UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 10-Q

(Mark One)

☒ **Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

for the quarterly period ended March 31, 2019

Or

☐ **Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

for the transition period from __________ to __________

Commission File Number: 000-10436

L.B. Foster Company
(Exact name of Registrant as specified in its charter)

Pennsylvania	**25-1324733**
(State of Incorporation)	**(I. R. S. Employer Identification No.)**
415 Holiday Drive, Suite 100, Pittsburgh, Pennsylvania	**15220**
(Address of principal executive offices)	**(Zip Code)**

(412) 928-3400
(Registrant’s telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (section 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of “large accelerated filer,” “accelerated filer,” “smaller reporting company,” and “emerging growth company” in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer ☐	Accelerated filer ☒
Non-accelerated filer ☐	Smaller reporting company ☒
	Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by checkmark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	**Trading Symbol(s)**	**Name of each exchange on which registered**
Common Stock, Par Value $0.01	FSTR	NASDAQ Global Select Market

Indicate the number of shares outstanding of each of the issuer’s classes of common stock, as of the latest practicable date.

Class	**Outstanding as of May 3, 2019**
Common Stock, Par Value $0.01	10,581,281 Shares

L.B. FOSTER COMPANY AND SUBSIDIARIES

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Part I. FINANCIAL INFORMATION

Item 1. Financial Statements

L.B. FOSTER COMPANY AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(In thousands, except share data)

	March 31, 2019 (Unaudited)	December 31, 2018
ASSETS		
Current assets:		
Cash and cash equivalents	$ 9,039	$ 10,282
Accounts receivable - net (Note 5)	99,518	86,123
Inventories - net (Note 6)	142,714	124,504
Other current assets	7,752	5,763
Total current assets	259,023	226,672
Property, plant, and equipment - net (Note 7)	85,870	86,857
Operating lease right-of-use assets - net (Note 8)	13,116	—
Other assets:		
Goodwill (Note 4)	19,422	19,258
Other intangibles - net (Note 4)	48,298	49,836
Other assets	488	626
TOTAL ASSETS	$ 426,217	$ 383,249
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 90,419	$ 78,269
Deferred revenue	14,168	6,619
Accrued payroll and employee benefits	7,598	12,993
Accrued warranty (Note 14)	1,715	2,057
Current portion of accrued settlement (Note 14)	8,000	10,000
Current maturities of long-term debt (Note 9)	609	629
Other accrued liabilities	14,964	13,624
Total current liabilities	137,473	124,191
Long-term debt (Note 9)	89,573	74,353
Deferred tax liabilities (Note 15)	5,142	5,287
Long-term portion of accrued settlement (Note 14)	40,000	40,000
Long-term operating lease liabilities (Note 8)	9,812	—
Other long-term liabilities	16,959	17,299
Stockholders' equity:		
Common stock, par value $0.01, authorized 20,000,000 shares; shares issued at March 31, 2019 and December 31, 2018, 11,115,779; shares outstanding at March 31, 2019 and December 31, 2018, 10,404,347 and 10,366,007, respectively	111	111
Paid-in capital	47,400	48,040
Retained earnings	118,647	114,324
Treasury stock - at cost, 711,432 and 749,772 common stock shares at March 31, 2019 and December 31, 2018, respectively	(17,196)	(18,165)
Accumulated other comprehensive loss	(21,704)	(22,191)
Total stockholders' equity	127,258	122,119
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 426,217	$ 383,249

The accompanying notes are an integral part of these Condensed Consolidated Financial Statements.

L.B. FOSTER COMPANY AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(In thousands, except per share data)

	Three Months Ended March 31,	
	2019	2018
	(Unaudited)	
Sales of goods	$ 113,083	$ 91,811
Sales of services	37,386	30,643
Total net sales	150,469	122,454
Cost of goods sold	92,331	75,136
Cost of services sold	28,976	25,126
Total cost of sales	121,307	100,262
Gross profit	29,162	22,192
Selling and administrative expenses	21,917	20,458
Amortization expense	1,712	1,785
Interest expense - net	1,355	1,887
Other income	(150)	(605)
Total expenses	24,834	23,525
Income (loss) before income taxes	4,328	(1,333)
Income tax expense	638	525
Net income (loss)	$ 3,690	$ (1,858)
Basic earnings (loss) per common share	$ 0.36	$ (0.18)
Diluted earnings (loss) per common share	$ 0.35	$ (0.18)

The accompanying notes are an integral part of these Condensed Consolidated Financial Statements.

L.B. FOSTER COMPANY AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
(In thousands)

	Three Months Ended March 31,	
	2019	2018
	(Unaudited)	
Net income (loss)	$ 3,690	$ (1,858)
Other comprehensive income, net of tax:		
Foreign currency translation adjustment	1,053	24
Unrealized (loss) gain on cash flow hedges, net of tax expense of $0 for all periods	(26)	738
Reclassification of pension liability adjustments to earnings, net of tax expense of $0 for all periods*	93	114
Other comprehensive income	1,120	876
Comprehensive income (loss)	$ 4,810	$ (982)

* *Reclassifications out of accumulated other comprehensive loss for pension obligations are charged to selling and administrative expenses.*

The accompanying notes are an integral part of these Condensed Consolidated Financial Statements.

L.B. FOSTER COMPANY AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)

	Three Months Ended March 31,	
	2019	2018
	(Unaudited)	
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income (loss)	$ 3,690	$ (1,858)
Adjustments to reconcile net income (loss) to cash provided by (used in) operating activities:		
Deferred income taxes	(166)	(1,258)
Depreciation	2,772	2,944
Amortization	1,712	1,785
Equity in (gain) loss of nonconsolidated investments	(21)	3
Loss on sales and disposals of property, plant, and equipment	—	3
Stock-based compensation	855	1,082
Change in operating assets and liabilities:		
Accounts receivable	(13,166)	10
Inventories	(17,463)	(3,046)
Other current assets	(1,961)	(2,775)
Prepaid income tax	(108)	(277)
Other noncurrent assets	591	230
Accounts payable	12,653	10,759
Deferred revenue	7,542	82
Accrued payroll and employee benefits	(5,438)	(5,615)
Accrued settlement	(2,000)	—
Other current liabilities	(2,305)	576
Other long-term liabilities	(733)	(54)
Net cash (used in) provided by operating activities	(13,546)	2,591
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from the sale of property, plant, and equipment	59	9
Capital expenditures on property, plant, and equipment	(2,572)	(723)
Net cash used in investing activities	(2,513)	(714)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Repayments of debt	(43,414)	(60,639)
Proceeds from debt	58,614	33,076
Treasury stock acquisitions	(526)	(310)
Net cash provided by (used in) financing activities	14,674	(27,873)
Effect of exchange rate changes on cash and cash equivalents	142	(698)
Net decrease in cash and cash equivalents	(1,243)	(26,694)
Cash and cash equivalents at beginning of period	10,282	37,678
Cash and cash equivalents at end of period	$ 9,039	$ 10,984
Supplemental disclosure of cash flow information:		
Interest paid	$ 1,179	$ 964
Income taxes paid	$ 904	$ 994

The accompanying notes are an integral part of these Condensed Consolidated Financial Statements.

L.B. FOSTER COMPANY AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(Dollars in thousands)

	Three Months Ended March 31, 2019					
	Common Stock	Paid-in Capital	Retained Earnings	Treasury Stock	Accumulated Other Comprehensive (Loss) Income	Total
Balance, December 31, 2018	$ 111	$ 48,040	$ 114,324	$ (18,165)	$ (22,191)	$ 122,119
Adjustment to adopt ASU 2018-02	—	—	633	—	(633)	—
Net income	—	—	3,690	—	—	3,690
Other comprehensive income, net of tax:						
Pension liability adjustment	—	—	—	—	93	93
Foreign currency translation adjustment	—	—	—	—	1,053	1,053
Unrealized derivative loss on cash flow hedges	—	—	—	—	(26)	(26)
Issuance of 38,340 common shares, net of shares withheld for taxes	—	(1,495)	—	969	—	(526)
Stock-based compensation	—	855	—	—	—	855
Balance, March 31, 2019	$ 111	$ 47,400	$ 118,647	$ (17,196)	$ (21,704)	$ 127,258

	Three Months Ended March 31, 2018					
	Common Stock	Paid-in Capital	Retained Earnings	Treasury Stock	Accumulated Other Comprehensive (Loss) Income	Total
Balance, December 31, 2017	$ 111	$ 45,017	$ 145,797	$ (18,662)	$ (17,767)	$ 154,496
Adjustment to adopt ASU 2016-16	—	—	(305)	—	—	(305)
Net loss	—	—	(1,858)	—	—	(1,858)
Other comprehensive income, net of tax:						
Pension liability adjustment	—	—	—	—	114	114
Foreign currency translation adjustment	—	—	—	—	24	24
Unrealized derivative gain on cash flow hedges	—	—	—	—	738	738
Issuance of 24,769 common shares, net of shares withheld for taxes	—	(792)	—	482	—	(310)
Stock-based compensation	—	1,082	—	—	—	1,082
Balance, March 31, 2018	$ 111	$ 45,307	$ 143,634	$ (18,180)	$ (16,891)	$ 153,981

The accompanying notes are an integral part of these Condensed Consolidated Financial Statements.

L.B. FOSTER COMPANY AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)
(In thousands, except share data)

Note 1. Financial Statements

Basis of Presentation

The accompanying unaudited Condensed Consolidated Financial Statements have been prepared in accordance with accounting principles generally accepted in the United States ("GAAP") for interim financial information and with the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by GAAP for complete financial statements. In the opinion of management, all estimates and adjustments (consisting of normal recurring accruals, unless otherwise stated herein) considered necessary for a fair presentation of the financial position of L.B. Foster Company and subsidiaries as of March 31, 2019 and December 31, 2018, and its condensed consolidated statements of operations, its condensed consolidated statements of cash flows and, its condensed consolidated statements of stockholders' equity for the three months ended March 31, 2019 and 2018, have been included. However, actual results could differ from those estimates. The results of operations for interim periods are not necessarily indicative of the results that may be expected for the year ending December 31, 2019. The Condensed Consolidated Balance Sheet as of December 31, 2018 was derived from audited financial statements. This Quarterly Report on Form 10-Q should be read in conjunction with the consolidated financial statements and footnotes thereto included in the Company's Annual Report on Form 10-K for the year ended December 31, 2018. In this Quarterly Report on Form 10-Q, references to "we," "us," "our," and the "Company" refer collectively to L.B. Foster Company and its consolidated subsidiaries.

Recently Issued Accounting Standards

In August 2018, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update No. ("ASU") 2018-15, "Intangibles - Goodwill and Other - Internal-Use Software" ("ASU 2018-15"). The ASU requires capitalization of certain implementation costs incurred in a cloud computing arrangement that qualifies as a service contract. The amendments in the ASU are effective for fiscal years beginning after December 15, 2019 and for interim periods therein with early adoption permitted. The Company is currently evaluating the potential impact of the ASU on its consolidated financial statements.

Recently Adopted Accounting Standards

In February 2016, the FASB issued ASU 2016-02, "Leases (Topic 842)" ("ASU 2016-02"). The new accounting requirements include the accounting for, presentation of, and classification of leases. The guidance resulted in most leases being capitalized as a right-of-use asset with a related balance sheet liability. The requirements of the new standard are effective for annual reporting periods beginning after December 15, 2018, and interim periods within those annual periods. The Company adopted the provisions of ASU 2016-02 on January 1, 2019, using the modified retrospective approach as of the beginning of the period of adoption. Additionally, the Company has elected to apply the practical expedient package for leases that commenced prior to the effective date, not to apply the recognition requirements in the standard to short-term leases, and not to separate non-lease components from lease components. The Company has presented the disclosures required by ASU 2016-02 in Note 8.

In February 2018, the FASB issued ASU 2018-02, "Income Statement – Reporting Comprehensive Income; Reclassification of Certain Tax Effects from Accumulated Other Comprehensive Income" ("ASU 2018-02"), which allows companies to reclassify stranded tax effects caused by the US Tax Cuts and Jobs Act (the "Tax Act") from accumulated other comprehensive income to retained earnings. The amendments eliminate the stranded tax effects resulting from the Tax Act and improve the usefulness of information reported to financial statement users. However, because the amendments only relate to the reclassification of the income tax effects of the Tax Act, the underlying guidance that requires that the effect of a change in tax laws or rates be included in income from continuing operations is not affected. The Company adopted ASU 2018-02 during the first quarter of 2019 and has chosen to record the reclassification as of the beginning of the period of adoption. As a result of adopting this standard, we reclassified stranded tax effects of $633 from Accumulated other comprehensive loss to Retained earnings.

The SEC Disclosure Update and Simplification release announces the SEC's adoption of certain amendments in August 2018. While most of the amendments eliminate outdated or duplicative disclosure requirements, the final rule amends the interim financial statement requirements to require a reconciliation of changes in stockholders' equity in the notes to the financial statements or as a separate statement. This analysis should reconcile the beginning balance to the ending balance of each caption in stockholders' equity for each period for which an income statement is required to be filed and comply with the remaining content requirements of Rule 3-04 of Regulation S-X. As a result, registrants are required to provide the reconciliation for both the comparable quarterly and year-to-date periods in its Quarterly Report on Form 10-Q but only for the year-to-date periods in registration statements, beginning in the first quarter of 2019. The Company has included the reconciliation of changes in stockholders' equity as a separate statement.

Note 2. Business Segments

The Company is a leading manufacturer and distributor of products and services for transportation and energy infrastructure with locations in North America and Europe. The Company is organized and operates in three different operating segments: the Rail

Products and Services segment, the Construction Products segment, and the Tubular and Energy Services segment. The segments represent components of the Company (a) that engage in activities from which revenue is generated and expenses are incurred; (b) whose operating results are regularly reviewed by the Chief Operating Decision Maker ("CODM"), who makes decisions about resources to be allocated to the segments, and (c) for which discrete financial information is available. Operating segments are evaluated on their segment profit contribution to the Company's consolidated results. Other income and expenses, interest, income taxes, and certain other items are managed on a consolidated basis. The Company's segment accounting policies, unless otherwise noted, are the same as those described in the Note 2. Business Segments of the Notes to the Company's Consolidated Financial Statements contained in its Annual Report on Form 10-K for the year-ended December 31, 2018.

The following table illustrates the Company's revenues and profit from operations by segment for the periods indicated:

	Three Months Ended March 31, 2019		Three Months Ended March 31, 2018	
	Net Sales	Segment Profit	Net Sales	Segment Profit
Rail Products and Services	$ 75,694	$ 3,479	$ 62,170	$ 2,048
Construction Products	37,345	834	28,900	18
Tubular and Energy Services	37,430	4,688	31,384	1,885
Total	$ 150,469	$ 9,001	$ 122,454	$ 3,951

Segment profit from operations, as shown above, includes allocated corporate operating expenses. Operating expenses related to corporate headquarter functions that directly support the segment activity are allocated based on segment headcount, revenue contribution, or activity of the business units within the segments, based on the corporate activity type provided to the segment. The expense allocation excludes certain corporate costs that are separately managed from the segments.

