

LBFoster®

L.B. Foster Company Investor Presentation

NASDAQ - FSTR

August 2023

Innovating to solve global infrastructure challenges



Safe Harbor Disclaimer

Safe Harbor Statement

This presentation may contain “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. 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 presentation are based on management’s current expectations and assumptions about future events that involve inherent risks and uncertainties and may concern, among other things, the Company’s expectations relating to our strategy, goals, projections, and plans regarding our financial position, liquidity, capital resources, and results of operations and 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: any future global health crises, and the related social, regulatory, and economic impacts and the response thereto by the Company, our employees, our customers, and national, state, or local governments; a continuation or worsening of the adverse economic conditions in the markets we serve, including recession, the continued volatility in the prices for oil and gas, governmental travel restrictions, project delays, and budget shortfalls, or otherwise; volatility in the global capital markets, including interest rate fluctuations, which could adversely affect our ability to access the capital markets on terms that are favorable to us; restrictions on our ability to draw on our credit agreement, including as a result of any future inability to comply with restrictive covenants contained therein; a decrease in freight or transit rail traffic; environmental matters, including any costs associated with any remediation and monitoring of such matters; the risk of doing business in international markets, including compliance with anti-corruption and bribery laws, foreign currency fluctuations and inflation, and trade restrictions or embargoes; our ability to effectuate our strategy, including cost reduction initiatives, and our ability to effectively integrate acquired businesses or to divest businesses, such as the recent dispositions of the Track Components, Chemtec, and Ties businesses, and acquisitions of the Skcratch Enterprises Ltd., Intelligent Video Ltd., and VanHooseCo Precast LLC businesses and to realize anticipated benefits; costs of and impacts associated with shareholder activism; 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; cyber-security risks such as data security breaches, malware, ransomware, “hacking,” and identity theft, which could disrupt our business and may result in misuse or misappropriation of confidential or proprietary information, and could result in the disruption or damage to our systems, increased costs and losses, or an adverse effect to our reputation; the continuing effectiveness of our ongoing 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 any new credit agreement, and reforms regarding the use of SOFR 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 taxes; domestic and foreign government regulations, including tariffs; economic conditions and regulatory changes caused by the United Kingdom’s exit from the European Union; geopolitical conditions, including the conflict in Ukraine; 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 and the outcome of litigation and product warranty claims. 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, 2022, or as updated and/or amended by our other current or periodic filings with the Securities and Exchange Commission.

All information in this presentation speaks only as of August 11, 2023, and any distribution of the presentation after that date is not intended and will not be construed as updating or confirming such information. L.B. Foster Company assumes no obligation to update or revise any forward-looking information, whether as a result of new information, future events, or otherwise, except as required by securities laws. The information in this presentation is unaudited, except where noted otherwise.

Non-GAAP Financial Measures

This investor presentation discloses the following non-GAAP measures:

- > Earnings before interest, taxes, depreciation, and amortization (“EBITDA”)
- > Earnings before interest, taxes, depreciation, amortization, and certain charges (“Adjusted EBITDA”)
- > Net debt
- > Gross Leverage Ratio per the Company’s credit agreement
- > Funding capacity
- > New orders
- > Book-to-bill ratio
- > Backlog
- > Free cash flow
- > Free cash flow yield

The Company believes that EBITDA is useful to investors as a supplemental way to evaluate the ongoing operations of the Company’s business since EBITDA may enhance investors’ ability to compare historical periods as it adjusts for the impact of financing methods, tax law and strategy changes, and depreciation and amortization. In addition, EBITDA is a financial measure that management and the Company’s Board of Directors use in their financial and operational decision-making and in the determination of certain compensation programs. Adjusted EBITDA adjusts for certain charges to net income and EBITDA that the Company believes are unusual, non-recurring, unpredictable, or non-cash. In 2023, the Company made adjustments to exclude the loss on divestitures as well as VanHooseCo contingent consideration. In 2022, the Company made adjustments to exclude acquisition and divestiture related costs, Crossrail project settlement amount, gain from insurance proceeds, the loss associated with sale of Track Components, the gain associated with the sale of Piling Products, VanHooseCo acquisition related inventory step-up amortization and contingent consideration expense, and non-cash impairment charges. The Company views net debt, which is total debt less cash and cash equivalents, and the Gross Leverage Ratio, as defined in the Second Amendment to its Fourth Amended and Restated Credit Agreement dated August 12, 2022, and the Fourth Amended and Restated Credit Agreement dated August 13, 2021, as important metrics of the operational and financial health of the organization and believe they are useful to investors as indicators of its ability to incur additional debt and to service its existing debt. The Company defines new orders as a contractual agreement between the Company and a third-party in which the Company will, or has the ability to, satisfy the performance obligations of the promised products or services under the terms of the agreement. The Company defines book-to-bill ratio as new orders divided by sales. The Company defines backlog as contractual commitments to customers for which the Company’s performance obligations have not been met, including with respect to new orders and contracts for which the Company has not begun any performance. Management utilizes new orders, book-to-bill ratio, and backlog to evaluate the health of the industries in which the Company operates, the Company’s current and future results of operations and financial prospects, and strategies for business development. The Company believes that new orders and backlog are useful to investors as supplemental metrics by which to measure the Company’s current performance and prospective results of operations and financial performance. The Company discloses free cash flow as it is a non-GAAP measure used by both analysts and management, as it provides insight on cash generated by operations, excluding capital expenditures, in order to better assess the Company’s long-term ability to pursue growth and investment opportunities. The Company defines free cash flow yield as free cash flow per share divided by the market price per share, and believes this metric is useful to provide perspective on available free cash flow relative to the Company’s stock market value, the Company’s financial health, and availability for shareholder returns.

The Company has not reconciled the forward-looking adjusted EBITDA to the most directly comparable GAAP measure because this cannot be done without unreasonable effort due to the variability and low visibility with respect to certain costs, the most significant of which are acquisition and divestiture-related costs and impairment expense. These underlying expenses and others that may arise during the year are potential adjustments to future earnings. The Company expects the variability of these items to have a potentially unpredictable, and a potentially significant, impact on our future GAAP financial results. The Company has not reconciled forward looking free cash flow or free cash flow because this cannot be done without unreasonable effort due to the variability and low visibility with respect to certain costs that could impact future cash from operations, which is a critical aspect of the calculation.

Non-GAAP financial measures are not a substitute for GAAP financial results and should only be considered in conjunction with the Company’s financial information that is presented in accordance with GAAP. Quantitative reconciliations of EBITDA, adjusted EBITDA, net debt, funding capacity, and free cash flow are included in this presentation.

Company Overview

"L.B. Foster Company has a rich history of innovation and customer service, and we are reinvigorated by the momentum building inside our business and the opportunity to grow shareholder value as a result of our strategic transformation."

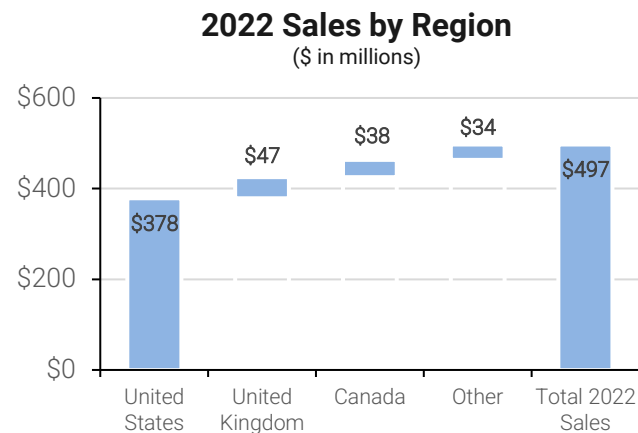
John Kasel
President and CEO



L.B. Foster Overview

Innovating to solve global infrastructure challenges

- > Founded in 1902, headquartered in Pittsburgh, Pennsylvania
- > Locations throughout **North America, South America, Europe, and Asia**
- > **36** plants, yards, and offices; **~1,100** employees worldwide²
- > Critical **infrastructure solutions provider** focused on growing our innovative, **technology**-based offerings to address our customers' most challenging operating and **safety** requirements



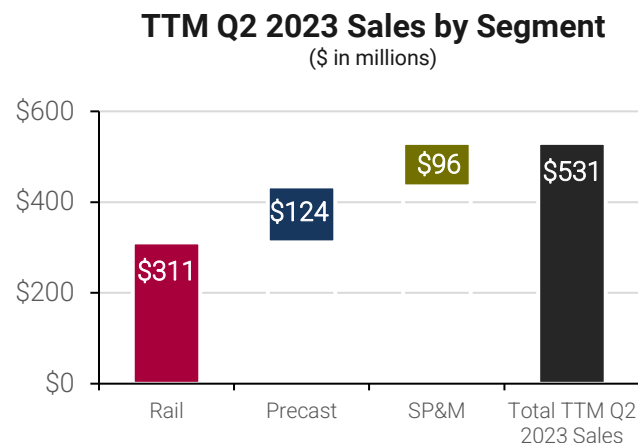
| 2023 Full Year Guidance | Low | High |
|--------------------------|--------|--------|
| Revenue | \$ 520 | \$ 550 |
| YoY Growth | 5% | 11% |
| Adj. EBITDA ¹ | \$ 28 | \$ 32 |
| YoY Growth | 16% | 32% |

| June 30, 2023 Financial Data | |
|------------------------------|----------|
| Stock Price | \$ 14.28 |
| Shares Outstanding | 11 |
| Market Capitalization | \$ 159 |
| Debt | \$ 90 |
| Cash | \$ 4 |
| Enterprise Value | \$ 244 |

| | |
|-------------------------------|--------|
| TTM Revenue | \$ 531 |
| TTM Adj. EBITDA ¹ | \$ 32 |
| EV / Revenue | 0.5 |
| EV / Adj. EBITDA ¹ | 7.7 |
| Covenant Leverage | 2.5x |

Data shown above in millions, except stock price and ratios.

