



**MATRIX SERVICE
COMPANY**

**FISCAL 2023 | FIRST
QUARTER RESULTS**



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.



CEO COMMENTARY

HIGHLIGHTS FOR THE QUARTER

1

Continued Momentum in Project Awards

- Fifth consecutive quarter with a book-to-bill 1.0 or higher
- Continued uptick in larger Storage and Terminal projects, with additional awards expected

2

Momentum Driven by Market Recovery and More Focused Approach

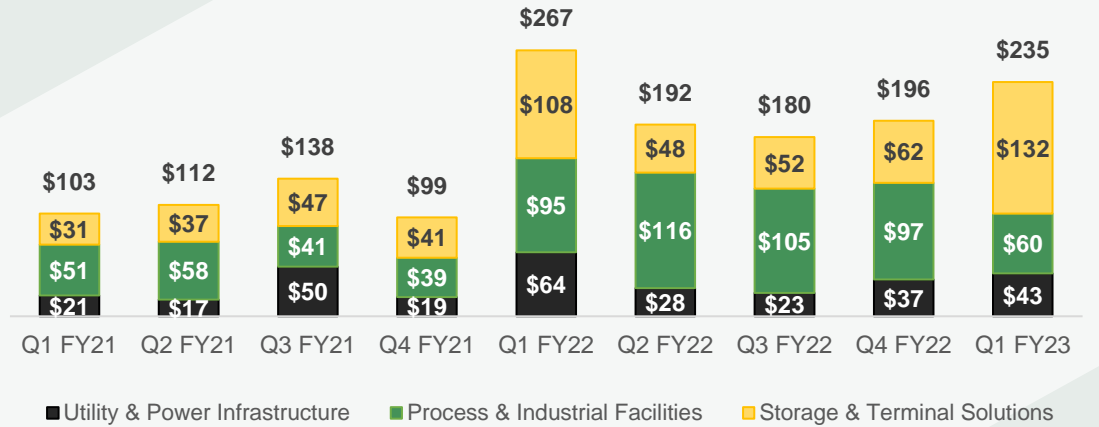
- Return of client confidence and normalization of our operating environment
- Shifting opportunity pipeline focused on transition to low carbon economy

3

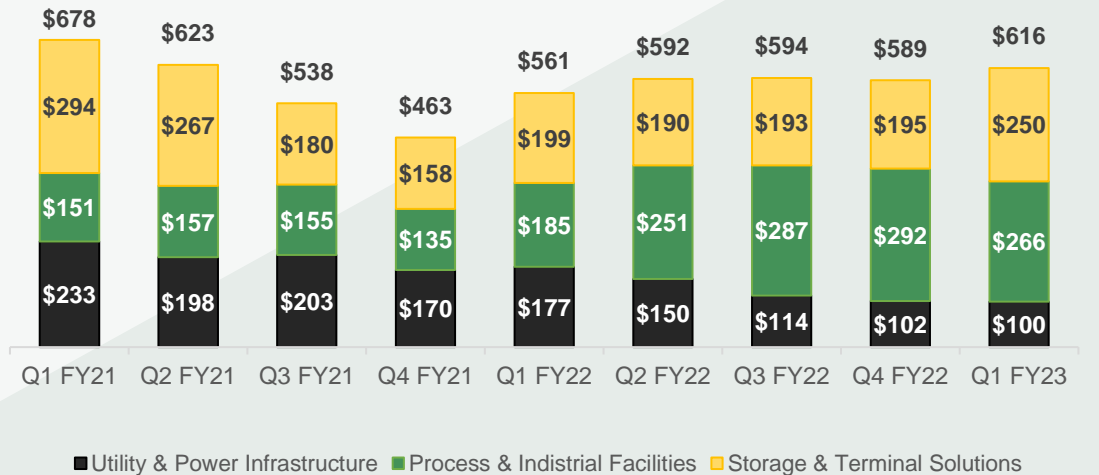
Backlog of \$616 million as of 9/30/2022

- Expect significant backlog growth through the remainder of fiscal 2023 based upon the status of specific projects included in our funnel

Project Awards (\$ millions)