The following table provides a reconciliation of segment net profit from operations to the Company's consolidated total:

	Three Months Ended March 31,	
	2019	2018
Profit for reportable segments	$ 9,001	$ 3,951
Interest expense - net	(1,355)	(1,887)
Other income	150	605
Unallocated corporate expenses and other unallocated charges	(3,468)	(4,002)
Income (loss) before income taxes	$ 4,328	$ (1,333)

The following table illustrates assets of the Company by segment:

	March 31, 2019	December 31, 2018
Rail Products and Services	$ 188,517	$ 175,704
Construction Products	112,584	97,133
Tubular and Energy Services	99,485	90,402
Unallocated corporate assets	25,631	20,010
Total	$ 426,217	$ 383,249

Note 3. Revenue

Revenue from products or services provided to customers over time accounted for 27.7% and 25.5% of revenue for the three months ended March 31, 2019 and 2018, respectively. Revenue under these long-term agreements is generally recognized over time either using an input measure based upon the proportion of actual costs incurred to estimated total project costs or an input measure based upon actual labor costs as a percentage of estimated total labor costs, depending upon which measure the Company believes best depicts the Company's performance to date under the terms of the contract. Revenue recognized over time using an input measure was $31,837 and $24,561 for the three months ended March 31, 2019 and 2018, respectively. A certain portion of the Company's revenue recognized over time under these long-term agreements is recognized using an output method, specifically units delivered, based upon certain customer acceptance and delivery requirements. Revenue recognized over time using an output measure was $9,911 and $6,661 for the three months ended March 31, 2019 and 2018, respectively. As of March 31, 2019 and December 31, 2018, the Company had contract assets of $33,599 and $26,692, respectively, that were recorded in "Inventory" within the Condensed Consolidated Balance Sheets. As of March 31, 2019 and December 31, 2018, the Company had contract liabilities of $3,720 and $1,505, respectively, that were recorded in "Deferred revenue" within the Condensed Consolidated Balance Sheets.

The majority of the Company's revenue is from products transferred and services rendered to customers at a point in time. Point in time revenue accounted for 72.3% and 74.5% of revenue for the three months ended March 31, 2019 and 2018, respectively. The Company recognizes revenue at the point in time at which the customer obtains control of the product or service, which is generally when the product title passes to the customer upon shipment or the service has been rendered to the customer. In limited cases, title does not transfer and revenue is not recognized until the customer has received the products at its physical location.

The following table summarizes the Company's net sales by major product and service category:

	Three Months Ended March 31,	
	2019	2018
Rail Products	$ 46,206	$ 36,034
Rail Technologies	29,488	26,136
Rail Products and Services	75,694	62,170
Piling and Fabricated Bridge	23,732	18,861
Precast Concrete Products	13,613	10,039
Construction Products	37,345	28,900
Test, Inspection, and Threading Services	14,724	14,213
Protective Coatings and Measurement Systems	22,706	17,171
Tubular and Energy Services	37,430	31,384
Total net sales	$ 150,469	$ 122,454

Net sales by the timing of the transfer of goods and services is as follows:

	Three Months Ended March 31, 2019			
	Rail Products and Services	Construction Products	Tubular and Energy Services	Total
Point in time	$ 56,492	$ 23,095	$ 29,134	$ 108,721
Over time	19,202	14,250	8,296	41,748
Total net sales	$ 75,694	$ 37,345	$ 37,430	$ 150,469

	Three Months Ended March 31, 2018			
	Rail Products and Services	Construction Products	Tubular and Energy Services	Total
Point in time	$ 45,871	$ 18,926	$ 26,435	$ 91,232
Over time	16,299	9,974	4,949	31,222
Total net sales	$ 62,170	$ 28,900	$ 31,384	$ 122,454

The timing of revenue recognition, billings, and cash collections results in billed receivables, costs in excess of billings (contract assets, included in "Inventory"), and billings in excess of costs (contract liabilities, included in "Deferred revenue") on the Condensed Consolidated Balance Sheets.

Significant changes in contract assets during the three months ended March 31, 2019 resulted from transfers to receivables from contract assets recognized at the beginning of the period of $11,406. Significant changes in contract liabilities during the three months ended March 31, 2019 resulted from increases of $3,384 due to billings in excess of costs, excluding amounts recognized as revenue during the period, and reductions due to revenue recognized during the three months ended March 31, 2019 and 2018 of $948 and $346, respectively, that was included in the contract liability at the beginning of each period.

As of March 31, 2019, the Company had approximately $250,052 of remaining performance obligations, which is also referred to as backlog. Approximately 3.1% of the March 31, 2019 backlog was related to projects that are anticipated to extend beyond March 31, 2020.

Note 4. Goodwill and Other Intangible Assets

The following table presents the goodwill balance by reportable segment:

	Rail Products and Services	Construction Products	Tubular and Energy Services	Total
Balance as of December 31, 2018	$ 14,111	$ 5,147	$ —	$ 19,258
Foreign currency translation impact	164	—	—	164
Balance as of March 31, 2019	$ 14,275	$ 5,147	$ —	$ 19,422

The Company performs goodwill impairment tests annually during the fourth quarter, and also performs interim goodwill impairment tests if it is determined that it is more likely than not that the fair value of a reporting unit is less than the carrying amount. Qualitative factors are assessed to determine whether it is more likely than not that the fair value of a reporting unit is less than the carrying amount. No interim goodwill impairment test was required in connection with the evaluation of qualitative factors as of March 31, 2019.

The components of the Company's intangible assets were as follows:

	March 31, 2019			
	Weighted Average Amortization Period In Years	Gross Carrying Value	Accumulated Amortization	Net Carrying Amount
Non-compete agreements	4	$ 1,386	$ (1,139)	$ 247
Patents	10	366	(173)	193
Customer relationships	18	37,337	(12,069)	25,268
Trademarks and trade names	15	8,497	(3,657)	4,840
Technology	14	35,688	(17,938)	17,750
		$ 83,274	$ (34,976)	$ 48,298

	December 31, 2018			
	Weighted Average Amortization Period In Years	Gross Carrying Value	Accumulated Amortization	Net Carrying Amount
Non-compete agreements	4	$ 1,372	$ (1,046)	$ 326
Patents	10	358	(165)	193
Customer relationships	18	37,129	(11,388)	25,741
Trademarks and trade names	15	8,481	(3,416)	5,065
Technology	14	35,640	(17,129)	18,511
		$ 82,980	$ (33,144)	$ 49,836

Intangible assets are amortized over their useful lives, which range from 4 to 25 years, with a total weighted average amortization period of approximately 15 years as of March 31, 2019. Amortization expense was $1,712 and $1,785 for the three months ended March 31, 2019 and 2018, respectively.

As of March 31, 2019, estimated amortization expense for the remainder of 2019 and thereafter was as follows:

	Amortization Expense
Remainder of 2019	$ 4,925
2020	5,887
2021	5,852
2022	5,769
2023	5,263
2024 and thereafter	20,602
	$ 48,298

Note 5. Accounts Receivable

Credit is extended based upon an evaluation of the customer's financial condition and, while collateral is not required, the Company periodically receives surety bonds that guarantee payment. Credit terms are consistent with industry standards and practices. The amounts of trade accounts receivable as of March 31, 2019 and December 31, 2018 have been reduced by an allowance for doubtful accounts of $1,014 and $932, respectively. Changes in reserves for uncollectable accounts, which are recorded as part of “Selling and administrative expenses” in the Condensed Consolidated Statements of Operations, resulted in expense of $100 and income of $246 for the three months ended March 31, 2019 and 2018, respectively.

Note 6. Inventory

Inventories as of March 31, 2019 and December 31, 2018 are summarized in the following table:

	March 31, 2019	December 31, 2018
Finished goods	$ 77,449	$ 69,041
Contract assets	33,599	26,692
Work-in-process	7,494	6,940
Raw materials	24,172	21,831
Inventories - net	$ 142,714	$ 124,504

Inventories of the Company are valued at average cost or net realizable value, whichever is lower.

Note 7. Property, Plant, and Equipment

Property, plant, and equipment as of March 31, 2019 and December 31, 2018 consisted of the following:

	March 31, 2019	December 31, 2018
Land	$ 12,451	$ 12,440
Improvements to land and leaseholds	17,580	17,610
Buildings	36,387	34,608
Machinery and equipment, including equipment under finance leases	121,658	120,914
Construction in progress	2,434	3,083
Gross property, plant, and equipment	190,510	188,655
Less accumulated depreciation and amortization, including accumulated amortization of finance leases	(104,640)	(101,798)
Property, plant, and equipment - net	$ 85,870	$ 86,857

Depreciation expense for the three months ended March 31, 2019 and 2018 was $2,772 and $2,944, respectively.

We review our property, plant, and equipment for recoverability whenever events or changes in circumstances indicate that carrying amounts may not be recoverable. We recognize an impairment loss if the carrying amount of a long-lived asset is not recoverable and exceeds its fair value. There were no impairments of property, plant, and equipment during the three months ended March 31, 2019 and 2018.

Note 8. Leases

On January 1, 2019, the Company adopted ASU 2016-02 and all the related amendments using the modified retrospective approach, which resulted in an increase in assets of $13,585 and an increase in current and long-term liabilities of $3,322 and $10,263, respectively. This adoption did not affect our results of operations, cash flows, or covenants of the Amended and Restated Credit Agreement dated March 13, 2015, and as amended by the Second Amendment dated November 7, 2016. This adoption will also have no impact to the covenants of the Third Amended and Restated Credit Agreement dated April 30, 2019.

We determine if an arrangement is a lease at its inception. Operating leases are included in “Operating lease right-of-use assets,” “Other current liabilities,” and “Long-term operating lease liabilities” within our Condensed Consolidated Balance Sheets. Finance leases are included in “Property, plant, and equipment - net,” “Current maturities of long-term debt,” and “Long-term debt” in our Condensed Consolidated Balance Sheets.

Right-of-use assets represent our right to use an underlying asset for the lease term and lease liabilities represent our obligation to make lease payments arising from the lease. Operating lease right-of-use assets and liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term. As most of our leases do not provide an implicit rate, we use our incremental borrowing rate based on the information available at the commencement date in determining the present value of the lease payments. We use the implicit rate when readily determinable. The operating lease right-of-use also includes indirect costs incurred and lease payments made prior to the commencement date, less any lease incentives received. Our lease terms may include options to extend or terminate the lease and will be recognized when it is reasonably certain that we will exercise that option. Lease expense for lease payments is recognized on a straight-line basis over the lease term.

We have lease agreements with lease and non-lease components which we account for as a single lease component. Also, for certain equipment leases, we apply a portfolio approach to effectively account for the operating lease right-of-use assets and liabilities.

Finance lease and lessor accounting recognition has remained substantially unchanged under ASU 2016-02 and had no impact on the Company's balance sheet, results of operations, or cash flows as a result of the adoption of ASU 2016-02.

The Company has operating and finance leases for manufacturing facilities, corporate offices, sales offices, vehicles, and certain equipment. As of March 31, 2019, our leases have remaining lease terms of 1 to 9 years, some of which include options to extend the leases for up to 5 years, and some of which include options to terminate the leases within 1 year. As of March 31, 2019, the Company's operating leases have a weighted average remaining lease term of 6 years and a weighted average discount rate of 4.9%. As of March 31, 2019, the Company's finance leases have a weighted average remaining lease term of 1 year and a weighted average discount rate of 4.3%.

The balance sheet component of the Company's leases were as follows as of March 31, 2019:

	March 31, 2019
Operating leases	
Operating lease right-of-use assets	$ 13,116
Other current liabilities	$ 3,304
Long-term operating lease liabilities	9,812
Total operating lease liabilities	$ 13,116
Finance leases	
Property, plant, and equipment	$ 3,462
Accumulated amortization	(2,668)
Property, plant, and equipment - net	$ 794
Current maturities of long-term debt	$ 609
Long-term debt	184
Total finance lease liabilities	$ 793

The components of lease expense within the Company's statements of operations were as follows for the three months ended March 31, 2019:

	March 31, 2019
Finance lease cost:	
Amortization of finance leases	$ 178
Interest on lease liabilities	9
Operating lease cost	916
Sublease income	(9)
Total lease cost	$ 1,094

The cash flow components of the Company's leases were as follows for the three months ended March 31, 2019:

	March 31, 2019
Cash paid for amounts included in the measurement of lease liabilities:	
Operating cash flows from operating leases	$ (1,079)
Financing cash flows from finance leases	(181)
Right-of-use assets obtained in exchange for new lease liabilities:	
Operating leases	$ 447

As of March 31, 2019, estimated annual maturities of lease liabilities for the year ending December 31, 2019 and thereafter are as follows:

	Operating Leases	Finance Leases
Remaining 2019	$ 2,729	$ 491
2020	3,068	337
2021	2,223	16
2022	1,750	—
2023	1,405	—
2024 and thereafter	4,332	—
Total undiscounted lease payments	15,507	844
Interest	(2,391)	(51)
Total	$ 13,116	$ 793

Note 9. Long-term Debt and Related Matters

North America

Long-term debt consisted of the following:

	March 31, 2019	December 31, 2018
Revolving credit facility	$ 89,389	$ 74,008
Capital leases and financing agreements	793	974
Total	90,182	74,982
Less current maturities	(609)	(629)
Long-term portion	$ 89,573	$ 74,353

On November 7, 2016, the Company, its domestic subsidiaries, and certain of its Canadian subsidiaries entered into the Second Amendment (the “Second Amendment”) to the Second Amended and Restated Credit Agreement dated March 13, 2015 and as amended by the First Amendment dated June 29, 2016 (the “Amended and Restated Credit Agreement”), with PNC Bank, N.A., Bank of America, N.A., Wells Fargo Bank, N.A., Citizens Bank of Pennsylvania, and Branch Banking and Trust Company. This Second Amendment modified the Amended and Restated Credit Agreement, which had a maximum revolving credit line of $275,000. The Second Amendment reduced the permitted revolving credit borrowings to $195,000 and provided for additional term loan borrowing of $30,000 (the “Term Loan”). During 2017, the Company paid off the balance of the Term Loan. Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Second Amendment or Amended and Restated Credit Agreement filed as Exhibit 10.3 to the Company's Annual Report on Form 10-K for the year ended December 31, 2018, as applicable.

The Second Amendment further provided for modifications to the financial covenants as defined in the Amended and Restated Credit Agreement. The Second Amendment eliminated of the Maximum Leverage Ratio covenant through the quarter ended June 30, 2018. After that period, the Maximum Gross Leverage Ratio covenant was reinstated to require a maximum ratio of 4.25 Consolidated Indebtedness to 1.00 Gross Leverage for the quarter ended September 30, 2018, and 3.75 to 1.00 for all periods thereafter until the maturity date of the credit facility. The Second Amendment also includes a Minimum Last Twelve Months EBITDA covenant (“Minimum EBITDA”). For the quarter ended December 31, 2016 through the quarter ended June 30, 2017, the Minimum EBITDA had to be at least $18,500. For each quarter thereafter, through the quarter ended June 30, 2018, the Minimum EBITDA requirement increased by various increments. On June 30, 2018, the Minimum EBITDA requirement was $31,000. After the quarter ended June 30, 2018, the Minimum EBITDA covenant was eliminated through the remainder of the Amended and Restated Credit Agreement. The Second Amendment also includes a Minimum Fixed Charge Coverage Ratio covenant. The covenant represents the ratio of the Company’s fixed charges to the last twelve months of EBITDA, and was required to be a minimum of 1.00 to 1.00 through the quarter ended December 31, 2017 and 1.25 to 1.00 for each quarter thereafter through the maturity of the credit facility. The final financial covenant included in the Second Amendment was a Minimum Liquidity covenant which called for a minimum of $25,000 in undrawn availability on the revolving credit loan at all times through the quarter ended June 30, 2018.

