L.B. Foster Company

Singular Research Autumn Equinox Conference

Nasdaq - FSTR

September 14, 2022

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 earnings release 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: the COVID-19 pandemic, and 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; volatility in the prices of oil and natural gas and the related impact on the midstream energy markets, which could result in cost mitigation actions, including shutdowns or furlough periods; a continuation or worsening of the adverse economic conditions in the markets we serve, including possible recession in the markets we serve, whether as a result of the current COVID-19 pandemic, including its impact on labor markets, supply chains, and other inflationary costs, travel and demand for oil and gas, the continued deterioration 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 continuing decrease in freight or transit rail traffic, including as a result of the ongoing COVID-19 pandemic; 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 disposition of the Piling business and Track Components business, and acquisitions of the Skratch Enterprises Ltd. and Intelligent Video Ltd. businesses and to realize anticipated benefits; costs of and impacts associated with shareholder activism; continued customer restrictions regarding the on-site presence of third party providers due to the COVID-19 pandemic; the timeliness and availability of materials from our major suppliers, including any continuation or worsening of the disruptions in the supply chain experienced as a result of the COVID-19 pandemic, 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 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 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, 2021, 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 September 14, 2022, 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
- Adjusted net leverage ratio
- Funding capacity
- Other certain metrics, as indicated, adjusted for the divestiture of the steel Piling Products business

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 2021, the Company made an adjustment for the gain on the divestiture of the Piling Products business. In 2020, the Company made adjustments for a non-recurring benefit from a distribution associated with the Company's interest in an unconsolidated partnership, as well as adjustments to exclude the impact of restructuring activities and site relocation, and the income tax benefits associated with the divestiture of the IOS Test and Inspection Services business. In 2018, the Company adjusted for expenses related to a settlement with Union Pacific Railway regarding its concrete ties. The Company views net debt, which is total debt less cash and cash equivalents, and the adjusted net leverage ratio, which is the ratio of net debt to the trailing twelve-month adjusted EBITDA, as important metrics of the operational and financial health of the organization and are useful to investors as indicators of our ability to incur additional debt and to service our existing debt.

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, and adjusted net leverage ratio, funding capacity, and other non-GAAP metrics are included within this presentation.

Company Overview

A global solutions provider of engineered and manufactured products and services to build and support infrastructure

Who we are

- Headquartered in Pittsburgh, Pennsylvania
- Locations throughout North America, South America, Europe, and Asia
- Critical infrastructure solutions provider focused on growing our innovative, technology-based offering to address our customers' most challenging operating and safety requirements

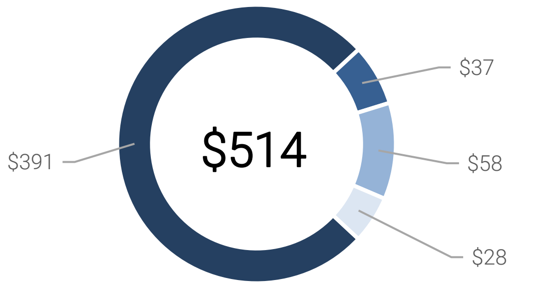
NASDAQ: FSTR

1902	39	~1,300	$514M
FOUNDED	PLANTS, YARDS & OFFICES	TEAM MEMBERS WORLDWIDE	2021 SALES

Information above as of 12/31/2021. Team Members includes contract employees.

2021 Net Sales by Region

($ in millions)



- United States
- United Kingdom
- Canada
- Other

Segments

- Rail, Technologies, and Services
- Precast Concrete Products
- Steel Products and Measurement

Business System

Focus

- Expand via Growth Platforms
- Leverage Technology Solutions and Services
- Optimize Returns Business Performance
- Reduce Complexity Across the Portfolio

Financials

- **$131.5** – Q2 2022 Revenue
- **$6.1M** – Q2 2022 Adj. EBITDA [1]
- **$141.4M** – Q2 2022 New Orders
- **$250.8M** – 6/30/2022 Backlog

1) *See reconciliation in appendix regarding this non-GAAP measure.*

Opening Remarks

John Kasel
President and CEO

Executive Summary

Completed three acquisitions that reflect investment in Rail Technologies and Precast Concrete growth platforms

Divested Canadian track components business to help fund acquisitions

$251M in backlog[1] represents a 5-year high

Second quarter orders[1] increased ~$28M (+25%) over the prior year quarter

Q2 results reflect progress on revenue and profitability, with strong sequential growth and improving year over year comparisons

Building momentum by executing our strategic playbook and actively managing challenging operating conditions

Solid progress on strategy execution while managing volatile operating environment

1) Adjusted to remove the impact of the Piling Products business divested in September 2021; represents data from continuing operations. Refer to appendix for reconciliation of this measure.

Strategic Playbook – Progress on Key Workstreams

	#	Playbook Item	What We Mean
GROWTH	1	Double down on Precast Concrete	Expand share of turnkey building market; expand with organic and inorganic programs
GROWTH	2	Drive step-change Friction Management growth via mobile solutions and new geographies	Growth of onboard market, share in existing applications and served markets
GROWTH	3	Scale and increase capital efficiency in Europe	Focus on Contract Services business platforms best positioned for profitable and scalable growth
GROWTH	4	Leverage and strengthen our position in technology businesses	Drive margin expansion in Rail Technologies; leverage technology development capabilities to establish first-mover advantage in Digital Railway
RETURNS	5	Exit Piling	Divested commoditized, working-capital intensive business for ~$24M to free up capital for growth programs
RETURNS	6	Better leverage leadership position in niche markets (to drive returns)	Manage niche, lower-growth businesses to maximize profits while maintaining competitive position; focus on operational excellence programs to expand margins and reduce capital needs
RETURNS	7	Maximize cash generation in remainder of businesses	Operate remaining businesses for cash with minimal capital investment; continuously evaluate entire portfolio in line with longer-term strategic vision
RETURNS	8	Align corporate structure and SG&A base with forward portfolio requirements	Shift overall resourcing across business to better align with playbook; move resource intensity from back office to customer-facing growth enablers

