FY 2022 | SECOND QUARTER RESULTS

MATRIX SERVICE COMPANY
Move to a higher standard[SM]

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.

INTRODUCTORY REMARKS

HIGHLIGHTS FOR THE QUARTER

1

Continued Momentum in Project Awards

- Second consecutive quarter with a book-to-bill above 1x
- H1 2022 awards twice as high as H1 2021 and already exceed total awards for FY 2021

2

Momentum Driven by Market Recovery and More Focused Approach

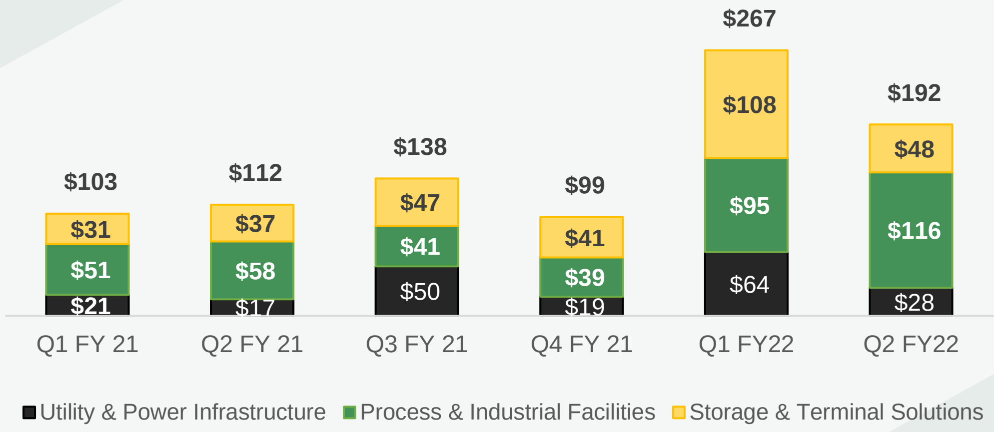
- Return of client confidence and normalization of environment
- Centralization of BD organization with a more focused and total solutions approach

3

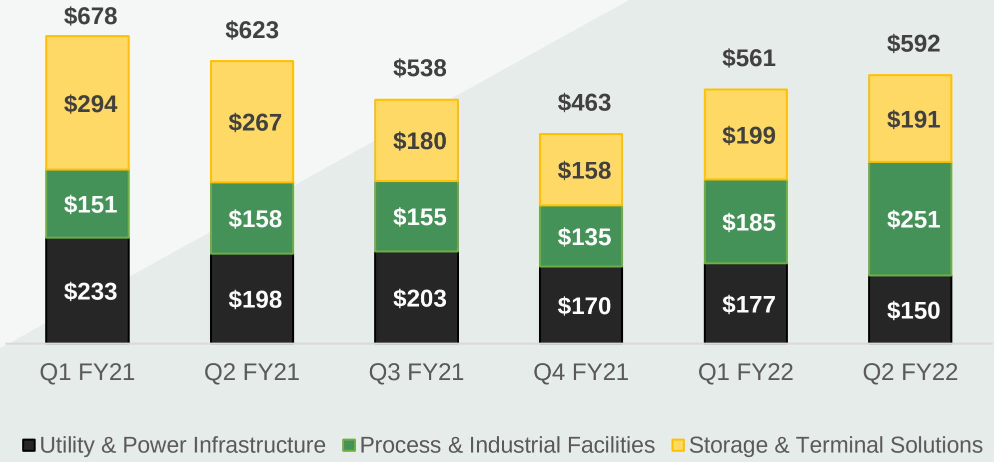
Backlog of $592 million as of 12/31/2021

- Expect sequential improvements in quarterly results and profitability in Q4 FY 2022

Project Awards *($ millions)*



Ending Backlog *($ millions)*



CONSOLIDATED

	2Q FY 2022	YTD FY 2022
Revenue	$161,965	$330,058
Gross Profit	3,207	(301)
Gross Profit %	2.0%	(0.1%)
SG&A	15,922	32,551
Operating Income	(13,410)	(34,152)
Net Income	(24,919)	(42,457)
Adjusted Net Income[1]	(10,205)	(26,166)
EPS	(0.93)	(1.59)
Adjusted EPS[1]	(0.38)	(0.98)
Adjusted EBITDA[1]	(7,091)	(21,369)