The Second Amendment includes several changes to certain non-financial covenants as defined in the Amended and Restated Credit Agreement. Through the maturity date of the loan, the Company is prohibited from making any future acquisitions. The limitation on permitted annual distributions of dividends or redemptions of the Company’s stock was decreased from $4,000 to $1,700. The aggregate limitation on loans to and investments in non-loan parties was decreased from $10,000 to $5,000. Furthermore, the limitation on asset sales was decreased from $25,000 annually with a carryover of up to $15,000 from the prior year to $25,000 in the aggregate through the maturity date of the credit facility.

As of March 31, 2019, L.B. Foster was in compliance with the Second Amendment’s covenants.

The Second Amendment provided for the elimination of the three lowest tiers of the pricing grid that had previously been defined in the First Amendment. Upon execution of the Second Amendment through the quarter ended March 31, 2018, the Company was locked into the highest tier of the pricing grid, which provided for pricing of the prime rate plus 225 basis points on base rate loans and the applicable LIBOR rate plus 325 basis points on euro rate loans. For each quarter after March 31, 2018 and through the maturity date of the credit facility, the Company’s position on the pricing grid is governed by a Minimum Net Leverage ratio, which is the ratio of Consolidated Indebtedness less cash on hand in excess of $15,000 to EBITDA. If, after March 31, 2018, the Minimum Net Leverage ratio positions the Company on the lowest tier of the pricing grid, pricing is at the prime rate plus 150 basis points on base rate loans or the applicable LIBOR rate plus 250 basis points on Euro rate loans.

As of March 31, 2019, L.B. Foster had outstanding letters of credit of approximately $250 and had net available borrowing capacity of $105,361. The maturity date of the facility is March 13, 2020.

Subsequent to March 31, 2019, on April 30, 2019, the Company, its domestic subsidiaries, and certain of its Canadian and European subsidiaries (collectively, the “Borrowers”), entered into the Third Amended and Restated Credit Agreement (“Amended Credit Agreement”) with PNC Bank, N.A., Bank of America, N.A., Wells Fargo Bank, N.A., Citizens Bank, N.A., and BMO Harris Bank, N.A. This Amended Credit Agreement modifies the prior revolving credit facility which had a maximum credit line of $195,000 and extends the maturity date from March 13, 2020 to April 30, 2024. The Amended Credit Agreement provides for a five-year, revolving credit facility that permits aggregate borrowings of the Borrowers up to $140,000 with a sublimit of the equivalent of $25,000 U.S. dollars that is available to the Canadian and United Kingdom borrowers in the aggregate. The Amended Credit Agreement’s incremental loan feature permits the Company to increase the available revolving borrowings under the facility by up to an additional $50,000 and provides for additional term loan borrowings of up to $25,000 subject to the Company’s receipt of increased commitments from existing or new lenders and the satisfaction of certain conditions.

The Company’s and the domestic, Canadian, and United Kingdom guarantors’ (the “Guarantors”) obligations under the Amended Credit Agreement will be secured by the grant of a security interest by the Borrowers and Guarantors in substantially all of the personal property owned by such entities. Additionally, the equity interests in each of the loan parties, other than the Company, and the equity interests held by each loan party in their domestic subsidiaries, will be pledged to the lenders as collateral for the lending obligations.

Borrowings under the Amended Credit Agreement will bear interest at rates based upon either the base rate or Euro-rate plus applicable margins. Applicable margins are dictated by the ratio of the Company’s total net indebtedness to the Company’s consolidated EBITDA for four trailing quarters, as defined in the Amended Credit Agreement. The base rate is the highest of (a) the Overnight Bank Funding Rate plus 50 basis points, (b) the Prime Rate, or (c) the Daily Euro-rate plus 100 basis points (each as defined in the Amended Credit Agreement). The base rate and Euro-rate spreads range from 25 to 125 basis points and 125 to 225 basis points, respectively.

The Amended Credit Agreement includes three financial covenants: (a) Maximum Gross Leverage Ratio, defined as the Company’s consolidated Indebtedness divided by the Company’s consolidated EBITDA, which must not exceed (i) 3.25 to 1.00 for all testing periods other than during an Acquisition Period, and (ii) 3.50 to 1.00 for all testing periods occurring during an Acquisition Period; (b) Minimum Consolidated Fixed Charge Coverage Ratio, defined as the Company's consolidated EBITDA divided by the Company's Fixed Charges, which must be less than 1.25 to 1.00; and (c) Minimum Working Capital to Revolving Facility Usage Ratio, defined as the sum of the inventory and accounts receivable of the Borrowers and certain other Guarantors divided by Revolving Facility Usage, which must be less than 1.40 to 1.00.

The Amended Credit Agreement permits the Company to pay dividends and make distributions and redemptions with respect to its stock provided no event of default or potential default (as defined in the Amended Credit Agreement) has occurred prior to or after giving effect to the dividend, distribution, or redemption. Additionally, the Amended Credit Agreement permits the Company to complete acquisitions so long as (a) no event of default or potential default has occurred prior to or as a result of such acquisition; (b) the liquidity of the Borrowers is not less than $25,000 prior to giving effect to such acquisition; and (c) the aggregate consideration for the acquisition does not exceed: (i) $50,000 per acquisition; (ii) $50,000 in the aggregate for multiple acquisitions entered into during four consecutive quarters; and (iii) $100,000 in the aggregate over the term of the Amended Credit Agreement.

Other restrictions exist at all times including, but not limited to, limitations on the Company’s sale of assets and the incurrence by either the Borrowers or the non-borrower subsidiaries of the Company of other indebtedness, guarantees, and liens.

United Kingdom

A subsidiary of the Company has a credit facility with NatWest Bank for its United Kingdom operations, which includes an overdraft availability of £1,500 pounds sterling (approximately $1,955 as of March 31, 2019). This credit facility supports the subsidiary's working capital requirements and is collateralized by substantially all of the assets of its United Kingdom operations. The variable interest rate on this facility is the financial institution's base rate plus 250 basis points. Outstanding performance bonds reduce availability under this credit facility. The subsidiary of the Company had no outstanding borrowings under this credit facility as of March 31, 2019. There was approximately $600 in outstanding guarantees (as defined in the underlying agreement) as of March 31, 2019. This credit facility was renewed during the third quarter of 2018 with all underlying terms and conditions remaining unchanged as a result of the renewal.

The United Kingdom credit facility contains certain financial covenants that require the subsidiary to maintain senior interest and cash flow coverage ratios. The subsidiary was in compliance with these financial covenants as of March 31, 2019. The subsidiary had available borrowing capacity of $1,355 as of March 31, 2019.

Subsequent to March 31, 2019, on April 29, 2019, the credit facility with NatWest Bank was terminated.

Note 10. Fair Value Measurements

The Company determines the fair value of assets and liabilities based on the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants. The fair values are based on assumptions that market participants would use when pricing an asset or liability, including assumptions about risk and the risks inherent in valuation techniques and the inputs to valuations. The fair value hierarchy is based on whether the inputs to valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect the Company's own assumptions of what market participants would use. The fair value hierarchy includes three levels of inputs that may be used to measure fair value as described below:

Level 1: Quoted market prices in active markets for identical assets or liabilities.
Level 2: Observable market-based inputs or unobservable inputs that are corroborated by market data.
Level 3: Unobservable inputs that are not corroborated by market data.

The classification of a financial asset or liability within the hierarchy is determined based on the lowest level input that is significant to the fair value measurement.

Cash equivalents - Included within "Cash and cash equivalents" are investments in non-domestic term deposits. The carrying amounts approximate fair value because of the short maturity of the instruments.

LIBOR-based interest rate swaps - To reduce the impact of interest rate changes on outstanding variable-rate debt, the Company entered into forward starting LIBOR-based interest rate swaps with notional values totaling $50,000. The fair value of the interest rate swaps is based on market-observable forward interest rates and represents the estimated amount that the Company would pay to terminate the agreements. As such, the swap agreements are classified as Level 2 within the fair value hierarchy. As of March 31, 2019, the interest rate swaps were recorded within other current assets.

	Fair Value Measurements at Reporting Date				Fair Value Measurements at Reporting Date			
	March 31, 2019	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	December 31, 2018	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Term deposits	$ 16	$ 16	$ —	$ —	$ 16	$ 16	$ —	$ —
Interest rate swaps	626	—	626	—	675	—	675	—
Total	$ 642	$ 16	$ 626	$ —	$ 691	$ 16	$ 675	$ —

The interest rate swaps are accounted for as cash flow hedges and the objective of the hedges is to offset the expected interest variability on payments associated with the interest rate of our debt. The gains and losses related to the interest rate swaps are reclassified from "Accumulated other comprehensive loss" and included in "Interest expense - net" in our Condensed Consolidated Statements of Operations as the interest expense from our debt is recognized. For the three months ended March 31, 2019 and 2018, we recognized interest income from interest rate swaps of $65 and interest expense of $35, respectively.

In accordance with the provisions of ASC 820, “Fair Value Measurement,” the Company measures certain nonfinancial assets and liabilities at fair value, which are recognized or disclosed on a nonrecurring basis.

Note 11. Earnings Per Common Share

(Share amounts in thousands)

The following table sets forth the computation of basic and diluted earnings (loss) per common share for the periods indicated:

	Three Months Ended March 31, 2019	Three Months Ended March 31, 2018
Numerator for basic and diluted earnings (loss) per common share:		
Net income (loss)	$ 3,690	$ (1,858)
Denominator:		
Weighted average shares outstanding	10,384	10,351
Denominator for basic earnings (loss) per common share	10,384	10,351
Effect of dilutive securities:		
Stock compensation plans	63	—
Dilutive potential common shares	63	—
Denominator for diluted earnings (loss) per common share - adjusted weighted average shares outstanding	10,447	10,351
Basic earnings (loss) per common share	$ 0.36	$ (0.18)
Diluted earnings (loss) per common share	$ 0.35	$ (0.18)

There were approximately 212 anti-dilutive shares during the three months ended March 31, 2018 excluded from the above calculation.

Note 12. Stock-based Compensation

The Company applies the provisions of ASC 718, “Compensation – Stock Compensation,” to account for the Company’s stock-based compensation. Stock-based compensation cost is measured at the grant date based on the calculated fair value of the award and is recognized over the employees’ requisite service period. The Company recorded stock compensation expense related to restricted stock awards and performance share units of $855 and $1,082 for the three months ended March 31, 2019 and 2018, respectively. As of March 31, 2019, unrecognized compensation expense for unvested awards approximated $6,695. The Company will recognize this expense over the upcoming 4 years through April 2023.

Shares issued as a result of vested stock-based compensation awards generally will be from previously issued shares that have been reacquired by the Company and held as treasury stock or authorized and previously unissued common stock.

Restricted Stock Awards and Performance Share Units

Under the 2006 Omnibus Plan, the Company grants eligible employees restricted stock and performance share units. The forfeitable restricted stock awards granted generally time-vest ratably over a three-year period, unless indicated otherwise by the underlying restricted stock agreement. Since May 2018, awards of restricted stock are subject to a minimum one-year vesting period, including those granted to non-employee directors. Prior to May 2018, awards to non-employee directors were made in fully-vested shares. Performance share units are offered annually under separate three-year long-term incentive programs. Performance share units are subject to forfeiture and will be converted into common stock of the Company based upon the Company’s performance relative to performance measures and conversion multiples, as defined in the underlying program. If the Company’s estimate of the number of performance share units expected to vest changes in a subsequent accounting period, cumulative compensation expense could increase or decrease. The change will be recognized in the current period for the vested shares and would change future expense over the remaining vesting period.

Since May 1, 2017, non-employee directors have been permitted to defer receipt of annual stock awards and equity elected to be received in lieu of quarterly cash compensation. If so elected, these deferred stock units will be issued as common stock six months after separation from their service on the Board of Directors. Since May 2018, there have been no non-employee directors who elected the option to receive deferred stock units of the Company’s common stock in lieu of director cash compensation.

During the three months ended March 31, 2019, the Compensation Committee approved the 2019 Performance Share Unit Program and the Executive Annual Incentive Compensation Plan (consisting of cash and equity components). The Compensation Committee also certified the actual performance achievement of participants in the 2016 Performance Share Unit Program. Actual performance resulted in no payout relative to the 2016 Performance Share Unit Program target performance metrics.

The following table summarizes the restricted stock awards, deferred stock units, and performance share units activity for the three months ended March 31, 2019:

	Restricted Stock	Deferred Stock Units	Performance Share Units	Weighted Average Grant Date Fair Value
Outstanding as of December 31, 2018	191,825	41,774	300,373	$ 18.61
Granted	52,897	—	89,092	17.76
Vested	(67,788)	—	—	15.22
Adjustment for incentive awards not expected to vest	—	—	(17,936)	17.76
Outstanding as of March 31, 2019	176,934	41,774	371,529	$ 19.03

Note 13. Retirement Plans

Retirement Plans

The Company has three retirement plans that cover its hourly and salaried employees in the United States: one defined benefit plan, which is frozen, and two defined contribution plans. Employees are eligible to participate in the appropriate plan based on employment classification. The Company's contributions to the defined benefit and defined contribution plans are governed by the Employee Retirement Income Security Act of 1974 ("ERISA") and the Company's policy and investment guidelines applicable to each respective plan. The Company's policy is to contribute at least the minimum in accordance with the funding standards of ERISA.

The Company maintains two defined contribution plans for its employees in Canada, as well as one post-retirement benefit plan. The Company also maintains two defined contribution plans and one defined benefit plan for its employees in the United Kingdom.

United States Defined Benefit Plan

Net periodic pension costs for the United States defined benefit pension plan for the three months ended March 31, 2019 and 2018 were as follows:

	Three Months Ended March 31,	
	2019	2018
Interest cost	$ 162	$ 155
Expected return on plan assets	(180)	(213)
Recognized net actuarial loss	31	24
Net periodic pension cost (income)	$ 13	$ (34)

The Company anticipates contributions of $550 to its United States defined benefit pension plan in 2019.

United Kingdom Defined Benefit Plan

Net periodic pension costs for the United Kingdom defined benefit pension plan for the three months ended March 31, 2019 and 2018 were as follows:

	Three Months Ended March 31,	
	2019	2018
Interest cost	$ 54	$ 53
Expected return on plan assets	(62)	(72)
Amortization of prior service costs and transition amount	11	5
Recognized net actuarial loss	53	49
Net periodic pension cost	$ 56	$ 35

United Kingdom regulations require trustees to adopt a prudent approach to funding required contributions to defined benefit pension plans. The Company anticipates contributions of approximately $255 to the United Kingdom pension plan during 2019. For the three months ended March 31, 2019, the Company contributed approximately $64 to the plan.