Business Segments



L.B. Foster Investment Thesis

Structural Improvement in Profitability

Business portfolio transformation, organic growth and focused profitability initiatives manifesting in improved results

Organic Growth Drivers in Place

Infrastructure pureplay with a diverse set of avenues for growth in multi-year infrastructure investment super cycle

Favorable Free Cash Flow Inflection Point Imminent

Improving margin and profitability outlook with capital-light business model with demonstrated FCF generation over time

Disciplined Capital Allocation

Multiple value-creating capital allocation levers at disposal

Proud Legacy, Well-Positioned for Growth



1902

- > Founded by Lee B. Foster as used rail resale company.

1973

- > Entered into an agreement with Nippon Steel to thread and finish oilfield pipe.

1999

- > Acquired CXT Inc., manufacturer of engineered precast and pre-stressed products used in rail and civil infrastructure.



2015

- > Acquired U.K.-based Tew Engineering and Tew Plus, widening offering of technology solutions.

2021

- > Refreshed strategy announced; changes to leadership team; **initiated transformation into technology-focused, high-growth, infrastructure solutions provider.**

1967

- > Opened bridge component fabrication facility in Bedford, PA.



1981

- > L.B. Foster goes public, trading on the NASDAQ exchange (FSTR).

2010

- > Acquired Portec Rail Products, a rail technology company with established presence in UK.



2014 - 2015

- > Acquired several businesses in energy space; significantly reduced energy market exposure as part of strategic reassessment completed in 2021.

2021 - 2023

- > Completed seven portfolio actions (3 acquisitions / 4 divestitures) transforming profitability profile in line with strategic roadmap.



Case for Action

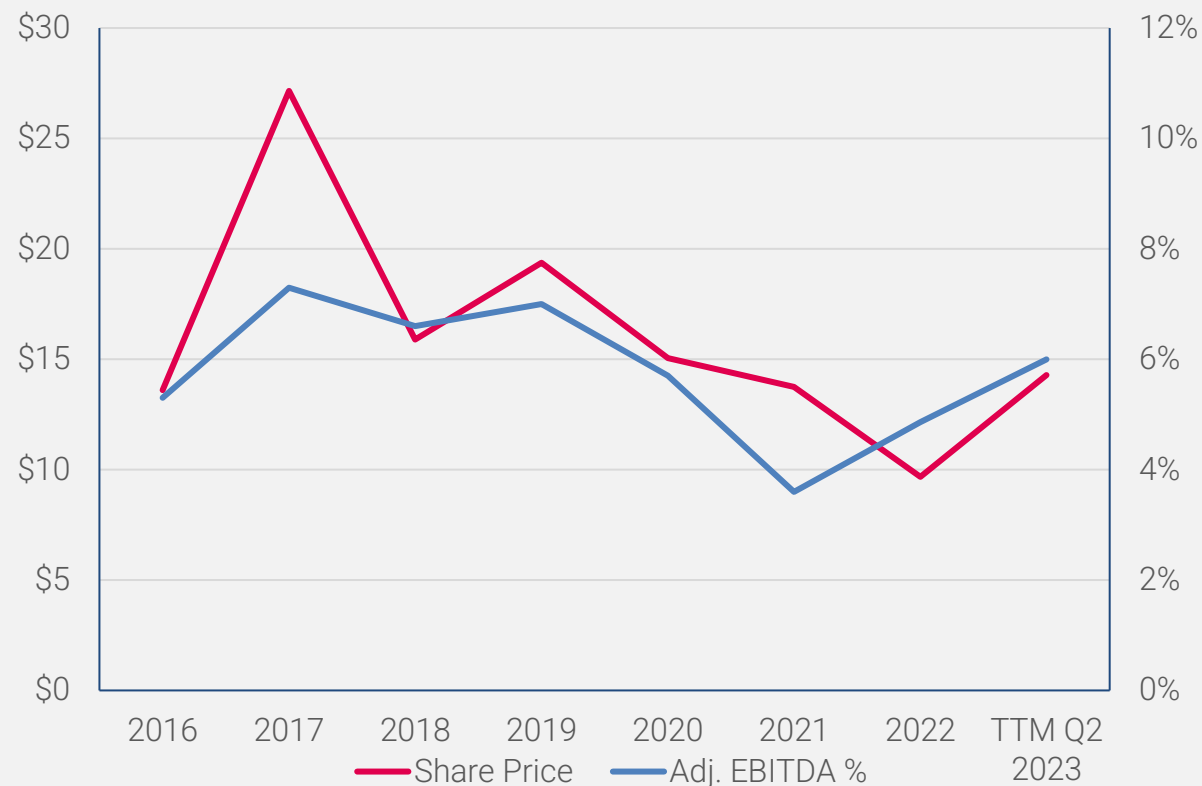
Deteriorating Profitability / Stock Price Performance

- > Energy and related freight rail market downturn
- > Union Pacific lawsuit overhang
- > Covid pandemic
- > Extended Energy market infrastructure depression
- > Removal from Russell 2000 index in 2021
- > Overly complex business portfolio

Actions Taken to Restore Value

- > Appointment of new Chairman and Board refreshment
- > New CEO / CFO appointed in 2021
- > Launched refreshed strategy; transformation to align with drivers of shareholder value: revenue growth, margin expansion, improved economic profit / returns on capital
- > **Established growth platforms: Rail Technologies and Precast Concrete;** high margin, high return re-investment platforms
- > Active portfolio management: Three acquisitions / four divestitures completed in less than two years

8-Year Share Price and Adjusted EBITDA Margin¹



Impact of strategic transformation starting to manifest in results

Strategic Transformation in Action

Divestitures

Lower Margin Profiles – Energy-Focused / Commoditized Businesses

- 2021 – Piling Products - Commoditized, working-capital intensive business
- 2022 – Track Components - Canadian rail spikes and anchors business
- 2023 – Chemtec Energy Services - EBITDA-neutral energy business
- 2023 – Concrete Railroad Ties - Commoditized EBITDA-neutral business

Acquisitions

Higher Margin Profiles – Rail Technologies and Precast Concrete

2022 – Skratch and Intelligent Video (IV)

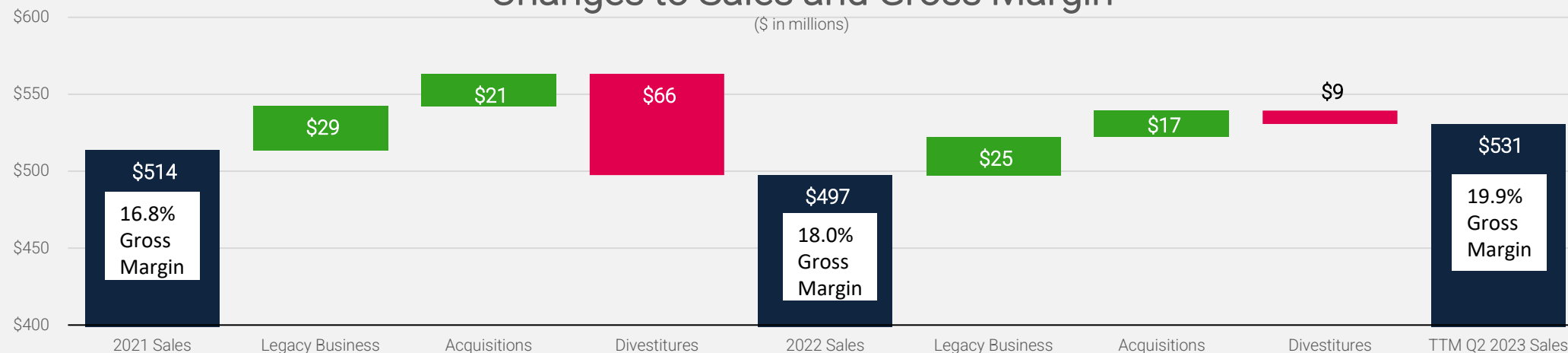
- > U.K.-based digital display solutions company and safety solution company

2022 - VanHooseCo

- > Precast company headquartered in Tennessee
- > New technology allows for margin expansion / application across existing portfolio
- > ~\$40M in sales (TTM Q2 2023), with new, 2nd facility ramping up in 2023

Changes to Sales and Gross Margin

(\$ in millions)



Business Segments

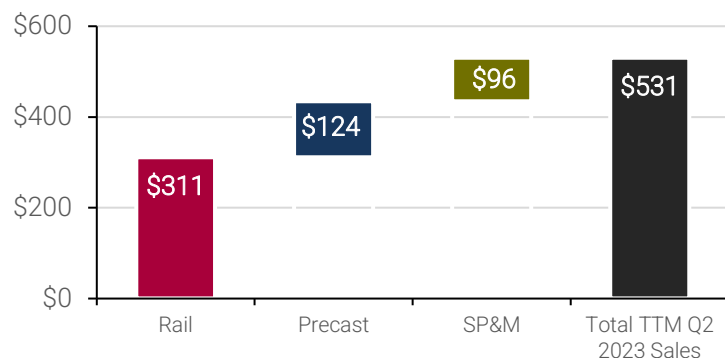
"Our business portfolio represents a steady, long-term infrastructure pureplay with significant headroom for growth and an improving margin and profitability profile."