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

KEY POINTS

- Revenue was in the range of our expectations
- Gross margins were 2% in the quarter
  - The most significant impact to margins was under recovery of construction overhead costs which negatively by over 500 basis points
  - Additionally, we were impacted by a lower than forecasted margin on a repair project
- Quarterly SG&A costs at the lowest level in 8 years as a result of continue focus on the management of our cost structure
- Bottom line results were an EPS loss of 93 cents and adjusted EPS loss of 38 cents, which excludes:
  - 53 cent impact of a $14.2 million non-cash valuation allowance related to deferred tax assets, and
  - 2 cent impact from restructuring

Outlook

- Returning to profitable performance is the top priority for the Company; we believe we are taking the necessary steps to achieve this important goal
- Project award performance was strong in 1Q and 2Q; bidding pipeline remains strong; and the Company expects to return to profitability in Q4

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UTILITY & POWER INFRASTRUCTURE

	2Q FY 2022	YTD FY 2022
Revenue	$54,752	$111,956
Gross Profit	(491)	(6,598)
Gross Profit %	(0.9%)	(5.9%)
Operating Income	(3,678)	(12,844)

KEY POINTS

- Quarter results were impacted by:
  - Low revenue volume which led to the under recovery of construction overhead costs, and
  - Working through projects that were marked down in previous periods and projects that were bid competitively, and therefore present a lower margin opportunity

OUTLOOK

- Expect to increase revenue volume and recovery of overhead costs as we move through the fiscal year
- 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

	2Q FY 2022	YTD FY 2022
Revenue	$50,316	$94,221
Gross Profit	4,235	7,106
Gross Profit %	8.4%	7.5%
Operating Income	1,467	1,569

KEY POINTS

- Revenue volume does not yet reflect the strong project awards won over the last two quarters
  - 2.2 YTD book-to-bill
  - Awards include some larger capital projects
- Project execution was strong but gross margin was impacted by under recovery of construction overhead costs that occurred due to low revenue volume

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

	2Q FY 2022	YTD FY 2022
Revenue	$56,897	$123,881
Gross Profit	(172)	241
Gross Profit %	(0.3%)	0.2%
Operating Income	(4,559)	(8,619)

KEY POINTS

- Revenue level has not benefitted yet from recently awarded projects
  - 1.3 YTD book-to-bill
  - $156 million in project awards
- The segment gross margin was challenged by
  - Under recovery on low revenue volume which impacted gross margins over 500 basis points and
  - Lower than previously forecasted margin on a thermal energy storage repair project

