



# FY24 Q2 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

# COMPANY OVERVIEW



## WHO WE ARE

Matrix is a top tier North American energy and 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

To be the company of choice for engineering, constructing, and maintaining the energy and industrial infrastructure that people rely on around the world.

## LEADER IN ENERGY & INDUSTRIAL INFRASTRUCTURE SOLUTIONS

INFRASTRUCTURE MEGATRENDS PROVIDE LONG RUNWAY AND MULTI-BILLION DOLLAR PROJECT OPPORTUNITY PIPELINE



LNG, NGLs,  
and Ammonia



Oil (Midstream and  
Downstream)



Utility and  
Electrical Infrastructure



Hydrogen and  
Renewable Fuels

**Headquarters:** Tulsa, Oklahoma with offices throughout the United States and Canada, as well as in Sydney, Australia, Seoul, South Korea, and Dubai, UAE

**NASDAQ Stock Symbol:** MTRX

**Primary Operations:** North America and select international countries

**Earnings:** Driven by work in both traditional and emerging energy markets and industrial facilities

**Balance Sheet:** Consistently strong with minimal to no debt

# OUR EXPERTISE | CRITICAL INFRASTRUCTURE SOLUTIONS

CAPITAL PROJECTS, TURNAROUNDS, MAINTENANCE AND REPAIR SERVICES



## STORAGE AND TERMINAL SOLUTIONS

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

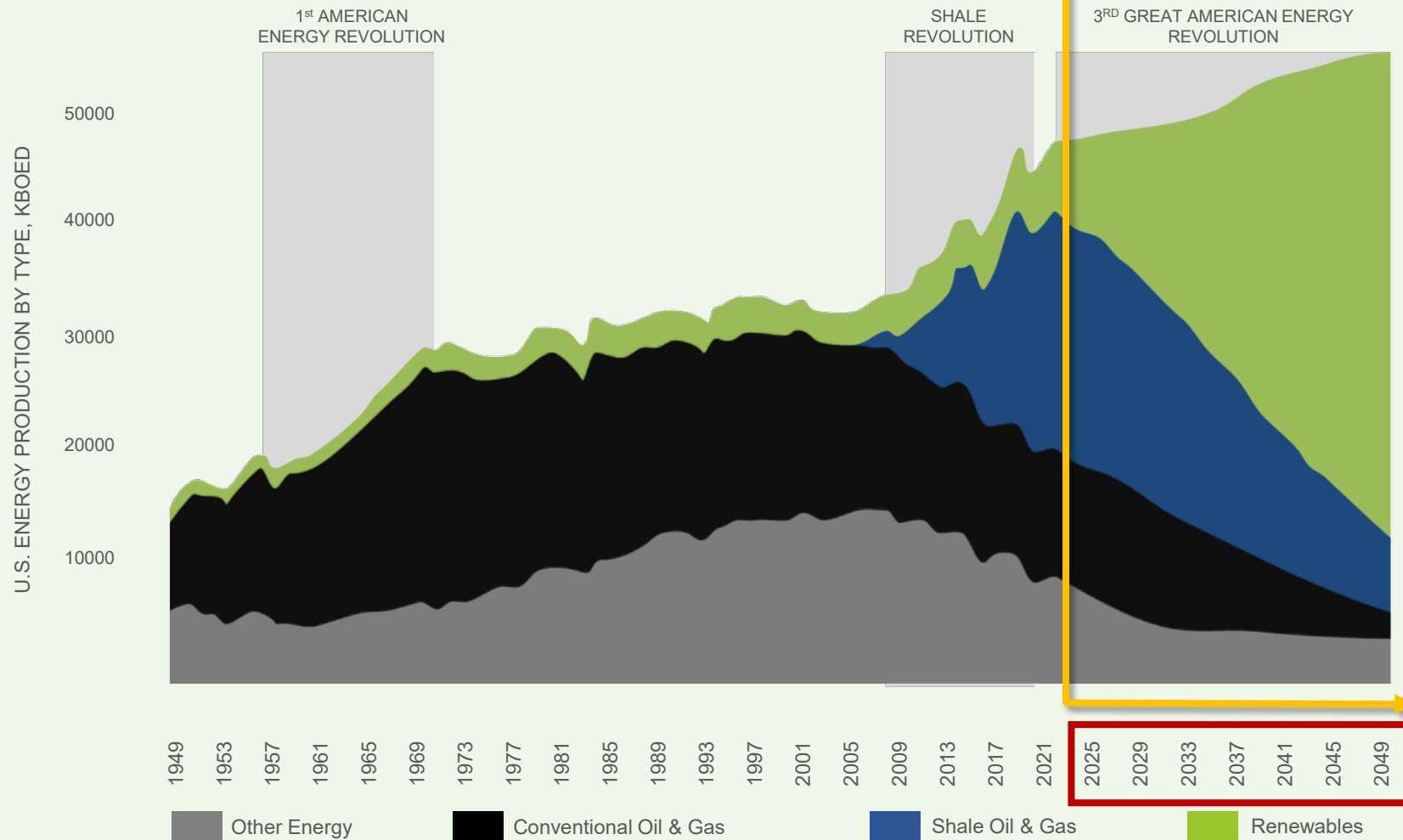
## UTILITY AND POWER INFRASTRUCTURE

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

## PROCESS AND INDUSTRIAL FACILITIES

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

# OUR MARKETS | OVERALL OUTLOOK



The markets we serve are **well-aligned with EIA and other projections** for the 3<sup>rd</sup> Great American Energy Revolution as it relates to Conventional Oil & Gas, Shale Oil & Gas, and Renewables.

