

# A letter to our shareholders

John Kasel  
President & CEO



**Continuing to build momentum in 2022, we have taken significant steps to begin transforming into a technology-focused, high-growth infrastructure solutions provider. We spent the last year executing our strategic playbook by identifying areas of influence, while also actively managing challenging operating conditions. The year's results reflect progress in revenue, profitability, and returns, with strong sequential growth delivered in the second half of 2022 and improving year-over-year comparisons.**

In our strategic playbook, we outlined growth and returns businesses within L.B. Foster. To complement the playbook, we identified areas of influence that simplify our business portfolio and demonstrate how we provide value to our customers by improving information flow, enhancing environments, keeping things moving, monitoring conditions, and enabling safety. We provide these services and influence our world by applying technology to support rail and built infrastructure.

We made progress on key workstreams by completing three acquisitions: two European technology businesses, Intelligent Video Ltd. and Skratsh Enterprises Ltd., and one U.S. concrete products business, VanHooseCo Precast.

The acquisition of UK-based Intelligent Video and Skratsh Enterprises supports the Company's growth strategy to expand our capabilities in the technology sector and is intended to enhance our capital efficiency in Europe. These companies allow us to continue to improve information flow by applying smart technologies that aggregate critical information for our customers.

We are committed to the transformation of L.B. Foster Company from an industrial steel and rail supplier to a technology-based solutions provider. Skratsh and Intelligent Video function as key enablers to help us achieve our goal. Our expertise keeps things moving with purpose in the rail industry, while the acquisitions in the technology sector introduce

our European offerings to new markets. Skratsh provides services in the digital solutions space that complement our own product development competencies and offer solutions that go well beyond our traditional markets. We understand the insight that data brings and work hard to translate that into positive actions and accessible content.

The third acquisition of VanHooseCo Precast supports our playbook growth item to double down on precast concrete. It reinforces our mission to enhance environments and create a better experience through our additional solutions. VanHooseCo provides a platform for further investment and organic growth in the expanding precast concrete infrastructure market. It also supports our dedication to enhancing environments and increasing our visibility in key market segments beyond our concrete offerings.

The domestic precast market has high growth potential which motivates us to expand our reach to serve customers in the mid-Atlantic and Southeast US regions. VanHooseCo permits us to offer concrete wall systems as well as water management products and services to several different markets.

Our portfolio changes are designed to maintain steadily improving demand in the face of challenging market conditions and drive expansion in the coming years. **[Continued on page 4]**

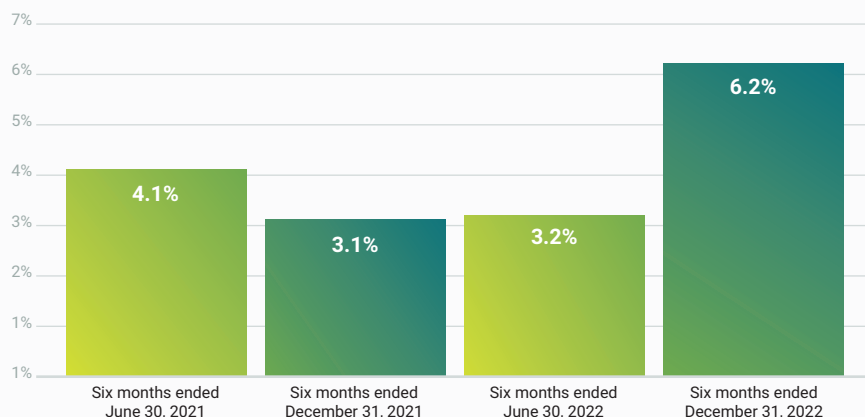


# 2022 Financial Highlights

YEAR ENDED DECEMBER 31  
(In millions, except per share data)

	2022	2021
Net sales	\$497.5	\$513.6
Gross profit	\$89.6	\$86.3
Net (loss) income <sup>(a)</sup>	\$(45.7)	\$3.6
Diluted (loss) earnings per share	\$(4.25)	\$0.34
Adjusted EBITDA <sup>(b)</sup>	\$24.2	\$18.7

Adjusted EBITDA as a Percentage of Adjusted Sales <sup>(b)</sup>  
(\$ in millions)