Defined Contribution Plans

The Company sponsors six defined contribution plans for hourly and salaried employees across our domestic and international facilities. The following table summarizes the expense associated with the contributions made to these plans:

	Three Months Ended March 31,	
	2019	2018
United States	$ 550	$ 544
Canada	38	33
United Kingdom	107	117
	$ 695	$ 694

Note 14. Commitments and Contingent Liabilities

Product Liability Claims

The Company is subject to product warranty claims that arise in the ordinary course of its business. For certain manufactured products, the Company maintains a product warranty accrual which is adjusted on a monthly basis as a percentage of cost of sales. In addition, the product warranty accrual is adjusted periodically based on the identification or resolution of known individual product warranty claims.

The following table sets forth the Company’s product warranty accrual:

	Warranty Liability
Balance as of December 31, 2018	$ 2,057
Additions to warranty liability	255
Warranty liability utilized	(597)
Balance as of March 31, 2019	$ 1,715

Union Pacific Railroad (“UPRR”) Concrete Tie Matter

On March 13, 2019, the Company and its subsidiary, CXT entered into a Settlement Agreement (the “Settlement Agreement”) with UPRR to resolve the pending litigation in the matter of *Union Pacific Railroad Company v. L.B. Foster Company and CXT Incorporated*, Case No. CI 15-564, in the District Court for Douglas County, Nebraska.

Under the Settlement Agreement, the Company and CXT will pay UPRR the aggregate amount of $50,000 without pre-judgment interest, which began with a $2,000 immediate payment, and with the remaining $48,000 paid in installments over a six-year period commencing on the effective date of the Settlement Agreement through December 2024 pursuant to a Promissory Note. Additionally, commencing in January 2019 and through December 2024, UPRR agreed to purchase from the Company and its subsidiaries and affiliates, a cumulative total amount of $48,000 of products and services, targeting $8,000 of annual purchases per year beginning in 2019 per letters of intent under the Settlement Agreement. The Settlement Agreement also includes a mutual release of all claims and liability regarding or relating to all CXT pre-stressed concrete railroad ties with no admission of liability and dismissal of the litigation with prejudice.

The expected payments under the UPRR Settlement Agreement for the remainder of the year ending December 31, 2019 and thereafter are as follows:

Year Ending December 31,	
Remainder of 2019	$ 8,000
2020	8,000
2021	8,000
2022	8,000
2023	8,000
2024	8,000
Total	$ 48,000

Environmental and Legal Proceedings

The Company is subject to national, state, foreign, provincial, and/or local laws and regulations relating to the protection of the environment. The Company's efforts to comply with environmental regulations may have an adverse effect on its future earnings. On June 5, 2017, a General Notice Letter was received from the United States Environmental Protection Agency ("EPA") indicating that the Company may be a potentially responsible party ("PRP") regarding the Portland Harbor Superfund Site cleanup along with numerous other companies. By letter dated March 16, 2018, the EPA informed the Company of the proposed schedule for consent decree negotiations to implement the Portland Harbor Superfund Site Record of Decision, with negotiations scheduled to commence by the end of 2019. By letter dated December 17, 2018, the EPA requested that PRPs submit written proposals to perform remedial designs by January 31, 2019 with the expectation that all negotiations for remedial design work will be finalized by June 2019. The net present value and undiscovered costs of the selected remedy are estimated by the EPA to be approximately $1,100,000 and $1,700,000, respectively. The Company is reviewing the basis for its identification by the EPA and the nature of the historic operations of an L.B. Foster predecessor on the site. Management does not believe that compliance with the present environmental protection laws will have a material adverse effect on the financial condition, results of operations, cash flows, competitive position, or capital expenditures of the Company.

As of March 31, 2019 and December 31, 2018, the Company maintained environmental reserves approximating $6,110 and $6,128, respectively. The following table sets forth the Company's environmental obligation:

	Environmental liability
Balance as of December 31, 2018	$ 6,128
Additions to environmental obligations	2
Environmental obligations utilized	(20)
Balance as of March 31, 2019	$ 6,110

The Company is also subject to other legal proceedings and claims that arise in the ordinary course of its business. Legal actions are subject to inherent uncertainties, and future events could change management's assessment of the probability or estimated amount of potential losses from pending or threatened legal actions. Based on available information, it is the opinion of management that the ultimate resolution of pending or threatened legal actions, both individually and in the aggregate, will not result in losses having a material adverse effect on the Company's financial position or liquidity as of March 31, 2019.

If management believes that, based on available information, it is at least reasonably possible that a material loss (or additional material loss in excess of any accrual) will be incurred in connection with any legal actions, the Company discloses an estimate of the possible loss or range of loss, either individually or in the aggregate, as appropriate, if such an estimate can be made, or discloses that an estimate cannot be made. Based on the Company's assessment as of March 31, 2019, no such disclosures were considered necessary.

Note 15. Income Taxes

For the three months ended March 31, 2019 and 2018, the Company recorded an income tax provision of $638 and $525 on pre-tax income of $4,328 and pre-tax loss of $1,333, respectively, for an effective income tax rate of 14.7% and (39.4)%, respectively. The Company's effective tax rate for the three months ended March 31, 2019 differed from the federal statutory rate of 21% primarily due to the realization of a portion of its U.S. deferred tax assets previously offset by a valuation allowance. The Company continued to maintain a full valuation allowance against its U.S. deferred tax assets, which is likely to result in significant variability of the effective tax rate in the current year. Changes in pre-tax income projections and the mix of income across jurisdictions could also impact the effective income tax rate.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

(Dollars in thousands, except share data)

Forward-Looking Statements

This Quarterly Report on Form 10-Q contains "forward-looking" statements within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended, and Section 27A of the Securities Act of 1933, as amended. Many of the forward-looking statements are located in "Management's Discussion and Analysis of Financial Condition and Results of Operations" ("MD&A"). Forward-looking statements provide management's current expectations of future events based on certain assumptions and include any statement that does not directly relate to any historical or current fact. Sentences containing words such as "believe," "intend," "plan," "may," "expect," "should," "could," "anticipate," "estimate," "predict," "project," or their negatives, or other similar expressions of a future or forward-looking nature generally should be considered forward-looking statements. Forward-looking statements in this Quarterly Report on Form 10-Q are based on current expectations and assumptions about future events that involve inherent risks and uncertainties and may concern, among other things, L.B. Foster Company's (the "Company's") expectations relating to our strategy, goals, projections, and plans regarding our financial position, liquidity, capital resources, and results of operations; the outcome of litigation and product warranty claims; decisions regarding our strategic growth initiatives, market position, and product development. While the Company considers these expectations and assumptions to be reasonable, they are inherently subject to significant business, economic, competitive, regulatory, and other risks and uncertainties, most of which are difficult to predict and many of which are beyond the Company's control. The Company cautions readers that various factors could cause the actual results of the Company to differ materially from those indicated by forward-looking statements. Accordingly, investors should not place undue reliance on forward-looking statements as a prediction of actual results. Among the factors that could cause the actual results to differ materially from those indicated in the forward-looking statements are risks and uncertainties related to: environmental matters, including any costs associated with any remediation and monitoring; a resumption of the economic slowdown we experienced in previous years in the markets we serve; the risk of doing business in international markets; our ability to effectuate our strategy, including cost reduction initiatives, and our ability to effectively integrate acquired businesses and realize anticipated benefits; costs of and impacts associated with shareholder activism; a decrease in freight or passenger rail traffic; the timeliness and availability of materials from our major suppliers as well as the impact on our access to supplies of customer preferences as to the origin of such supplies, such as customers' concerns about conflict minerals; labor disputes; the continuing effective implementation of an enterprise resource planning system; changes in current accounting estimates and their ultimate outcomes; the adequacy of internal and external sources of funds to meet financing needs, including our ability to negotiate any additional necessary amendments to our credit agreement or the terms of a new credit agreement, and reforms regarding the use of LIBOR as a benchmark for establishing applicable interest rates; the Company's ability to manage its working capital requirements and indebtedness; domestic and international taxes, including estimates that may impact these amounts; foreign currency fluctuations; inflation; domestic and foreign government regulations, including tariffs; economic conditions and regulatory changes caused by the United Kingdom's pending exit from the European Union, including the possibility of a "no-deal Brexit;" sustained declines in energy prices; a lack of state or federal funding for new infrastructure projects; an increase in manufacturing or material costs; the loss of future revenues from current customers; and risks inherent in litigation. Should one or more of these risks or uncertainties materialize, or should the assumptions underlying the forward-looking statements prove incorrect, actual outcomes could vary materially from those indicated. Significant risks and uncertainties that may affect the operations, performance, and results of the Company's business and forward-looking statements include, but are not limited to, those set forth under Item 1A, "Risk Factors," and elsewhere in our Annual Report on Form 10-K for the year ended December 31, 2018, or as updated and amended by Item 1A "Risk Factors," in Part II of our Quarterly Reports on Form 10-Q filed with the Securities and Exchange Commission.

The forward-looking statements in this report are made as of the date of this report and we assume no obligation to update or revise any forward-looking statement, whether as a result of new information, future developments, or otherwise, except as required by the federal securities laws.

General Overview

L.B. Foster Company (the "Company") is a leading manufacturer and distributor of products and services for transportation and energy infrastructure with locations in North America and Europe. The Company is comprised of three operating segments: Rail Products and Services, Construction Products, and Tubular and Energy Services.

Results of the Quarter

	Three Months Ended March 31, 2019	Three Months Ended March 31, 2018	Percent Increase/ (Decrease) 2019 vs. 2018	Percent of Total Net Sales Three Months Ended March 31, 2019	Percent of Total Net Sales Three Months Ended March 31, 2018
Net Sales:					
Rail Products and Services	$ 75,694	$ 62,170	21.8 %	50.3 %	50.8 %
Construction Products	37,345	28,900	29.2	24.8	23.6
Tubular and Energy Services	37,430	31,384	19.3	24.9	25.6
Total net sales	$ 150,469	$ 122,454	22.9 %	100.0 %	100.0 %

	Three Months Ended March 31, 2019	Three Months Ended March 31, 2018	Percent Increase/ (Decrease) 2019 vs. 2018	Gross Profit Percentage Three Months Ended March 31, 2019	Gross Profit Percentage Three Months Ended March 31, 2018
Gross Profit:					
Rail Products and Services	$ 14,237	$ 11,924	19.4 %	18.8 %	19.2 %
Construction Products	5,572	4,032	38.2	14.9	14.0
Tubular and Energy Services	9,353	6,236	50.0	25.0	19.9
Total gross profit	$ 29,162	$ 22,192	31.4 %	19.4 %	18.1 %

	Three Months Ended March 31, 2019	Three Months Ended March 31, 2018	Percent Increase/ (Decrease) 2019 vs. 2018	Percent of Total Net Sales Three Months Ended March 31, 2019	Percent of Total Net Sales Three Months Ended March 31, 2018
Expenses:					
Selling and administrative expenses	$ 21,917	$ 20,458	7.1 %	14.6 %	16.7 %
Amortization expense	1,712	1,785	(4.1)	1.1	1.5
Interest expense - net	1,355	1,887	(28.2)	0.9	1.5
Other income	(150)	(605)	75.2	(0.1)	(0.5)
Total expenses	$ 24,834	$ 23,525	5.6 %	16.5 %	19.2 %
Income (loss) before income taxes	$ 4,328	$ (1,333)	**	2.9 %	(1.1)%
Income tax expense	638	525	21.5	0.4	0.4
Net income (loss)	$ 3,690	$ (1,858)	**	2.5 %	(1.5)%

*** Results of the calculation are not considered meaningful for presentation purposes.*

First Quarter 2019 Compared to First Quarter 2018 – Company Analysis

Net sales of $150,469 for the three months ended March 31, 2019 increased by $28,015, or 22.9%, compared to the prior year quarter. The change was attributable to increases within each of our three segments. Construction Products sales increased by 29.2%, Rail Products and Services sales increased by 21.8%, and Tubular and Energy Services sales increased by 19.3%.

Gross profit increased $6,970 compared to the prior year quarter to $29,162 for the three months ended March 31, 2019. Gross profit margin for the three months ended March 31, 2019 was 19.4%, or 130 basis points ("bps") higher than the prior year quarter. The rise in gross profit margin was primarily due to increases of 510 bps and 90 bps within Tubular and Energy Services and Construction Products, respectively. The increases were partially offset by a decrease in gross profit margin of 40 bps within Rail Products and Services.

Selling and administrative expenses increased by $1,459 or 7.1% from the prior year. The escalation was primarily driven by increases in personnel-related expenses of $1,494. As a percent of sales, selling and administrative expenses declined 210 bps compared to the prior year period.

Interest expense, net of interest income, decreased by $532, or 28.2%, as a result of the reduction in outstanding debt compared to the prior year quarter as well as an interest rate at the lowest tier within the interest rate spread under our credit facility agreement. Other income decreased $455, which primarily relates to foreign exchange losses in the 2019 period compared to gains on foreign exchange in the 2018 period.

The Company’s effective income tax rate for the three months ended March 31, 2019 was 14.7%, compared to (39.4)% in the prior year quarter. For the three months ended March 31, 2019, the Company recorded a tax provision of $638, compared to $525 in the three months ended March 31, 2018. The Company's effective tax rate for the three months ended March 31, 2019 differed from the federal statutory rate of 21% primarily due to the realization of a portion of its U.S. deferred tax assets previously offset by a valuation allowance.

Net income for the first quarter of 2019 was $3,690, or $0.35 per diluted share, compared to a net loss of $1,858, or $0.18 loss per diluted share, in the prior year quarter.

Results of Operations – Segment Analysis

Rail Products and Services

	Three Months Ended March 31,		Increase/(Decrease)	Percent Increase/(Decrease)
	2019	2018	2019 vs. 2018	2019 vs. 2018
Net sales	$ 75,694	$ 62,170	$ 13,524	21.8 %
Gross profit	$ 14,237	$ 11,924	$ 2,313	19.4 %
Gross profit percentage	18.8 %	19.2 %	(0.4)%	(1.9)%
Segment profit	$ 3,479	$ 2,048	$ 1,431	69.9 %
Segment profit percentage	4.6 %	3.3 %	1.3 %	39.5 %

First Quarter 2019 Compared to First Quarter 2018

The Rail Products and Services segment sales increased by $13,524, or 21.8%, compared to the prior year period. The sales increase was driven by both our Rail Products and Rail Technologies businesses of $10,172 and $3,352, respectively. The Rail Products growth was primarily attributable to North American new rail distribution volume. The segment also continued to capitalize on opportunities with transit agencies that are expanding both domestically and in Europe.

The Rail Products and Services gross profit increased by $2,313, or 19.4%, over the prior year quarter. The increase was driven by the volume growth in both Rail Products and Rail Technologies. Segment gross profit margin was reduced by 40 bps as a result of the increased contribution from lower margin Rail Products. Segment profit was $3,479, a $1,431 increase of the prior year quarter. Selling and administrative expenses incurred by the segment as a percent of sales was reduced 130 bps compared to the prior year quarter as the segment continued its focus on cost containment while increasing sales volume.

