



# L.B. Foster Company Virtual Investor Day

Nasdaq - FSTR

December 14, 2021

# Safe Harbor Disclaimer

## Safe Harbor Statement

This release 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, including the impact of any worsening of the pandemic, or the emergence of new variants of the virus, on our financial condition or results of operations, 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; the volatility in the prices of oil and natural gas and the related impact on the upstream and midstream energy markets, which could result in further cost mitigation actions, including additional shutdowns or furlough periods; a continuation or worsening of the adverse economic conditions in the markets we serve, whether as a result of the current COVID-19 pandemic, including its impact on travel and demand for oil and gas, the 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 continuing decrease in freight or transit rail traffic, including as a result of the COVID-19 pandemic; environmental matters, including any costs associated with any remediation and monitoring; 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 third quarter of 2021 disposition of the Piling Products business, 2020 disposition of the IOS Test and Inspection Services business and acquisition of the LarKen Precast business, 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, including as experienced in 2020, which could disrupt our business and may result in misuse or misappropriation of confidential or proprietary information, and could result in the significant disruption or damage to our systems, increased costs and losses, or an adverse effect to our reputation; the effectiveness of our continued 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; 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, 2020, 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 December 14, 2021, 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") from continuing operations
- Earnings before interest, taxes, depreciation, amortization, and certain charges ("Adjusted EBITDA") from continuing operation
- Net debt
- Adjusted net leverage ratio

The Company believes that EBITDA from continuing operations 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 from continuing operations adjusts for certain charges to net income from continuing operations and EBITDA from continuing operations 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. In 2016, the Company adjusted for asset impairments. In 2015, the Company adjusted for warranty expenses related to the Union Pacific concrete tie matter, impairment of goodwill, and the asset sale of a concrete tie facility in Tucson, AZ. In 2014 and 2012, the Company adjusted for warranty expenses related to the Union Pacific tie matter. In 2011, the Company adjusted for a purchase price accounting step-up regarding inventory value. 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 from continuing operations, 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 from continuing operations, adjusted EBITDA from continuing operations, adjusted net income from continuing operations, net debt, and adjusted net leverage ratio are included within this presentation.

# Key Takeaways

Completed portfolio and organization structure assessment to identify platforms for **value creation**



Established focused growth platforms in core markets, enabled by realigned **management structure**



Transforming into technology-focused, high-growth **infrastructure solutions provider**

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

# Today's Speakers



**Lee Foster II**  
Chairman of the Board



**John Kasel**  
President and  
Chief Executive Officer



**Bill Thalman**  
Senior Vice President  
and Chief Financial Officer



**Bill Treacy**  
Senior Vice President  
and Chief Growth Officer



**Greg Lippard**  
Senior Vice President, Rail



**Peter Jones**  
Vice President, UK Technology  
Services and Solutions



**Neil Sheffield**  
Managing Director, Telecoms  
and Control and Display



**Mike O'Connell**  
Technology Sales, Product and  
Business Development  
Manager - Americas



**Bob Ness**  
Vice President,  
Precast Concrete  
Products



**Brian Friedman**  
Vice President, Fabricated  
Steel Products and  
Measurement Solutions

# Strategic Assessment

**John Kasel** - President and CEO

**Bill Thalman** - Senior Vice President and CFO

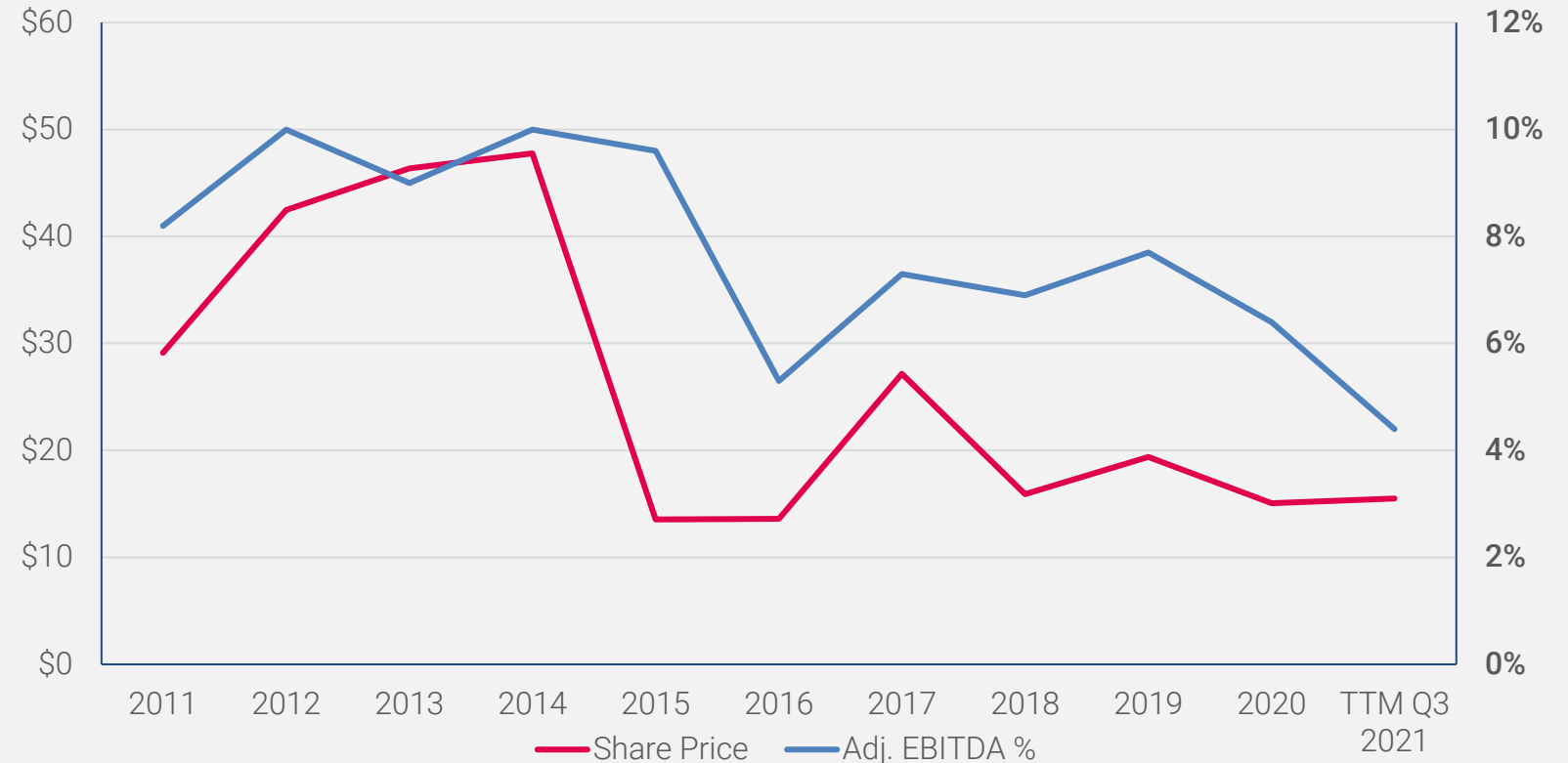


# Our Case for Change

## Historical Performance Assessment

- > Strong growth in shareholder value through 2014
- > 2015 energy and related freight rail downturn, coupled with Union Pacific lawsuit, impacted financial performance
- > COVID pandemic and midstream energy market depression extended challenging environment