Business Transformation Update

L.B. Foster continues to execute its portfolio transformation in line with our strategic playbook

Rail Technologies - Acquisitions

Completed acquisition of U.K.-based Skratch Enterprises Ltd. on June 21, 2022

Completed acquisition of U.K.-based Intelligent Video Ltd. on July 6, 2022

Both acquired businesses support the Company's Technology Services and Solutions growth platform

- Combined annual revenue of ~$8M and ~$1.8M in EBITDA
- ~$8.8M in combined acquisition purchase price
- 38 employees

Rail Products - Divestiture

Completed sale of Canadian-based track components business on August 1, 2022

Proceeds provide funds to invest in growth platforms

- Annual revenue of ~$14M and ~$1.5M in EBITDA
- ~$7.8M in divestiture proceeds
- 30 employees

1) *Amounts presented are unaudited for TTM ended June 30, 2022.*
2) *Transaction purchase prices and proceeds subject to customary indemnity holdback and working capital adjustments.*

About VanHooseCo

VanHooseCo has a proud tradition serving the US precast concrete market for nearly 25 years

- Founded in 1998
- Headquartered in Loudon, TN (near Knoxville)
- Commissioning second manufacturing site in Lebanon, TN (near Nashville)
- Approximately 100 employees
- Serves commercial, industrial, and residential infrastructure markets

Financial Review

Bill Thalman
Senior Vice President and CFO

VanHooseCo Key Financial Statistics

Key Financial Statistics - VanHooseCo	As of and for fiscal year ended December 31, 2021
($ in millions)	
Total working capital	$ 5.9
Property, plant and equipment	19.2
Total assets	28.5
Net sales	28.7
Gross profit	8.0
Gross profit margin	28.0%
Selling and administrative expenses	2.9
Deferred compensation expense	2.5
Operating income	2.6
Interest expense	1.0
Other expense	0.3
Net income	1.4
Adjusted EBITDA	7.2
Operating cash flow	4.6
Less: Capital expenditures	6.2
Free Operating Cash Flow	(1.6)

- Book value of assets totaling $28.5M
  - Significant plant infrastructure in Loudon and Lebanon, TN
- Revenues totaled $28.7M in 2021
  - ~5% growth per annum in 2020 and 2021
  - Accelerated growth based on 1st 6-months of 2022
- Strong gross margins with focus on value-added products and best-practice commercial processes
- Adjusted EBITDA ~25% of sales before integration costs and sales synergies from Lebanon startup / product line integrations
- Cap Ex reflective of investment for growth; annual maintenance Cap Ex ~$1.0M

$50.5M purchase price represents 7.0x – 7.5x multiple of 2021 adjusted EBITDA

1) *See reconciliation in appendix regarding non-GAAP measure.*
2) *Amounts may not foot due to rounding.*

Second Quarter Results

As of and for the quarter ended June 30, 2022: $ in millions, unless otherwise stated		YoY Δ
SALES	131.5	(23.0)
GROSS PROFIT	23.3	(2.9)
GROSS PROFIT MARGIN	17.7%	80 bps
SG&A	19.4	(0.4)
NET INCOME	2.0	(0.9)
ADJ. EBITDA[1]	6.1	(2.2)
OPERATING CASH FLOW	(5.7)	(5.0)
NEW ORDERS	141.4	2.9
BACKLOG	250.8	(2.4)

- Adjusting for Piling, sales down $0.9M YoY[2]
- The 80 bps improvement in gross profit was driven by the Piling divestiture
- SG&A decline due to the Piling sale, partially offset by transformation and acquisition costs incurred in the current quarter
- Operating cash flow used to support ~33% sequential revenue growth in the second quarter and to support fulfillment of the strong backlog
- Excluding Piling, Q2 orders[2] up $28.0M, or 24.7%, and backlog[2] up $31.3M, or 14.3%, versus the prior year quarter

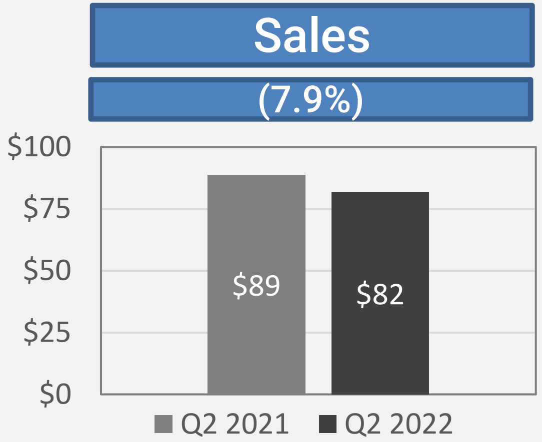
Progress on revenue and profitability with more work to do to sustain momentum