During the current quarter, the Rail Products and Services segment had an increase in new orders of 2.6% compared to the prior year period. Backlog was $121,481 as of March 31, 2019, an increase of 15.8%, compared to $104,923 as of March 31, 2018. The Company continues to be encouraged by new order activity resulting from the strength in transit system projects expanding globally.

Construction Products

	Three Months Ended March 31,		Increase	Percent Increase
	2019	2018	2019 vs. 2018	2019 vs. 2018
Net sales	$ 37,345	$ 28,900	$ 8,445	29.2 %
Gross profit	$ 5,572	$ 4,032	$ 1,540	38.2 %
Gross profit percentage	14.9 %	14.0 %	1.0 %	6.9 %
Segment profit	$ 834	$ 18	$ 816	4,533.3 %
Segment profit percentage	2.2 %	0.1 %	2.2 %	3,485.6 %

First Quarter 2019 Compared to First Quarter 2018

The Construction Products segment sales increased by $8,445, or 29.2%, compared to the prior year period. The increase was attributable to increases in both Piling and Fabricated Bridge and Precast Concrete Products of $4,871 and $3,574, respectively. Piling was able to recognize the initial phases of delivery during the current quarter attributable to a significant 2018 order, while Fabricated Bridge experienced increased volume within its steel decking and railing product lines. Our Precast Concrete Products business unit was favorably impacted by building sales driven from 2018 order activity.

The Construction Products gross profit increased $1,540, or 38.2%, over the prior year quarter. The increase was primarily attributable to the sales volume growth within Precast Concrete Products and Fabricated Bridge, which lead to favorable production rates, and higher margin product mix during the current quarter. Segment profit increased by $816 over the prior year quarter to 2.2% of net sales. Selling and administrative expenses incurred by the segment increased $725 over the prior year quarter; however, the expenses were reduced by 120 bps as a percentage of segment sales compared to the prior year period.

During the quarter, the Construction Products segment had a decrease in new orders of 8.1% compared to the prior year period, which was primarily related to the Piling division. While there was a reduction in new orders, the segment maintained a strong backlog of $100,988 as of March 31, 2019, a 17.8% increase over the prior year period.

Tubular and Energy Services

	Three Months Ended March 31,		Increase	Percent Increase
	2019	2018	2019 vs. 2018	2019 vs. 2018
Net sales	$ 37,430	$ 31,384	$ 6,046	19.3 %
Gross profit	$ 9,353	$ 6,236	$ 3,117	50.0 %
Gross profit percentage	25.0 %	19.9 %	5.1 %	25.8 %
Segment profit	$ 4,688	$ 1,885	$ 2,803	148.7 %
Segment profit percentage	12.5 %	6.0 %	6.5 %	108.5 %

First Quarter 2019 Compared to First Quarter 2018

Tubular and Energy Services segment sales increased by $6,046, or 19.3%, compared to the prior year period. The increase was due to improvements primarily from Protective Coatings and Measurement Systems when compared to the prior year period. This was additionally supported by strong orders within the midstream market during the current quarter.

Tubular and Energy Services segment gross profit increased $3,117, or 50.0%, which was supported by growth in both business units within the segment. Segment gross profit margin improved by 510 bps over the prior year quarter which was primarily driven by favorable production rates in the 2019 quarter within Protective Coatings and Measurement Systems and sales volume increases within Test, Inspection, and Threading Services. Segment profit increased by $2,803, or 148.7%, over the prior year quarter. While selling and administrative expense increased $384, management was pleased with the segment's cost containment efforts, which reduced expenses by 80 bps as a percentage of sales compared to the prior year period.

The Tubular and Energy Services segment had an increase of 16.2% in new orders compared to the prior year period. Orders for Protective Coatings and Measurement Systems increased by 32.9%, which was partially offset by a reduction in Test, Inspection, and Threading Services of 5.2%. The Company is encouraged with the continued growth of new orders within the segment.

Other

Segment Backlog

Total Company backlog is summarized by business segment in the following table for the periods indicated:

	March 31, 2019	December 31, 2018	March 31, 2018
Rail Products and Services	$ 121,481	$ 97,447	$ 104,923
Construction Products	100,988	95,419	85,713
Tubular and Energy Services	27,583	27,552	29,665
Total Backlog	$ 250,052	$ 220,418	$ 220,301

While a considerable portion of our business is backlog-driven, certain product lines within the Rail Products and Services and Tubular and Energy Services segments are not driven by backlog and therefore have insignificant levels throughout the year.

Liquidity and Capital Resources

Total debt was $90,182 and $74,982 as of March 31, 2019 and December 31, 2018, respectively, and was primarily comprised of borrowings under our revolving credit facility. Our need for liquidity relates primarily to working capital requirements for operations, capital expenditures, and debt service obligations.

The change in cash and cash equivalents for the three months ended March 31, 2019 and 2018 is as follows:

	March 31, 2019	March 31, 2018
Net cash (used in) provided by operating activities	$ (13,546)	$ 2,591
Net cash used in investing activities	(2,513)	(714)
Net cash provided by (used in) financing activities	14,674	(27,873)
Effect of exchange rate changes on cash and cash equivalents	142	(698)
Net decrease in cash and cash equivalents	$ (1,243)	$ (26,694)

Cash Flow from Operating Activities

During the three months ended March 31, 2019, cash flows used in operating activities were $13,546 compared to operations providing $2,591 during the prior year period. For the three months ended March 31, 2019, income and adjustments to income from operating activities provided $8,842 compared to $2,701 in the 2018 period. Working capital and other assets and liabilities used $22,388 in the current period compared to $110 in the prior year period. Inventory and accounts receivable increased the use of operating cash flows by $14,417 and $13,176, respectively, compared to the 2018 period, on a sales increase of 22.9% over the same period. During the three months ended March 31, 2019, the Company made a payment of $2,000 under the terms of the concrete tie settlement agreement with Union Pacific Railroad.

The Company's calculation for days sales outstanding at March 31, 2019 and December 31, 2018 was 50 days, and we believe our receivables portfolio is strong.

Cash Flow from Investing Activities

Capital expenditures for the three months ended March 31, 2019 and 2018 were $2,572 and $723, respectively. The current year expenditures relate to plant expansion and automation integration programs within our Tubular and Energy Services segment as well as general plant and operational improvements throughout the Company. Expenditures for the three months ended March 31, 2018 related to expenditures for general plant and operational improvements. During the three months ended March 31, 2019, the Company received $59 in proceeds from the sale of certain property, plant, and equipment as compared to $9 in the prior year period.

Cash Flow from Financing Activities

During the three months ended March 31, 2019, the Company had an increase in outstanding debt of $15,200, primarily related to the funding of working capital for operations. During the three months ended March 31, 2018, the Company had a decrease in outstanding debt of $27,563, primarily related to payments against the revolving credit facility which was facilitated by the repatriation of $24,693 in excess cash from our international locations. Treasury stock acquisitions represent income tax withholdings from employees in connection with the vesting of restricted stock awards.

Financial Condition

As of March 31, 2019, we had $9,039 in cash and cash equivalents and a domestic credit facility with $105,361 of net availability while we had $90,182 in total debt. We believe this liquidity will provide the flexibility to operate the business in a prudent manner and enable us to continue to service our revolving credit facility.

Our cash management priority continues to be short-term maturities and the preservation of our principal balances. As of March 31, 2019, approximately $8,207 of our cash and cash equivalents was held in non-domestic bank accounts.

To reduce the impact of interest rate changes on outstanding variable-rate debt, the Company entered into forward starting LIBOR-based interest rate swaps with notional values totaling $50,000. The swaps became effective on February 28, 2017 at which point they effectively converted a portion of the debt from variable to fixed-rate borrowings during the term of the swap contract. As of March 31, 2019, the swap asset was $626 compared to $675 as of December 31, 2018.

Subsequent to March 31, 2019, on April 30, 2019, the Company, its domestic subsidiaries, and certain of its Canadian and European subsidiaries (collectively, the "Borrowers"), entered into the Third Amended and Restated Credit Agreement ("Amended Credit Agreement") with PNC Bank, N.A., Bank of America, N.A., Wells Fargo Bank, N.A., Citizens Bank, N.A., and BMO Harris Bank, N.A. This Amended Credit Agreement modifies the prior revolving credit facility which had a maximum credit line of $195,000, and extends the maturity date from March 13, 2020 to April 30, 2024. The Amended Credit Agreement provides for a five-year, revolving credit facility that permits aggregate borrowings of the Borrowers up to $140,000 with a sublimit of the equivalent of $25,000 U.S. dollars that is available to the Canadian and United Kingdom borrowers in the aggregate. The Amended Credit Agreement's incremental loan feature permits the Company to increase the available revolving borrowings under the facility by up to an additional

$50,000 and provides for additional term loan borrowings of up to $25,000 subject to the Company's receipt of increased commitments from existing or new lenders and the satisfaction of certain conditions.

For a discussion of the terms and availability of the Company's credit facilities, please refer to Note 9 of the Notes to Condensed Consolidated Financial Statements contained in the Quarterly Report on Form 10-Q.

Critical Accounting Policies

The Condensed Consolidated Financial Statements have been prepared in conformity with accounting principles generally accepted in the United States. When more than one accounting principle, or method of its application, is generally accepted, management selects the principle or method that, in its opinion, is appropriate in the Company's specific circumstances. Application of these accounting principles requires management to reach opinions regarding estimates about the future resolution of existing uncertainties. As a result, actual results could differ from these estimates. In preparing these financial statements, management has reached its opinions regarding the best estimates and judgments of the amounts and disclosures included in the financial statements giving due regard to materiality. We have updated our lease policies since December 31, 2018, in conjunction with our adoption of Accounting Standards Codification 842, "Leases" ("ASC 842") as further described in Note 8 of the Notes to Condensed Consolidated Financial Statements contained in this Quarterly Report on Form 10-Q. A summary of the Company's critical accounting policies and estimates is included in Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations- Critical Accounting Policies and Estimates in the Company's Annual Report on Form 10-K for the year ended December 31, 2018.

Off-Balance Sheet Arrangements

The Company's off-balance sheet arrangements include purchase obligations and standby letters of credit. A schedule of the Company's required payments under financial instruments and other commitments as of December 31, 2018 is included in Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations -Liquidity and Capital Resources -Tabular Disclosure of Contractual Obligations in the Company's Annual Report on Form 10-K for the year ended December 31, 2018. During the three months ended March 31, 2019, the Company adopted the provisions under ASC 842 on January 1, 2019. As a result of the adoption, operating leases that were previously off-balance sheet arrangements are now recognized as right-of-use assets and liabilities within the Condensed Consolidated Balance Sheets as of March 31, 2019. There were no other material changes to these off-balance sheet arrangements during the current quarter. These arrangements provide the Company with increased flexibility relative to the utilization and investment of cash resources.

Item 3. Quantitative and Qualitative Disclosures about Market Risk

This item is not applicable to a smaller reporting company.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

L.B. Foster Company carried out an evaluation, under the supervision and with the participation of the Company's management, including the Chief Executive Officer and the Chief Financial Officer, of the effectiveness of the design and operation of the Company's disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended) as of March 31, 2019. Based upon that evaluation, the Chief Executive Officer and Chief Financial Officer concluded that the Company's disclosure controls and procedures were effective such that the information required to be disclosed by the Company in reports filed under the Exchange Act is (i) recorded, processed, summarized, and reported within the time periods specified in the SEC's rules and forms and (ii) accumulated and communicated to management, including the chief executive officer, chief financial officer, or person performing such functions, as appropriate to allow timely decisions regarding disclosure.

Changes in Internal Control Over Financial Reporting

On January 1, 2019, the Company adopted the standards of Accounting Standards Codification 842, "Leases" ("ASC 842"). The adoption of ASC 842 required the Company to implement changes to our processes related to operating lease recognition and the control activities within them. This included the development of new policies and procedures, ongoing lease review and evaluation processes, and implementation of processes to obtain information responsive to the new disclosure requirements. There were no other changes to our "internal control over financial reporting" (as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) that occurred during the three months ended March 31, 2019, that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Limitations on Effectiveness of Controls and Procedures

In designing and evaluating the disclosure controls and procedures and internal control over financial reporting, management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives. In addition, the design of disclosure controls and procedures and internal control over financial reporting must reflect the fact that there are resource constraints and that management is required to apply judgment in evaluating the benefits of possible controls and procedures relative to their costs.

PART II. OTHER INFORMATION

(Dollars in thousands, except share data)

Item 1. Legal Proceedings

See Note 14 of the Notes to Condensed Consolidated Financial Statements included in this Quarterly Report on Form 10-Q, which is incorporated herein by reference.

Item 1A. Risk Factors

This item is not applicable to a smaller reporting company.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

The Company's purchases of equity securities for the three months ended March 31, 2019 were as follows:

	Total number of shares purchased (1)	Average price paid per share	Total number of shares purchased as part of publicly announced plans or programs	Approximate dollar value of shares that may yet be purchased under the plans or programs
January 1, 2019 - January 31, 2019	1,011	$ 18.03	—	$ —
February 1, 2019 - February 28, 2019	24,076	17.87	—	—
March 1, 2019 - March 31, 2019	4,361	17.62	—	—
Total	29,448	$ 17.84	—	$ —

(1) Shares withheld by the Company to pay taxes upon vesting of restricted stock awards.

Item 4. Mine Safety Disclosures

This item is not applicable to the Company.

Item 6. Exhibits

See Exhibit Index below.

Exhibit Index

Exhibit Number	Description
10.1	Third Amended and Restated Credit Agreement dated April 30, 2019, between Registrant and PNC Bank, N.A., Bank of America, N.A., Wells Fargo Bank, N.A., Citizens Bank, N.A., and BMO Harris Bank, N.A. is incorporated herein by reference to Exhibit 10.1 to the Current Report on Form 8-K, File No. 0-10436, filed on May 2, 2019.
*10.2	2019 Executive Annual Incentive Compensation Plan.
*10.3	Form of Restricted Stock Award Agreement (2019).
*10.4	Long Term Incentive Performance Share Unit Program (2019-2021).
*10.5	Form of Performance Share Unit Award Agreement (2019-2021).
*31.1	Certification of Chief Executive Officer under Section 302 of the Sarbanes-Oxley Act of 2002.
*31.2	Certification of Chief Financial Officer under Section 302 of the Sarbanes-Oxley Act of 2002.
*32.0	Certification of Chief Executive Officer and Chief Financial Officer under Section 906 of the Sarbanes-Oxley Act of 2002.
*101.INS	XBRL Instance Document-the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
*101.SCH	XBRL Taxonomy Extension Schema Document.
*101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document.
*101.DEF	XBRL Taxonomy Extension Definition Linkbase Document.
*101.LAB	XBRL Taxonomy Extension Label Linkbase Document.
*101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document.

* Exhibits marked with an asterisk are filed herewith.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

L.B. FOSTER COMPANY
(Registrant)

Date: **May 10, 2019**

By: /s/ James P. Maloney
James P. Maloney
Senior Vice President,
Chief Financial Officer, and Treasurer
(Duly Authorized Officer of Registrant)

L.B. FOSTER COMPANY
ANNUAL EXECUTIVE INCENTIVE COMPENSATION PROGRAM

The purpose of this document is to establish in writing the performance goals and other terms applicable to cash financial performance awards for each fiscal year of the Company which constitutes a Performance Period (the “Program”) as authorized under the L.B. Foster Company Executive Annual Incentive Compensation Plan (“ExIP”).