10-Year Share Price and Adjusted EBITDA Margin<sup>1</sup>



**Strategic reassessment and refresh required to restore value**

# Our Aspirational Goals

- > Targeting net sales growth of \$100M, or ~4%
- > Investing in growth platforms to accelerate margin expansion and value creation
- > Active business portfolio management to help fund transformation
- > EBITDA growth by leveraging technology offerings, core market expansion, and active portfolio management
- > Disciplined capital allocation

TTM September  
(2021)

**REVENUE**      **\$516M**

**GROSS PROFIT  
MARGIN**      **17.2%**

**ADJ. EBITDA**      **\$22.5M**  
**Adj. EBITDA Margin**      **4.4%**

Long-Term Vision  
(2025)

**REVENUE**      **~\$600M**  
**Organic**      **~\$100M**  
**Acquisitions**      **~\$150M**

**GROSS PROFIT  
MARGIN**      **~21.0%**

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

# Strategic Review Priorities

## Strategic priority objectives

- > Identify scalable core businesses with market headroom for growth
- > Focus on differentiated offerings
- > Highlight technology-oriented businesses
- > Opportunities for complexity reduction

## Financial performance considerations

- > Correlate historical financial performance with enterprise intrinsic value
- > Dissect intrinsic value by portfolio component
- > Understand value generating / detracting components of the portfolio

Disciplined process to set the **path forward**



# Strategic Assessment Outcomes

Infrastructure company expanding technology offerings

Well-defined businesses in our portfolio

Growth platforms

Returns platforms

Prioritizing capital allocation to growth platforms

Rail Technologies

Precast Concrete

Adjusting management structure to enable execution of an actionable playbook

Transformation to a technology-focused, high-growth **infrastructure solutions provider** underway

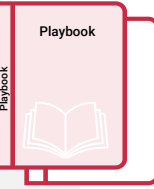
## > Rail Technologies



## > Precast Concrete



# L.B. Foster Strategy Statement

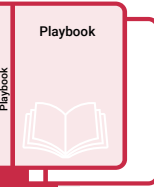


Capital will be allocated based on a clear delineation of our strategic **growth** businesses vs. **returns** businesses focused on cash generation, with an overall goal of driving economic profit within the portfolio

	Growth Businesses	Returns Businesses
Businesses	Global Rail Technologies Friction Management Condition Monitoring	Global Rail Products Rail Distribution Insulated Joints Transit Products
	European Technologies Contract Services Technology Solutions	North American Fabricated Steel
	North American Precast Concrete	North American Coatings and Measurement
Portfolio role	Primary consumer of investment capital, with growing and attractive markets, strong competitive positioning, and greatest headroom for value creation	Source of stable returns and cash generation to fund Growth Businesses
Management's future vision	<ul style="list-style-type: none"> <li>&gt; Prioritize long term creation/maximize intrinsic value</li> <li>&gt; Use these platforms as a foundation for growth, capturing share and extending to attractive adjacent areas</li> <li>&gt; Pursue strategic, accretive M&amp;A</li> </ul>	<ul style="list-style-type: none"> <li>&gt; Prioritize EBITDA dollars and net cash generation</li> <li>&gt; Protect position, pursue incremental share capture</li> <li>&gt; Invest maintenance capital to ensure long term viability while running the business as efficiently as possible</li> </ul>

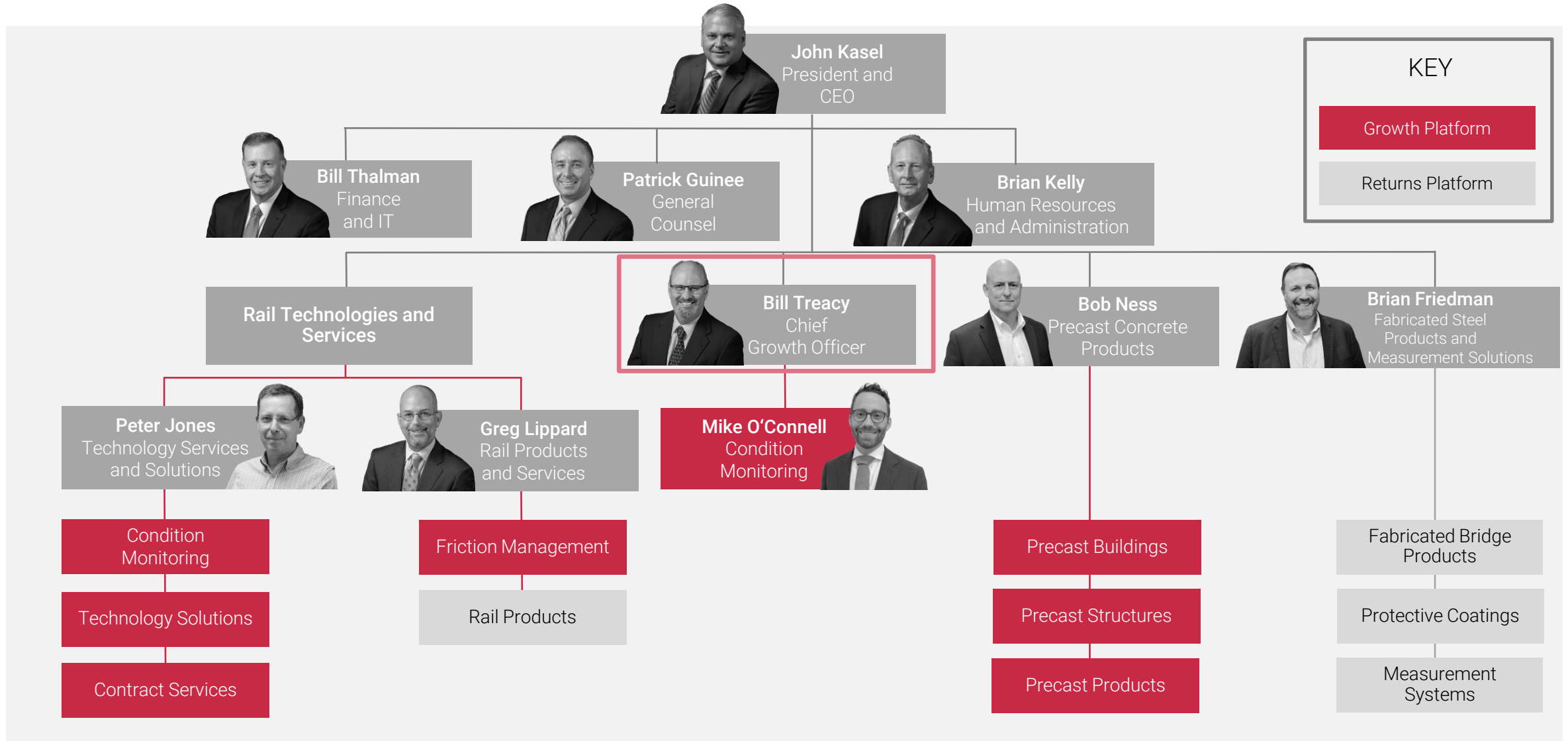
Economic profit, defined as annual returns above our cost of capital, was a key measure in our strategic evaluation of the portfolio