John Kasel
President and CEO

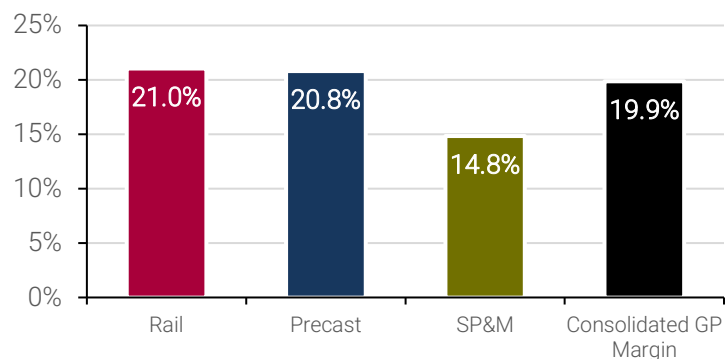


Business Segment Profile

TTM Q2 2023 Sales by Segment
(\$ in millions)



TTM Q2 2023 Gross Profit Margins



Rail, Technologies, and Services

- Offering:**
- Rail products / technology-based solutions improving safety / efficiency
- Strategic Emphasis:**
- Growth via mobile solutions, new geographies, and focus on technology



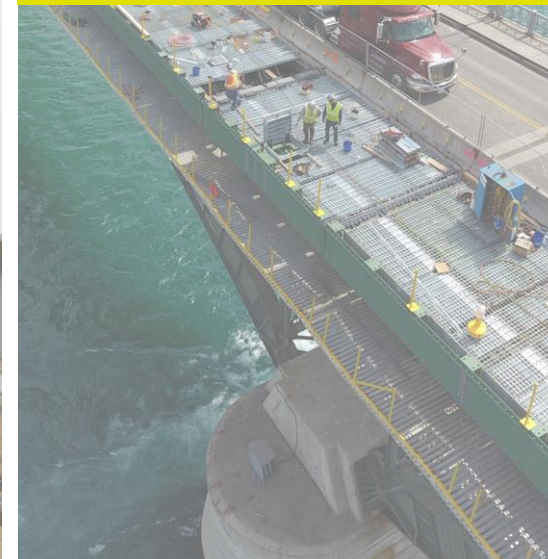
Precast Concrete Products

- Offering:**
- Proprietary precast products to support North American civil infrastructure
- Strategic Emphasis:**
- Expansion into adjacent markets, applications, and geographies




Steel Products and Measurement

- Offering:**
- Bridge, protective coatings, and water well products and services
- Strategic Emphasis:**
- Optimize cash generation, maintain competitive position




Rail, Technologies, and Services - Overview

Offering supports the safety, reliability, and efficiencies of global Rail markets




Rail Products

- > Products for rail track infrastructure
- > Legacy L.B. Foster businesses; stable, strong cash generation



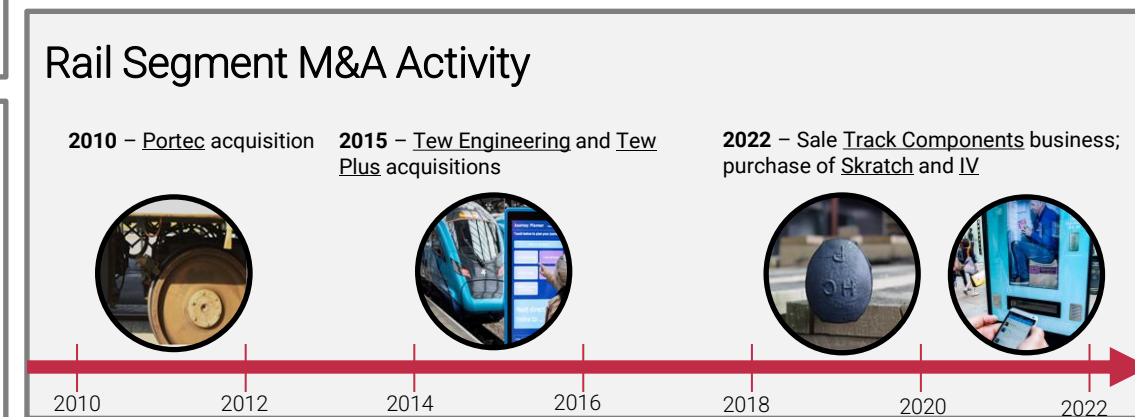
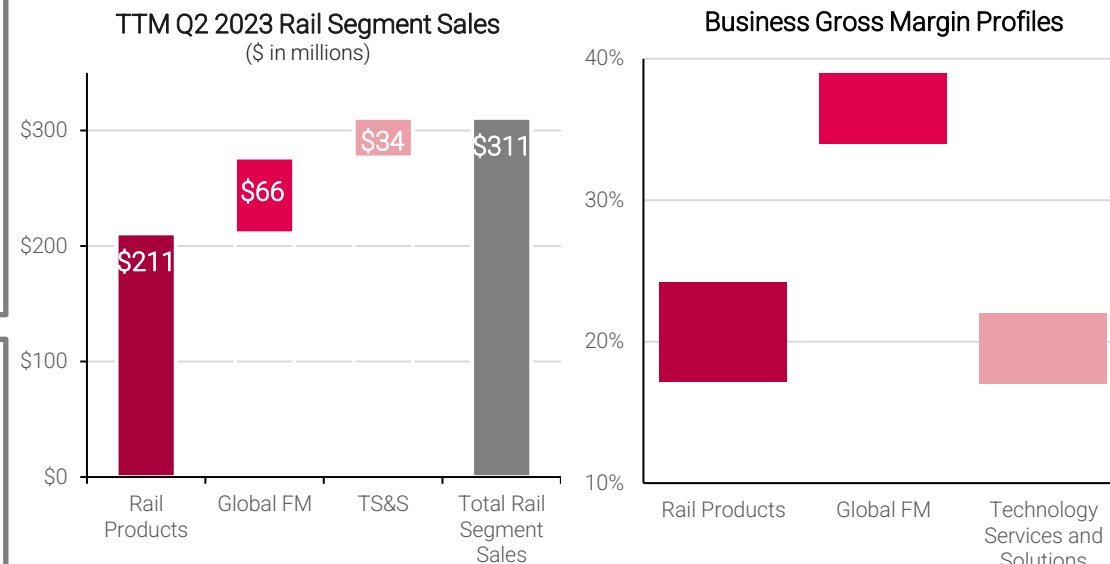
Global Friction Management

- > Solutions and services to enhance rail safety and efficiency
- > Growth platform with above-average margins



Technology Services and Solutions

- > U.K.-based service and technology solution business for transportation and construction
- > Growth platform with significant market headroom



Rail, Technologies, and Services - Advantages

Continuing focus on technology innovation driving improved margins

Pending 2023
Railway Safety Act

Why Now?

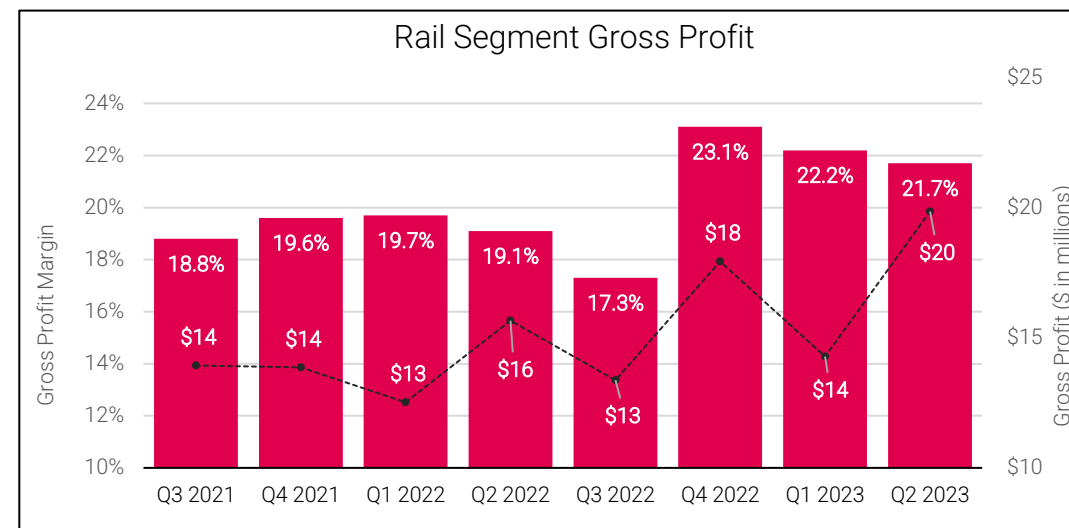
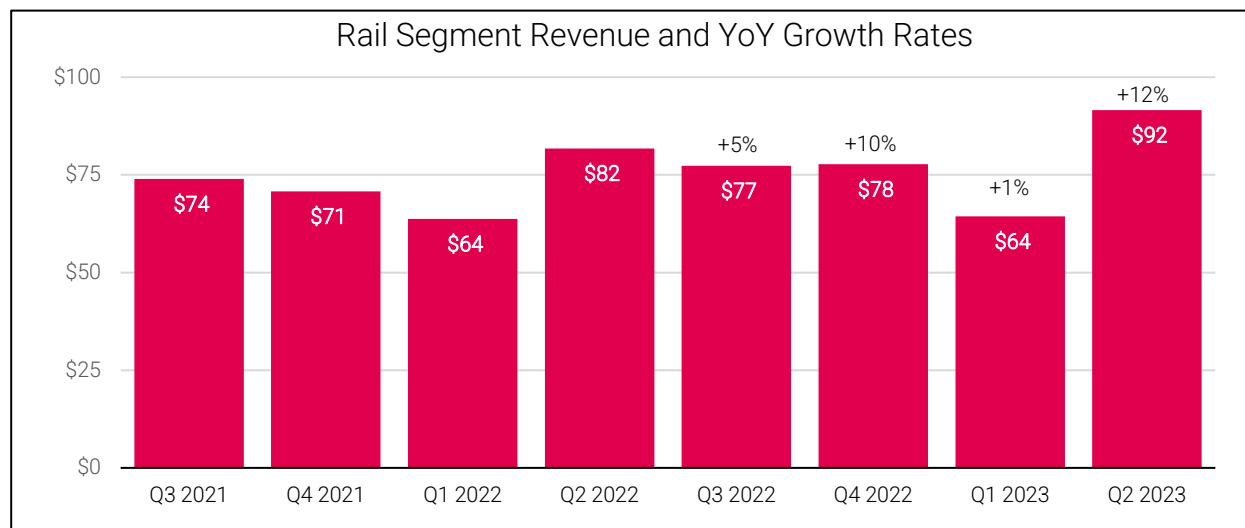
- > Market-leading positions in technology-oriented products
- > Infrastructure investment super cycle
- > Increased focus on safety-enabling products / services
- > Increased demand for fuel-saving products / services