Enterprise-wide, our **skills and expertise are transferable** as the world and our clients transition to a lower carbon energy mix.

SOURCES: EIA (historical), Goldman Sachs Global Investment Research: Carbonomics; Kboed: kilobarrel of oil equivalent per day

# OUR STRATEGY

## STRENGTHEN THE CORE

Traditional energy tanks and terminals  
Refining



## EXPAND IN EXISTING MARKETS

LNG and NGL storage terminals  
Midstream gas processing  
Thermal vacuum chambers  
Electrical infrastructure  
Mining and minerals



# OUR TURNAROUND STORY | RETURNING TO PROFITABILITY

FY2020	FY2021	FY2022	FY2023	FY2024
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## EXTERNAL MARKET FACTORS

### GLOBAL PANDEMIC:

- ENERGY DEMAND DESTRUCTION
- CLIENTS PAUSE CONSTRUCTION PROJECTS, DEFER MAINTENANCE
- MINIMAL PROJECT OPPORTUNITIES IN HIGHLY COMPETITIVE MARKET RESULTING IN:
  - LOW MARGIN OPPORTUNITIES
  - LOW REVENUE VOLUME
  - SIGNIFICANT UNDER-RECOVERY OF CONSTRUCTION OVERHEAD COSTS

### INCREASING GLOBAL FOCUS ON ENERGY TRANSITION

## INTERNAL COMPANY ACTIONS

- ▲ REDUCED COSTS, REORGANIZED, AND STREAMLINED THE BUSINESS
- ▲ FOCUSED EFFORTS ON CORE TRADITIONAL AND EMERGING MARKETS SUPPORTED BY OUR EXPERTISE
- ▲ DISPOSED OF UNDERPERFORMING ASSETS
- ▲ LAUNCHED ROBUST QUALITY PROGRAM
- ▲ REBUILT BACKLOG TO COMPANY RECORD OF \$1.45 B
- RESTORED HISTORIC DOUBLE-DIGIT GROSS MARGINS

## FOUNDATIONAL PRINCIPLES EMBEDDED IN OUR CULTURE AND CORE VALUES

CONSERVATIVE BALANCE SHEET MANAGEMENT | PROTECTING AND DEVELOPING OUR PEOPLE | BUILDING LONG-TERM CLIENT RELATIONSHIPS

## NEAR-TERM OUTLOOK

Strong revenue growth beginning in second half of FY2024

Improved consolidated direct margins

Full recovery of construction overhead

SG&A leverage

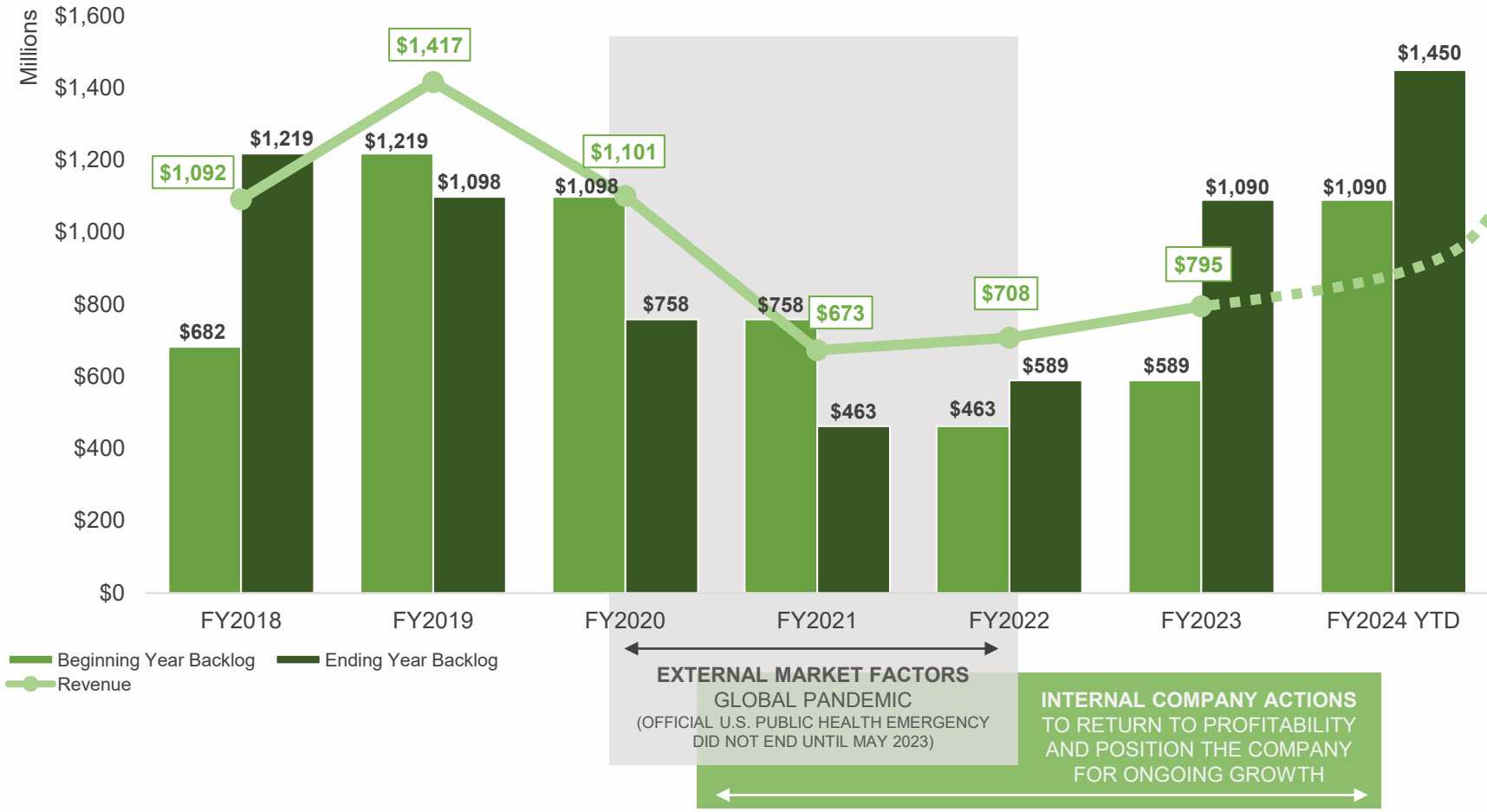
Improved overall operating results and EBITDA