# Actionable Playbook - Clearly Defined Roadmap



	Playbook Item	What We Mean
GROWTH	1 Double down on Precast Concrete	Expand share of turnkey building market; expand with organic and inorganic programs
	2 Drive step-change Friction Management growth via mobile solutions and new geographies	Growth of onboard market, share in existing applications and served markets
	3 Scale and increase capital efficiency in Europe	Focus on Contract Services business platforms best positioned for profitable and scalable 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
	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
	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
	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

# Growth and Returns Platforms – Business Leaders

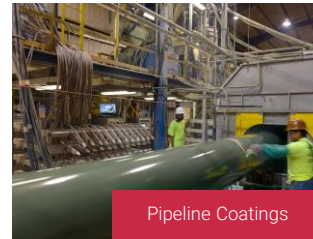


# Our Mission, Our Capability

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



Bridge Beams and Box Culverts



Pipeline Coatings



Friction Management



Telecoms



Lagging and Sound Walls



Metering and Measurement



Rail Products and Accessories



Control and Display



Multifunctional Buildings



Fabricated Bridge Products



Rail Services



Automation



Underground Structures



Waterwell Threaded Products



Rail Condition Monitoring



Remote Condition Monitoring

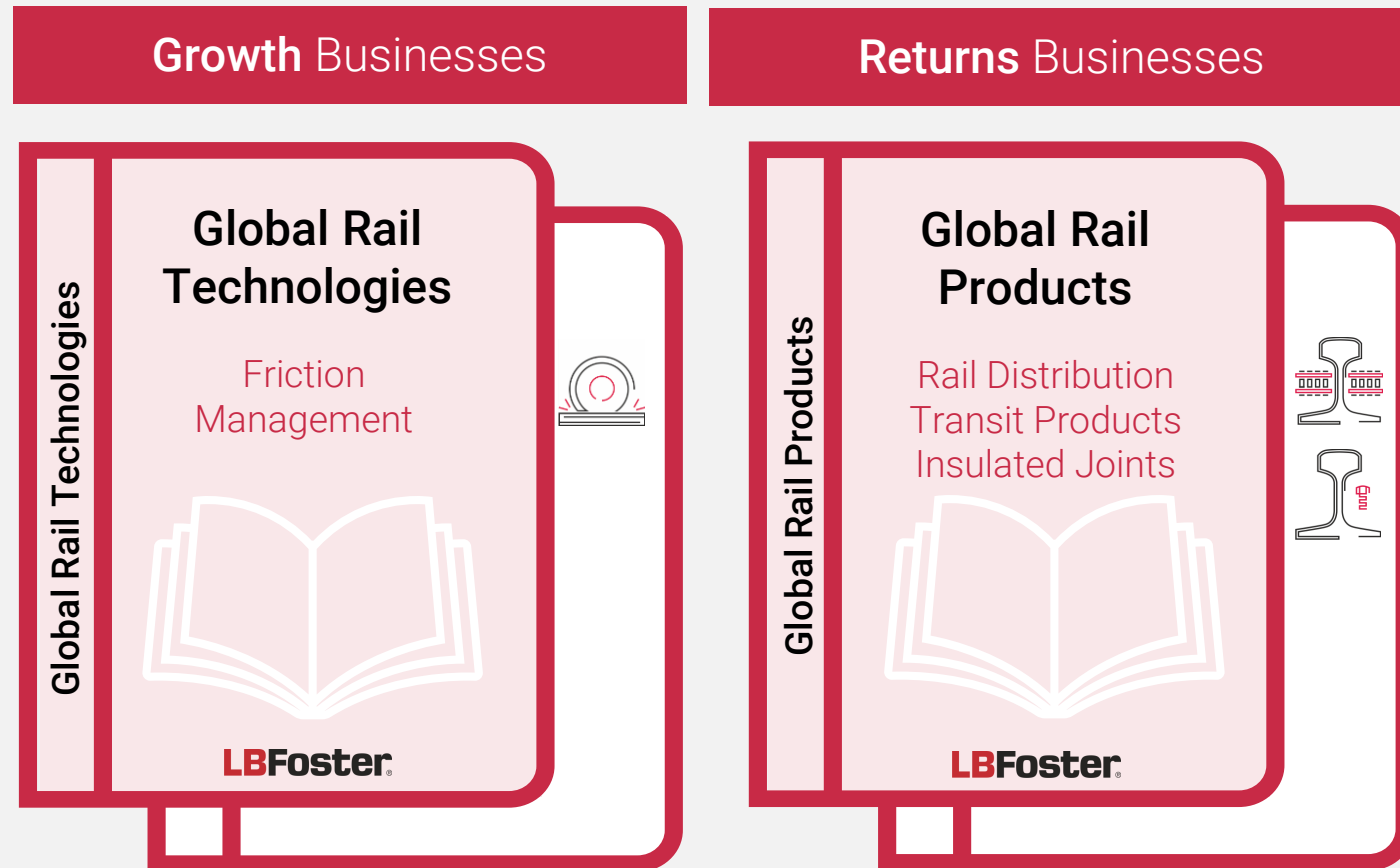
# Rail Products & Services and Global Friction Management

**Greg Lippard** - Senior Vice President, Rail  
**John Kasel** - President and CEO



# Rail Products & Services and Global Friction Management

**Greg Lippard**, SVP – Rail: Leads Global Friction Management (Growth) and Global Rail Products (Returns)



# Returns Platform – Global Rail Products and Services

Critical Supplier of Products and Services for Rail Track Infrastructure

Providing essential products and accessories for **freight and transit rail**

## Transit Products



- > Passenger rail direct fixation fasteners and accessories
- > Power rail, coverboards, insulators, and accessories

## Rail Distribution



- > New and used rail and accessories
- > Continuous welded rail; fewer welds than competitors; better ride quality
- > Unloading of CWR as a service and project management

## Track Components



- > Track spikes, bolts, anchors, angle bars, and other products used to install and maintain rail lines

## Allegheny Rail Products

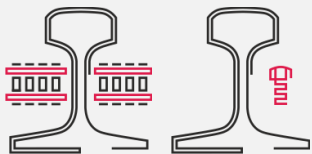


- > Insulated rail joints and related accessories
- > Central train control and signaling
- > Broken rail detection

## Concrete Ties



- > Mainline and turnout ties for new track construction or maintenance
- > Safer, more durable, and environmentally-friendly option





# Growth Platform – Global Rail Technologies

Valued Supplier of Friction Management Solutions that Enhance Customer Operating Efficiencies

Technology to  
improve safety,  
fuel efficiency, and  
**life of assets**

## Trackside Application Equipment



- > PROTECTOR® applies top-of-rail friction modifiers and gauge face lubricants
- > Mitigates noise and contact fatigue
- > Remotely monitor uptime, maintenance, and refilling needs

## Consumables



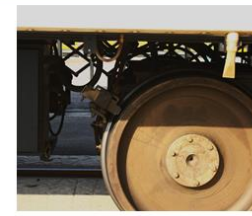
- > Top-of-rail friction modifiers
- > Gauge face rail lubricants
- > Top-of-rail traction enhancement

## Field Applications and Services



- > Total friction management services
- > Field measurements and performance validation offerings
- > Equipment service and maintenance
- > Bulk filling service

## On-Board Solutions



- > Solid stick friction modifiers
- > AUTOPILOT® for freight rail
- > KELTRACK® on-board for transit rail