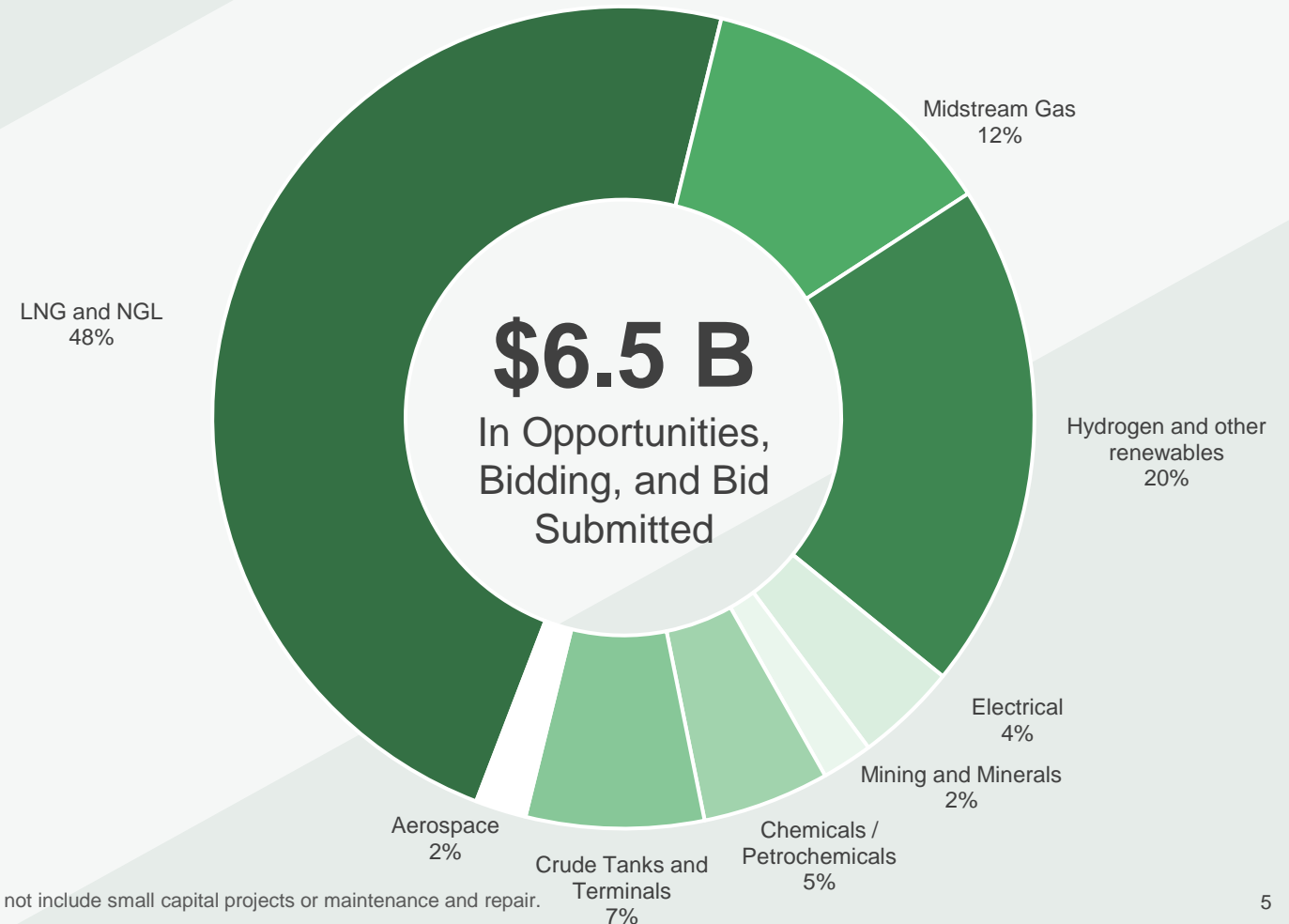
Ending Backlog (\$ millions)



GROWING CAPITAL PROJECTS OPPORTUNITY PIPELINE

Pipeline supports transition to cleaner fuels, especially in LNG and NGLs, Mid-Stream Gas, and Hydrogen and other renewables