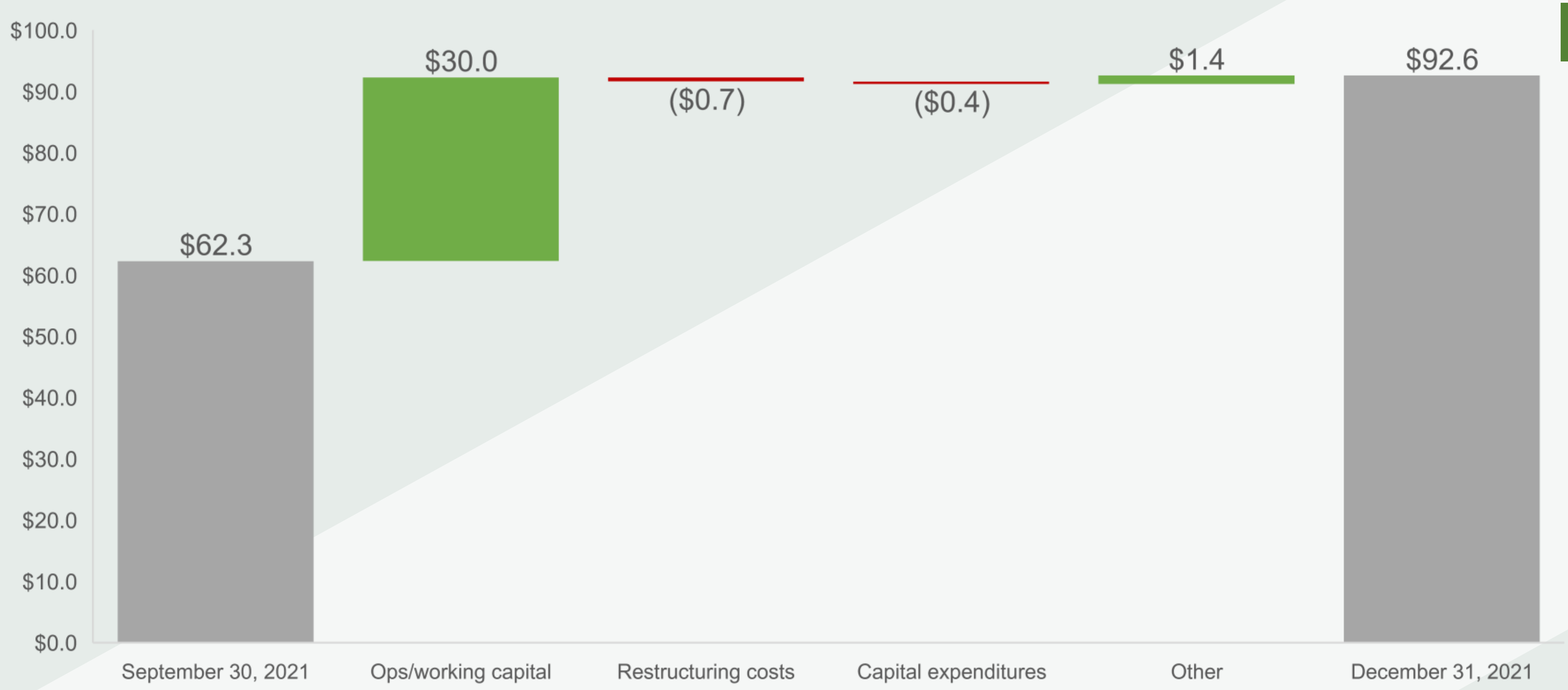
OUTLOOK

- Recent project awards will benefit revenue volume and overhead recovery in the back half of the year
- Opportunities across the Americas and the Caribbean in LNG and NGLs, and LNG bunkering facilities continue to increase
- 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

2Q FY 2022 Cash Bridge

(in millions)



KEY POINTS

- Ended 2Q FY 2022 with cash of $92.6 million and no debt
- The $30.3 million cash increase in the quarter was related to changes in working capital partial offset by the quarterly operating loss
- 2Q Capital Expenditures of $0.4 million
- ABL credit facility borrowing base of $70.1 million
  - Utilized $33.4 million for letters of credit, used primarily in lieu of retention on a few projects
  - Letters of credit decreased to $23.6 million subsequent to quarter end
- Liquidity increased to $101.7 million, which excludes $27.6 million of restricted cash

The Company continues to have a strong, debt-free balance sheet which provides the financial capacity necessary to support increasing revenue during the remainder of fiscal 2022 and into fiscal 2023