# Global Rail Products and Friction Management Strategy

## Global Rail Products Returns Platform

### Advantages:

- > Long-standing customer relationships
- > Offerings support both new construction and maintenance
- > Project management and package offerings

### Strategy:

- > Focus on steady cash generation

## Global Friction Management Growth Platform

### Advantages:

- > Enhance safety, reliability, and reduce environmental impact
- > Provide measurable cost savings to end customers in both asset wear and fuel consumption

### Strategy:

- > Drive growth via mobile solutions and new geographies
- > Pursue bolt-on acquisitions to supplement our unique combination of proprietary offerings
- > Continued focus on technology in portfolio

# Technology Services and Solutions

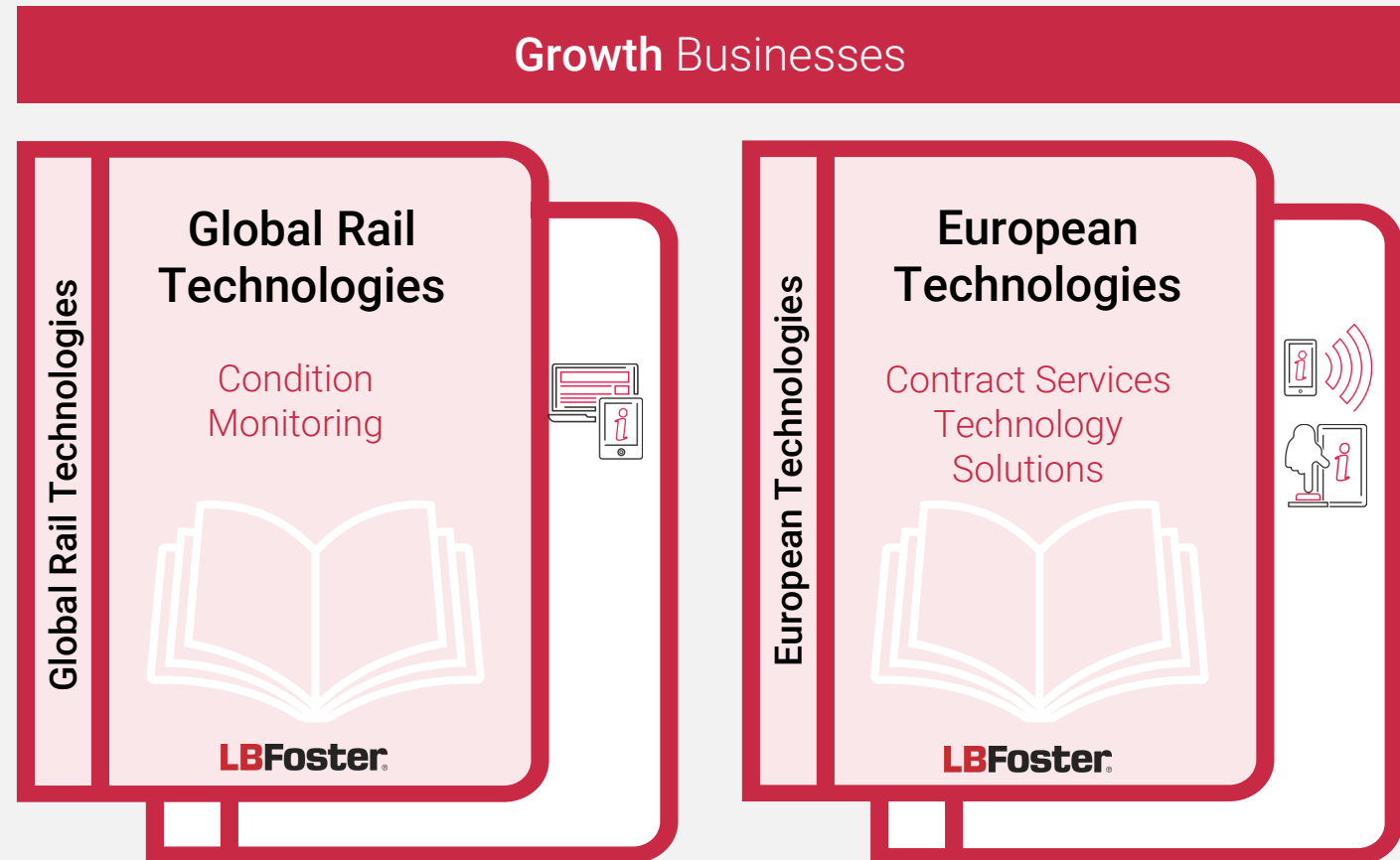
**Peter Jones** – Vice President and  
Group Managing Director, Europe

**Neil Sheffield** – Commercial Managing  
Director, European Technologies



# Technology Services and Solutions

**Peter Jones** – Vice President and Group Managing Director Europe: Leads European Technologies (Growth) and Global Condition Monitoring (Growth)

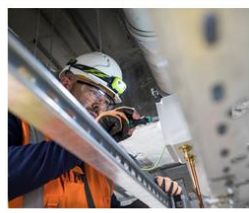


# Growth Platform – Contract Services

Valued Contract Services Partner for Rail, Airports, Utilities, and Construction

Telecoms, fire,  
specialist  
mechanical, and  
electrical design  
with installation  
capability

## Telecoms



- > Building management services
- > Video, display, radio, telephone, and related networks
- > Data management

## Fire and Specialist Services



- > Fire detection, suppression, and compartmentation
- > Ventilation and air conditioning
- > CCTV and surveillance



# Growth Platform – Technology Solutions

Innovative Solutions for Control Room, Signaling, Condition Monitoring, and Automation



## Control and Display



- > Fixed and mobile displays
- > Customer information, wayfinding, and disruption management
- > Low carbon solutions

## Signaling and Controlroom



- > Rail signaling control panels
- > Power station control rooms
- > Defense applications

## Remote Condition Monitoring



- > Safety critical applications
- > Obstacle detection
- > Rockfall and earthworks monitoring
- > Flood monitoring

## Automated Handling



- > Destrappers for beverage industry
- > Conveyor and handling systems



# Technology Services and Solutions Strategy

## Contract Services Growth Platform

### Advantages:

- > Favorable reputation gained on UK Crossrail project gives potential to expand Telecoms contract services on major projects
- > Complementary offer of Telecoms, Fire and Specialist M&E to completely service customers

### Strategy:

- > Expand geographic reach, both in UK and potentially to elsewhere in Europe
- > Continue to expand offerings reach to services beyond the rail industry
- > Pursue accretive acquisitions

## Technology Solutions Growth Platform

### Advantages:

- > Turnkey capability combining design, software, hardware, installation, maintenance, and service

### Strategy:

- > Achieve increases in product sales via portfolio improvements
- > Expand reach into non-rail and export markets
- > Leverage contract service presence and reputation to pull-through solution growth
- > Pursue accretive acquisitions

# Condition Monitoring

**Michael O'Connell** – Technology Sales,  
Product and Business Development  
Manager, Americas





# Growth Platform – Condition Monitoring

A Smart Interface Between Conventional Rail Products and Intelligent Digital Technologies

**Award-winning**  
wayside technology  
to monitor safety,  
increase network  
velocity, and **enable**  
**the Digital Railway**