\$368M+
2022 Grants to Improve
U.S. Rail Infrastructure

1.27:1.00
Rail segment Q2 2023
book-to-bill ratio



| | | | |
|------|-----|-----|--------|
| 2024 | UP | 13% | \$69 B |
| 2025 | UP | 12% | \$78 B |
| 2026 | UP | 6% | \$82 B |
| 2027 | STA | 2% | \$84 B |



Rail Segment – Rail Products

Well-established business with strong cash generation and capital-light business model

Transit Products



Fasteners, rail and track systems

Rail Distribution



Industrial and transit applications

Allegheny Rail Products



Insulated rail joints and accessories

\$10B

- > Shortfall for the state of good repair projects needed to retain a strong connection to the Class I network

- > Largest component of segment today (~68% of sales)
- > Capital light business model drives strong economic returns
- > Scale generates significant cash to fund technology investment and growth platforms
- > Will continue to benefit from infrastructure and safety focus...large project work anticipated
- > Supports critical rail network maintenance deferred during pandemic and funded by government programs
- > Key offering needed for essential rail infrastructure improvement in North America

Rail Segment – Global Friction Management

Global platform well-positioned for growth with application innovation

Trackside Equipment



Applies friction modifiers

Consumables



Top-of-rail friction modifiers

Field Services



Equipment service and maintenance

On-Board Solutions



Proprietary solid stick friction modifiers

- > Technology-focused business...higher margin profile
- > Razor / razor-blade business model with services
- > Significant global growth opportunity for years to come
- > Driven in part by infrastructure and rail safety initiatives
- > Opportunity for increasing customer adoption via rail safety and fuel savings initiatives and legislation

5%

Percent NA rail network currently utilizing friction management technology

#1

L.B. Foster's market share position

Rail Segment – Technology Services and Solutions

Technology solutions and services to enhance safety, operational efficiency, and customer experience

Control and Display



Fixed and mobile displays for customer information and disruption management

Contract Services



Building and technology management for rail, airports, and construction

Condition Monitoring



Wayside technology to detect rockfall, flood, and other dangerous conditions

WILD



Measures impact imparted onto rail; greatly reduces risk of train derailment

U.K.-Based Business

- > Project-based work, well-respected partner in the market
- > Opportunity to expand reach in Europe and beyond
- > Recently completed multi-year Crossrail project in U.K., ~100M GBP in revenue
- > Actively bidding on HS2 (~4x larger than Crossrail)

U.S.-Based Business

- > Support rail safety and network efficiency initiatives
- > Focus on improving railroad operating ratios
- > Project work as well as recurring maintenance needs
- > Increasing demand for Wheel Impact Load Detector (WILD) product line to help reduce risk of train derailments

Precast Concrete Products Overview

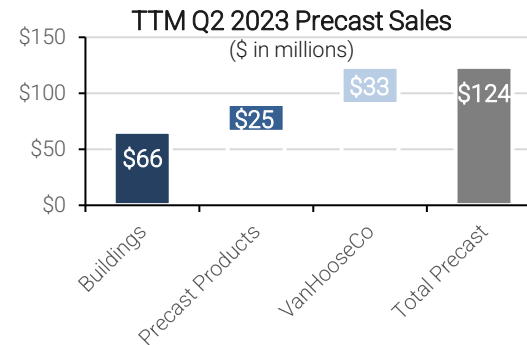
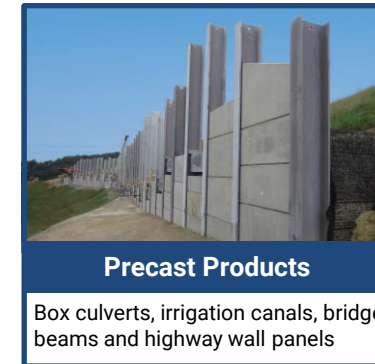
Supports general infrastructure with expanding geographic reach and well-recognized brands



L.B. Foster Precast Facilities

- > Boise, ID
- > Waverly, WV
- > Knoxville, TN
- > Nashville, TN
- > Hillsboro, TX (Dallas area)

- > Access to high growth southern regions of the United States
- > Significant freight costs; our expansive presence is a competitive advantage
- > Serving steady, government-funded projects and robust residential / commercial markets



Increase in non-residential construction project starts LTM May 2023 vs 2022:

+71% Southcentral United States

+41% Southeast United States

Precast M&A Activity



1999 – CXT acquisition, entrance into precast concrete space

2014 – Carr Concrete acquisition, expansion of offerings and geography



2022 – VanHooseCo acquisition, proprietary technology and expanded geography



Precast Concrete Products - Advantages

- > Recognizable offering with compelling value propositions
- > Infrastructure investment super cycle
- > Leading position in niche markets
- > Migration of business / population to accessible markets
- > Available and growing capacity in key geographic markets
- > New products and geographies generate synergies that drive margin growth across segment

Proprietary Licensed Technology from VanHooseCo Acquisition: Significant opportunity to integrate across segment

Envirocast

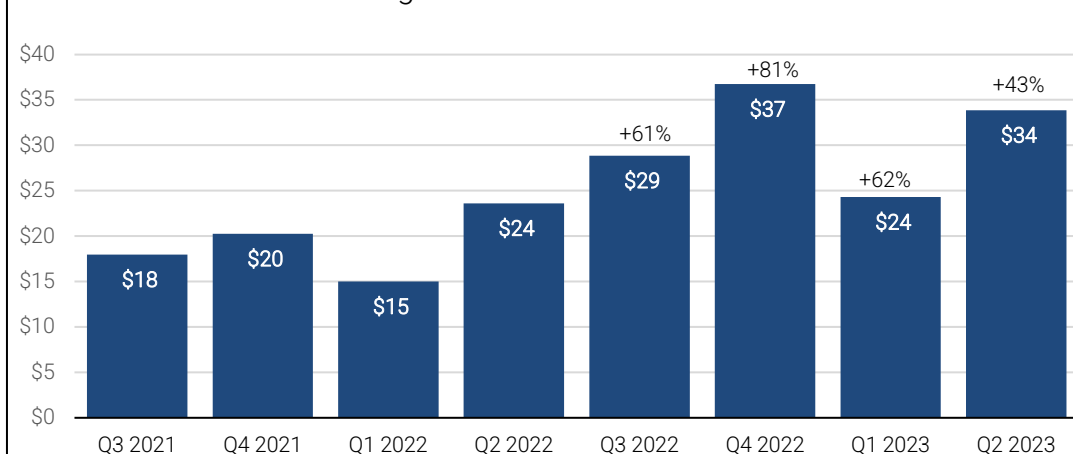
- > Precast wall system allowing for faster builds, design flexibility, and insulation

Envirokeeper

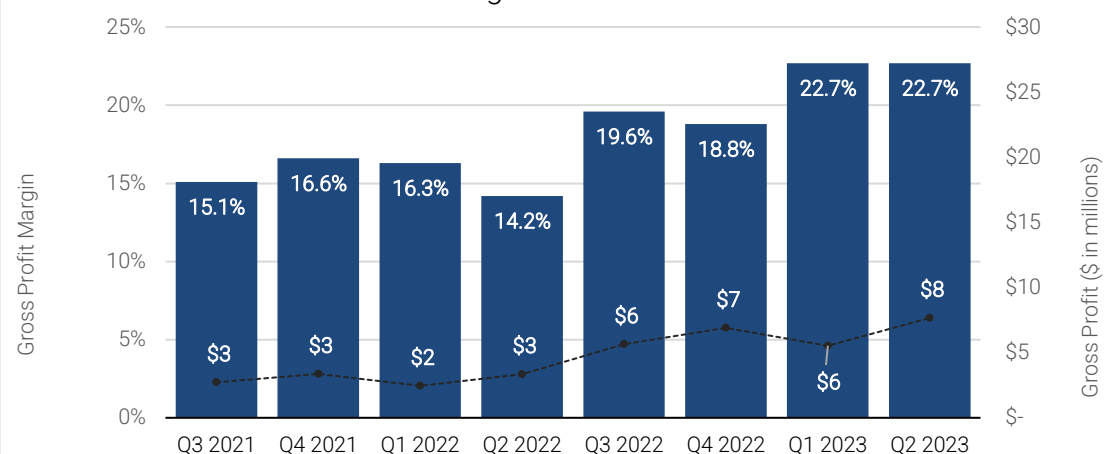
- > Modular precast in-ground retention system,
- > Manufactured off-site to reduce overall project time



Precast Segment Revenue and YoY Growth Rates



Precast Segment Gross Profit



VanHooseCo Acquisition – Precast Growth Driver

~\$40M

TTM Q2 2023 revenue before new plant volume and imminent geographic growth initiatives



Above average gross margins



Growth Initiative:

Lebanon Plant (Nashville Area)

- > Fully equipped and operational with nominal revenue thus far
- > Expecting capacity, revenues and margins to be similar to base business over time



Growth Initiative:

Regional Market Expansion

- > Exploring opportunities to access growing areas of U.S. market with a capital efficient model
- > Focus on growing residential / commercial market

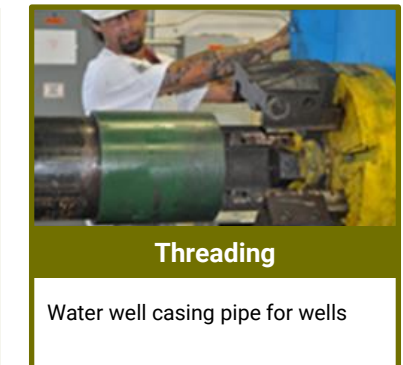
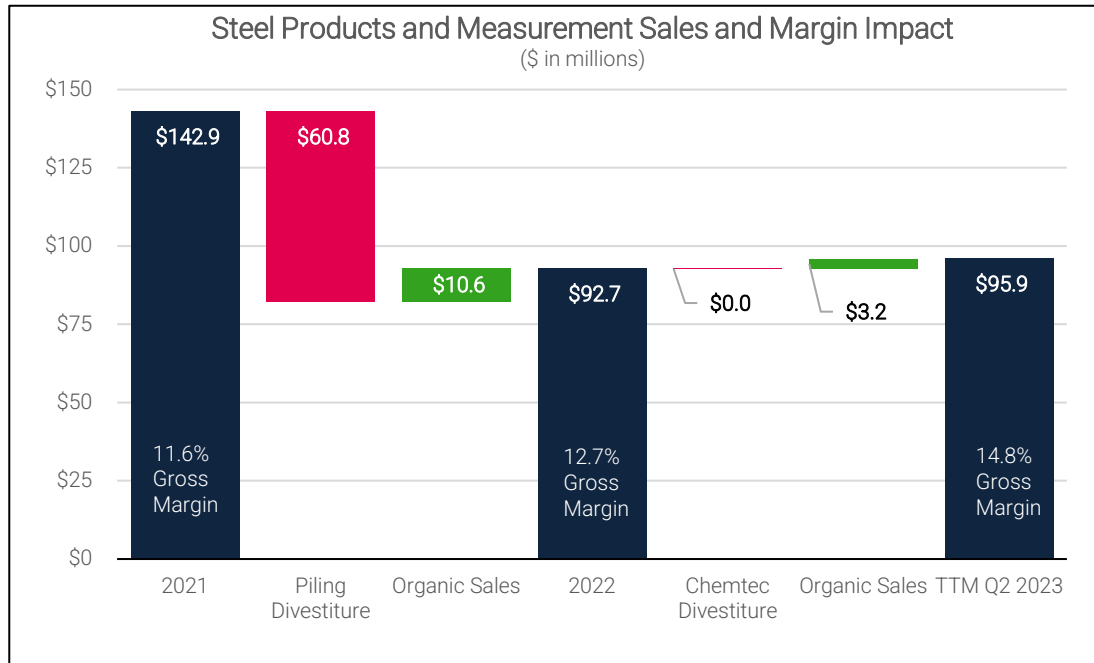
| VanHooseCo Key Financial Data | (\$ in millions) |
|-------------------------------------|------------------|
| Acquisition price | \$ 51 |
| TTM Q2 2023 Revenue | ~40 |
| TTM Q2 2023 adjusted EBITDA margin* | ~18% |
| Annual maintenance capex | ~1.0 |

- > Opportunity to leverage technology / products across entire Precast business
- > Strong gross margins with focus on value-added products and best-practice commercial processes
- > Key enabler of growth and margin expansion underpinning 2025 goals

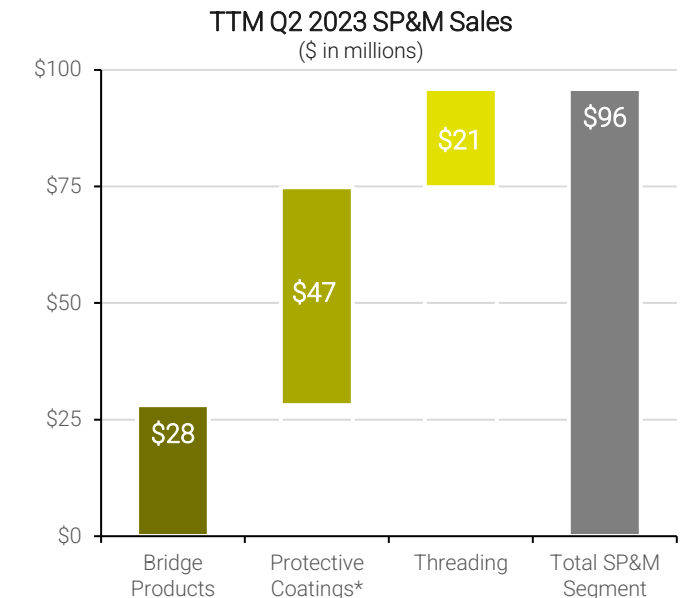
Strategic acquisition at reasonable price well-positioned for growth

Steel Products and Measurement Overview

Organic growth and improving margins driving cash generation to fund growth platforms



- > Portfolio actions have significantly improved profitability outlook
- > Organic growth driven by infrastructure investment super cycle and renewed pipeline investment activity
- > Running to optimize cash generation to fund growth platform investments



325% Organic increase in Coatings order book over TTM ended Q2 2023

~\$40B+ Amount allocated to bridge renewal projects via the 2021 Infrastructure Investment and Jobs Act

C Grade for American bridges by American Society of Civil engineers (2021)

Financial Review

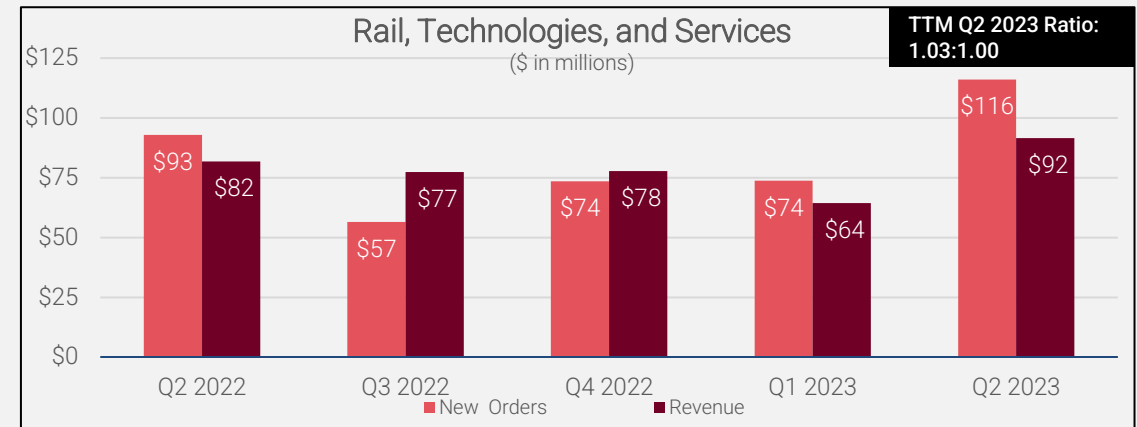
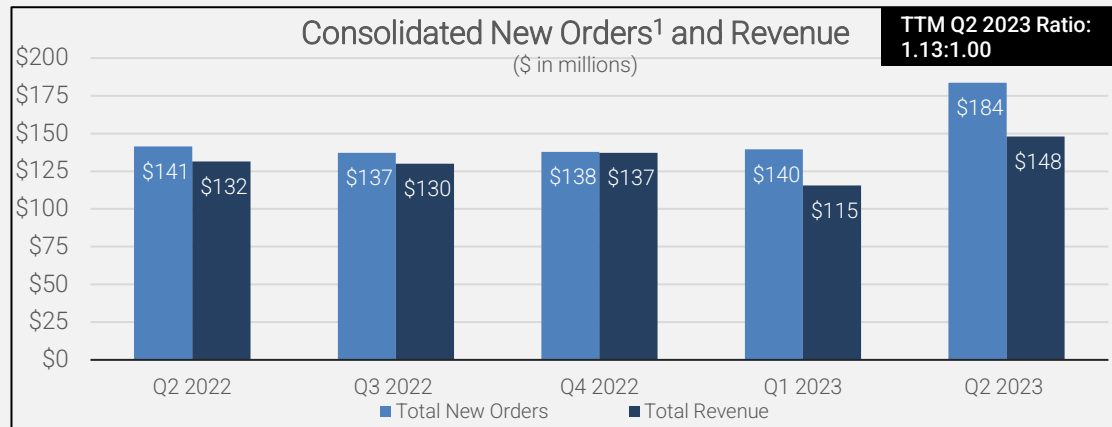
"The favorable impact of our strategic transformation is evident from the positive momentum in our results."