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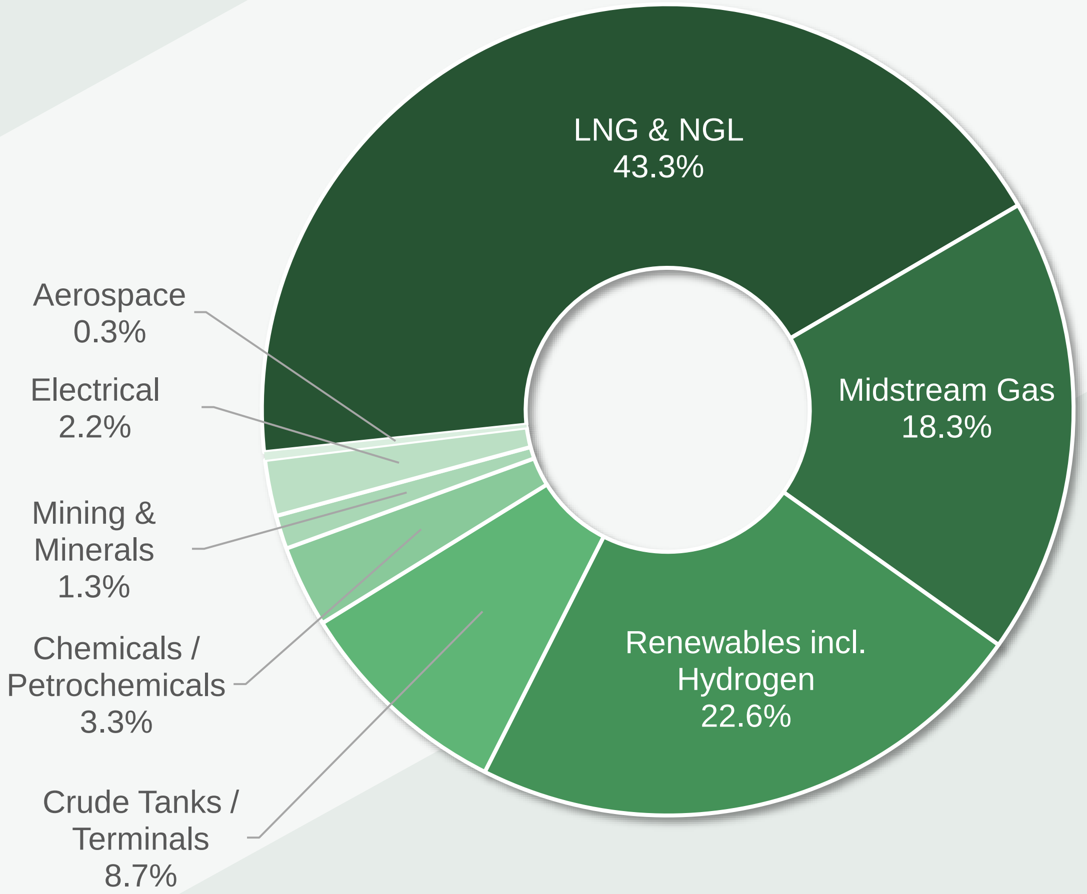
OUTLOOK

FOCUSED ON END MARKETS WITH THE MOST POTENTIAL

Our opportunity pipeline supports the world and our client’s transition to cleaner fuels and is strong across all segments.

Our diversification and strategy support our revenue expectations and growth aspirations for the future.

Capital Project Pipeline[1]



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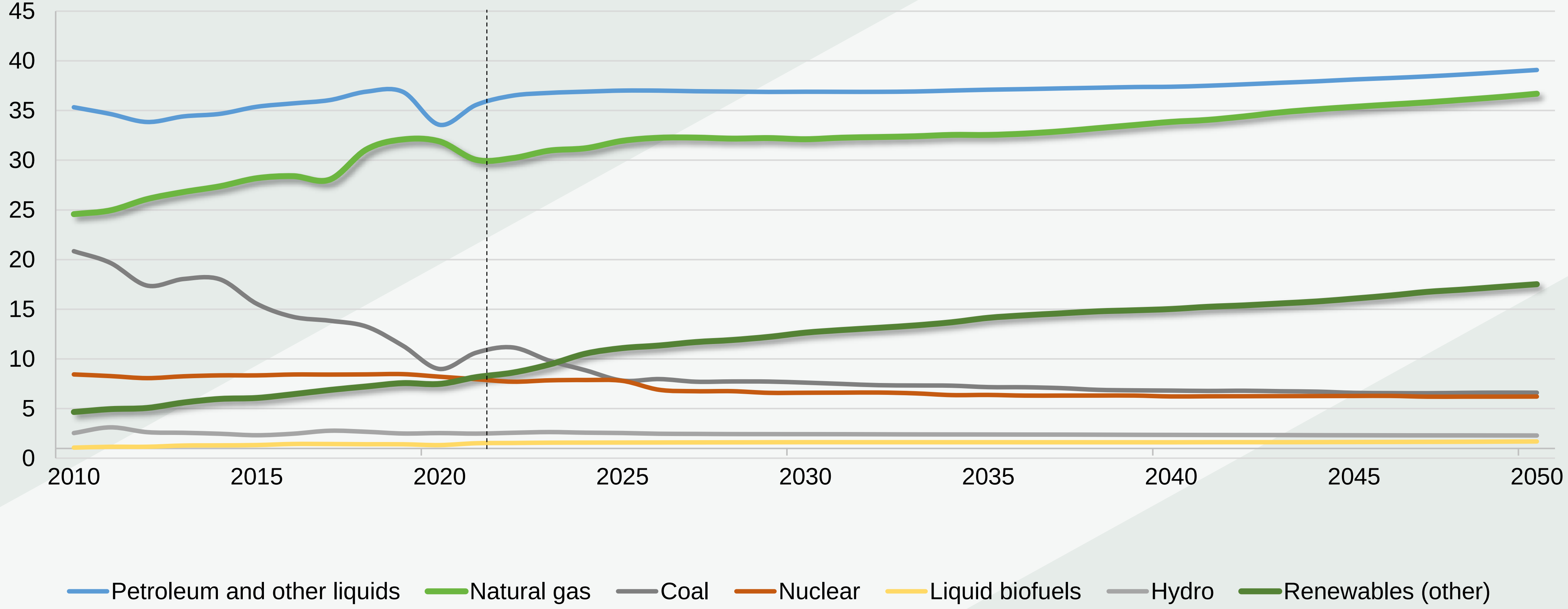
(1) Excludes project opportunities that have individual values below $5 million, and all maintenance activity