## Rockfall Monitoring



- > Accurately detects dangerous obstructions on track
- > Increases railroad network velocity



## Flood Monitoring



- > Senses water depth in normally dry conditions
- > Alerts railroads of flooded track



## Earthworks Monitoring



- > Scans embankments to determine stability of the slope
- > Warns railroads of an impending slide



## Grade Crossing Detection



- > Detects obstacles as the train approaches the crossing
- > Ensures a clear crossing ahead of the train's arrival



## Wheel Impact Load Detector



- > Measures impacts imparted onto the rail
- > Greatly reduces wheel related derailments and damage

## Bridge Strike Monitoring



- > Remote camera inspection system
- > Minimizes down time after a reported strike

# Condition Monitoring Strategy

## Condition Monitoring Growth Platform

### Advantages:

- > Award-winning technologies that enhance safety and efficiency for end customers
- > Technology provides measurable cost savings and minimizes disruptions
- > Advanced technology serves as “first mover” advantage
- > Sales entry point through long-standing customer relationships

### Strategy:

- > Continue customer adoption and assist in enablement of “Digital Railway”
- > Expand technologies into adjacent markets and new geographies
- > Pursue accretive, bolt-on acquisitions

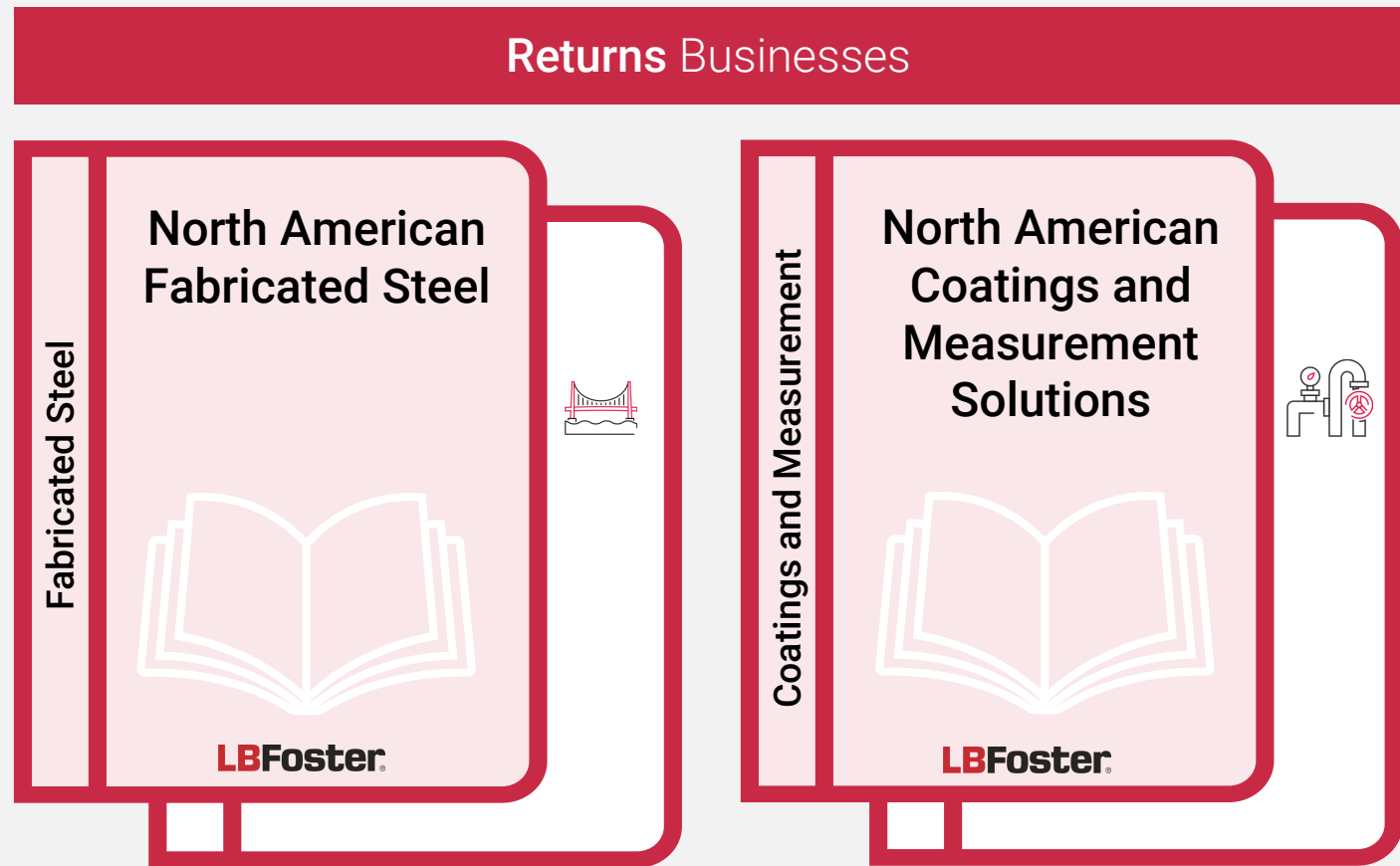
# Fabricated Steel Products and Measurement Solutions

**Brian Friedman** - Vice President, Fabricated  
Steel Products and Measurement Solutions  
**Bill Thalman** - Senior Vice President and CFO



# Fabricated Steel Products and Measurement Solutions

**Brian Friedman** – Vice President, Fabricated Steel Products and Measurement : Leads North American Fabricated Steel (Returns) and North American Coatings and Measurement (Returns)



# Returns Platform – Fabricated Steel Products and Measurement Solutions

Solutions for Critical Transportation and Energy Infrastructure Needs

Building and  
protecting essential  
infrastructure

## Fabricated Bridge Products



- > Pre-fabricated bridge grid decking
- > “Stay In Place” steel bridge deck concrete forms

## Protective Coatings



- > High volume protective fusion bond epoxy coating of line pipe
- > Fast turn around protective coating for line pipe
- > Custom coating for various fabricated steel products

## Chemtec Measurement Solutions



- > High pressure metering and monitoring equipment for liquid and gas pipelines
- > Gasoline additive blending and load racks

## Water Well Products



- > Water well casing pipe for agriculture and municipal wells
- > Fabricated water pipe



# Fabricated Steel Products and Measurement Solutions Strategy

## Fabricated Steel Products and Measurement Solutions **Returns Platforms**

### **Advantages:**

- > Key partnerships and supply agreements
- > Leading market share in stable and mature niche markets
- > Rapid repair bridge techniques minimize disruptions
- > Environmentally-friendly practices, work in renewable energy space

### **Strategy:**

- > Focus on steady cash generation and lean operations
- > Growth into adjacent markets and applications
- > Continued development to support renewable energy