I. **DEFINITIONS**

a. Defined terms used but not defined herein shall have the meanings ascribed to them in the Executive Incentive Plan master document under which each annual Program is established.

II. TERMS AND CONDITIONS

a. Unless otherwise determined by the Compensation Committee, the **Performance Period** shall be **one calendar year**.

b. Each Participant shall receive a **cash award** in an amount equal to Participant’s **base compensation multiplied by a target percentage** established by the Committee based upon the position held by the Participant as approved by the Compensation Committee and set forth on Exhibit A, on file with the Committee (the “Target Percentage”) (an “Award”). The amount of any Award earned and payable is calculated with reference to the percentage achievement of certain Performance Measures established by the Committee and as described below.

c. Participant’s **base compensation** shall be the Participant’s salary **on March 1**, rounded to the nearest whole dollar.

d. **Participants** in the Program are listed on Exhibit A on file with the Committee, which identifies each Participant’s title and Company operating unit, and Target Percentage for the applicable Performance Period.

e. A Participant’s **right**, if any, **to receive payout** of an Award, if earned, shall be **contingent upon Participant having executed a Confidentiality, Intellectual Property and Non-Compete Agreement** in a form satisfactory to the Committee. Further, in order to receive any payout of an Award, the Participant must have begun employment with the Company by October 1 of the Program’s Performance Period.

f. In the event a Participant **changes from one position to another** position or is promoted into one of the positions approved by the Committee during the Performance Period, the Target Percentage for such Participant shall be **pro-rated** between the Target Percentages applicable to each position held during the Performance Period, and such Award will be determined on the pro-rated basis based on the number of full months employed during the Performance Period.

g. In order to be eligible **to receive any payout** of an Award, if earned, a Participant **must be actively employed by the Company on the date the Award is paid**. In no event is a Participant entitled to any pro-rata payment of an Award under the terms of this Program, **except** to the extent the Board has approved a Participant's **retirement** or termination from the Company, in which case the Committee may provide a pro-rata payment based on the Participant's active employment before the Board-approved retirement or termination.

III. CALCULATING PAYOUT OF AWARDS

The payout of Awards shall be calculated as set forth below:

a. A Participant's **Award** shall be **determined** and allocated **by multiplying the Award by** the Company's **adjusted level of attainment of the financial Performance Measures** identified below, **weighted** as indicated:

	Performance Measure	CEO, SVP & CFO; SVP, Human Resources & Admin; SVP & General Counsel; and Controller & CAO	Executive VPs Responsible for Operating Unit(s)
Financial Performance Awards	Operating Unit Adjusted EBITDA	--	50%
	Working Capital as a % of Sales	25%	20%
	Corporate Adjusted EBITDA	75%	30%

b. The amount of an Award payout shall be calculated and **adjusted upward or downward based on the actual level of attainment** of the above Performance Measures, Adjusted EBITDA and Working Capital as a % of Sales (Corporate and Operating Unit), **utilizing the percentage multipliers** as set forth in the tables below. Straight-line interpolation will be used to determine the achievement between each level.

Adjusted EBITDA Multiplier

% of Target Adjusted EBITDA	Corporate or Operating Unit Multiplier
130% and over	200%
100%	100%
70%	50%
Less than 70%	0%

W/C as a % of Sales Multiplier

% of Target Average W/C as a % of Sales	Corporate or Operating Unit Multiplier
86.0% and under	200%
100.0%	100%
121.5%	50%
Greater than 121.5%	0%

c. Definitions of the Performance Measures and possible adjustments are noted on Schedule 1.10 attached hereto.

d. Payment of a cash Award under the ExIP will follow the Committee's determination of such incentive award and following the date the Company files its report on Form 10-K for the period ending on the last day of the Performance Period.

III. RECOUPMENT
All Awards granted hereunder are made **subject to the** L.B. Foster Executive **Recoupment Policy** which is incorporated herein by reference (the "Policy.") The Policy provides for the clawback by the Company and repayment by the Participant of cash awards paid hereunder in the event of an accounting restatement applicable to any financial reporting period within the Performance Period due to material noncompliance of the Company with any financial reporting requirement under the securities or other applicable laws.

IV. COMPENSATION COMMITTEE
As set forth in the ExIP document, the **Compensation Committee retains all rights and discretion to modify, eliminate, or replace the ExIP and the Program at any time**. The Committee will interpret and apply the ExIP and this Program at is discretion, and may increase, decrease, or eliminate any Award hereunder. All determinations with respect to any Award shall be made by the Committee and shall be final, conclusive and binding on the Company, the Participant and any and all interested parties.

The undersigned Chairman of the Compensation Committee hereby certifies, on behalf of the Committee, that the performance goals and other material terms applicable have been determined and approved at the Committee meeting held in February of the Program's Performance Period.

Approved:
/s/ William H. Rackoff
William H. Rackoff Chairman, Compensation Committee
February 21, 2019
Date

Schedule 1.10

PERFORMANCE MEASURES AND ADJUSTMENTS

Adjusted Earnings Before Interest, Taxes, Depreciation and Amortization (Adjusted EBITDA): shall mean with respect to the Company or an Operating Unit, for the Fiscal Year (a) income from continuing operations; (b) plus income tax expense; (c) plus interest expense; (d) minus interest income; (e) plus depreciation expense; and (f) plus amortization expense; (g) plus and minus the adjustments below.

Working Capital as a Percentage of Sales ("W/C as a % of Sales"): shall mean with respect to the Company, or as applicable, for an Operating Unit, for the Fiscal Year, the average monthly balances of Inventory and Accounts Receivable less the average monthly balances of Accounts Payable and Deferred Revenue divided by annual net sales. Results shall be determined incorporating approved adjustments below.

The following adjustments are guidelines subject to board approval and will not be disclosed in any public filing.

Adjustment Description **Unplanned reductions or add-backs to results for gains and losses**	Adjusted EBITDA	W/C as a % of Sales
Effects of changes in accounting or tax law	X	X
Divestitures of properties, businesses, investments, equity in affiliates or held for sale discontinued operation	X	X
Costs of an acquisition or potential acquisition, purchase accounting and operating results of an acquisition completed during the year	X	X
Any significant or non-recurring item(s) (these items include, but are not limited to a restructuring, long-lived asset impairment, warranty costs, product liability, legal settlement, environmental charges) that in total exceed $200,000 in EBITDA (favorable or unfavorable)	X	
The impact on any Operating Unit attributable to any administrative intercompany charges related to transfer pricing compliance where the consolidated impact is zero.	X	

RESTRICTED STOCK AGREEMENT
(EXECUTIVE)
(Section 5.1 Of The Omnibus Incentive Plan, as Amended and Restated)

This Restricted Stock Agreement set forth below (this "***Agreement***") is dated as of **February 21, 2019** (the "***Issue Date***") and is between L. B. Foster Company, a Pennsylvania corporation ("***Company***"), and **NAME** (the "***Stockholder***").

The Company has established its 2006 Omnibus Incentive Plan, as Amended and Restated (the "***Plan***"), to advance the interests of the Company and its stockholders by providing incentives to certain eligible persons who contribute significantly to the strategic and long-term performance objectives and growth of the Company. All capitalized terms not otherwise defined in this Agreement have the same meaning given them in the Plan.

Pursuant to the provisions of the Plan, the Committee has full power and authority to direct the execution and delivery of this Agreement in the name and on behalf of the Company, and has authorized the execution and delivery of this Agreement.

AGREEMENT

The parties, intending to be legally bound hereby, agree as follows:

Section 1. ***Issuance of Stock.*** Subject and pursuant to all terms and conditions stated in this Agreement and in the Plan, as of the Issue Date the Company hereby grants to **Stockholder [# OF RESTRICTED SHARES]** shares of Company Common Stock, par value $0.01 per share (the "***Common Stock***") pursuant to Article V of the Plan. For purposes of this Agreement, the "***Shares***" shall include all of the shares of Common Stock issued to Stockholder pursuant to this Agreement or issued with respect to such shares of Common Stock, including, but not limited to, shares of Company capital stock issued by way of a stock dividend or stock split or in connection with a combination of shares, recapitalization, merger, consolidation or other reorganization.

Section 2. ***Vesting; Rights; Obligations; and Restrictions on Transfer*.**

(a) None of the Shares may be sold, transferred, pledged, hypothecated or otherwise encumbered or disposed of until they have vested in accordance with the terms of this Section 2. Except as set forth in this Section 2, effective at the close of business on the date Stockholder ceases to be employed by the Company or an affiliate of the Company, any Shares that are not vested in accordance with this Section 2, and any dividends accrued pursuant to Section 2(c) below, shall be automatically forfeited without any further obligation on the part of the Company. Stockholder hereby assigns and transfers any forfeited Shares and the stock certificate(s) or other evidence of ownership representing such Shares to the Company.

(b) **All of the Shares will vest 33 1/3% on each of the first, second, and third anniversaries.** However, if a Change of Control occurs prior to the end of the full vesting period and (i) Stockholder experiences an involuntary Separation from Service by the Company other than (A) a Termination for Cause, (B) death, or (C) Disability, or the Stockholder terminates for Good Reason (as defined below) within the 90-day period immediately preceding a Change of Control, or on or within the two-year period immediately following a Change of Control, or (ii) the acquiring entity in a Change of Control does not assume this Agreement and convert the Shares into a substantially comparable award of capital stock or other equity incentive instrument in such acquiring entity as determined by the Board of Directors, any unvested Shares shall immediately vest. Vesting shall be tolled during any period in which Stockholder is on an approved leave of absence from employment with the Company or an affiliate of the Company.

(c) Subject to the foregoing provisions of this Section 2 and the provisions of the Plan, Stockholder shall have all rights of a shareholder with respect to the Shares, including the right to vote the Shares and to receive dividends, *provided*, *however*, that until such time as the Shares, or portion thereof, shall have vested, the Company shall accrue on its books and records for the benefit of the Stockholder an amount equal to the dividend payment that would otherwise have been received on the Shares but for this agreement to accrue the dividend payments. Dividends accrued for the benefit of the Stockholder shall be payable as the Shares vest with payment to be made by the Company, or its agent, within ten (10) business days after vesting. For purposes of clarity, if this Agreement provides that only a portion of the Shares vest on a given date, accrued dividends shall only be payable on that portion of Shares vesting and not on any Shares that remain unvested.

(d) For purposes of this Agreement, “Good Reason” means the Stockholder’s Separation from Service as a result of the occurrence, without the Stockholder’s written consent, of one of the following events:

(i)A material reduction in the Stockholder’s annual base salary (unless such reduction relates to an across-the-board reduction similarly affecting Stockholder and all or substantially all other executives of the Company and its affiliates);

(ii)The Company (or the Subsidiary employing Stockholder) makes or causes to be made a material adverse change in the Stockholder's position, authority, duties or responsibilities which results in a significant diminution in the Stockholder's position, authority, duties or responsibilities, excluding any change made in connection with (A) a reassignment to a New Job Position (as defined herein), or (B) a termination of Stockholder's employment with the Company for Disability, Termination for Cause, death, or temporarily as a result of Participant's incapacity or other absence for an extended period; (For purposes of this Agreement, "New Job Position" means a change in the Stockholder's position, authority, duties or responsibilities with the Company or any affiliate due to the Stockholder's demonstrated inadequate or unsatisfactory performance, provided the Stockholder had been notified of such inadequate performance and had been given at least 30 days to cure such inadequate performance.)

(iii)A relocation of the Company's principal place of business, or of Stockholder's own office as assigned to Stockholder by the Company or the Subsidiary employing Stockholder to a location that increases Stockholder's normal work commute by more than 50 miles; or

(iv)Any other action by the Company or the Subsidiary employing Stockholder that constitutes a material breach of the employment agreement, if any, under which Stockholder's services are to be performed.

In order for Stockholder to terminate for Good Reason, (A) the Company must be notified by Stockholder in writing within 90 days of the event constituting Good Reason, (B) the event must remain uncorrected by the Company for 30 days following such notice (the "Notice Period"), and (C) such termination must occur within 60 days after the expiration of the Notice Period.

(e) The certificates, if any, representing unvested Shares will bear the following or similar legend:

"The securities represented by this certificate are subject to forfeiture and restrictions on transfer as set forth in the Restricted Stock Agreement between the issuer and the initial holder of these shares. A copy of that document may be obtained by the holder without charge at the issuer's principal place of business or upon written request."

Section 3. ***Investment Representation*****.** Stockholder hereby acknowledges that the Shares cannot be sold, transferred, assigned, pledged or hypothecated in the absence of an effective registration statement for the shares under the Securities Act of 1933, as amended (the "***Securities Act***"), and applicable state securities laws or an applicable exemption from the registration requirements of the Securities Act and any applicable state securities laws or as otherwise provided herein or in the Plan. Stockholder also agrees that the Shares which Stockholder acquires pursuant to this Agreement will not be sold or otherwise disposed of in any manner which would constitute a violation of any applicable securities laws, whether federal or state.

Section 4. ***Book Entry Account***. At the discretion of the Company, certificates for the shares may not be issued. In lieu of certificates, the Company may establish a book entry account for the Shares, until vested, in the name of the Stockholder with the Company's transfer agent for its Common Stock.

Section 5. ***Income Taxes***. Stockholder acknowledges that any income for federal, state or local income tax purposes that Stockholder is required to recognize on account of the issuance of the Shares to Stockholder shall be subject to withholding of tax by the Company. In in order to satisfy Stockholder's statutory withholding tax obligations, if any, on account of the vesting of Shares hereunder, the Company shall withhold a number of vested Shares issued hereunder equal to the applicable statutory withholding tax obligation for such Stockholder. Stockholder agrees further to notify the Company promptly if Stockholder files an election pursuant to Section 83(b) of the Internal Revenue Code of 1986, as amended (the "***Code***"), with respect to any Shares.

Section 6. ***No Right to Employment*.** Neither the Plan nor this Agreement shall be deemed to give Stockholder any right to continue to be employed by the Company, nor shall the Plan or the Agreement be deemed to limit in any way the Company's right to terminate the employment of the Stockholder at any time.

Section 7. ***Further Assistance*.** Stockholder will provide assistance reasonably requested by the Company in connection with actions taken by Stockholder while employed by the Company, including but not limited to assistance in connection with any lawsuits or other claims against the Company arising from events during the period in which Stockholder was employed by the Company.

Section 8. ***Binding Effect; No Third Party Beneficiaries*.** This Agreement shall be binding upon and inure to the benefit of the Company and Stockholder and their respective heirs, representatives, successors and permitted assigns. This Agreement shall not confer any rights or remedies upon any person other than the Company and the Stockholder and their respective heirs, representatives, successors and permitted assigns. The parties agree that this Agreement shall survive the issuance of the Shares.