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 near term

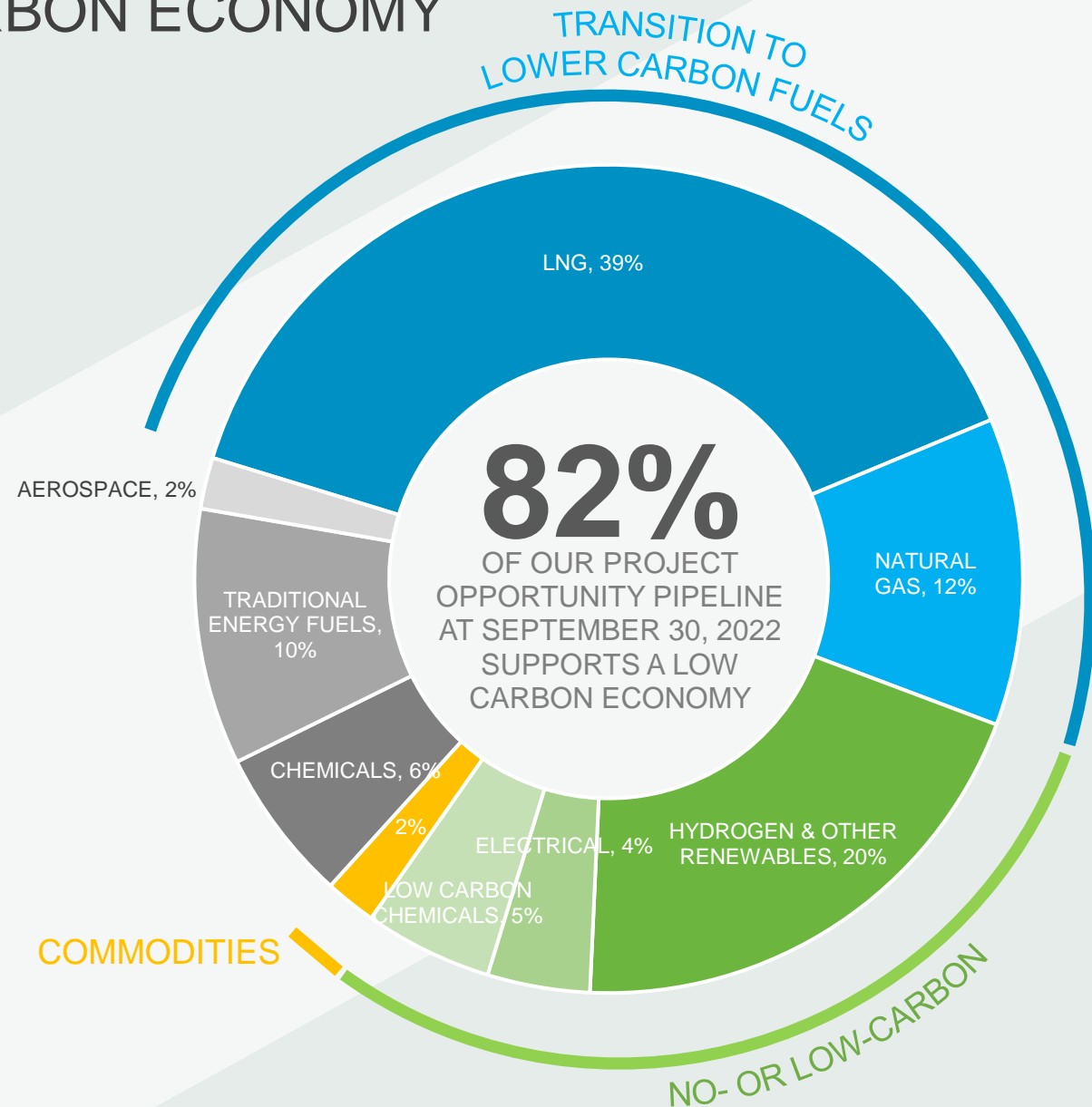


Project Opportunity Pipeline data is as of September 30, 2022, for projects of \$5 million or greater; does not include small capital projects or maintenance and repair.

TRANSITIONING TO A LOW CARBON ECONOMY

Enterprise-wide, our **skills and expertise are transferable** as the world and our clients transition to a low carbon economy

The engineering disciplines and world-class construction crews that established our leading brand in crude storage, as well as our strategic shift to specialty vessels, **positions Matrix to lead development of infrastructure for a low carbon economy**



QUARTERLY TREND | CONSOLIDATED

(In millions except %)