# Precast Concrete Products

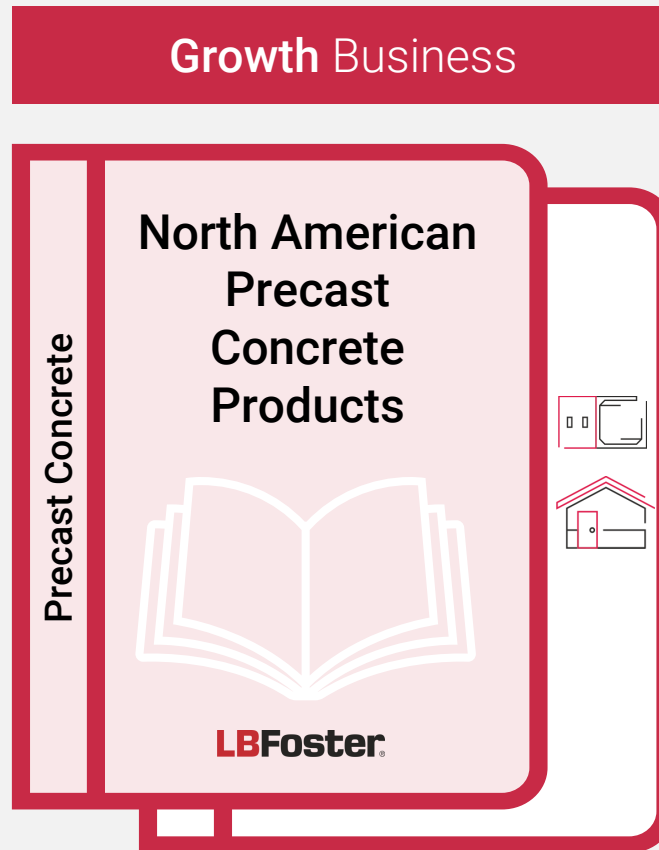
**Bob Ness** - Vice President,  
Precast Concrete Products

**Bill Treacy** - Senior Vice President and  
Chief Growth Officer



# Precast Concrete Products

**Bob Ness** - Vice President, Precast Concrete Products: Leads North American Precast Concrete Products (Growth)





# Multi-Functional Buildings

Turnkey concrete buildings, manufactured offsite and delivered

- > Concrete restroom, concession, and other multi-functional buildings
- > Pre-engineered, pre-plumbed, pre-wired offsite, and installed in a single day
- > Superior quality, durability and conforms to customer specifications and all building code requirements



# Tougher Than: Site-Built Structures and Mother Nature

## Superior resistance to extreme conditions

- > World-class manufacturing and operations produce buildings engineered to withstand the elements
- > Buildings can tolerate impact from floods, snowstorms, landslides, fire, extreme wind, and other challenges posed by nature and the surrounding areas



# Growth Platform – Precast Concrete Products

Engineered precast concrete solutions to support infrastructure

## Box Culverts



- > Road crossings
- > Irrigation canals
- > Other infrastructure applications

## Underground Structures



- > Wet and dry utilities
- > Septic applications
- > Other infrastructure applications

## Wall Panels



- > Lagging, sound, and earth retention walls for highway applications

## Bridge Beams



- > Bridge rehabilitation
- > New construction



# Growth Platform – Precast Concrete Products

Strategic positioning that drives new growth opportunities

## Precast Concrete Products Growth Platform

### Advantages:

- > Proprietary concrete building manufacturing process
- > Strategically located to support high growth areas
- > World-class manufacturing facilities produce superior product
- > Environmentally-friendly manufacturing practices
- > Tailwinds from U.S. Government funding

### Strategy:

- > Target expansion into adjacent markets and applications
- > Pursue geographic expansion to widen customer reach, gain efficiencies, and lower freight costs
- > Scalable, purposeful acquisitions that build on our core capabilities

★  
Boise, ID



★  
Waverly, WV



★  
Hillsboro, TX



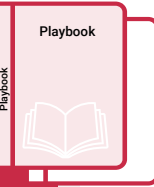
# Growth Initiatives

**Bill Treacy** - Senior Vice President and  
Chief Growth Officer

**John Kasel** - President and CEO



# Actionable Playbook - Clearly Defined Roadmap



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# Financial Review

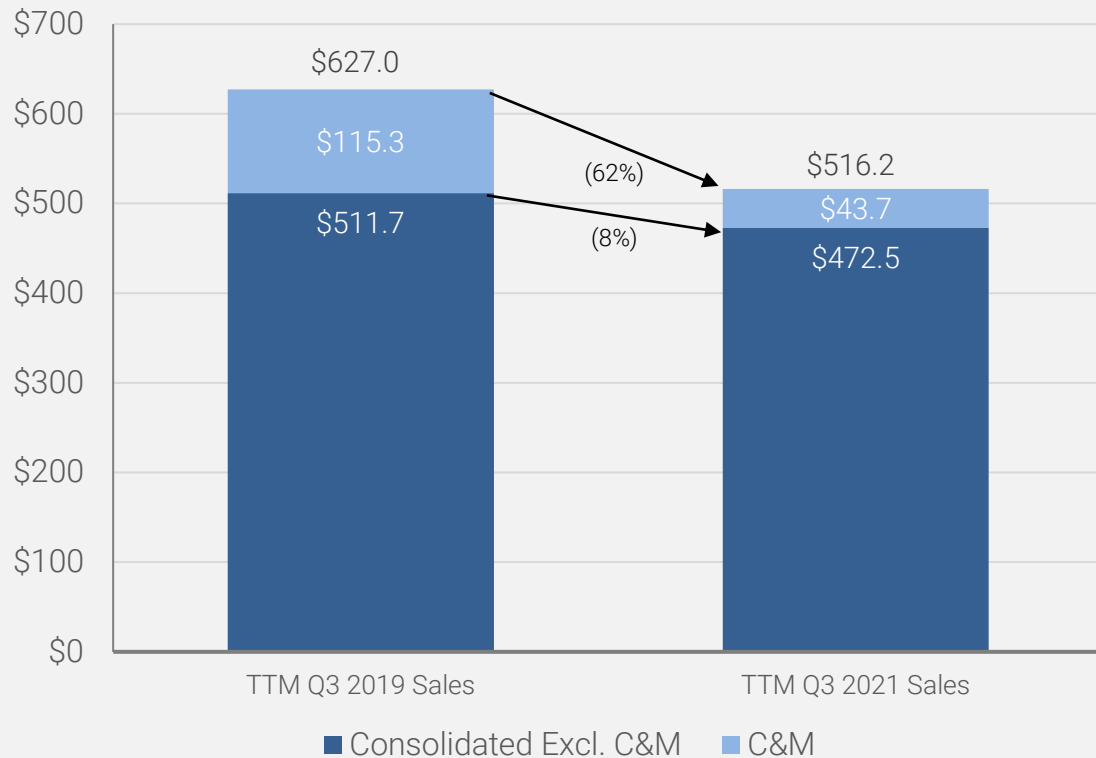
**Bill Thalman** - Senior Vice President and CFO