Section 9. ***Agreement to Abide by Plan; Conflict between Plan and Agreement.*** The Plan is hereby incorporated by reference into this Agreement and is made a part hereof as though fully set forth in this Agreement. Stockholder, by execution of this Agreement, represents that he or she is familiar with the terms and provisions of the Plan and agrees to abide by all of the terms and conditions of this Agreement and the Plan. Stockholder accepts as binding, conclusive and final all decisions or interpretations of the Committee upon any question arising under the Plan or this Agreement (including, without limitation, the date of any termination of Stockholder's employment with the Company). In the event of any conflict between the Plan and this Agreement, the Plan shall control and this Agreement shall be deemed to be modified accordingly, except to the extent that the Plan gives the Committee the express authority to vary the terms of the Plan by means of this Agreement, in which case this Agreement shall govern.

Section 10. ***Entire Agreement*.** Except as otherwise provided herein, this Agreement and the Plan, which Stockholder has reviewed and accepted in connection with the grant of the Shares reflected by this Agreement, constitute the entire agreement between the parties and supersede any prior understandings, agreements, or representations by or between the parties, written or oral, to the extent they related in any way to the subject matter of this Agreement.

Section 11. ***Choice of Law*****.** To the extent not superseded by federal law, the laws of the Commonwealth of Pennsylvania (without regard to the conflicts laws thereof) shall control in all matters relating to this Agreement and any action relating to this Agreement must be brought in State or Federal Courts located in the Commonwealth of Pennsylvania.

Section 12. ***Notice***. All notices, requests, demands, claims, and other communications under this Agreement shall be in writing. Any notice, request, demand, claim, or other communication under this Agreement shall be deemed duly given if (and then two business days after) it is sent by registered or certified mail, return receipt requested, postage prepaid, and addressed to the intended recipient at the following address: If to the Company, L. B. Foster Company, 415 Holiday Drive, Suite 100, Pittsburgh, PA 15220, Attn: Secretary; and if to the Stockholder, to his or her address as it appears on the Company's records. Either party to this Agreement may send any notice, request, demand, claim, or other communication under this Agreement to the intended recipient at such address using any other means (including personal delivery, expedited courier, messenger service, telecopy, ordinary mail, or electronic mail), but no such notice, request, demand, claim, or other communication shall be deemed to have been duly given unless and until it actually is received by the intended recipient. Either party to this Agreement may change the address to which notices, requests, demands, claims, and other communications hereunder are to be delivered by giving the other party notice in the manner set forth in this section.

Section 13. ***Counterparts*****.** This Agreement may be executed in one or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument.

Section 14. ***Amendments*****.** This Agreement may be amended or modified at any time by an instrument in writing signed by the parties hereto, or as otherwise provided under the Plan. Notwithstanding, the Company may, in its sole discretion and without the Stockholder's consent, modify or amend the terms of this Agreement, impose conditions on the timing and effectiveness of the issuance of the Shares, or take any other action it deems necessary or advisable, to cause this Award to be excepted from Section 409A of the Code (or to comply therewith to the extent the Company determines it is not excepted).

Section 15. ***Acknowledgments.***

(a) By accepting the Shares, the Stockholder acknowledges receipt of a copy of the Plan and agrees to be bound by the terms and conditions set forth in the Plan and this Agreement, as in effect and/or amended from time to time.

(b) The Plan and related documents may be delivered to you electronically. Such means of delivery may include but do not necessarily include the delivery of a link to a Company intranet site or the internet site of a third party involved in administering the Plan, the delivery of the documents via e-mail or CD-ROM or such other delivery determined at the Committee's discretion. Both Internet Email and the World Wide Web are required in order to access documents electronically.

(c) This Award is intended to be excepted from coverage under Section 409A of the Code and the regulations promulgated thereunder and shall be interpreted and construed accordingly. Notwithstanding, Stockholder recognizes and acknowledges that Section 409A of the Code may impose upon the Stockholder certain taxes or interest charges for which the Stockholder is and shall remain solely responsible.

(d) Stockholder acknowledges that, by receipt of this Award, Stockholder has read this Section 15 and consents to the electronic delivery of the Plan and related documents, as described in this Section 15. Stockholder acknowledges that Stockholder may receive from the Company a paper copy of any documents delivered electronically at no cost if Stockholder contacts the Company's General Counsel by telephone at (412) 928-7829 or by mail to L.B. Foster Company, 415 Holiday Drive, Suite 100, Pittsburgh, PA 15220 ATTN: General Counsel. Stockholder further acknowledges that Stockholder will be provided with a paper copy of any documents delivered electronically if electronic delivery fails.

IN WITNESS WHEREOF, the Company has caused a duly authorized officer to execute this Agreement on its behalf, and the Stockholder has placed his/her signature hereon, effective as of the Issue Date.

L. B. FOSTER COMPANY

By:

Name: Robert P. Bauer
Title: President and Chief Executive Officer

ACCEPTED AND AGREED TO:

_, Stockholder
«Name»

Exhibit A

L. B. FOSTER COMPANY
2019 PERFORMANCE SHARE UNIT PROGRAM
(2019-2021)

L. B. FOSTER COMPANY, a Pennsylvania corporation (the "Company"), hereby establishes this L. B. FOSTER COMPANY 2019 PERFORMANCE SHARE UNIT PROGRAM (the "Program"), in accordance with the provisions of the L. B. FOSTER COMPANY 2006 Omnibus Incentive Plan, as amended (the "Plan"), and the terms and conditions provided herein.

WHEREAS, the Company maintains the Plan for the benefit of its and its Subsidiaries' key employees; and

WHEREAS, in order to align the interests of key employees with the interests of the Company's shareholders and to enhance the Company's ability to retain the employment of its key employees, the Company desires to provide long-term incentive compensation; and

WHEREAS, Article VI of the Plan authorizes the Company to make performance-based awards.

NOW, THEREFORE, the Compensation Committee of the Board of Directors of the Company ("Compensation Committee") hereby adopts the Program on the following terms and conditions:

1. Plan. In addition to the terms and conditions set forth herein, Awards under the Program are subject to, and governed by, the terms and conditions set forth in the Plan, which are hereby incorporated by reference. Unless the context otherwise requires, capitalized terms used in this Program and not otherwise defined herein shall have the meanings set forth in the Plan. In the event of any conflict between the provisions of the Program and the Plan, the Compensation Committee shall have full authority and discretion to resolve such conflict and any such determination shall be final, conclusive and binding on the Participant and all interested parties.

2. Effective Date. The effective date of this Program is January 1, 2019.

3. Eligibility. The Committee shall select those individuals who shall participate in the Program (the "Participants"). In the event that an employee is hired by the Company or a Subsidiary during the Performance Period, upon recommendation by the CEO, the Committee shall determine whether such employee will become a Participant in the Program, subject to such terms, conditions and adjustments as the Committee determines to be necessary or desirable.

4. Performance Share Unit Awards.

(a) The Committee shall determine the number of performance share units (the "Performance Share Units") to be awarded to each Participant. Each Performance Share Unit awarded under the Program shall represent a contingent right to receive up to two shares of the Company's common stock (the "Common Stock") as described more fully herein, to the extent such Performance Share Unit is earned and becomes payable pursuant to the terms of this Program. Performance Share Units have no independent economic value, but rather are mere units of measurement used for purpose of calculating the number of shares, if any, to be paid under the Program.

(b) Performance Share Units shall be increased and/or decreased in accordance with the terms of the Program as described more fully herein. Notwithstanding any provision of this Program to the contrary the Committee, in its sole discretion, may increase or reduce the amount of any Performance Share Units that would otherwise be earned by a Participant upon attainment of the Performance Conditions (as defined below) if it concludes that such reduction is necessary or appropriate.

5. Performance Conditions of the Performance Share Units. The total number of shares of the Company's Common Stock that may be earned by a Participant will be based on the Company's attainment of performance goals relating to the Company's return on invested capital ("ROIC") and Cumulative Earnings Before Interest, Taxes, Depreciation and Amortization ("Cumulative EBITDA") during the Performance Period (as defined below) as approved by (and in accordance with the procedures established by) the Committee on February 20, 2019 and on file with the Committee (the "Performance Conditions"), for the performance period of January 1, 2019 through December 31, 2021 (the "Performance Period"); provided, however, that except as otherwise specifically provided herein, the ability to earn shares of the Company's Common Stock and to receive payment thereon under the Program is expressly contingent upon achievement of the threshold for the Performance Conditions and otherwise satisfying all other terms and conditions of the Program.

6. Issuance and Distribution.

(a) After the end of the Performance Period, the Committee shall certify in writing the extent to which the applicable Performance Conditions and any other material terms of the Program have been achieved. For purposes of this provision, and for so long as the Code permits, the approved minutes of the Committee meeting in which the certification is made may be treated as written certification.

(b) Subject to the terms and conditions of this Program, Performance Share Units will be settled and paid in shares of the Company's common stock in the calendar year immediately following the end of the Performance Period on a date determined in the Company's discretion, but in no event later than March 15th of such calendar year (the "Payment Date").

(c) Notwithstanding any other provision of this Program, in the event of a Change of Control, the Committee may, in its sole discretion, terminate the Program and, unless otherwise determined by the Committee, the Participant shall be deemed to earn shares of the Company's Common Stock at the target level; provided, however, the Participant shall only be entitled to a prorated portion of such shares of the Company's Common Stock determined based on the ratio of the number of complete months the Participant is employed or serves during the Performance Period through the date of the change of control to the total number of originally scheduled months in the Performance Period (or the number of originally scheduled remaining months in the Performance Period if the Participant becomes an employee of the Company and/or its Subsidiaries after the start of the Performance Period). Any such earned shares of the Company's Common Stock shall be issued contemporaneous with the Change of Control on the closing date of the Change of Control; provided, further, in the event of a Change of Control, Performance Share Units may, in the Committee's discretion, be settled in cash and/or securities or other property.

7. Dividends. Performance Share Units will not be credited with dividends that are paid on the Company's Common Stock.

8. Change in Participant's Status. In the event a Participant's employment with the Company or any Subsidiary is terminated (i) by reason of Retirement on or after January 1, 2020 (or such earlier date as may be expressly authorized by the Committee), or (ii) on account of death or total and permanent Disability prior to the Payment Date, the Participant shall be entitled to retain the Performance Share Units and receive payment therefore to the extent earned and payable pursuant to the provisions of this Program; provided, however, the Participant shall only be entitled to retain a prorated portion of the Performance Share Units determined at the end of the Performance Period and based on the ratio of the number of complete months the Participant is employed or serves during the Performance Period to the total number of months in the Performance Period (or the number of remaining months in the Performance Period if the Participant becomes an employee of the Company and/or its Subsidiaries after the start of the Performance Period). In the event a Participant's employment with the Company or any Subsidiary is terminated for any other reason, including, but not limited to, by the Participant voluntarily, or by the Company on account of a Termination for Cause or without cause, prior to the Payment Date, the Performance Share Units awarded to the Participant shall be cancelled and forfeited, whether payable or not, without payment by the Company or any Subsidiary. Any payments due a deceased Participant shall be paid to his estate as provided herein after the end of the Performance Period.

9. Responsibilities of the Compensation Committee. In addition to the authority granted to the Compensation Committee under the Plan, the Compensation Committee has responsibility for all aspects of the Program's administration, including but not limited to: ensuring that the Program is administered in accordance with the provisions of the Program and the Plan; approving Participants; authorizing Performance Share Unit Awards to Participants; and adjusting Performance Share Units as authorized hereunder consistent with the terms of the Program and the Plan. All decisions of the Compensation Committee under the Program shall be final, conclusive and binding on all interest parties. No member of the Compensation Committee shall be liable for any action or determination made in good faith as to the Program or any Performance Share Units awarded thereunder.

10. Tax Consequences/Withholding.

(a) It is intended that: (i) a Participant's Performance Share Units shall be considered to be subject to a substantial risk of forfeiture in accordance with those terms as defined in Section 409A and 3121(v)(2) of the Code; and (ii) a Participant shall have merely an unfunded, unsecured promise to be paid a benefit, and such unfunded promise shall not consist of a transfer of "property" within the meaning of Code Section 83.

(b) Participant acknowledges that any income for foreign, federal, state or local income tax purposes, including payroll taxes, that the Participant is required to recognize on account of the vesting of the Performance Share Units and/or issuance of the shares of Common Stock under this Award to Participant shall be subject to withholding of tax by the Company. In accordance with administrative procedures established by the Company, in order to satisfy Participant’s minimum statutory withholding tax obligations, if any, on account of the vesting of the Performance Share Units and/or issuance of shares of Common Stock under this Award, the Company will withhold from the Performance Share Units to be issued to the Participant a sufficient number of whole shares distributable in connection with this Award equal to the applicable minimum statutory withholding tax obligation.

(c) This Program is intended to be excepted from coverage under Section 409A and shall be construed accordingly. Notwithstanding any provision of this Program to the contrary, if any benefit provided under this Program is subject to the provisions of Section 409A, the provisions of the Program will be administered, interpreted and construed in a manner necessary to comply with Section 409A (or disregarded to the extent such provision cannot be so administered, interpreted or construed). Notwithstanding, Section 409A may impose upon the Participant certain taxes or other charges for which the Participant is and shall remain solely responsible, and nothing contained in this Program or the Plan shall be construed to obligate the Compensation Committee, the Company or any Subsidiary for any such taxes or other charges

11. Non-Competition.

(a) The Participants hereunder agree that this Section 11 is reasonable and necessary in order to protect the legitimate business interests and goodwill of the Company, including the Company's trade secrets, valuable confidential business and professional information, substantial relationships with prospective and existing customers and clients, and specialized training provided to Participants and other employees of the Company. The Participants acknowledge and recognize the highly competitive nature of the business of the Company and its Subsidiaries and accordingly agree that during the term of each of their employment and for a period of two (2) years after the termination thereof:

(i)The Participants will not directly or indirectly engage in any business substantially similar to any line of business conducted by the Company or any of its Subsidiaries, including, but not limited to, where such engagement is as an officer, director, proprietor, employee, partner, investor (other than as a holder of less than 1% of the outstanding capital stock of a publicly traded corporation), consultant, advisor, agent or sales representative, in any geographic region in which the Company or any of its Subsidiaries conducted business;

(ii)The Participants will not contact, solicit, perform services for, or accept business from any customer or prospective customer of the Company or any of its Subsidiaries in any line of business conducted by the Company or any of its subsidiaries;

(iii)The Participants will not directly or indirectly induce any employee of the Company or any of its Subsidiaries to: (1) engage in any activity or conduct which is prohibited pursuant to subparagraph 11(a)(i) or (2) terminate such employee's employment with the Company or any of its Subsidiaries. Moreover, the Participants will not directly or indirectly employ or offer employment (in connection with any business substantially similar to any line of business conducted by the Company or any of its Subsidiaries) to any person who was employed by the Company or any of its Subsidiaries unless such person shall have ceased to be employed by the Company or any of its Subsidiaries for a period of at least 12 months; and

(iv)The Participants will not directly or indirectly assist others in engaging in any of the activities, which are prohibited under subparagraphs (a)(i-iii) above.

