



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



INTRODUCTORY REMARKS

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

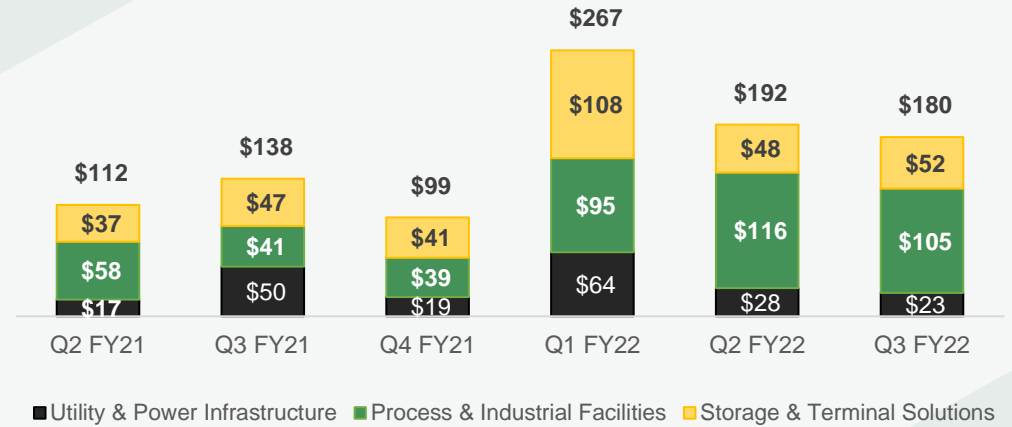
- Return of client confidence and normalization of environment
- Centralization of BD organization with a more focused and total solutions approach

3

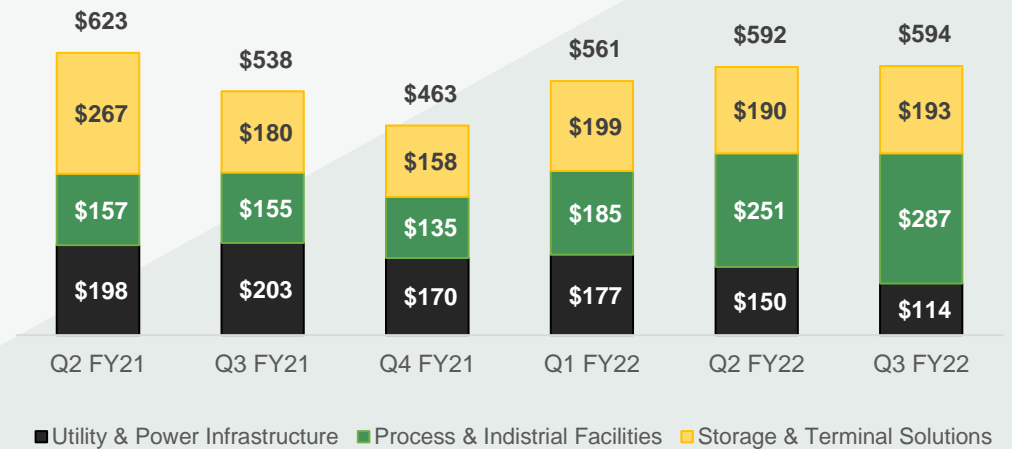
Backlog of \$594 million as of 3/31/2022

- 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)



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 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 impacted by:
 - 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