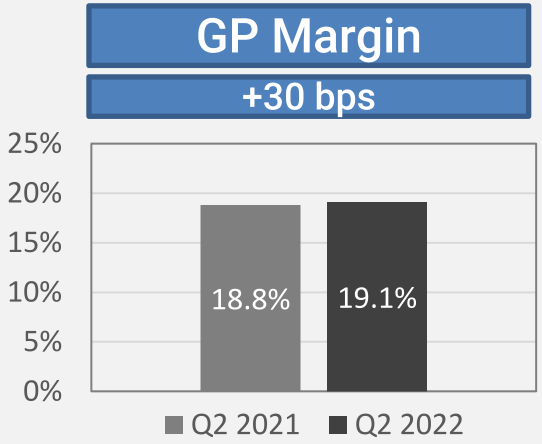
1) *See reconciliation in appendix regarding this non-GAAP measure.*
2) *Adjusted to remove the impact of the Piling Products business divested in September 2021. Refer to appendix for reconciliation of this measure*

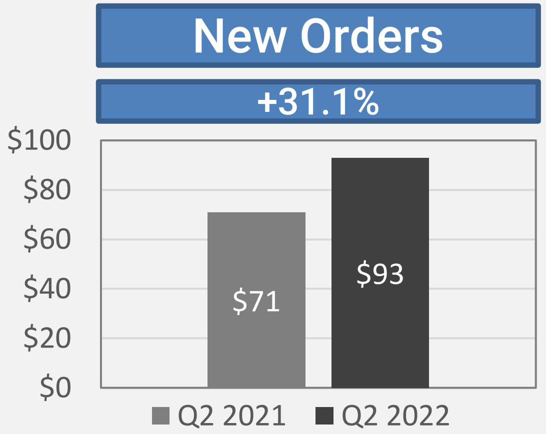
Rail, Technologies, and Services – Q2 Results

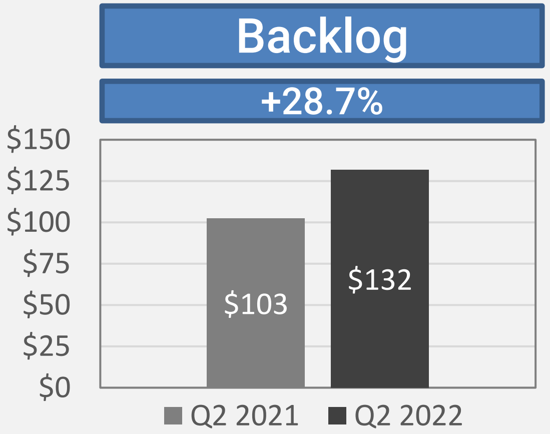
Q2 sales below last year on order timing…improved margins with robust order intake and backlog

- The decline in sales was due primarily to timing of customer orders in Rail Products
- Improved margins driven by favorable volume in higher margin Friction Management business coupled with improved margins within Technology, Services and Solutions
- New orders increased due to a $24.7M increase in Rail Products
- Backlog continues to strengthen to the highest level in recent history







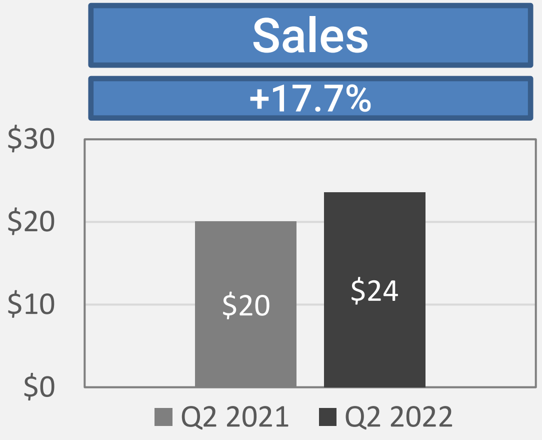


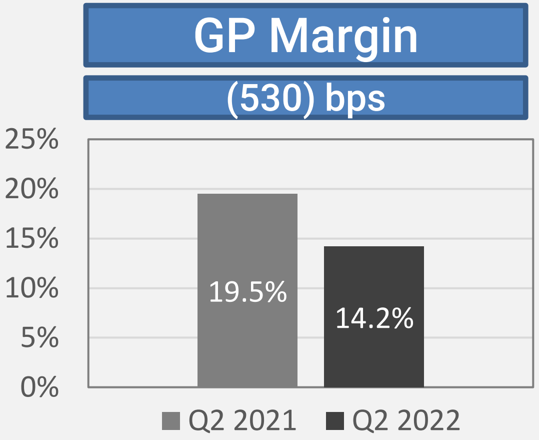
$ in millions unless otherwise indicated. Figures may not foot due to rounding. Note these values exclude any newly acquired entities.

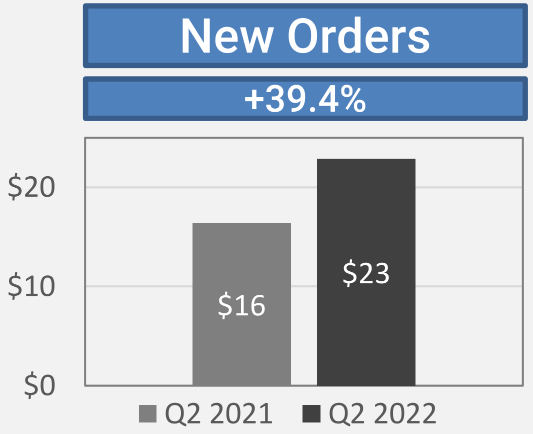
Precast Concrete Products – Q2 Results

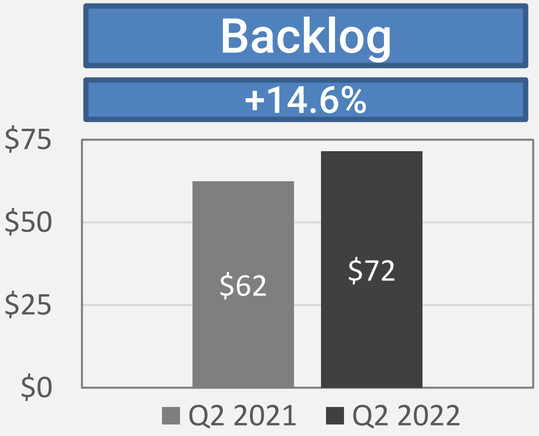
Demand environment remains strong while cost inflation and building sales mix adversely impacted margins

- Sales growth, new orders, and increased backlog highlight the strong demand in markets served
- Margin compression due to fulfillment of 2021 orders impacted by inflation prior to pricing actions taking hold as well as unfavorable building mix
- New orders increased 39.4% compared to prior year
- Backlog remains at historically high levels with improving margin profile









$ in millions unless otherwise indicated. Figures may not foot due to rounding.