Achievement of long-term financial targets

Our internal actions and foundational principles, coupled with improving market tailwinds, position Matrix for near-term profitability and long-term growth.



# OUR TURNAROUND STORY | BACKLOG AND REVENUE



- Backlog has tripled since FY2021 with significant increases in multi-year project awards, especially in late FY2023 and early FY2024
- Projects allow for historic double-digit margins and full recovery of construction overhead costs

Significant revenue growth is expected as recent project awards transition to field construction.

# MARKET TAILWINDS | KEY MACROECONOMIC 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 Electrical 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

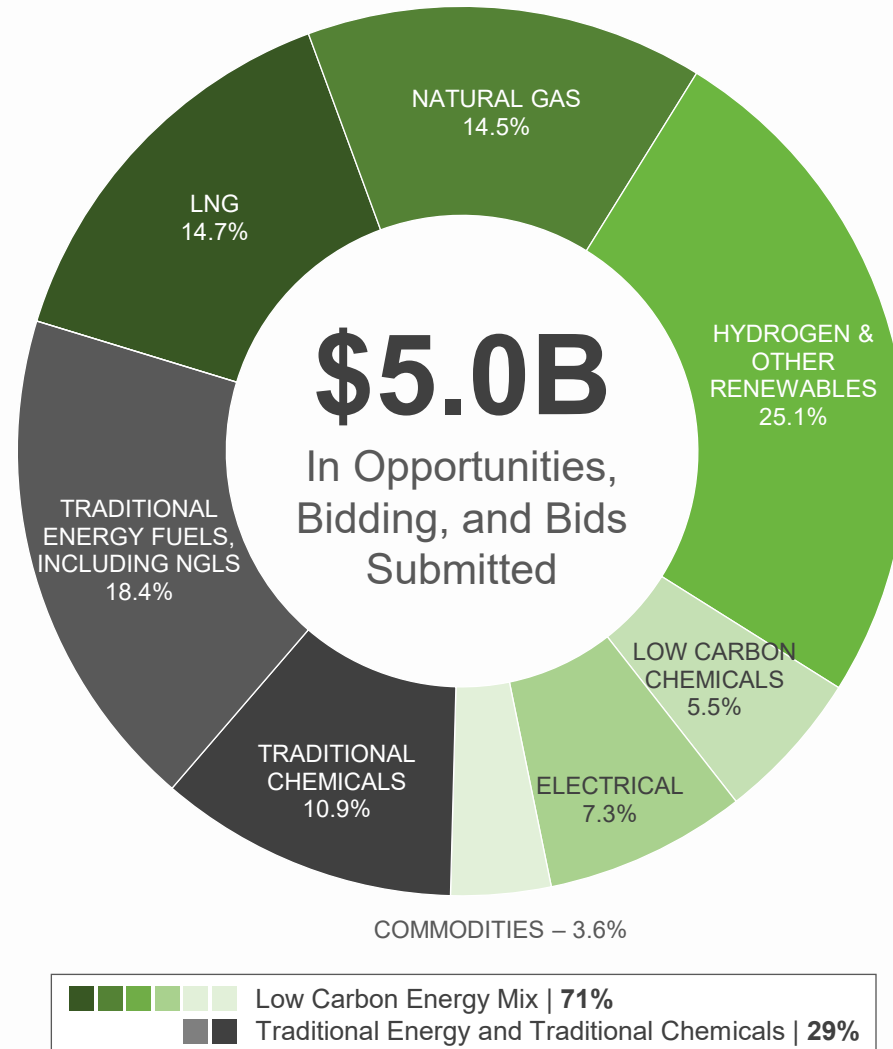
- The Inflation Reduction Act (IRA) Energy and Climate provision provides \$391 Billion, although analysts are forecasting the IRA to cost around \$1.2 Trillion
- Investment is expected to be a spring-board for an additional \$2 Trillion in private infrastructure investments by 2032 and \$11 Trillion by 2050
- Resilient, clean, 21<sup>st</sup> century electric grid
- Supporting the clean energy transition such as: Hydrogen, renewables, EV's, Bio-fuels, Carbon Capture
- Airports including fueling and sustainable aviation fuel investments
- Infrastructure repair, replacement, and electrification which impact Copper, Lithium and other mineral commodities
- Wastewater treatment will require digesters and aluminum covers