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

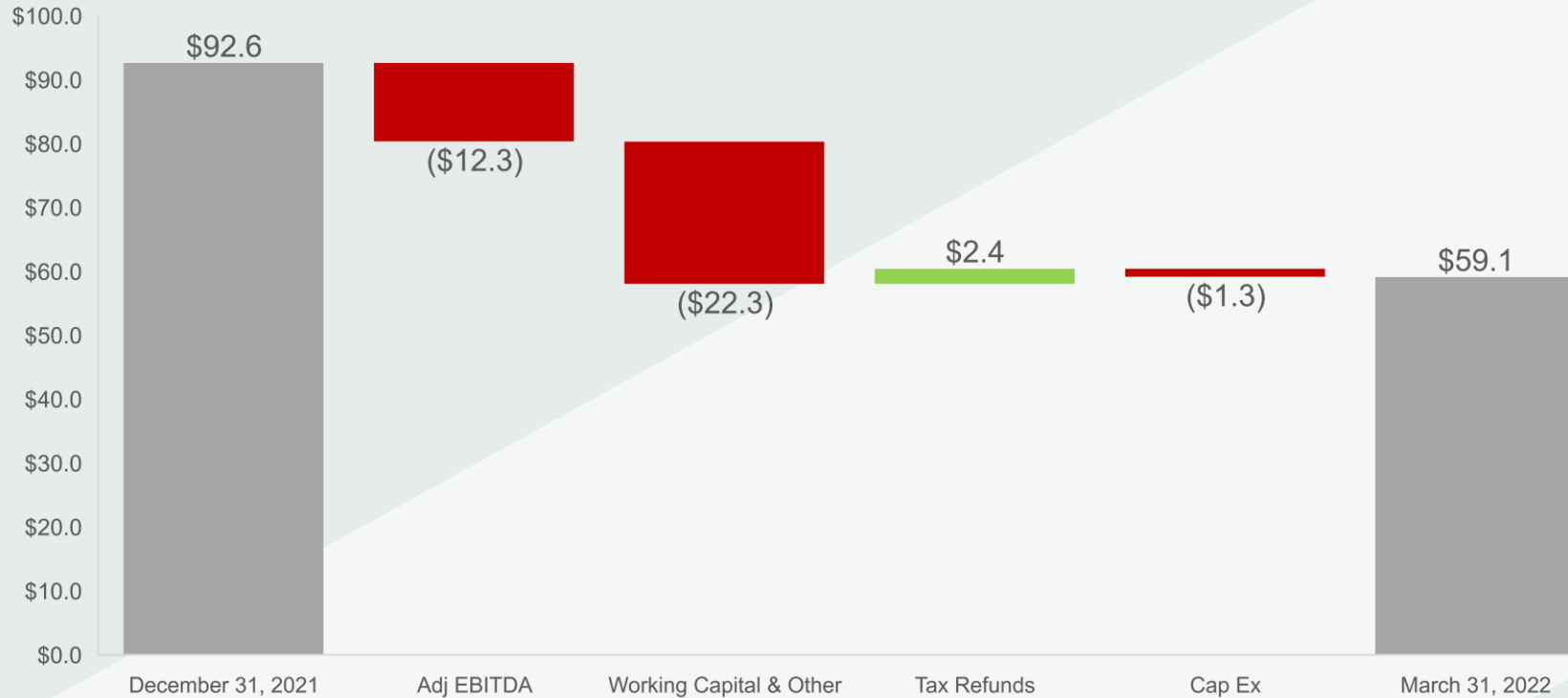
OUTLOOK

- 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

CASH FLOW

Q3 FY 2022 Cash Bridge

(in millions)



KEY POINTS

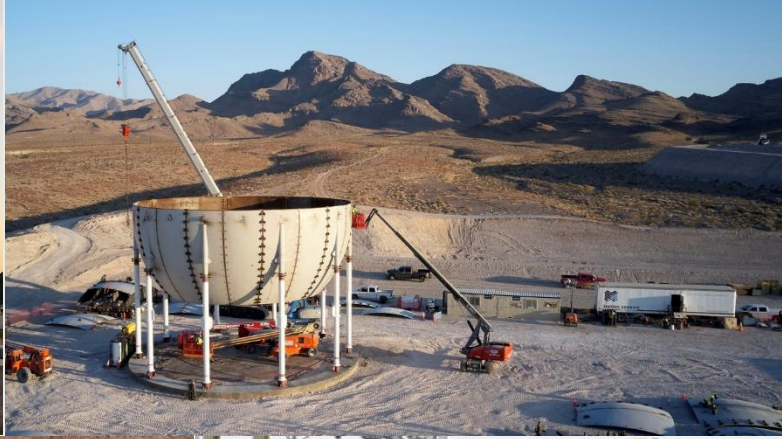
Cash Flow

- 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.