Note: Refinery capital projects performed under existing maintenance agreements are also excluded from the opportunity pipeline depicted above

CLEAN ENERGY TRANSITION CREATES OPPORTUNITY

U.S. Energy Consumption by Source
(in quadrillion Btu)



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Source: EIA; AEO2021 Reference case

INCREASING ACTIVITY ACROSS ALL OF OUR SEGMENTS

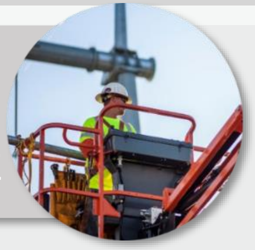
PROCESS & INDUSTRIAL FACILITIES

- Upgrade projects awarded at two separate refineries to allow processing of renewable diesel
- EPC project awarded for a midstream gas processing plant, and other clients planning capital projects to upgrade their compression and processing stations
- Awards won for several small mining projects as industry capex begins to ramp
- Recent success getting MSAs in place in with chemical and petrochemical producers; beginning to win small FEED and engineering projects
- Second thermal vacuum chamber project being added to backlog in Q3
- Pent up demand for refinery turnarounds, maintenance, and repair as utilization returns to pre-pandemic levels

STORAGE & TERMINAL SOLUTIONS

- Actively tracking or pursuing opportunities in hydrogen and ammonia
- Bidding activity in aboveground crude oil storage has recently accelerated to pre-pandemic levels, with near-term booking opportunities growing
- Awarded project for engineering, fabrication and construction of seven renewable fuel storage tanks
- Investment expected in natural gas, LNG, ammonia, renewable energy, and NGL storage and terminal solutions driven by strong demand across North America, Central America, and the Caribbean

UTILITY & POWER INFRASTRUCTURE



- Pricing multiple FEED studies, maintenance and repair and capital projects for both new LNG peak shaving project and several that have been on hold until recently
- Interconnected world of electrical, renewable generation and an aging infrastructure creates organic growth opportunity
- Winning various project types, including greenfield substations and rebuilds, transmission and distribution, relay upgrades and fiber installation

POSITIONING AND EXECUTION

Prepared to Execute and Deliver Results

- Organization has been streamlined with cost structure reduced by $80 million
- Internal enhancements underway to further enhance Shares Services structure for certain support functions
- Creating 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
- Adding resources strategically with recent senior business development hires to attack a growing opportunity pipeline
- Winning key awards and building backlog



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Appendix

RECONCILIATION OF CERTAIN NON-GAAP MEASURES

	THREE MONTHS ENDED		SIX MONTHS ENDED	
	DECEMBER 31, 2021	DECEMBER 31, 2020	DECEMBER 31, 2021	DECEMBER 31, 2020
Net Loss	$ (24,919)	$ (4,591)	$ (42,457)	$ (7,628)
Restructuring Costs	695	5,045	1,300	4,725
Accelerated amortization of deferred debt amendment fees	_	_	1,518	_
Deferred tax asset valuation allowance	14,198	_	14,198	_
Tax impact of restructuring costs and accelerated amortization of debt amendment fees	(179)	(1,299)	(725)	(1,217)
Adjusted net loss	$ (10,205)	$ (845)	$ (26,166)	$ (4,120)
Loss per fully diluted share	$ (0.93)	$ (0.17)	$ (1.59)	$ (0.29)
Adjusted loss per fully diluted share	$ (0.38)	$ (0.03)	$ (0.98)	$ (0.16)