Bill Thalman

Executive Vice President and CFO

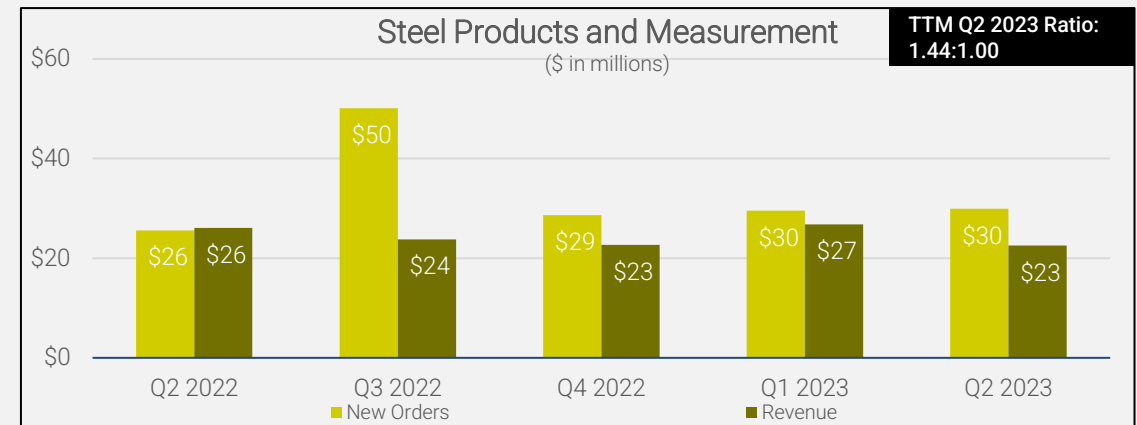
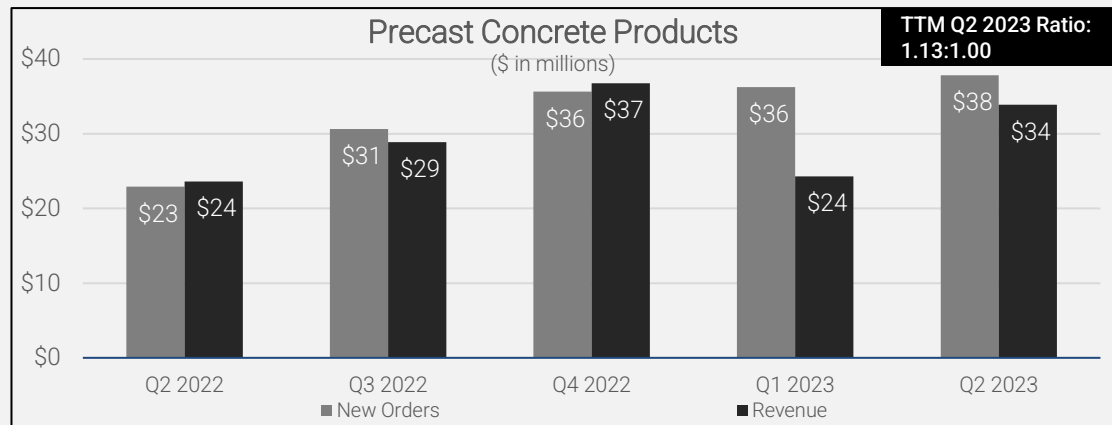


Strong Indicators of Growth – New Orders¹ and Revenue



> **Q2 Consolidated Book-to-Bill Ratio: 1.24:1.00**

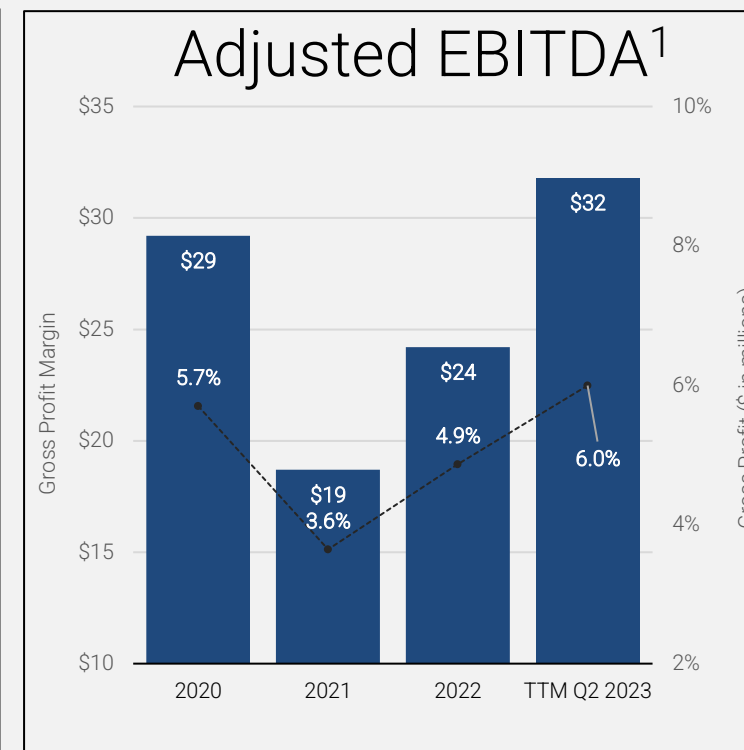
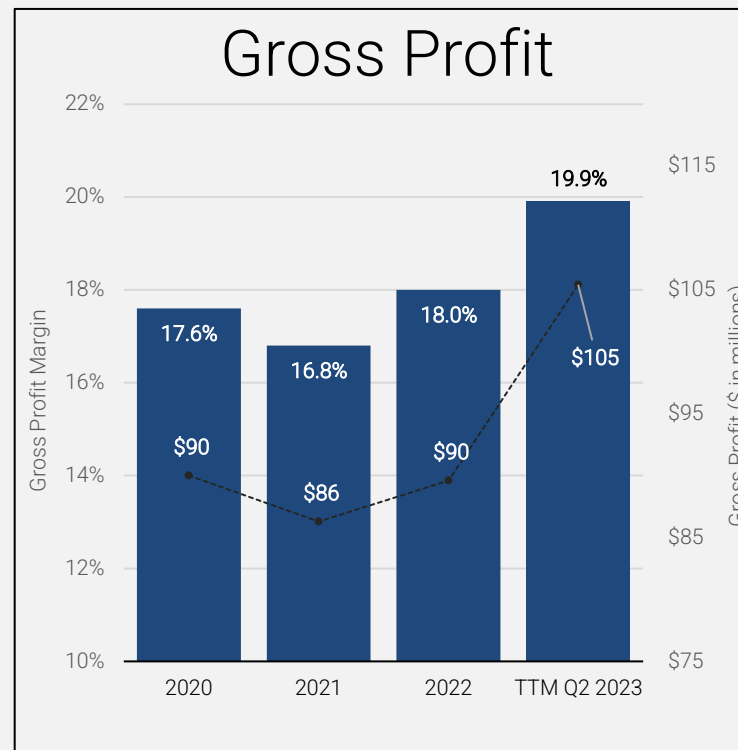
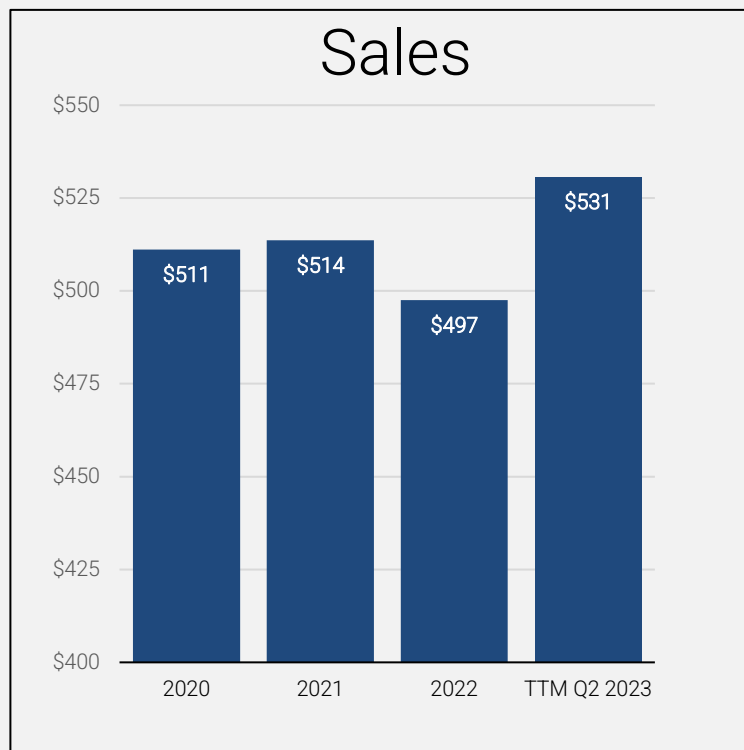
> **Q2 Rail Book-to-Bill Ratio: 1.27:1.00**