# OUR OPPORTUNITY PIPELINE

Supports traditional and lower carbon energy mix.

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

This pipeline, which is continuing to grow, 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.



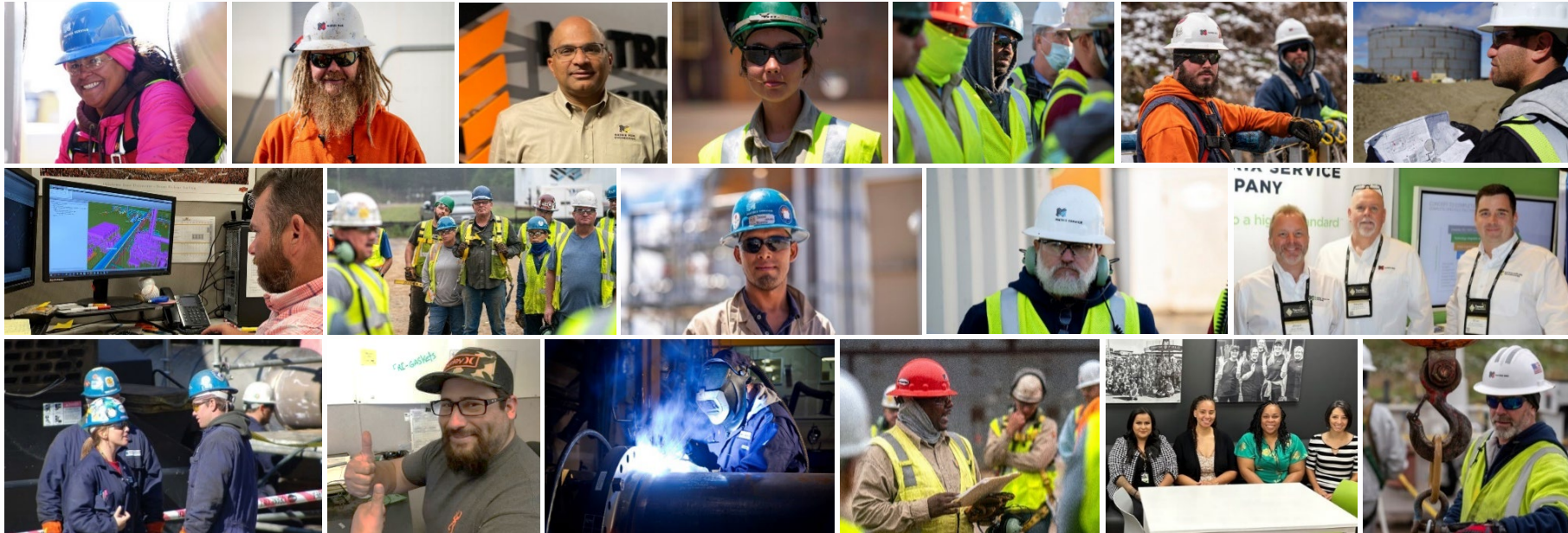
Project Opportunity Pipeline data is as of December 31, 2023, for projects of \$5 million or greater and does not include small construction projects or maintenance and repair.