**\$497m**  
Revenue

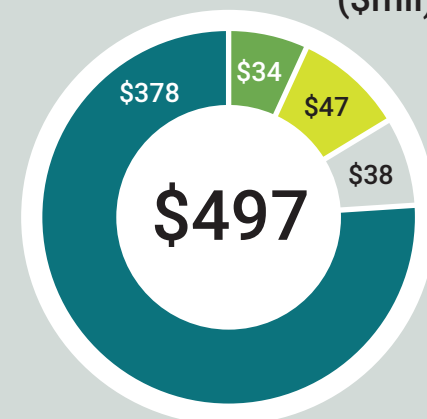
**\$272m**  
Backlog <sup>(b)</sup>

**\$(7)m**  
Operating Loss

**\$24m**  
Adjusted EBITDA <sup>(b)</sup>

**\$552m**  
New Orders <sup>(b)</sup>

Net Sales by Region  
(\$mil)



(a) 2022 Net loss due to non-cash items: \$8.0m intangible asset impairment charges and \$37.9m tax valuation allowance.

(b) See "Non-GAAP Disclosures" on Page 10 for a further description and additional information regarding Adjusted EBITDA, Backlog, and New Orders, and related reconciliations to comparable GAAP financial measures.

● U.S.
 ● U.K.
 ● Other
 ● Canada

# A letter to our shareholders

Raymond T.  
Betler



## A message from our Chairman

Following the retirement of Lee B. Foster II, I was appointed as the new Chairman of the Board. In addition, I am pleased to introduce the newly appointed members of the Board: John E. Kunz, Janet Lee, and Bruce E. Thompson. Their experiences will translate well into our initiatives to drive shareholder value. We look forward to their positive impacts and contributions to the Board.

## [From page 2]

Additionally, in the rail sector, we launched our next-generation remote condition monitoring systems to help our customers improve the performance and availability of railway and other assets. These technologies monitor for bridge strike, flooding, and wear that can be detrimental to the railway. We also introduced our Rockfall Monitoring and the Mk-IV WILD into that suite of products. These two solutions offer data collection and monitoring that detect and alert operators to hazards such as rockfall and defective wheels. To monitor conditions, we apply our deep technical knowledge and understanding to create solutions that enable the safe, reliable operation of mission critical infrastructure. Across each market, our products and services enhance the safety environment for our customers. The last year also included an increased focus on sustainability with the investment in several initiatives to enhance our business practices based upon a holistic perspective, improved financial performance, responsible and considerate practices, and value creation for the marketplaces we serve.





John E.  
Kunz



Janet Lee



Bruce E.  
Thompson



Looking forward, our strategic transformation and newly-acquired businesses should drive market expansion, increase commercial activity, and manifest in value creation, and improvements in profitability through a streamlined and efficient business portfolio. As a result, we are focused on delivering our aspirational goals of \$600M in revenue and ~\$50M in EBITDA in 2025. We remain optimistic in the near and longer-term outlooks for our key end markets of rail and general infrastructure, particularly given the announced government funding programs expected to be in place over the next several years.

I extend my thanks to Suzanne B. Rowland, Robert S. Purgason, William H. Rackoff, and Bradley S. Vizi who left the Board in 2022. Their support and counsel throughout their tenures added tremendous value to the Company's oversight and leadership. Thank you to our Board of Directors for their guidance and contributions throughout the year.

I want to take a moment to thank our employees for all their hard work over the last year. I am deeply grateful to have the opportunity to lead such an amazing group. We could not achieve our goals without the collective efforts and passion of the entire team.

Finally, and most importantly, I would like to thank you, our shareholders. We would not be the L.B. Foster Company we are today without your support. I am confident that we will continue to prove our value to you.

**John F. Kasel**  
**President & CEO, L.B. Foster**

A handwritten signature in black ink that reads "John F. Kasel".



**L.B. Foster's senior leadership team (left to right):** Gregory Lippard, Senior Vice President, Rail; Patrick Guinee, Senior Vice President, General Counsel and Corporate Secretary; William Thalman, Senior Vice President and Chief Financial Officer; John Kasel, President and Chief Executive Officer; William Treacy, Senior Vice President and Chief Growth Officer; and Brian Kelly, Senior Vice President, Human Resources and Administration.