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ADJUSTED EBITDA

	THREE MONTHS ENDED		SIX MONTHS ENDED	
	DECEMBER 31, 2021	DECEMBER 31, 2020	DECEMBER 31, 2021	DECEMBER 31, 2020
Net Loss	$ (24,919)	$ (4,591)	$ (42,457)	$ (7,628)
Restructuring Costs	695	5,045	1,300	4,725
Stock-Based Compensation	1,866	1,981	3,735	4,199
Interest Expense	502	358	2,501	733
Provision (Benefit) for Income Taxes	10,976	(1,212)	5,711	(942)
Depreciation and Amortization	3,789	4,648	7,841	9,287
Adjusted EBITDA	$ (7,091)	$ 6,229	$ (21,369)	$ 10,374

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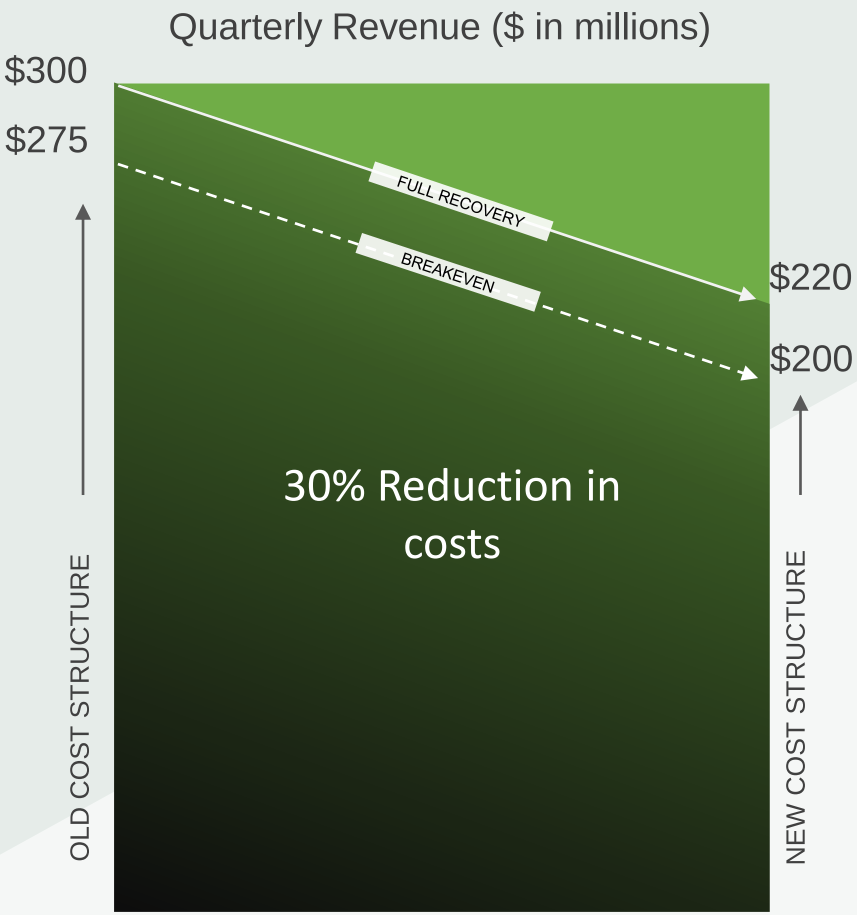
COST STRUCTURE LEVERAGE



COST STRUCTURE CHANGES

- The Company has implemented ~$80 million of cost reductions on an annualized basis, translating to ~30% decrease in overhead cost structure over the past two years.
- Cost reductions have occurred throughout the business, a significant portion of which are permanent. However, necessary construction overhead resources will be added to effectively win and execute projects as revenue volume returns.

IMPACT OF COST STRUCTURE CHANGES

- These cost reductions have significantly improved the future earnings potential of the Company.
- A lower volume of revenue is required to achieve profitable performance and to achieve full recovery of construction overhead cost.

The project awards in the first half of fiscal 2022 combined with an accelerating opportunity pipeline, improve the prospects of returning to profitability by the end of the fiscal year.