	FY2022, Q1	FY2022, Q2	FY2022, Q3	FY2022, Q4	FY2023, Q1
Revenue	\$ 168,093	\$ 161,965	\$177,003	\$200,719	\$208,431
Gross Profit (Loss)	(3,508)	3,207	(1,763)	858	13,008
Gross Margin	(2.1%)	2.0%	(1.0%)	0.4%	6.2%
SG&A Expense	16,629	15,922	17,041	18,098	16,811
Adjusted Operating Income	(20,137)	(12,715)	(18,802)	(17,240)	(3,803)
Adjusted Operating Income %	(12.0%)	(7.9%)	(10.6%)	(8.6%)	(1.8%)
Income (Loss) Per Share	\$ (0.66)	\$ (0.93)	\$ (1.30)	\$ 0.50	\$ (0.24)
Adjusted Loss Per Share	\$ (0.60)	\$ (0.38)	\$ (0.50)	\$ (0.52)	\$ (0.15)
Adjusted EBITDA	\$(14,278)	\$ (7,091)	\$(12,304)	\$(11,962)	\$ 844

- Revenue is up 24% over FY2022, Q1 and at its highest level since FY2020, Q3
- Gross margin is at its highest since FY2021, Q1, impacted 2.8% by under recovery of construction overhead costs
- Adjusted operating income is at its highest since FY2021, Q1

1Q FY23 revenue, gross margin, and operating income improved significantly.

QUARTERLY TREND | UTILITY & POWER INFRASTRUCTURE

<i>(In millions except %)</i>	FY2022, Q1	FY2022, Q2	FY2022, Q3	FY2022, Q4	FY2023, Q1
Revenue	\$ 57,204	\$ 54,752	\$ 59,341	\$ 48,795	\$ 44,870
Gross Profit (Loss)	(6,107)	(491)	(492)	(1,497)	1,714
Gross Margin	(10.7%)	(0.9%)	(0.8%)	(3.1%)	3.8%
SG&A Expense	3,050	3,150	2,910	2,663	1,738
Adjusted Operating Income	(9,157)	(3,641)	(3,402)	(4,159)	(24)
Adjusted Operating Income %	(16.0%)	(6.6%)	(5.7%)	(8.5%)	(0.1%)

- Revenue is down 22% since FY2022, Q1 due to lower peak shaver revenue
- Gross margin is at its highest since FY2021, Q2, impacted 3.3% by under recovery of construction overhead costs
- Under recovery of construction overhead costs has improved by 40% compared to FY2022, Q1
- Adjusted operating income is near break-even with best performance since FY2021, Q2

Revenue improvement beginning in late FY2023 is expected with increased peak shaver work from the recently announced peak shaving upgrade project; some margin and operating income improvement is expected as we move through Fiscal 2023.

QUARTERLY TREND | PROCESS & INDUSTRIAL FACILITIES

(In millions except %)

	FY2022, Q1	FY2022, Q2	FY2022, Q3	FY2022, Q4	FY2023, Q1
Revenue	\$ 43,905	\$ 50,316	\$ 68,971	\$ 91,656	\$ 86,628
Gross Profit (Loss)	2,871	4,235	(441)	2,607	4,330
Gross Margin	6.5%	8.4%	(0.6%)	2.8%	5.0%
SG&A Expense	2,762	2,792	3,198	3,754	4,070
Adjusted Operating Income	109	1,443	(3,637)	(1,147)	260
Adjusted Operating Income %	0.2%	2.9%	(5.3%)	(1.3%)	0.3%

- Revenue is up 97% since FY2022, Q1 due to increased refinery, gas processing, and thermal vacuum chamber revenue
- Gross margin was impacted 2.3% by under recovery of construction overhead costs
- Adjusted operating income is break-even

Revenue is expected to continue to improve into the back half of FY2023; operating income is also forecasted to improve on increased revenue and full recovery of construction overhead costs.