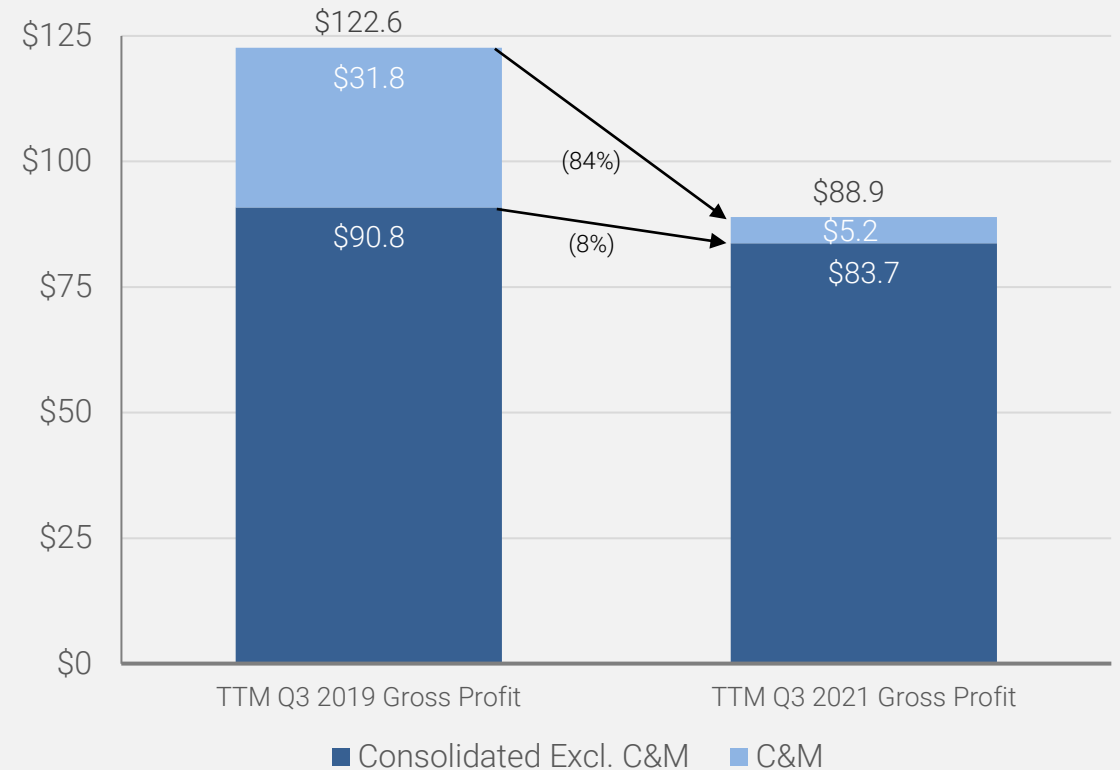
# Resilient Financial Performance

Sales and gross profit approaching pre-pandemic levels, excluding energy-related coatings and measurement business

Sales – TTM September 30  
(\$ in millions)



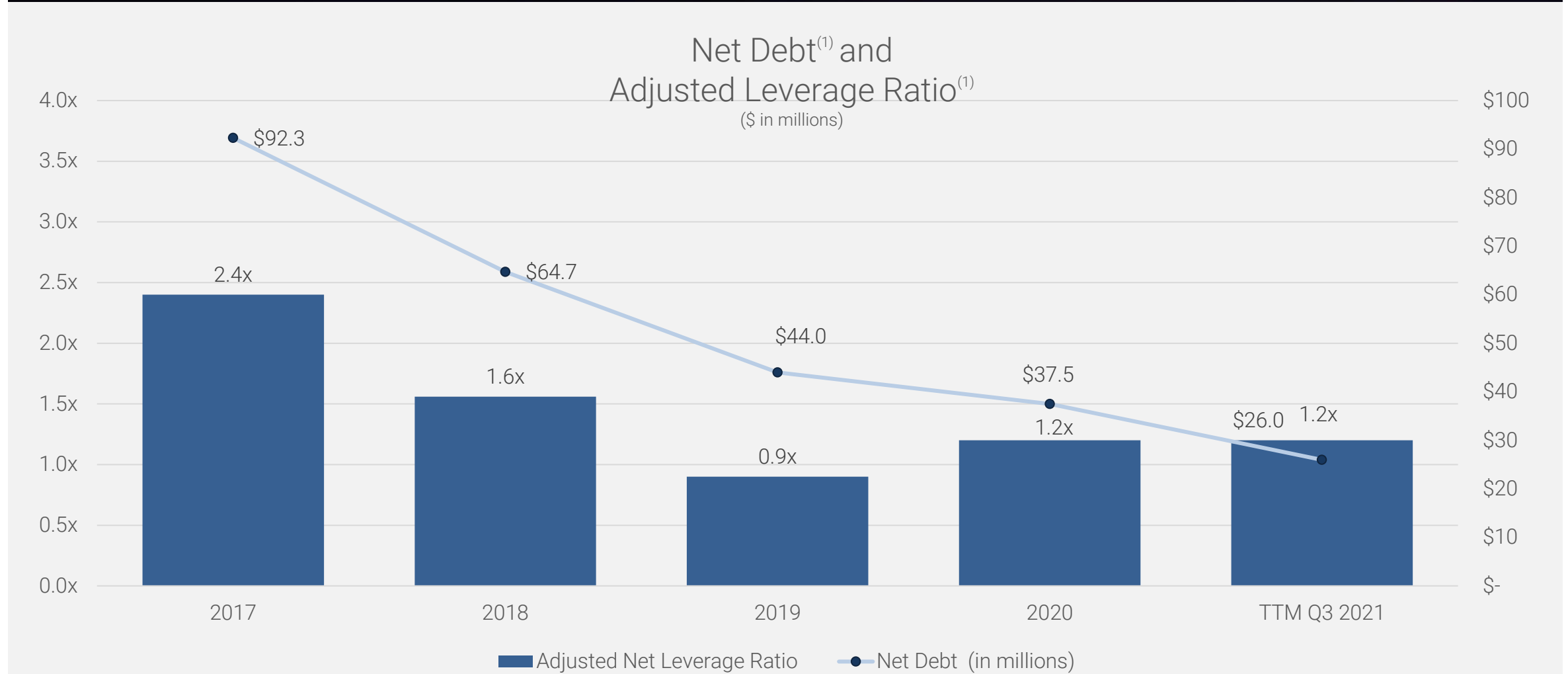
Gross Profit – TTM September 30  
(\$ in millions)





# Resilient Financial Performance

Improving leverage metrics through strong cash generation and disciplined capital management



# Recent Financial / Investment Highlights

## Amended and Extended Credit Agreement

- > In **August 2021**, entered into Amended and Restated Credit Agreement to extend the facility maturity date to August 13, 2026, increase borrowing capacity by \$15 million to \$130 million, improve pricing, and provide a more accommodating covenant package
- > The agreed terms reduced our cost of borrowing by approximately 200 basis points and greatly increase our financial flexibility to execute our strategy

## Steel Piling Products Divestiture

- > In **September 2021**, completed the steel Piling Products business line divestiture for approximately \$24 million in total proceeds, resulting in a pretax gain of approximately \$3 million
- > Piling Products business model was working capital intensive and presented constraints on our ability to increase profit margins
- > Capital will be redeployed to achieve better returns and further strengthen businesses in our portfolio that have more robust growth opportunities and profitability outlooks