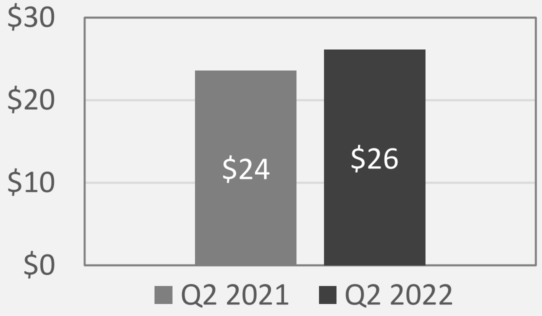
Steel Products and Measurement[1] – Q2 Results

Improving revenues and margins reflect modest recovery from depressed levels

- Revenue recovery in Protective Coatings, Fabricated Bridge and Threaded Products with improving demand
- Margins reflect strong pricing discipline in Threaded Products coupled with volume recovery in Protective Coatings
- Backlog decrease reflects order fulfillment of larger bridge projects; Coatings and Measurement backlog remained flat

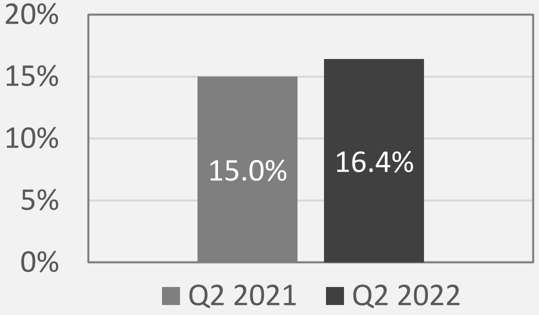
Sales

+10.7%



GP Margin

+140 bps

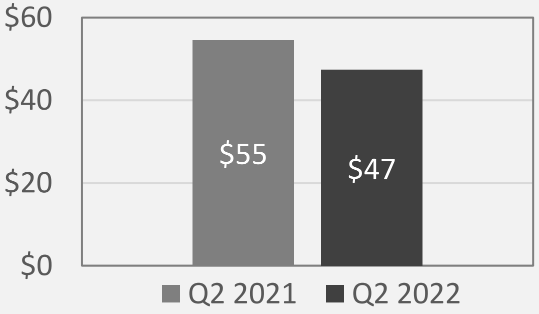


New Orders

(2.2%)

Backlog

(13.3%)



$ in millions unless otherwise indicated. Figures may not foot due to rounding.

1) Adjusted to remove the impact of the Piling Products business divested in September 2021.

Focus on Liquidity

Net leverage metrics reflect working capital and acquisition funding to support growth

June 30, 2022

Key Metrics

2.8x

Adjusted net leverage ratio[1]

$87.0M

Funding Capacity[1,2]