> **Q2 Precast Book-to-Bill Ratio: 1.12:1.00**

> **Q2 SP&M Book-to-Bill Ratio: 1.33:1.00**

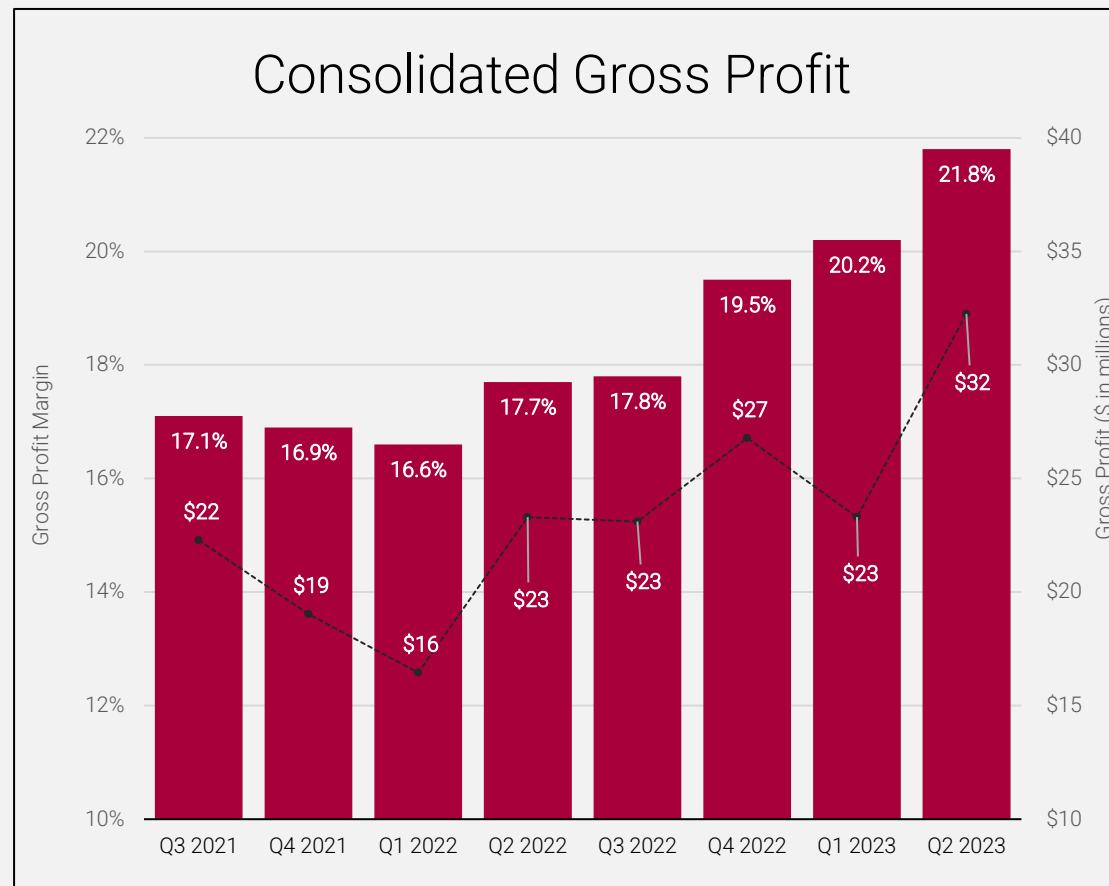
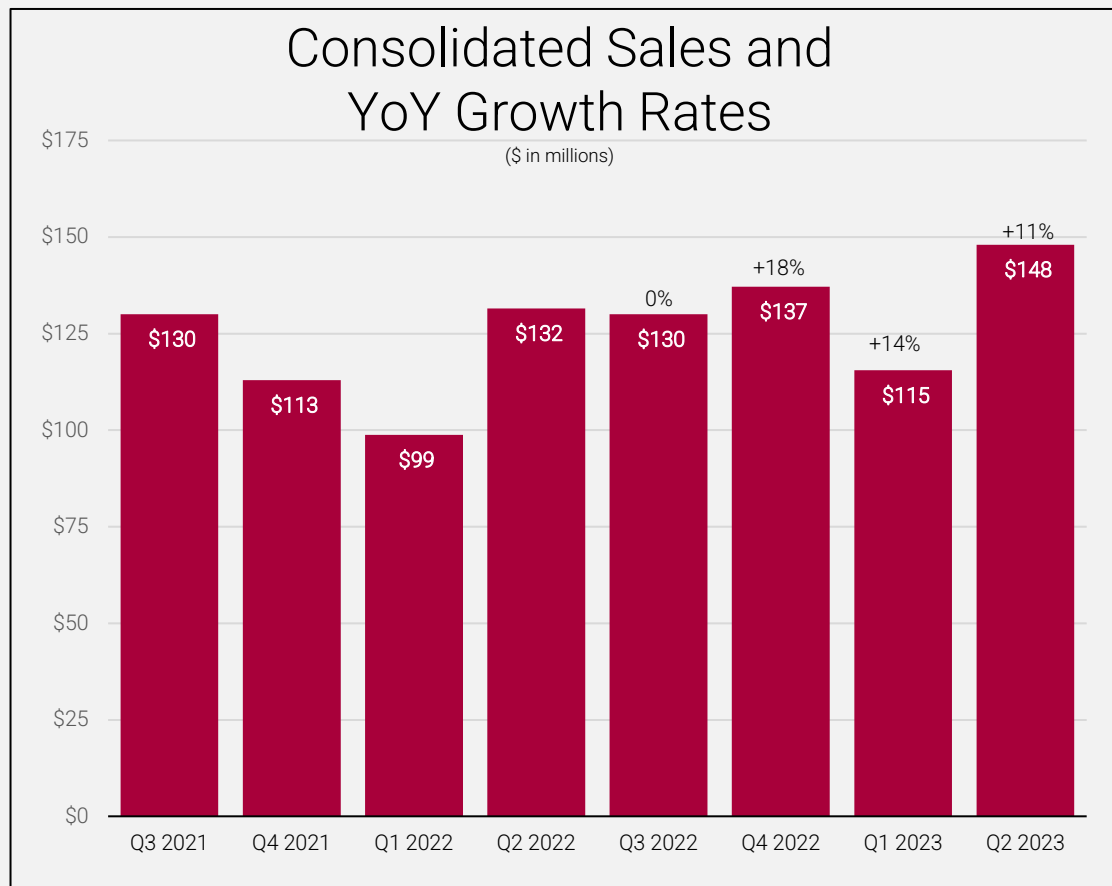
Key Metrics: 2020 – TTM 2023



- > Scalable core businesses in robust markets with headroom for growth
- > Sale of commodity businesses, accretive acquisitions and organic growth transforms portfolio margin profile

Structural improvement in business portfolio driving gross / EBITDA margin expansion

Sales and Gross Profit Trend – Trailing 4 Quarters

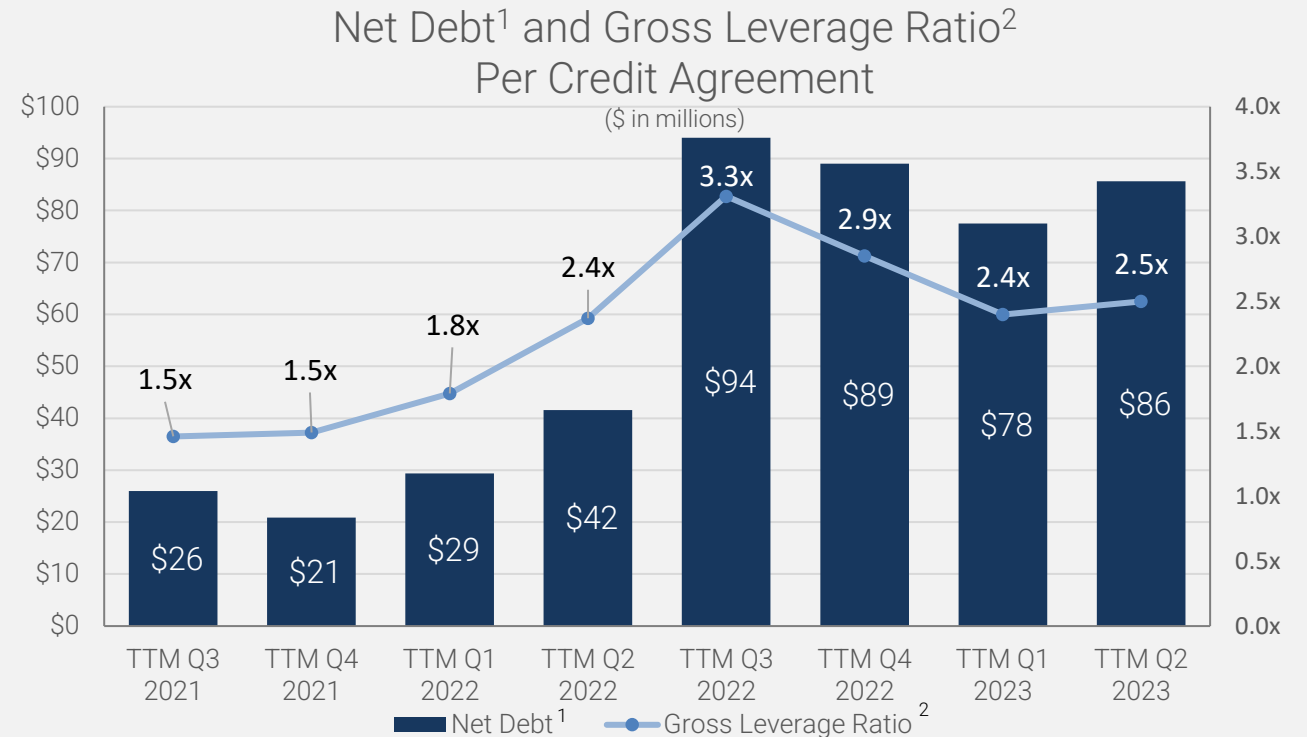


Sales growth and margin expansion highlights strengthening of business portfolio

Net Debt¹, Leverage, and Capital Allocation

Acquisition activity drove leverage ratio up in 2022...making progress to lower in 2023

- > Demonstrated history of diligent debt and leverage management over time
- > Modest uptick in net debt¹ and Gross Leverage Ratio¹ due to working capital funding cycle in Q2
- > Capital-light business model with significant free cash flow¹ drivers in place
- > Union Pacific warranty settlement fulfilled in 2024
- > ~\$100M in federal NOLs should minimize taxes for the foreseeable future
- > Opportunistically execute \$15M share repurchase program aligned with capital allocation priorities



June 30, 2023
Key Metrics

2.5x
Gross Leverage Ratio¹

\$43.4M
Funding Capacity^{1,3}

\$3.3M
YTD Operating Cash Used

\$1.5M
YTD Capital Spending

\$(4.8M)
Free Cash Flow¹

Free Cash Flow Inflection Imminent

| 2025 Goals | Low | High |
|---------------------------------------|---------|---------|
| Adjusted EBITDA | \$ 48.0 | \$ 52.0 |
| Maintenance Capex | 8.0 | 6.0 |
| Cash Interest | 5.0 | 3.0 |
| Working Capital Use | 10.0 | 8.0 |
| Free Cash Flow ¹ | 25.0 | 35.0 |
| Free Cash Flow Adj. EBITDA Conversion | 52% | 67% |
| Free Cash Flow Yield ^{1,2} | 16% | 23% |