## OUR COMPETITIVE ADVANTAGES

- Strong reputation for safety and quality
- Engineering experts that help set industry standards
- Multi-disciplined engineering and technology integration services
- Construction delivery to support mission-critical client initiatives across their geographic markets
- Agility and flexibility in offerings to provide best-in-class solutions
- Growing global brand recognition across diversified end-markets
- Long-standing relationships with blue-chip customers
- Expansion capability in high growth infrastructure markets
- Consistently strong balance sheet to fund growth and protect shareholder interests

# OUR PEOPLE AND OUR VALUES | THE FOUNDATION OF OUR SUCCESS

**SAFETY | INTEGRITY | POSITIVE RELATIONSHIPS | STEWARDSHIP | COMMUNITY | DELIVER THE BEST**



**ENR TOP 400**  
Consistently ranked among the Top Contractors by Engineering-News Record

**OSHA VPP Star**  
OSHA VPP Star for safety and health management at our Okla. fabrication facility

**Great Place To Work Certified**  
Consistently certified a Great Place to Work®

**29% BY 2025 WOMEN ON BOARDS**  
Recognized for 29% female Board membership

**CEO ACTION FOR DIVERSITY & INCLUSION**  
Signatory to the largest CEO-driven commitment in the workplace

**VETS Indexes**  
Recognized for commitment to and support of veterans and the military community

Driven by our core values and our commitment to quality, Matrix is consistently recognized for excellence by our clients, our industry, the business world, and our employees.

# LONG-STANDING CLIENT RELATIONSHIPS

SUPPORTING THE MOST WELL-RECOGNIZED BRANDS IN THE WORLD



Improving the efficiency and resilience of our clients' critical energy and industrial infrastructure while accelerating efforts toward a cleaner, more sustainable world.

# THE MATRIX OPPORTUNITY



- With record-high backlog we expect to see a marked improvement in revenue volumes in the near term, providing for better construction overhead absorption, leverage of SG&A, and improved bottom line performance.
- Our strategic approach to our strong end markets, clients, and services will help us to maintain a sizable opportunity pipeline and lead to further backlog growth and strong performance well into the future.
- Organizationally, we are leaner and more efficient. We will continue to invest in the processes, systems, and people needed to drive performance improvement and deliver strong project execution.

## 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 substantial positive momentum in the business, Matrix is well positioned to maximize profitability and generate value and growth for our stakeholders.