$13.4M

YTD Operating Cash Use

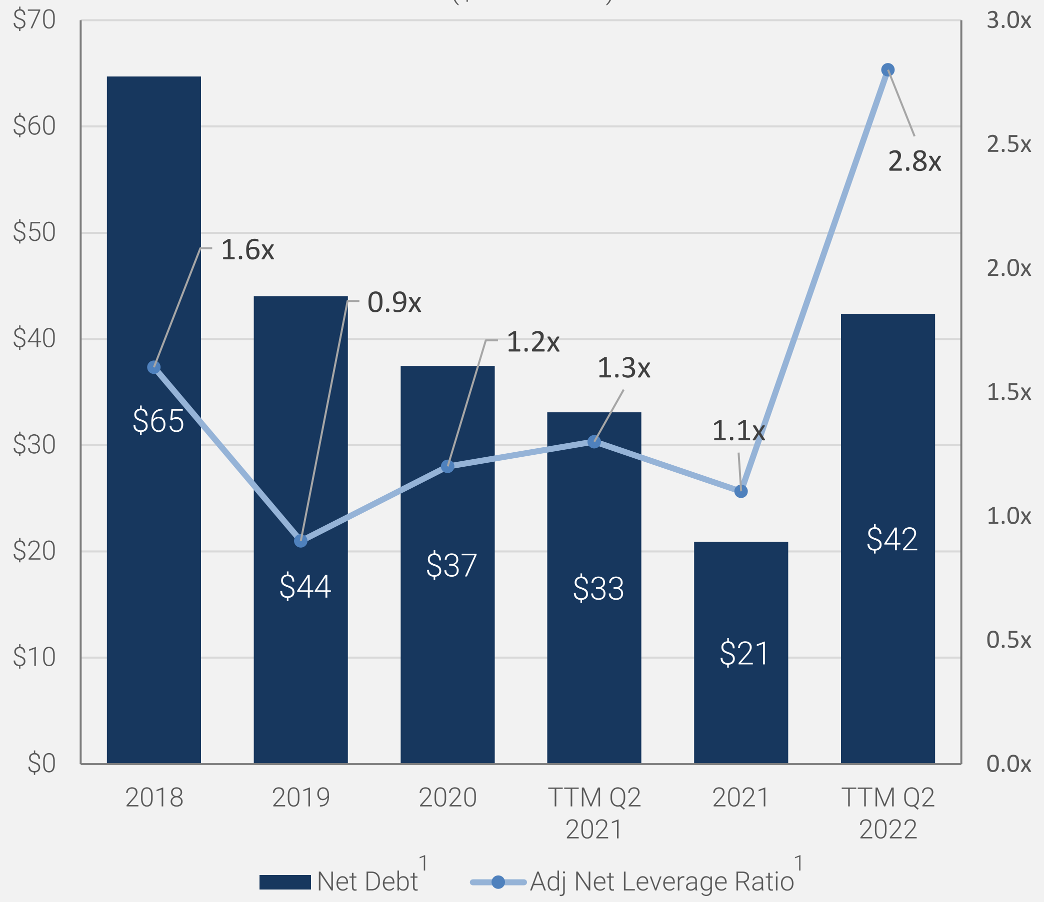
$5.4M

TTM Capital Spending

- Net debt[1] totaled $42.4M, up $9.3M YoY, due to working capital and acquisition funding
- Net debt[1] increased $21.5M from December 31, 2021, driven by the Skratch acquisition and working capital funding supporting a 33% sequential increase in sales in Q2 and order book conversion in the 2nd half of 2022
- Adjusted net leverage ratio[1] elevated due to lower TTM Adjusted EBITDA levels (down ~$10M YoY) as well as acquisition funding
- ~$7.7M in proceeds from the divested Track Components business received in August will be used to pay down revolving credit facility
- In July , we received $4.3M of the expected $5.6M federal income tax refund; an additional $1.3M is expected soon; a further ~$3.0M refund is also outstanding and will be collected
- Capital spending YTD June 30, 2022 totaled $3.0M, in line with $5.4M TTM run rate

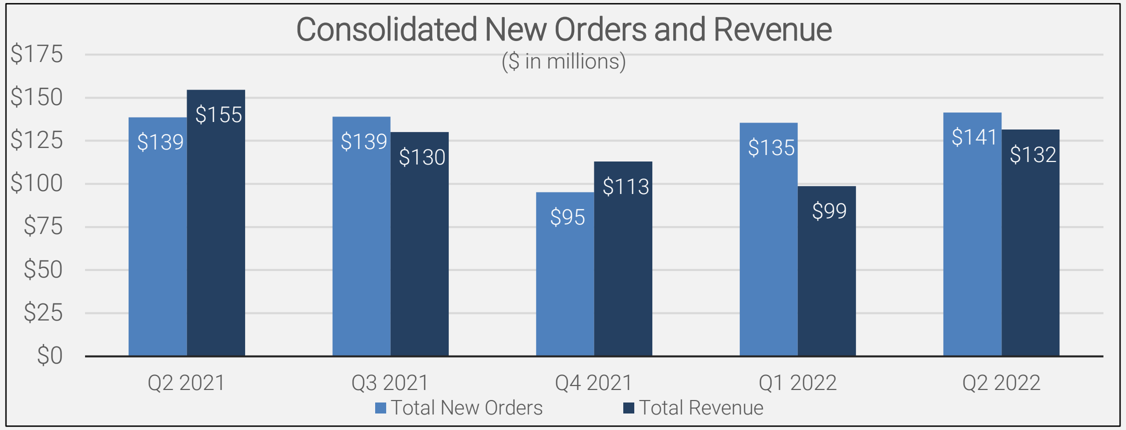
Net Debt[1] and Adj. Net Leverage Ratio[1]

($ in millions)

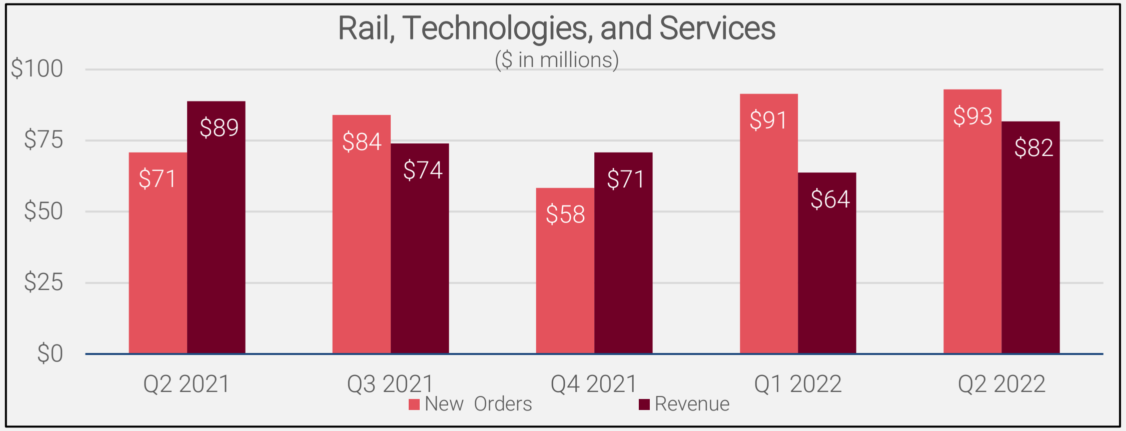


1) *See reconciliation in appendix regarding these non-GAAP measures.*
2) *Subject to covenant restrictions.*