QUARTERLY TREND | STORAGE & TERMINAL SOLUTIONS

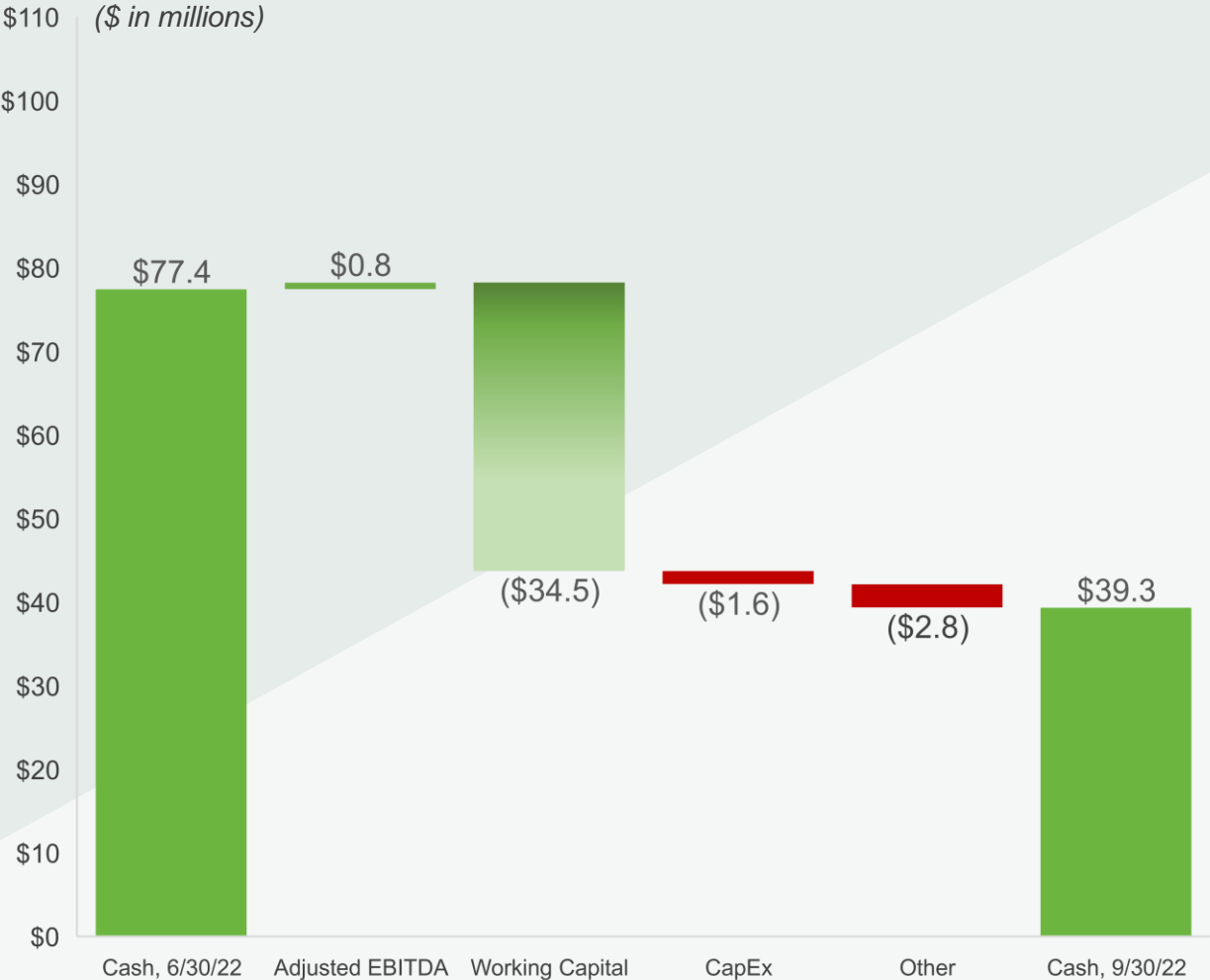
(In millions except %)

	FY2022, Q1	FY2022, Q2	FY2022, Q3	FY2022, Q4	FY2023, Q1
Revenue	\$ 66,984	\$ 56,887	\$ 48,691	\$ 60,268	\$ 76,933
Gross Profit (Loss)	413	(172)	(458)	478	7,564
Gross Margin	0.6%	(0.3%)	(0.9%)	0.8%	9.8%
SG&A Expense	4,506	4,280	4,063	4,434	4,158
Adjusted Operating Income	(4,093)	(4,452)	(4,521)	(3,956)	3,406
Adjusted Operating Income %	(6.1%)	(7.8%)	(9.3%)	(6.6%)	4.4%

- Revenue is up 15% since FY2022, Q1; expect significant increase in the second half of FY2023
- Gross margin is at its highest since FY2021, Q3, impacted 2.3% by under recovery of construction overhead costs
- Under recovery of construction overhead costs has improved on higher revenue
- Adjusted operating income is at its highest since FY2020, Q3

Revenue improved significantly in FY2023, Q1 with expectations of a return to historical performance based on project opportunities and anticipated awards.