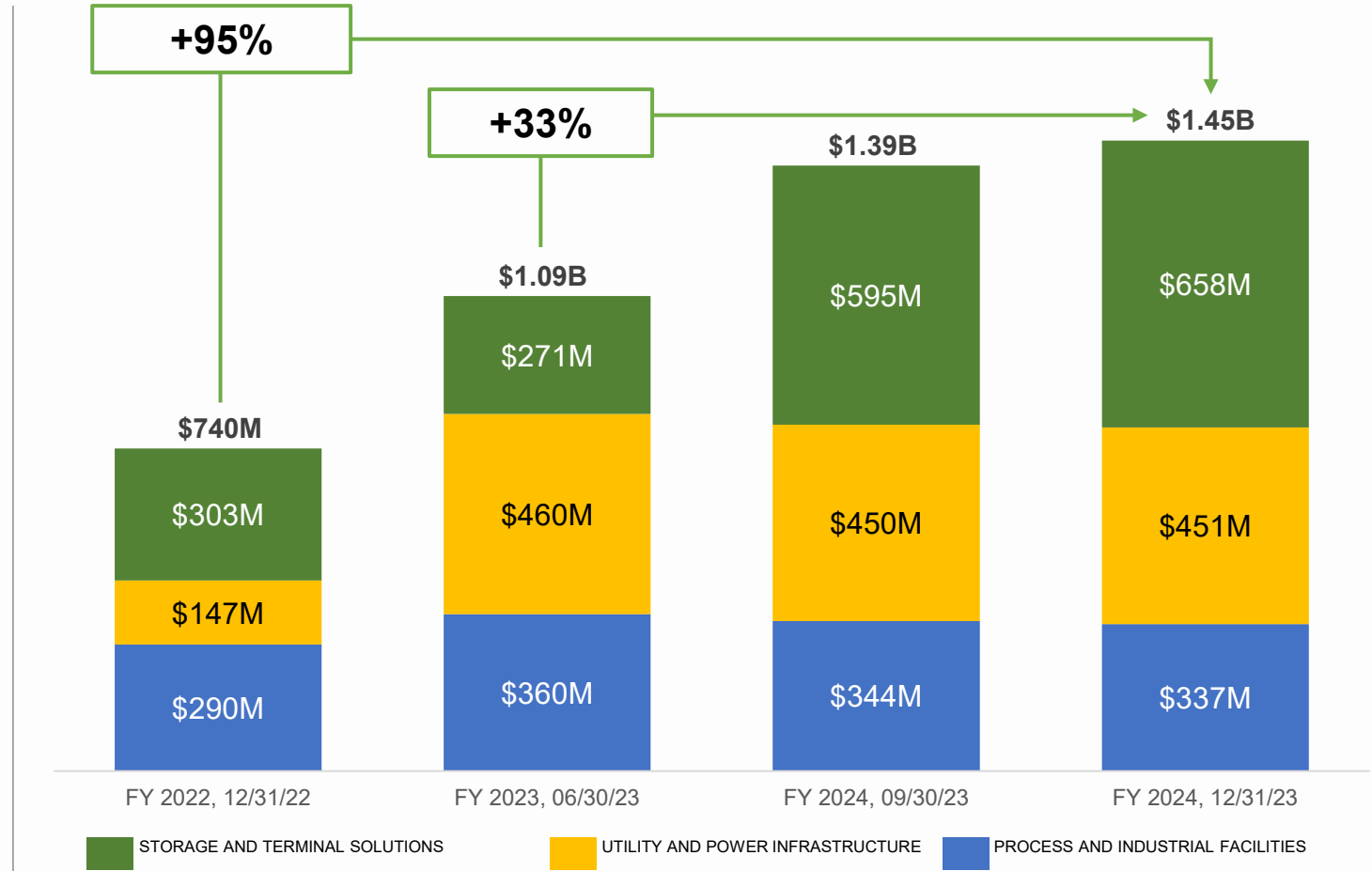
# APPENDIX

## FINANCIAL UPDATE

# DECEMBER 31, 2023 BACKLOG | \$1.45B — A COMPANY RECORD

In FY 2024, Q2, we generated **\$231M in awards** the 10th consecutive quarter with a book-to-bill ratio at or above 1.0.

**Backlog of \$1.45B,** the highest backlog in company's 40-year history.

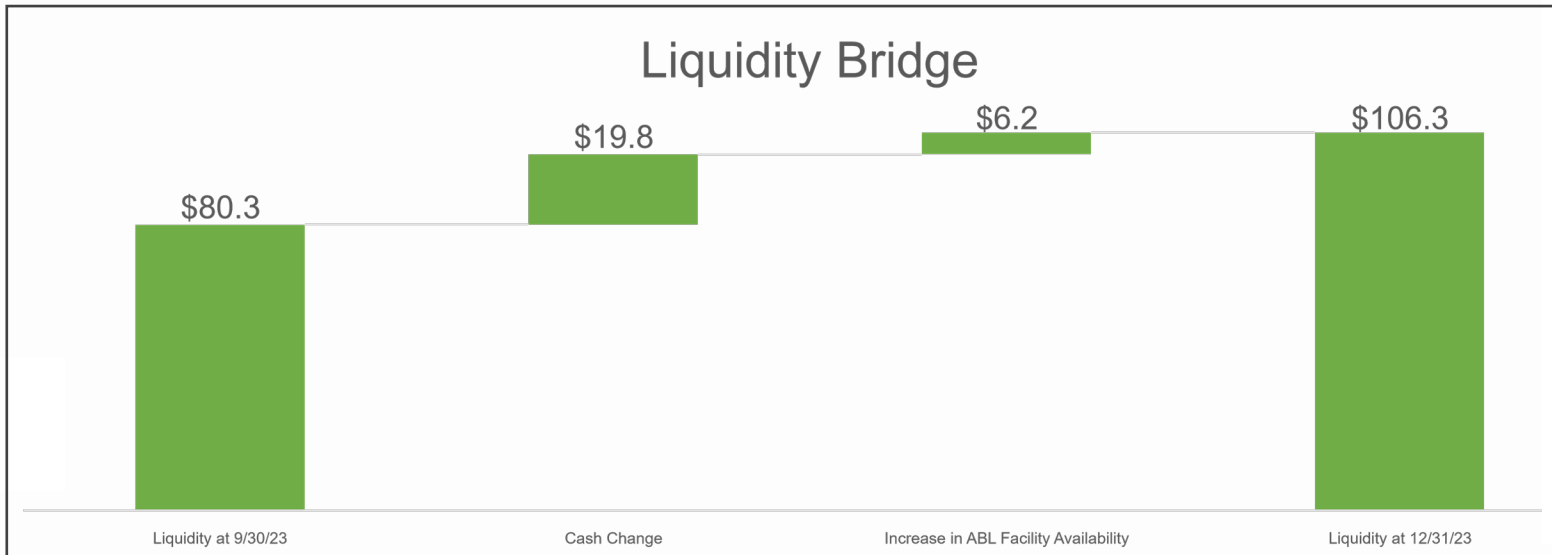
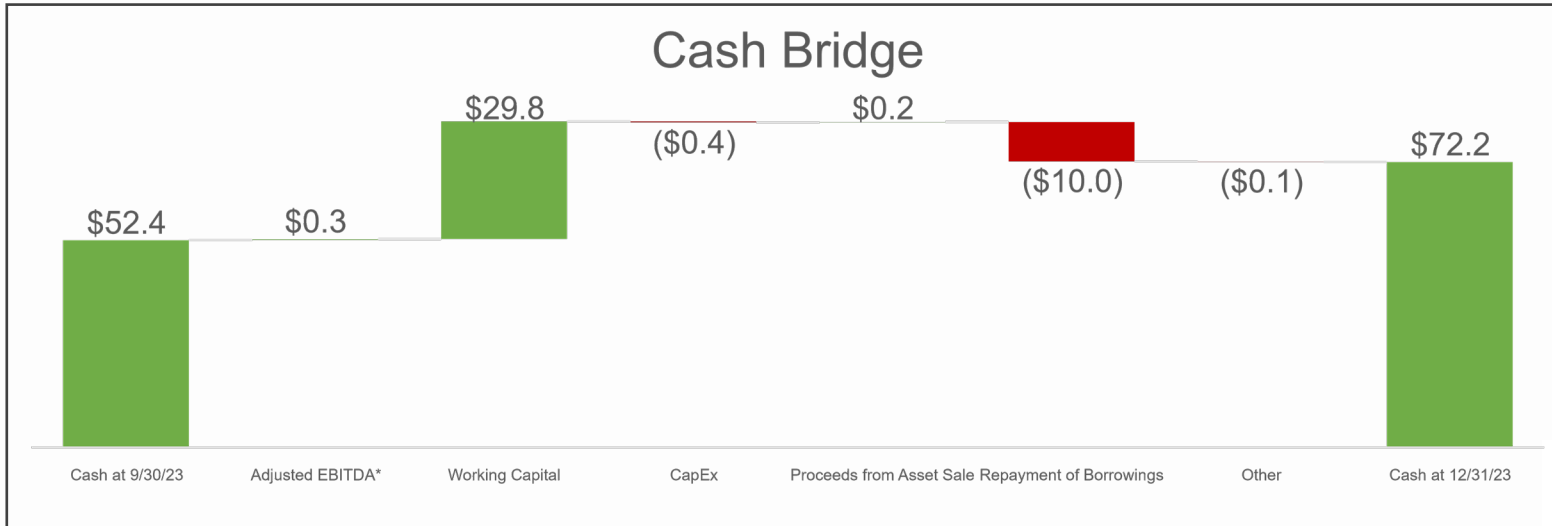