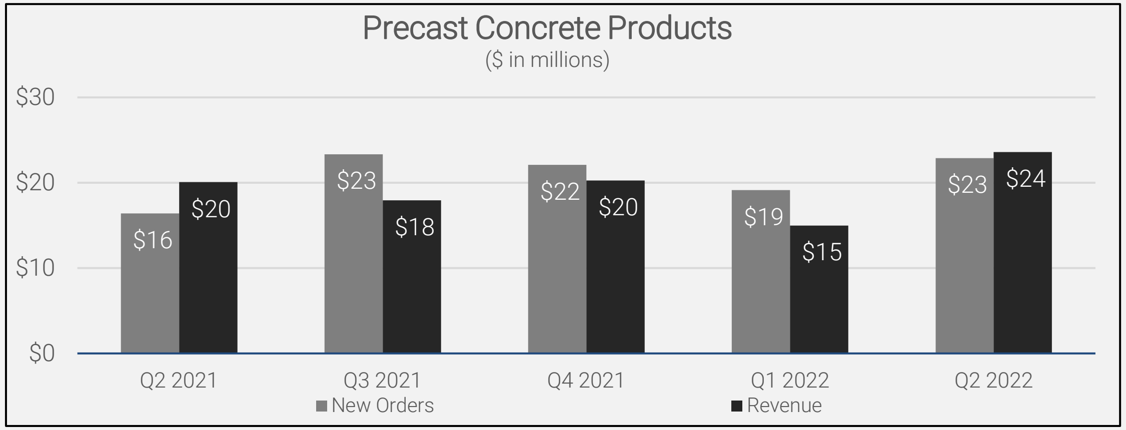
Orders, Revenue and TTM Book to Bill Ratios