(b) It is expressly understood and agreed that although the Participants and the Company consider the restrictions contained in this Section 11 to be reasonable, if a final judicial determination is made by a court of competent jurisdiction that the time or territory or any other restriction contained in this Program is an unenforceable restriction against any Participant, the provisions of this Program shall not be rendered void but shall be deemed amended to apply as to such maximum time and territory and to such maximum extent as such court may judicially determine or indicate to be enforceable against such Participant. Alternatively, if any court of competent jurisdiction finds that any restriction contained in this Program is unenforceable, and such restriction cannot be amended so as to make it enforceable, such finding shall not affect the enforceability of any of the other restrictions contained herein. The restrictive covenants set forth in this Section 11 shall be extended by any amount of time that a Participant is in breach of such covenants, such that the Company receives the full benefit of the time duration set forth above.

12. Confidential Information and Trade Secrets. The Participants and the Company agree that certain materials, including, but not limited to, information, data and other materials relating to customers, development programs, costs, marketing, trading, investment, sales activities, promotion, credit and financial data, manufacturing processes, financing methods, plans or the business and affairs of the Company and its Subsidiaries, constitute proprietary confidential information and trade secrets. Accordingly, the Participants will not at any time during or after a Participant's employment with the Company (including any Subsidiary) disclose or use for such Participant's own benefit or purposes or the benefit or purposes of any other person, firm, partnership, joint venture, association, corporation or other business organization, entity or enterprise other than the Company and any of its affiliates, any proprietary confidential information or trade secrets, provided that the foregoing shall not apply to information which is not unique to the Company or any of its Subsidiaries or which is generally known to the industry or the public other than as a result of such Participant's breach of this covenant. The Participants agree that upon termination of employment with the Company (including any Subsidiary) for any reason, the Participants will immediately return to the Company all memoranda, books, papers, plans, information, letters and other data, and all copies thereof or therefrom, which in any way relate to the business of the Company and its Subsidiaries, except that the Participants may retain personal notes, notebooks and diaries. The Participants further agree that the Participants will not retain or use for their own account at any time any trade names, trademark or other proprietary business designation used or owned in connection with the business of the Company or any of its Subsidiaries.

13. Remedies/Forfeiture/Recoupment.

(a) The Participants acknowledge that a violation or attempted violation on a Participant's part of Sections 11 and 12 will cause irreparable damage to the Company and its Subsidiaries, and the Participants therefore agree that the Company and its Subsidiaries shall be entitled as a matter of right to an injunction, out of any court of competent jurisdiction, restraining any violation or further violation of such promises by the Participants or a Participant's employees, partners or agents. The Participants agree that such right to an injunction is cumulative and in addition to whatever other remedies the Company (including any Subsidiary) may have under law or equity, and the Participants' obligations to make timely payment to the Company as set forth in Section 13(b) of this Program. ***The Participants further acknowledge and agree that a Participant's Performance Share Units shall be cancelled and forfeited without payment by the Company if such Participant breaches any of his or her obligations set forth in Section 11 and 12 herein.***

(b) At any point after becoming aware of a breach of any obligation set forth in Sections 11 and/or 12 of this Program, the Company shall provide notice of such breach to a Participant. By agreeing to participate in this Program, the Participants agree that within ten (10) days after the date the Company provides such notice, a Participant shall pay to the Company in cash an amount equal to any and all distributions paid to or on behalf of such Participant under this Program within the six (6) months prior to the date of the earliest breach. The Participant agrees that failure to make such timely payment to the Company constitutes an independent and material breach of the terms and conditions of this Program, for which the Company may seek recovery of the unpaid amount as liquidated damages, in addition to all other rights and remedies the Company may have resulting from a Participant's breach of the obligations set forth in Sections 11 and 12. The Participants agree that timely payment to the Company as set forth in this provision of the Program is reasonable and necessary because the compensatory damages that will result from breaches of Sections 11 and/or 12 cannot readily be ascertained. Further, the Participants agree that timely payment to the Company as set forth in this provision of the Program is not a penalty, and it does not preclude the Company from seeking all other remedies that may be available to the Company, including without limitation those set forth in this Section 13.

(c) In the event the Company is required to prepare an accounting restatement applicable to any financial reporting period covering a period within the Performance Period due to the material noncompliance of the Company with any financial reporting requirement under the securities laws or other applicable law and if the Committee, in its discretion, so determines, (i) each “Specified Participant” shall pay to the Company in cash up to the amount equal to the fair market value of any and all shares, cash or other compensation paid to or on behalf of such Participant under this Program, and, without duplication, (ii) each “Specified Participant” shall pay to the Company in cash an amount equal to the fair market value of any and all shares, cash or other compensation paid to or on behalf of such Participant under of this Program in excess of the amount of such compensation that would have been paid to the Participant based on the restated financial results. Any such payment shall be made within the time periods prescribed by the Committee. The Committee, in its discretion, shall determine whether the Company shall effect any such recovery (i) by seeking repayment from the Specified Participant, (ii) by reducing (subject to applicable law and the terms and conditions of the applicable plan, program or arrangement) the amount that would otherwise be payable to the Specified Participant under any compensatory plan, program or arrangement maintained by the Company or any of its affiliates, (iii) by withholding payment of future increases in compensation (including the payment of any discretionary bonus amount) or grants of compensatory Awards that would otherwise have been made in accordance with the Company's otherwise applicable compensation practices, or (iv) by any combination of the foregoing. For purposes of this Program, the term “Specified Participant” means any Participant that the Committee has determined, in its sole discretion, that any fraud, negligence, or intentional misconduct by Participant was a significant contributing factor to the Company having to prepare an accounting restatement. A Participant's failure to make any such timely payment to the Company constitutes an independent and material breach of the terms and conditions of this Program, for which the Company may seek recovery of the unpaid amount as liquidated damages, in addition to all other rights and remedies the Company may have against the Participant. By participating in the Program, each Participant agrees that timely payment to the Company as set forth in this provision of the Program is reasonable and necessary, and that timely payment to the Company as set forth in this provision of the Program is not a penalty, and it does not preclude the Company from seeking all other remedies that may be available to the Company, including without limitation those set forth in this Section 13. ***Each Participant further acknowledges and agrees that a Participant's Performance Share Units shall be cancelled and forfeited without payment by the Company if such Participant is determined to be a Specified Participant with respect to any financial reporting period covering a period within the Performance Period. Notwithstanding the foregoing, the Company shall not be required to make any additional payment in the event that the restated financial results would have resulted in a greater payment to the Participant.***

Notwithstanding any other provisions of this program or the Plan, the Performance Share Units granted pursuant to this Program shall be subject to recovery under any law, governmental regulation, stock exchange listing requirement or Company policy applicable to them, including any related deductions, recoupment and/or claw-back as may be required to be made pursuant to such law, government regulation, stock exchange listing requirement, or Company policy, as may be in effect from time to time, and which may operate to create additional rights for the Company with respect to the

Performance Share Units and recovery of amounts relating thereto (the "Clawback Requirement"). By accepting Performance Share Units granted under the Program and under the Plan, Participants agree and acknowledge that they are obligated to cooperate with, and provide any and all assistance necessary to, the Company to recover or recoup any Award or amounts paid under the Plan subject to claw-back pursuant to such law, government regulation, stock exchange listing requirement or Company policy. Such cooperation and assistance shall include, but is not limited to, executing, completing and submitting any documentation necessary to recover or recoup any Award or amounts paid under the Plan from a Participant's accounts, or pending or future compensation or Awards. In the event the Awards granted pursuant to this document and the Plan become subject to such Clawback Requirement, then the Awards shall be subject to such Clawback Requirement, and the foregoing provisions of this Section 13(c) shall no longer apply to such Awards.

14. Assignment/Nonassignment.

(a) The Company shall have the right to assign this Program, including without limitation Section 11, and the Participants agree to remain obligated by all provisions of this Program that are assigned to any successor, assign or surviving entity. The obligations of the Company under the Program shall be binding upon the successors and assigns of the Company. Any successor to the Company is an intended third party beneficiary of this Program.

(b) The Performance Share Units shall not be sold, pledged, assigned, hypothecated, transferred or disposed of (a "Transfer") in any manner, other than by will or the laws of descent and distribution. Any attempt by a Participant to Transfer the Performance Share Units in violation of the terms of the Program shall render the Performance Share Units null and void, and result in the immediate forfeiture of such Performance Share Units, without payment by the Company or any Subsidiary.

15. Impact on Benefit Plans. Payments under the Program shall not be considered as earnings for purposes of the Company's and/or Affiliate's qualified retirement plans or any such retirement or benefit plan unless specifically provided for therein. Nothing herein shall prevent the Company or any Affiliate from maintaining additional compensation plans and arrangements for its employees.

16. Changes in Stock. In the event of a stock split, stock dividend, or similar event, the Performance Share Units and the shares of Company common stock on which the Performance Conditions are based shall be appropriately adjusted to prevent dilution or enlargement of the rights of Participants which would otherwise result from any such transaction, provided such adjustment shall be consistent with Code Section 409A. In the case of a Change of Control, any obligation under the Program shall be handled in accordance with the terms of Section 6(c) hereof.

17. Governing Law, Jurisdiction, and Venue.

(a) This Program shall be governed by and construed in accordance with the laws of the Commonwealth of Pennsylvania, without giving effect to the principles of conflicts of law.

(b) Participant hereby irrevocably submits to the personal and exclusive jurisdiction of the United States District Court for the Western District of Pennsylvania or the Court of Common Pleas of Allegheny County, Pennsylvania in any action or proceeding arising out of, or relating to, this Program (whether such action or proceeding arises under contract, tort, equity or otherwise). Participant hereby irrevocably waives any objection which Participant now or hereafter may have to the laying of venue or personal jurisdiction of any such action or proceeding brought in said courts.

(c) Jurisdiction over, and venue of, any such action or proceeding shall be exclusively vested in the United States District Court for the Western District of Pennsylvania or the Court of Common Pleas of Allegheny County, Pennsylvania.

(d) Provided that the Company commences any such action or proceeding in the courts identified in Section 17(b), Participant irrevocably waives Participant's right to object to or challenge the above selected forum on the basis of inconvenience or unfairness under 28 U.S.C. § 1404, 42 Pa. C.S. § 5322 or similar state or federal statutes. Participant agrees to reimburse the Company for all of the attorney fees and costs it incurs to oppose Participant's efforts to challenge or object to litigation proceeding in the courts identified in Section 17(b) with respect to actions arising out of or relating to this Program (whether such actions arise under contract, tort, equity or otherwise).

18. Failure to Enforce Not a Waiver. The failure of the Company to enforce at any time any provision of this Program shall in no way be construed to be a waiver of such provision or of any other provision hereof.

19. Severability. In the event that any one or more of the provisions of this Program shall be held to be invalid, illegal or unenforceable, the validity, legality or enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

20. Funding. The Program is not funded and all amounts payable hereunder, if any, shall be paid from the general assets of the Company or its Affiliate, as applicable. No provision contained in this Program or the Plan and no action taken pursuant to the provisions of this Program or the Plan shall create a trust of any kind or require the Company to maintain or set aside any specific funds to pay benefits hereunder. To the extent a Participant acquires a right to receive payments from the Company under the Program, such right shall be no greater than the right of any unsecured general creditor of the Company.

21. Headings. The descriptive headings of the Sections of this Program are inserted for convenience of reference only and shall not constitute a part of this Program.

22. Amendment or Termination of this Program. This Program may be modified, amended, suspended or terminated by the Committee at any time. Notwithstanding the foregoing or any provision of this Program to the contrary, the Committee may, in the sole discretion and without the Participants' consent, modify or amend the terms of the Program or a Performance Grant, or take any other action it deems necessary or advisable, to cause the Program to comply with Section 409A. Any modification, amendment, suspension or termination shall only be effective upon a writing issued by the Committee, and a Participant shall not offer evidence of any purported oral modifications or amendments to vary or contradict the terms of this Program document.

IN WITNESS WHEREOF, the undersigned has executed this Program on the day and year indicated below. This Program may be executed in more than one counterpart, each of which is deemed to be an original and all of which taken together constitute one and the same agreement.

Dated: February 20, 2019 ___________________________________
William H. Rackoff
Chairman, Compensation Committee

L. B. Foster Company
2019 PERFORMANCE SHARE UNIT PROGRAM
(2019-2021)

[DATE]

[NAME AND ADDRESS]

Dear [NAME]

Pursuant to the terms and conditions of the L. B. Foster Company 2019 Performance Share Unit Program (the "Program"), a component of the Long-Term Incentive Program, the Compensation Committee of the Board of Directors of L. B. Foster Company (the "Committee") has awarded you _______ Performance Share Units (the "Award"). The terms and conditions of your Award are governed by the provisions of the Program document attached hereto as Exhibit A, the terms of which are hereby incorporated by reference. Capitalized terms not otherwise defined herein shall each have the meaning assigned to them in the Program.

____
Name:
Title:

I hereby acknowledge and accept the Award described above subject to all of the terms and conditions of the Program including, without limitation, the forfeiture and covenant provisions set forth in Sections 11, 12 and 13 of the Program, regardless of whether the Award ever results in a payment under the Program. I further acknowledge receipt of a copy of the Program document and the L. B. Foster Company 2006 Omnibus Incentive Plan, as amended (the "Plan"), and I agree to be bound by all the provisions of the Program and the Plan, as amended from time to time.

By signing below, I acknowledge that: (i) I have read and understand the Program including, without limitation, the provisions that require me to repay monies to the Company if (A) I breach Section 11 or 12 of the Program or (B) the Company is required to prepare an accounting restatement to the extent set forth in Section 13(c); (ii) the Performance Share Units that have been awarded to me have no independent economic value, but rather are mere units of measurement to be used in calculating benefits, if any, available under the Program; (iii) I agree to accept as binding, conclusive and final all decisions or interpretations of the Compensation Committee upon any questions arising under this Award, the Program or the Plan; and (iv) my decision to participate in the Program is completely voluntary and done with full knowledge of its terms. ***I further acknowledge and agree that, except as otherwise specifically provided in the Program, in the event I terminate employment prior to the Payment Date, the Performance Share Units awarded to me shall be cancelled and forfeited, whether payable or not, without payment by the Company or any Subsidiary.***

Signature: ____________________________ Date: ______________________________
Name

Certification under Section 302 of the
Sarbanes-Oxley Act of 2002

I, Robert P. Bauer, certify that:

1 I have reviewed this Quarterly Report on Form 10-Q of L.B. Foster Company;

2 Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3 Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4 The registrant’s other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d–15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and

5 The registrant’s other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

Date: **May 10, 2019**

/s/ Robert P. Bauer
Name: Robert P. Bauer
Title: President and Chief Executive Officer

Certification under Section 302 of the
Sarbanes-Oxley Act of 2002

I, James P. Maloney, certify that:

1 I have reviewed this Quarterly Report on Form 10-Q of L.B. Foster Company;

2 Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3 Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4 The registrant’s other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d–15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and

5 The registrant’s other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

Date: **May 10, 2019**

/s/ James P. Maloney
Name: James P. Maloney
Title: Senior Vice President,
Chief Financial Officer, and Treasurer

CERTIFICATE PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of L.B. Foster Company (the “Company”) on Form 10-Q for the period ended March 31, 2019, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), the undersigned certify pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in this Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: **May 10, 2019**

/s/ Robert P. Bauer
Name: Robert P. Bauer
Title: President and Chief Executive Officer

Date: **May 10, 2019**

/s/ James P. Maloney
Name: James P. Maloney
Title: Senior Vice President,
Chief Financial Officer, and Treasurer