Strong growth in our core markets and strategic focus areas with additional opportunities for further backlog build.



# FISCAL YEAR 2024, Q2

(\$ in millions)



- As expected, cash increased in FY 2024, Q1 due to net cash flows from operations. \$10 million of those proceeds were utilized to repay all outstanding borrowings under the credit facility.
- Liquidity increased \$26 million in the quarter from the positive cash generation and increased borrowing availability.
- Improving cash flow and liquidity expected to continue during the second half of FY 2024.

## QUARTERLY TREND | CONSOLIDATED

<i>(In millions except %)</i>	FY2023, Q1	FY2023, Q2	FY2023, Q3	FY2023, Q4	FY2024, Q1	FY2024, Q2
<b>Revenue</b>	\$ 208,431	\$ 193,840	\$ 186,895	\$ 205,854	\$ 197,659	\$ 175,042
<b>Gross Profit (Loss)</b>	13,008	(1,302)	4,419	14,695	11,859	10,589
<b>Gross Margin</b>	6.2%	(0.7%)	2.4%	7.1%	6.0%	6.0%
<b>SG&amp;A Expense</b>	16,811	17,545	16,862	17,031	17,113	15,731
<b>Operating Income</b>	(5,090)	(32,441)	(12,759)	(2,597)	<b>(5,254)</b>	<b>(5,142)</b>
<b>Operating Income %</b>	(2.4%)	(16.7%)	(6.8%)	(1.3%)	(2.7%)	(2.9%)
<b>Net Income (Loss)</b>	(5,225)	(19,233)	(12,370)	(2,980)	(5,703)	<b>(4,857)</b>
<b>Income (Loss) Per Share</b>	\$ (0.24)	\$ (1.22)	\$ (0.47)	\$ (0.01)	<b>\$ (0.12)</b>	<b>\$ (0.10)</b>
<b>Adjusted Loss Per Share</b>	\$ (0.19)	\$ (0.71)	\$ (0.46)	\$ (0.11)	\$ (0.21)	\$ (0.18)
<b>Adjusted EBITDA</b>	\$ 844	\$ (13,090)	\$ (7,736)	\$ 2,283	<b>\$ (712)</b>	<b>\$ 279</b>

- The contribution to revenue of newly awarded projects is expected to significantly impact revenues in the second half of FY 2024.
- Strong project execution across all segments produced high direct gross margins, offset by under recovery of construction overhead costs due to lower revenue volumes.

**Second quarter results were in line with our expectations and similar to first quarter; Company is poised for significant improvement in the second half of the fiscal year.**

# QUARTERLY TREND | STORAGE & TERMINAL SOLUTIONS

<i>(In millions except %)</i>	FY2023, Q1	FY2023, Q2	FY2023, Q3	FY2023, Q4	FY2024, Q1	FY2024, Q2
<b>Revenue</b>	\$ 76,933	\$ 62,516	\$ 52,165	\$ 64,079	\$ 90,144	\$ 62,360
<b>Gross Profit (Loss)</b>	7,564	1,648	(810)	2,067	4,953	1,838
<b>Gross Margin</b>	9.8%	2.6%	(1.6%)	3.2%	5.5%	2.9%
<b>SG&amp;A Expense</b>	4,158	5,450	5,735	4,712	4,629	4,338
<b>Operating Income</b>	2,884	(4,185)	(6,624)	(2,630)	324	(2,500)
<b>Operating Income %</b>	3.7%	(6.7%)	(12.7%)	(4.1%)	0.4%	(4.0%)

- Revenue decreased in the quarter as a result of a lower level of procurement as compared to the first quarter.
- Strong project execution produced high direct gross margins, offset by under recovery of construction overhead costs due to lower revenue volumes.
- Additional resources allocated to support future growth.