OUTLOOK

KEY MARKET/ECONOMIC 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 COMMODITIES

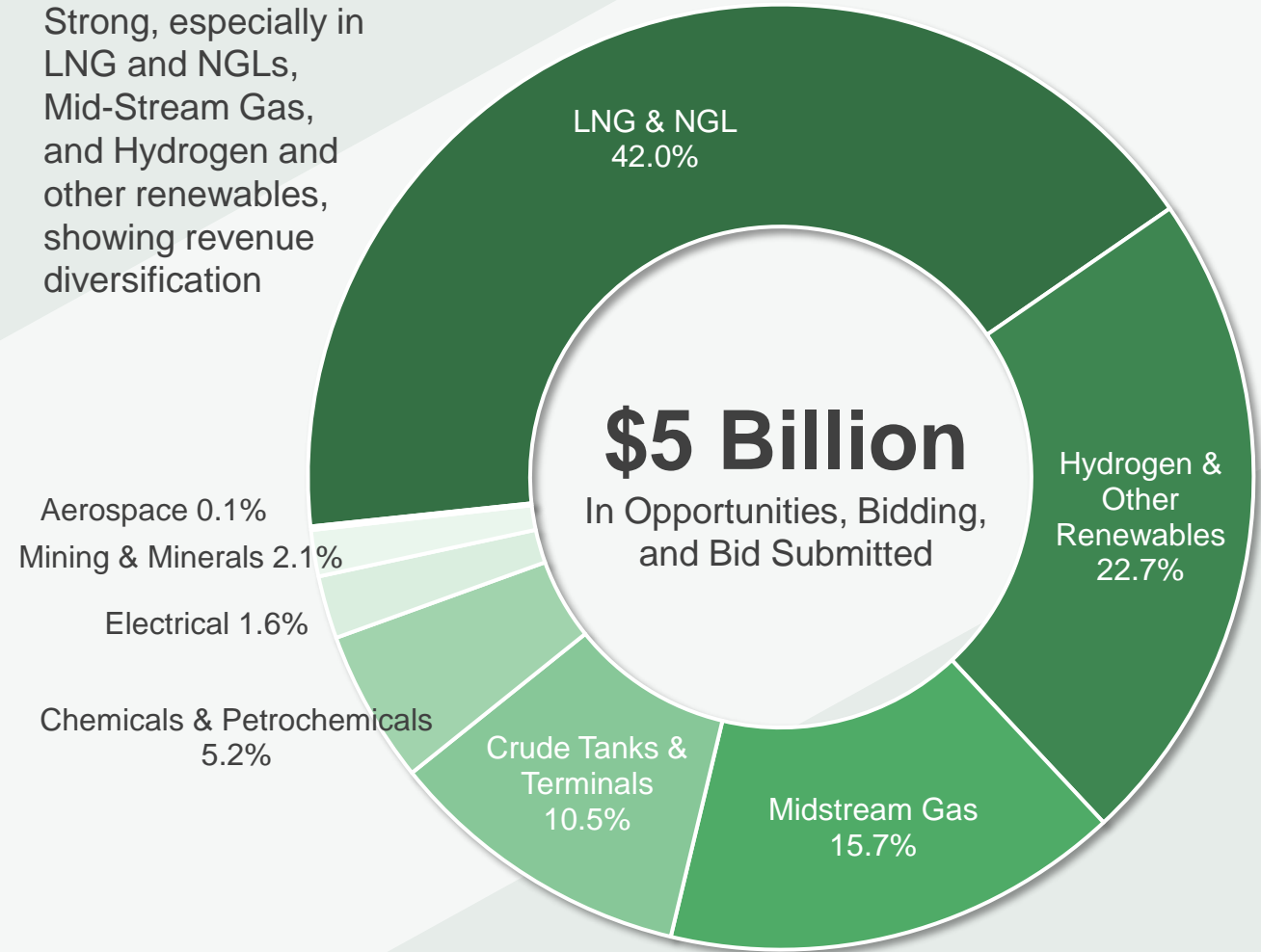
- Metals, Mining and Minerals Investment
- Batteries, infrastructure, etc.

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



POSITIONING AND EXECUTION

Prepared to Execute and Deliver Results

- Organization has been streamlined with cost structure reduced by \$80 million
- Internal consolidation underway to further enhance Shares Services structure for certain support functions
- Created an Operational Center of Excellence initially focused on optimizing safety, quality and procurement across the organization
- Focused on the end markets with the greatest opportunity sets
- Rebuilding our bench strength with key business development, technical, and project resources to effectively win and execute on growing opportunity set before us
- Winning key awards and building backlog





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Appendix

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) |