CASH BRIDGE | FY 2023, Q1



Due to rising revenue volumes, **heavy investment in working capital was the primary driver of the cash decrease** during Q1.

Based on forecasted mix of work, including increasing capital projects, **we expect liquidity to improve** through the remainder of the fiscal year.

We continue to **proactively manage our balance sheet and liquidity.**



Q&A

Appendix

CONSOLIDATED – Quarter and Year Comparison to Prior Year

	Q1 FY 2023	Q4 FY2022	Q1 FY 2022
Revenue	\$208,431	\$200,719	\$168,093
Gross Profit (Loss)	13,008	858	(3,508)
Gross Margin (Loss) %	6.2%	0.4%	(2.1%)
SG&A	16,811	18,098	16,629
Restructuring Costs	1,287	924	605
Operating Loss	(5,090)	(18,164)	(20,742)
Other Income (Loss)	(1,074)	31,898	(83)
Net Income (Loss)	(6,512)	13,456	(17,538)
Adjusted Net Loss ¹	(4,162)	(13,838)	(15,961)
EPS	\$ (0.24)	\$ 0.50	\$ (0.66)
Adjusted EPS ¹	\$ (0.15)	\$ (0.52)	\$ (0.60)
Adjusted EBITDA ¹	844	(11,962)	(14,278)

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

ADJUSTED EBITDA

	THREE MONTHS ENDED		
	September 30, 2022	June 30, 2022	September 30, 2021
Net Income (Loss), as reported	\$ (6,512)	\$ 13,456	\$ (17,538)
Gain on sale of facilities	–	(32,392)	–
Restructuring Costs	1,287	924	605
Stock-Based Compensation	2,055	2,054	1,869
Interest Expense	372	246	1,999
Provision (Benefit) for Income Taxes	–	53	(5,265)
Depreciation and Amortization	3,642	3,697	4,052
Adjusted EBITDA	\$ 844	\$ (11,962)	\$ (14,278)

RECONCILIATION OF CERTAIN NON-GAAP MEASURES

	THREE MONTHS ENDED		
	September 30, 2022	June 30, 2022	September 30, 2021
Net Income (Loss), as reported	\$ (6,512)	\$ 13,456	\$ (17,538)
Restructuring Costs	1,287	924	605
Gain on sale of facilities	–	(32,392)	–
Accelerated amortization of deferred debt amendment fees	–	–	1,518
Tax impact of adjustments	(331)	8,100	(546)
Deferred tax asset valuation allowance	1,394	(3,926)	–
Adjusted net loss	\$ (4,162)	\$ (13,838)	\$ (15,961)
Earnings (Loss) per fully diluted share	\$ (0.24)	\$ 0.50	\$ (0.66)
Adjusted loss per fully diluted share	\$ (0.15)	\$ (0.52)	\$ (0.60)

RECONCILIATION OF CERTAIN NON-GAAP MEASURES

	THREE MONTHS ENDED SEPTEMBER 30, 2022				
	Utility and Power Infrastructure	Process and Industrial Facilities	Storage and Terminal Solutions	Corporate	Total
Total Operating Income (Loss)	\$ (61)	\$ (55)	\$ 2,884	\$ (7,858)	\$ (5,090)
Restructuring Costs	37	315	522	413	1,287
Adjusted Operating Income (Loss)	\$ (24)	\$ 260	\$ 3,406	\$ (7,445)	\$ (3,803)

	THREE MONTHS ENDED JUNE 30, 2022				
	Utility and Power Infrastructure	Process and Industrial Facilities	Storage and Terminal Solutions	Corporate	Total
Total Operating Loss	\$ (4,200)	\$ (1,175)	\$ (3,993)	\$ (8,796)	\$ (18,164)
Restructuring Costs	41	28	37	818	924
Adjusted Operating Loss	\$ (4,159)	\$ (1,147)	\$ (3,956)	\$ (7,978)	\$ (17,240)

	THREE MONTHS ENDED SEPTEMBER 30, 2021				
	Utility and Power Infrastructure	Process and Industrial Facilities	Storage and Terminal Solutions	Corporate	Total
Total Operating Income (Loss)	\$ (9,166)	\$ 102	\$ (4,060)	\$ (7,618)	\$ (20,742)
Restructuring Costs	9	7	(33)	622	605
Adjusted Operating Income (Loss)	\$ (9,157)	\$ 109	\$ (4,093)	\$ (6,996)	\$ (20,137)