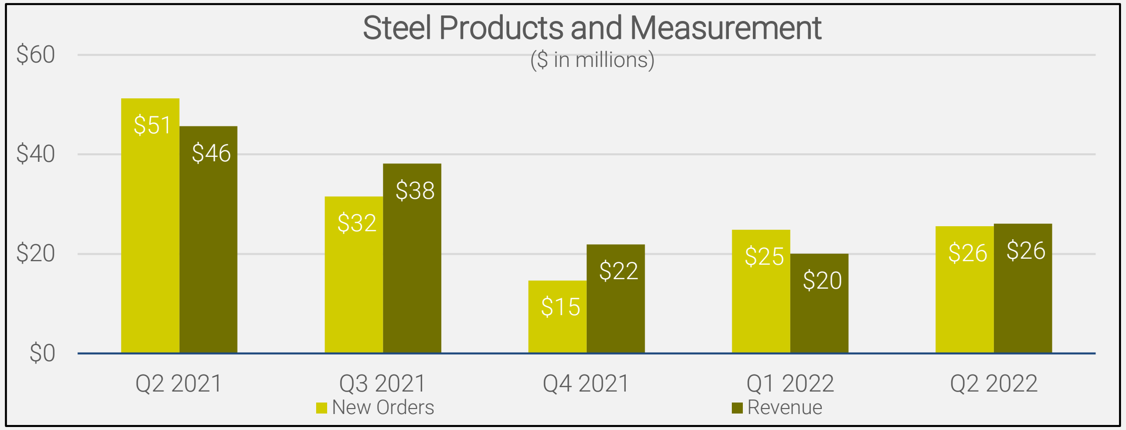
> **Consolidated Ratio: 1.1**



> **Rail Ratio: 1.1**



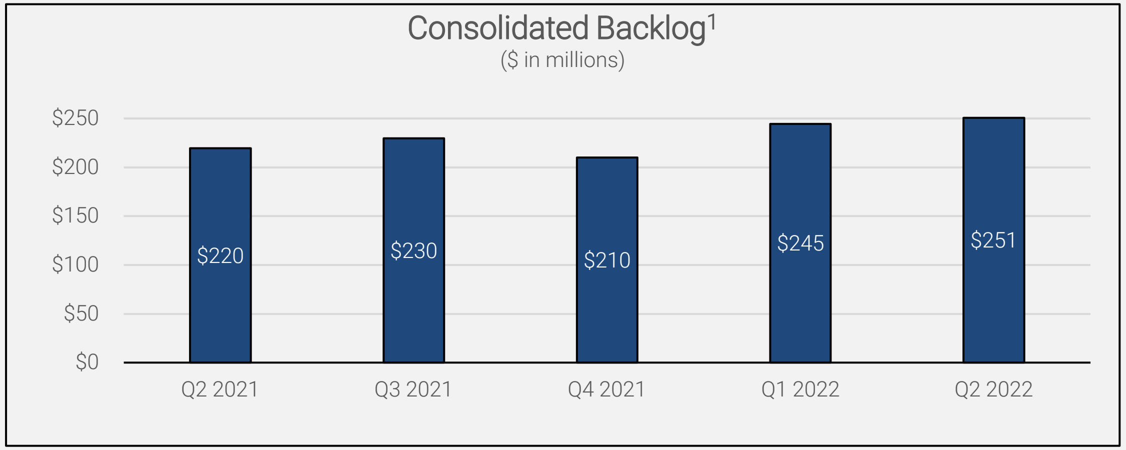
> **Precast Ratio: 1.1**

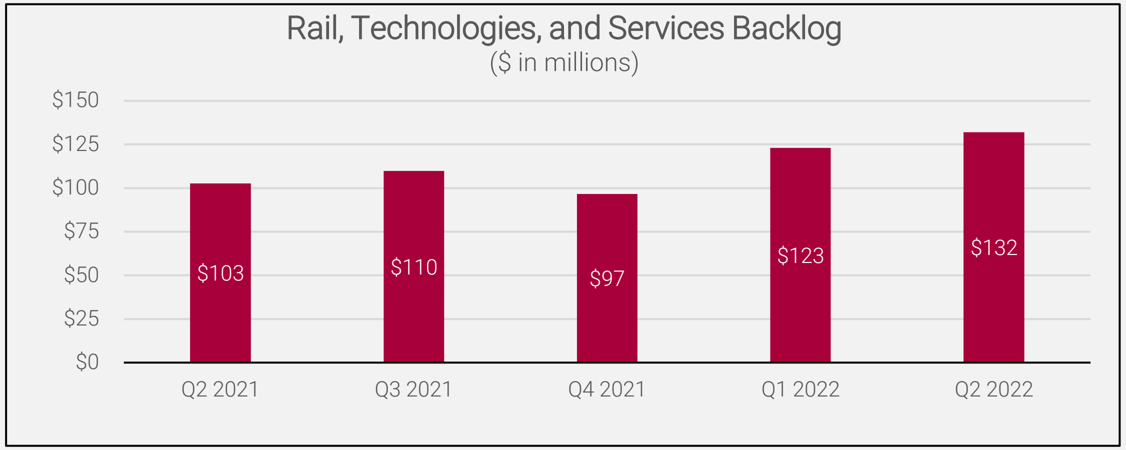


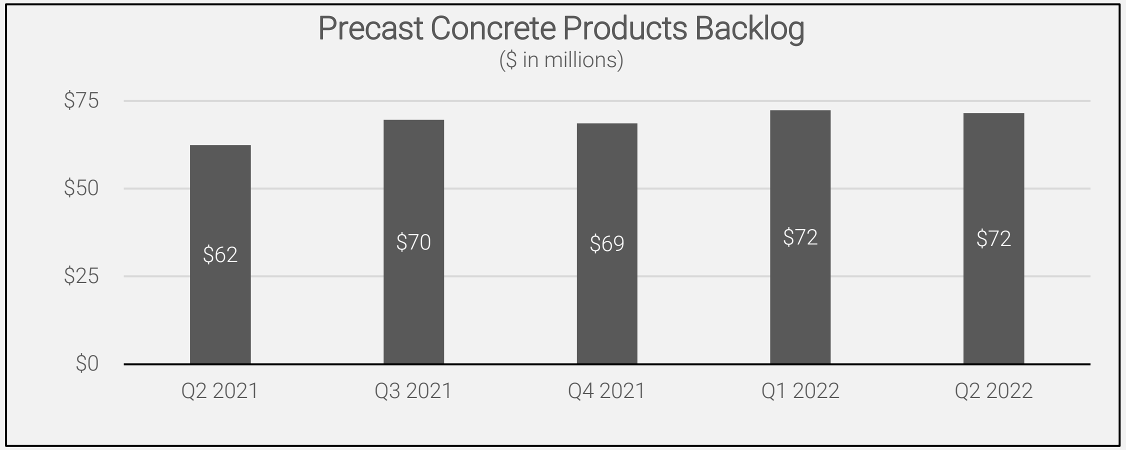
> **SP&M Ratio: 1.0**

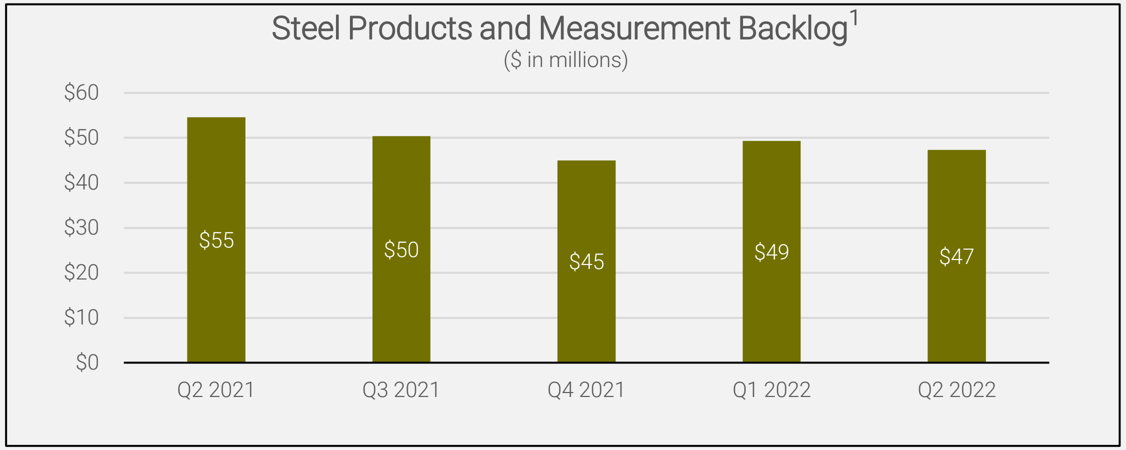
Data presented on a continuing operations basis. All Book to Bill ratios presented herein for TTM June 30, 2022.

Backlog Trends









Strong backlog levels continue to reflect robust demand environment

1) *Adjusted to remove the impact of the Piling Products business divested in September 2021. Data presented on a continuing operations basis.*

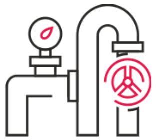
Closing Remarks

John Kasel
President and CEO

Market and Business Outlook

Improving quotation activity from Infrastructure Investment and Jobs Act

- Strong backlog and order rates ahead of expected benefits from recent government programs
- Overall quotation levels and demand continues to be robust across most of the business
- Maintaining optimistic outlook for longer-term demand in served markets
- Integration of recent acquisitions to access new markets



- Energy-related businesses continue to reflect low levels of demand, although slightly improved
- New pipeline investment activity remains depressed and is not expected to improve significantly for the foreseeable future
- Application expansion into adjacent markets for coatings and measurement solutions

- Inflationary pressures and periodic disruption in labor and raw materials persist
- Continued focus on pricing and margin improvement actions
- Monitoring potential for recessionary market environment; should be shielded to some degree with longer-term government funding of infrastructure

Building Momentum

LBFoster

> A global solutions provider of engineered, manufactured products and services that builds and supports **INFRASTRUCTURE**

Long-Term Vision (2025)

REVENUE ~$600M
Organic Growth ~$100M
Acquisitions ~$150M

GROSS PROFIT MARGIN ~21.0%

ADJ. EBITDA ~$50M
Adj. EBITDA Margin ~8.0%

Thank you!