Operating performance is expected to improve in the second half of fiscal 2024 as recent project awards begin to meaningfully impact revenue.

# QUARTERLY TREND | UTILITY & POWER INFRASTRUCTURE

<i>(In millions except %)</i>	FY2023, Q1	FY2023, Q2	FY2023, Q3	FY2023, Q4	FY2024, Q1	FY2024, Q2
<b>Revenue</b>	\$ 44,870	\$ 50,535	\$ 35,024	\$ 39,075	\$ 32,395	\$ 40,144
<b>Gross Profit (Loss)</b>	1,714	2,426	2,790	3,770	3,697	1,415
<b>Gross Margin</b>	3.8%	4.8%	8.0%	9.6%	11.4%	3.5%
<b>SG&amp;A Expense</b>	1,738	1,787	1,869	1,651	1,548	1,978
<b>Operating Income</b>	(61)	639	921	2,119	2,149	(563)
<b>Operating Income %</b>	(0.1%)	1.3%	2.6%	5.4%	6.6%	(1.4%)

- Revenue increased in the quarter as a result of higher volumes of power delivery work and LNG peak shaving projects.
- Good project execution was offset by under recovery of construction overhead costs due to lower revenue volumes.
- Additional resources allocated to support future growth.

Revenue improvement will continue with increased peak shaver work on existing and new projects. Longer-term outlook includes strong funnel with additional peak shaver opportunities.

# QUARTERLY TREND | PROCESS & INDUSTRIAL FACILITIES

<i>(In millions except %)</i>	FY2023, Q1	FY2023, Q2	FY2023, Q3	FY 2023, Q4	FY 2024, Q1	FY 2024, Q2
<b>Revenue</b>	\$ 86,628	\$ 80,789	\$ 99,706	\$ 102,700	\$ 75,120	\$ 71,305
<b>Gross Profit (Loss)</b>	4,330	(5,131)	3,160	8,397	5,078	6,671
<b>Gross Margin</b>	5.0%	(6.4%)	3.2%	8.2%	6.8%	9.4%
<b>SG&amp;A Expense</b>	4,070	3,682	3,556	3,601	3,087	2,206
<b>Operating Income</b>	(55)	(21,511)	(502)	4,627	1,991	4,465
<b>Operating Income %</b>	(0.1%)	(26.6%)	(0.5%)	4.5%	2.7%	6.3%

- Lower revenue was the result of a decreased volume of work on multiple construction projects, partially offset by higher volumes of refinery maintenance work.
- Gross Margin increased based on improved project execution and lower under-recovery of construction overhead costs as we have shifted resources to other segments to support large construction projects.

Construction projects currently in backlog will not positively impact revenue until FY2025. We continue to see increasing opportunities in mining and minerals, chemicals, aerospace, and renewable fuels, as well as hydrogen processing and carbon capture projects.

# ADJUSTED NET LOSS

<i>(In thousands except per share amounts)</i>	FY2023, Q1	FY2023, Q2	FY2023, Q3	FY2023, Q4	FY2024, Q1	FY2024, Q2
Net Income (Loss), as reported	\$ (6,512)	\$ (32,827)	\$ (12,686)	\$ (336)	\$ (3,167)	\$ (2,851)
Restructuring costs	1,287	1,278	316	261	–	–
Goodwill impairment	–	12,316	–	–	–	–
Gain on sale of assets	–	–	–	(2,905)	(2,536)	(2,006)
Tax impact of adjustments	–	–	–	–	–	–
Adjusted Net Loss	(5,225)	(19,233)	(12,370)	(2,980)	(5,703)	(4,857)
Income (Loss) per Fully Diluted Share	\$ (0.24)	\$ (1.22)	\$ (0.47)	\$ (0.01)	\$ (0.12)	\$ (0.10)
Adjusted Loss per Fully Diluted Share	\$ (0.19)	\$ (0.71)	\$ (0.46)	\$ (0.11)	\$ (0.21)	\$ (0.18)

# ADJUSTED EBITDA

<i>(In thousands)</i>	FY2023, Q1	FY2023, Q2	FY2023, Q3	FY2023, Q4	FY2024, Q1	FY2024, Q2
Net Income (Loss), as reported	\$ (6,512)	\$ (32,827)	\$ (12,686)	\$ (336)	\$ (3,167)	\$ (2,851)
Restructuring costs	1,287	1,278	316	261	–	–
Goodwill impairment	–	12,316	–	–	–	–
Gain on sale of assets	–	–	–	(2,905)	(2,536)	(2,006)
Stock-based compensation expense*	2,055	1,692	1,407	1,637	1,755	2,030
Interest expense	372	916	268	468	325	319
Provision (benefit) for federal, state and foreign income taxes	–	–	(363)	(37)	–	6
Depreciation and amortization	3,642	3,535	3,322	3,195	2,911	2,781
Adjusted EBITDA	\$ 844	\$ (13,090)	\$ (7,736)	\$ 2,283	\$ (712)	\$ 279

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