- > Building blocks for free cash flow inflection in place beginning 2024...expanding in 2025
- > Improved business portfolio, revenue growth and margin expansion expected to drive FCF recovery in coming years
- > Final Union Pacific settlement payment in 2024 (\$8M per year)
- > Federal NOLs (~\$100M) should minimize future cash taxes
- > Cap Ex expected to be slightly elevated to fund organic growth...~1.5% - 2.0% of sales

Drivers in place to achieve significant free cash flow in 2025

Capital Allocation Priorities

Relentless pursuit of shareholder returns

Capital Allocation

Debt Reduction

- > Free cash flow¹ in 2023 2nd half expected to lower Gross Leverage Ratio¹ toward longer-term target of ~2.0x

Share Repurchases

- > Repurchased ~0.5% of outstanding shares in Q2; \$14.3M authorization remaining through Feb 2026

Dividends

- > Potential for ordinary or special dividends as free cash flow improves in coming years

Investment for Growth

Growth Capital Expenditures

- > Targeting 1.5% - 2.0% of sales to support organic growth initiatives with high returns, quick paybacks

Tuck In Acquisitions

- > Continue to opportunistically evaluate strategic partnerships that enhance our current portfolio

Closing Remarks

John Kasel
President and CEO



Significant progress achieved in 2 years

- > Re-established enterprise strategy and execution playbook
- > Refreshed Board expertise aligned with refreshed strategy
- > Realigned management team and operating structure to execute
- > Divested four commoditized, non-core businesses
- > Acquired three technology-oriented businesses aligned with growth platforms
- > Implemented margin recovery plans across portfolio in challenging market conditions

The impact of our work is evident in our improving results

Well positioned for growth

- > **Strategic transformation taking hold in 2023**
- > **Growth drivers are in place**
 - > Government initiatives and funding
 - > Construction growth in Southern U.S.
 - > Focus on rail safety and maintenance
 - > High-speed rail project in U.K.
 - > Bridge / pipeline project investments
 - > Great American Outdoors Act (2020)
 - > Infrastructure Investment and Jobs Act (2021)
- > **Focused portfolio of core products and services in high demand for years to come**

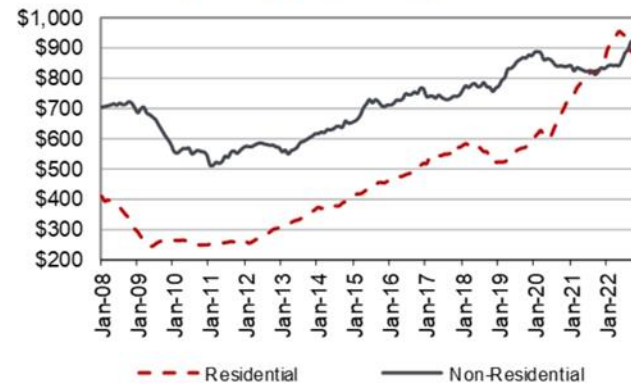
Breaking Ground LTM Project Start Dollars



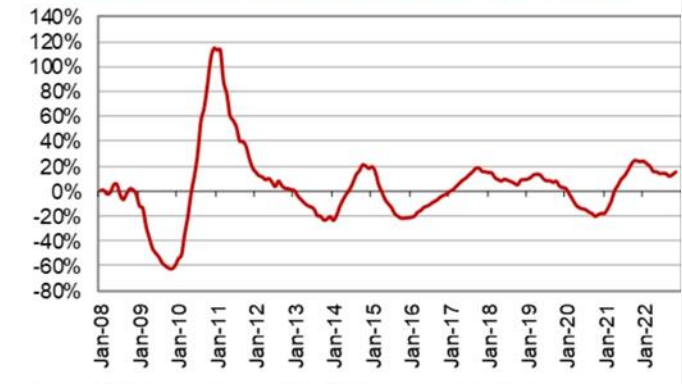
Breaking Ground Total LTM Project Start Y/Y Growth Rate



Construction Spending (In \$ Millions)



YoY Growth In TTM Construction Machinery New Orders



Execution of our strategy has positioned us well to benefit from an infrastructure investment super cycle

Innovating to solve global infrastructure challenges

Structural Improvement in Profitability

Organic Growth Drives in Place

Favorable Free Cash Flow Inflection Point Imminent

Disciplined Capital Allocation

Momentum

by **LB**Foster

Near Term Goals
(2025)

REVENUE **\$580M - \$620M**

GP % **22.0% - 23.0%**

ADJ. EBITDA¹ **\$48M - \$52M**
Adj. EBITDA¹ Margin **~8.0%**

LBFoster®

L.B. Foster Company

NASDAQ - FSTR

August 2023

Innovating to solve global infrastructure challenges



Appendix

Non-GAAP Measure: Adjusted EBITDA and Leverage

| Twelve months ended: | December 31, 2016 | December 31, 2017 | December 31, 2018 | December 31, 2019 | December 31, 2020 | December 31, 2021 | December 31, 2022 | June 30, 2023 |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|----------------|
| (\$ in millions) | | | | | | | | |
| Net (loss) income | \$ (141.7) | \$ 4.1 | \$ (31.2) | \$ 42.6 | \$ 7.6 | \$ 3.5 | \$ (45.7) | \$ (44.7) |
| Interest expense, net | 6.3 | 8.1 | 6.2 | 4.9 | 3.8 | 3.0 | 3.3 | 5.5 |
| Income tax (benefit) expense | (5.5) | 3.9 | 4.5 | (25.2) | (17.6) | 1.1 | 36.7 | 36.4 |
| Depreciation expense | 13.9 | 12.8 | 11.5 | 11.1 | 9.8 | 8.1 | 8.6 | 9.8 |
| Amortization expense | 9.6 | 7.0 | 7.1 | 6.6 | 5.7 | 5.8 | 6.1 | 6.0 |
| EBITDA | \$ (117.4) | \$ 36.0 | \$ (2.0) | \$ 39.9 | \$ 9.3 | \$ 21.4 | \$ 9.1 | \$ 13.0 |
| Impairment expense | 135.9 | - | - | - | - | - | 8.0 | 8.0 |
| Relocation and restructuring costs | - | - | - | 3.5 | 21.8 | - | - | - |
| Distribution from unconsolidated partnership | - | - | - | - | (1.9) | - | - | - |
| U.S. pension settlement expense | - | - | - | 2.2 | - | - | - | - |
| (Gain) loss on divestitures | - | - | - | - | - | (2.7) | (0.0) | 3.5 |
| Concrete Tie Settlement Expense | - | - | 43.4 | - | - | - | - | - |
| Acquisition and divestiture costs | - | - | - | - | - | - | 2.2 | 1.7 |
| Commercial contract settlement | - | - | - | - | - | - | 4.0 | 4.0 |
| Insurance proceeds | - | - | - | - | - | - | (0.8) | - |
| VanHooseCo inventory adjustment to fair value amortization | - | - | - | - | - | - | 1.1 | 1.1 |
| VanHooseCo contingent consideration | - | - | - | - | - | - | 0.5 | 0.5 |
| Adjusted EBITDA | \$ 18.5 | \$ 36.0 | \$ 41.4 | \$ 45.6 | \$ 29.2 | \$ 18.7 | \$ 24.2 | \$ 31.9 |
| Net sales | \$ 483.5 | \$ 536.4 | \$ 627.0 | \$ 655.1 | \$ 511.0 | \$ 513.6 | \$ 497.5 | \$ 530.7 |
| Adjusted EBITDA | 18.5 | 36.0 | 41.4 | 45.6 | 29.2 | 18.7 | 24.2 | 31.9 |
| Adjusted EBITDA Margin | 5.3% | 7.3% | 6.6% | 7.0% | 5.7% | 3.6% | 4.9% | 6.0% |

Non-GAAP Measure: Net Debt

| | June 30, 2023 | March 31, 2023 | December 31, 2022 | September 30, 2022 | June 30, 2022 | March 31, 2022 | December 31, 2021 | September 30, 2021 |
|--------------------------------|------------------|-------------------|----------------------|-----------------------|------------------|-------------------|----------------------|-----------------------|
| (\$ in millions) | | | | | | | | |
| Total debt | \$ 89.5 | \$ 80.1 | \$ 91.9 | \$ 98.9 | \$ 49.3 | \$ 35.6 | \$ 31.3 | \$ 32.5 |
| Less cash and cash equivalents | (3.9) | (2.6) | (2.9) | (4.9) | (7.7) | (6.2) | (10.4) | (6.4) |
| Total net debt | \$ 85.6 | \$ 77.5 | \$ 89.0 | \$ 94.0 | \$ 41.6 | \$ 29.4 | \$ 20.9 | \$ 26.0 |

Non-GAAP Measure: Funding Capacity and Free Cash Flow

| (\$ in millions) | June 30, 2023 |
|---|-----------------|
| Cash and cash equivalents | \$ 3.9 |
| Total availability under the credit facility | 130.0 |
| Outstanding borrowings on revolving credit facility | (89.3) |
| Letters of credit outstanding | (1.2) |
| Net availability under the revolving credit facility ¹ | \$ 39.5 |
| Total available funding capacity¹ | \$ 43.4 |
| (\$ in millions) | June 30, 2023 |
| Net cash used by operating activities | \$ (3.3) |
| Less capital expenditures on property, plant, and equipment | (1.5) |
| Free cash flow | \$ (4.8) |