Non-GAAP Measure: Funding Capacity

($ in millions, unless otherwise noted)	June 30, 2022
Cash & Cash Equivalents	$ 7.7
Total Availability Under the Credit Facility	130.0
Outstanding Borrowings on Revolving Credit Facility	(49.2)
Letters of Credit Outstanding	(0.7)
Net Availability Under the Revolving Credit Facility[2]	$ 80.1
Total Available Funding Capacity[2]	**$ 87.8**
Outstanding Borrowings on Revolving Credit Facility	49.2
Finance Leases and Financing Agreements	0.1
Total Debt Outstanding	$ 49.3
Total Net Debt Outstanding	$ 41.6
TTM Adjusted EBITDA[1]	15.0
Adjusted Net Leverage Ratio	**2.8x**

Note figures may not foot due to rounding.

1) *See reconciliation in appendix regarding this non-GAAP measure.*

2) *Subject to covenant restrictions.*

Non-GAAP Measure: Net Debt and Adj. Leverage Ratio

	June 30, 2022	December 31, 2021	June 30, 2021	December 31, 2020	December 31, 2019	December 31, 2018
($ in millions)						
Outstanding Borrowings on Revolving Credit Facility	$ 49.2	$ 31.1	$ 37.0	$ 44.8	$ 33.9	$ 74.0
Term Loan Outstanding	-	-	-	-	23.8	-
Financing Leases and Financing Arrangements	0.1	0.2	0.2	0.2	0.6	1.0
Total debt	$ 49.3	$ 31.3	$ 37.2	$ 45.0	$ 58.2	$ 75.0
Less cash and cash equivalents	(7.7)	(10.4)	(4.1)	(7.6)	(14.2)	(10.3)
Total net debt	**$ 41.6**	**$ 20.9**	**$ 33.1**	**$ 37.5**	**$ 44.0**	**$ 64.7**
TTM Adjusted EBITDA[1] from continuing operations	$ 15.0	$ 18.7	$ 25.4	$ 31.9	$ 47.4	$ 40.0
Adjusted Net Leverage Ratio	**2.8x**	**1.1x**	**1.3x**	**1.2x**	**0.9x**	**1.6x**

Note figures may not foot due to rounding. Data presented on a continuing operations basis
1) See reconciliation in appendix regarding this non-GAAP measure.

Non-GAAP Measure: Adjusted EBITDA

	Twelve Months Ended					
($ in millions)	June 30, 2022	December 31, 2021	June 30, 2021	December 31, 2020	December 31, 2019	December 31, 2018
Net income (loss) from continuing operations, as reported	$ 2.3	$ 3.5	$ 20.4	$ 25.8	$ 48.0	$ (30.6)
Interest expense, net	2.0	3.0	3.6	3.8	4.9	6.1
Income tax expense (benefit)	0.6	1.1	(13.1)	(11.8)	(23.8)	6.0
Depreciation expense	7.9	8.1	8.0	7.9	7.9	8.1
Amortization expense	5.8	5.8	5.8	5.7	6.4	7.0
Total EBITDA from continuing operations	$ 18.5	$ 21.4	$ 24.7	$ 31.3	$ 43.4	$ (3.4)
Insurance proceeds	(0.8)	-	-	-	-	43.4
Acquisition costs	0.5	-	-	-	-	43.4
Litigation settlement	-	-	-	-	-	43.4
Relocation and restructuring costs	-	-	0.6	2.5	1.8	-
Distribution from unconsolidated partnership	-	-	-	(1.9)	-	-
U.S. pension settlement expense	-	-	-	-	2.2	-
Gain on divestiture of Piling Products	(3.2)	(2.7)	-	-	-	-
Adjusted EBITDA from continuing operations	$ 15.0	$ 18.7	$ 25.4	$ 31.9	$ 47.4	$ 40.0

Note figures may not foot due to rounding. Data presented on a continuing operations basis.

Non-GAAP Measure: EBITDA

	Three Months Ended	
($ in millions)	June 30, 2022	June 30, 2021
Net income as reported	$ 2.0	$ 2.9
Interest expense, net	0.4	0.9
Income tax expense	0.8	1.1
Depreciation expense	1.9	2.0
Amortization expense	1.4	1.5
Total EBITDA	$ 6.5	$ 8.3
Insurance proceeds	(0.3)	-
Acquisition costs	0.5	-
Gain on divestiture of Piling Products	(0.5)	-
Adjusted EBITDA	$ 6.1	$ 8.3

Note figures may not foot due to rounding.

Non-GAAP Measure: EBITDA / Adjusted EBITDA

VanHooseCo Affiliated Entites ($ in millions)	Twelve Months Ended December 31, 2021	
Net income	$	1.4
Interest expense, net		1.0
Depreciation expense		1.9
Amortization expense		0.1
Total EBITDA	$	4.2
Non-recurring compensation		2.9
Adjusted EBITDA	$	7.2

Note figures may not foot due to rounding.