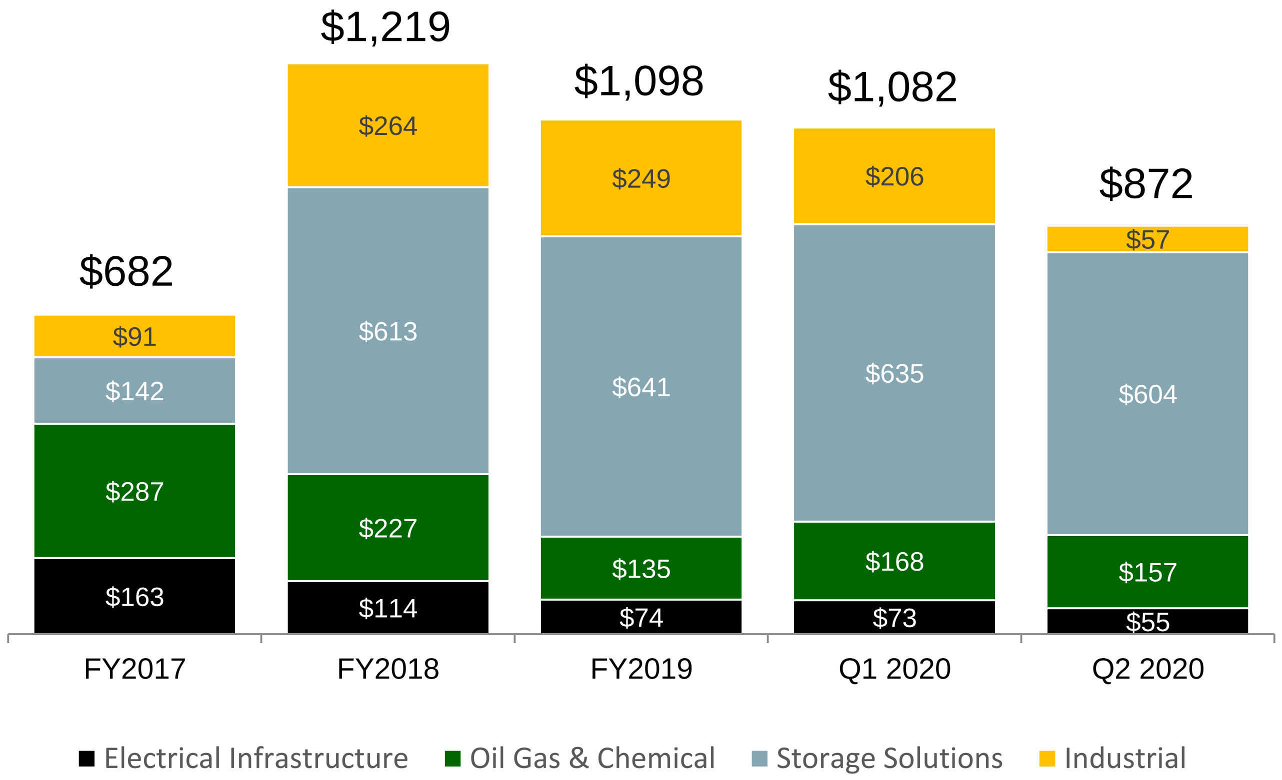
BACKLOG AT DECEMBER 31, 2019

Strong opportunity and market expansion pipeline across all segments

Q2 2020 backlog does not include two significant subsequent selections:

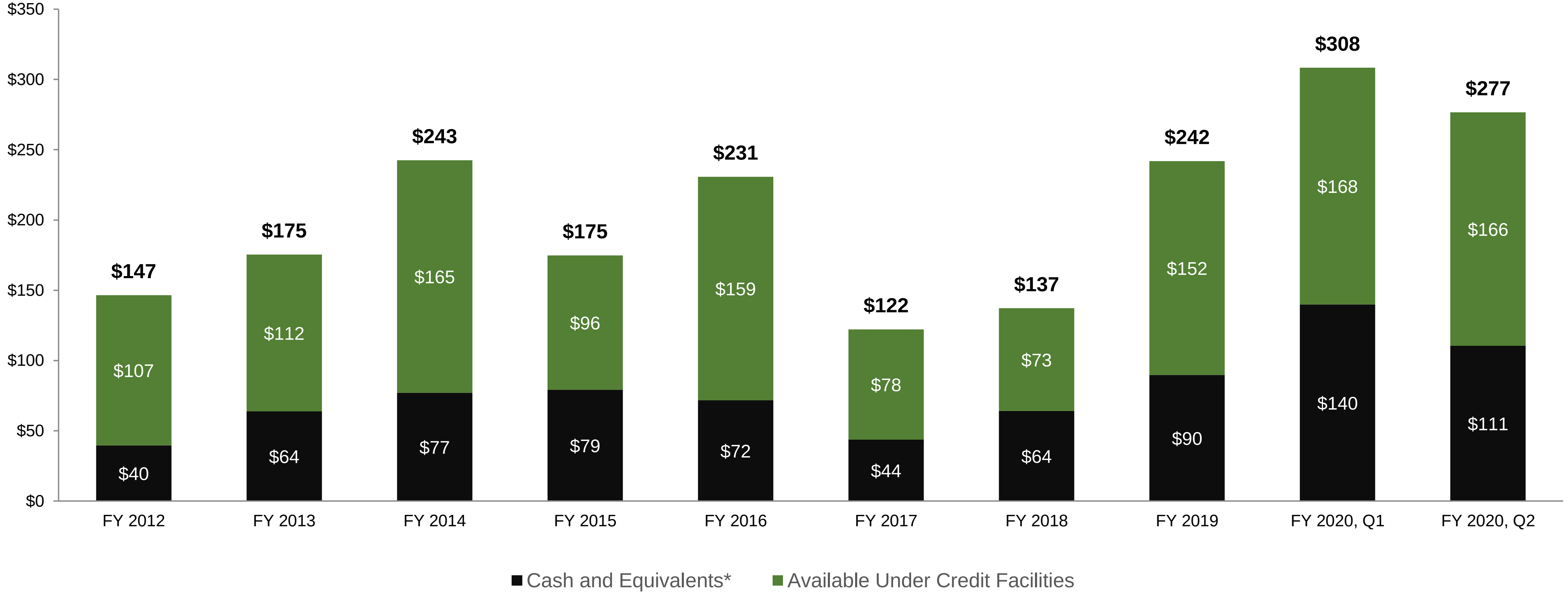
- Recent announcement of the selection by Eagle LNG as the EPC contractor for their export facility in Jacksonville, Florida
- A crude oil tank and terminal on the Gulf Coast



Backlog should be viewed over the long term versus quarter to quarter given the uncertainty in timing of awards.

BALANCED CAPITAL ALLOCATION STRATEGY

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



* Cash includes Billing in Excess (BIE) on work that has not yet been performed

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Appendix

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RECONCILIATION OF NON-GAAP MEASURES

	Amount of Charge	Income Tax Effect of Charge	Three Months Ended December 31, 2019 Net Income (Loss)	Three Months Ended December 31, 2019 Earnings (Loss) Per Diluted Share	Six Months Ended December 31, 2019 Net Income (Loss)	Six Months Ended December 31, 2019 Earnings (Loss) Per Diluted Share
Net loss and diluted loss per common share, as reported			$ (28,008)	$ (1.04)	$ (21,857)	$ (0.81)
Electrical Infrastructure segment goodwill impairment	$ 24,900	$ (4,889)	20,011	0.74	20,011	0.74
Industrial segment goodwill and other intangible asset impairment	$ 13,615	$ (2,803)	10,812	0.40	10,812	0.39
Valuation allowance placed on a deferred tax asset	$ 2,417	$ -	2,417	0.09	2,417	0.09
Adjusted net income and diluted earnings per common share			$ 5,232	$ 0.19	$ 11,383	$ 0.41

Weighted average common shares outstanding - diluted:	Three Months Ended December 31, 2019	Six Months Ended December 31, 2019
As reported	26,925	26,930
Dilutive potential of previously anti-dilutive common shares	394	563
Adjusted weighted average common shares outstanding - diluted	27,319	27,493

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EPS EARNINGS GUIDANCE RECONCILIATION

	Earnings Guidance	
	Low	High
Full year fiscal 2020 guidance for loss per diluted common share	$ (0.65)	$ (0.45)
Electrical Infrastructure segment goodwill impairment, net of tax	0.74	0.74
Industrial segment goodwill and other intangible asset impairment, net of tax	0.40	0.40
Valuation allowance placed on a deferred tax asset	0.09	0.09
Expected restructuring charges in the second half of fiscal 2020, net of tax	0.12	0.12
Adjusted full year fiscal 2020 guidance for earnings per diluted common share	$ 0.70	$ 0.90

ADJUSTED EBITDA *($ in thousands)*

	Three Months Ended		Six Months Ended	
	December 31, 2019	December 31, 2018	December 31, 2019	December 31, 2018
	(In thousands)			
Net income (loss)	$ (28,008)	$ 3,932	$ (21,857)	$ 6,237
Goodwill and other intangible asset impairment	38,515	—	38,515	—
Interest expense	444	361	833	653
Provision (benefit) for income taxes	(3,302)	1,486	(591)	1,937
Depreciation and amortization	4,923	4,583	9,702	9,126
Adjusted EBITDA	$ 12,572	$ 10,362	$ 26,602	$ 17,953

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