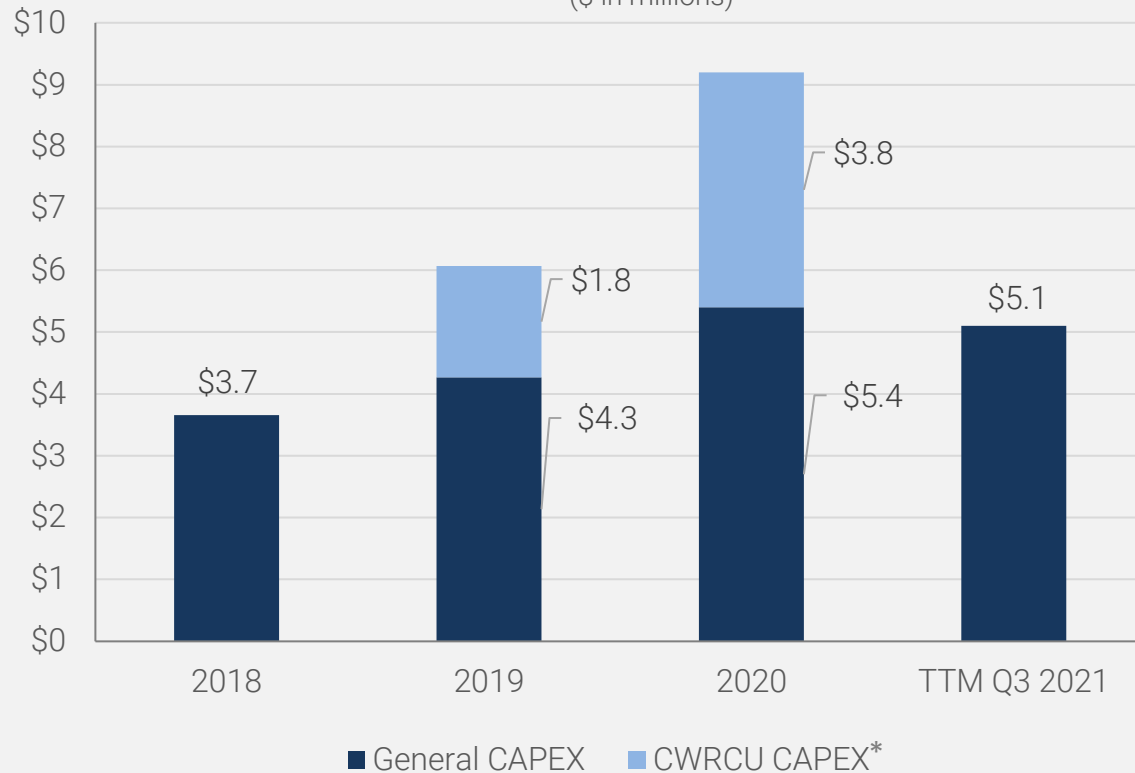
## SAP and Systems Implementations

- > Continuing SAP ERP system implementation, with four locations going live in 2021 and three more slated for 2022
- > Targeting JD Edwards retirement in 2022, reducing ERP platforms from three to two (SAP and Infor Visual)
- > Implementing global financial consolidation, planning, and forecasting platform to improve back-office efficiency

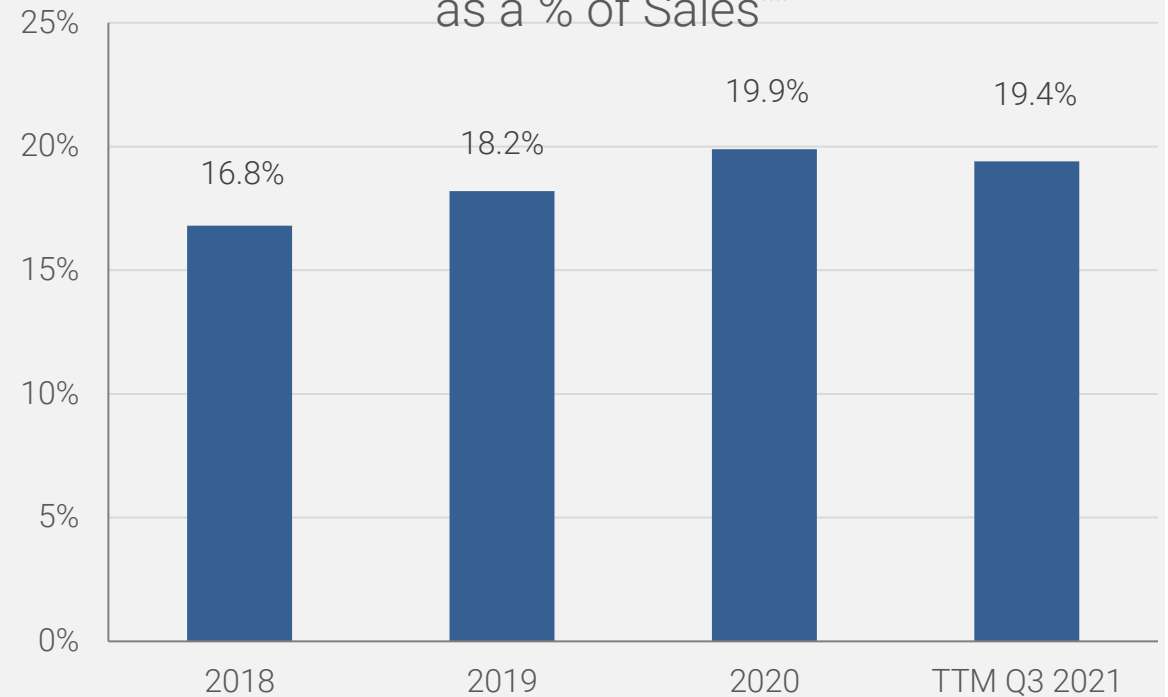
# Business Model Highlights

Capital light business model enables economic profit generation

### Capital Expenditures (\$ in millions)



### Average Trade Working Capital as a % of Sales\*\*



(\*) Includes infrequent capital expenditure of \$1.8 million and \$4.0 million in 2019 and 2020, respectively, for a Continuous Welded Railcar and Unloader ("CWRCU").

(\*\*) For purposes of this slide, the impact of the divested Piling Products business has been removed.

All data presented on a continuing operations basis

# U.S. Government Legislation Update

## Previously approved

### The Great American Outdoors Act – July 2020

#### Relevant Highlights

- > Addresses the multi-billion dollar deferred maintenance backlog at U.S. national parks and public lands
- > Provides up to \$1.9 billion per year for five years to restoring federal lands.

#### Impact on L.B. Foster

- > The Company's Precast Concrete Products primarily manufactures concrete buildings for national, state, and municipal parks such as restrooms, concession stands, and other protective storage buildings, as well as sound walls, burial vaults, bridge beams, septic tanks, and other custom products for applications in a wide range of infrastructure projects.

### Consolidated Appropriations Act, 2021 – December 2020

#### Relevant Highlights

- > \$2.3 trillion bill which combines COVID-19 relief and an omnibus spending bill for 2021, which includes \$14 billion in relief for transit infrastructure as well as \$86.7 billion in omnibus spending allocated to the U.S. Department of Transportation; notably, \$13 billion is allocated to the Federal Transit Administration, \$2.8 billion to the Federal Railroad Administration, and \$2 billion to Amtrak.

#### Impact on L.B. Foster

- > Funding for transportation and rail generates opportunity within multiple lines of business within the Rail Technologies and Services segment, as well as the Infrastructure Solutions segment given its wide reach across a variety of general infrastructure projects.

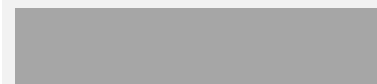
### American Rescue Plan Act – March 2021

#### Relevant Highlights

- > Provides \$30.5 billion in grants for transit agency operating expenses and \$1.7 billion to Amtrak to support its rail networks as part of COVID-19 relief efforts.

#### Impact on L.B. Foster

- > Relief for transit operations and Amtrak rail may allow for increased general activity and spending in upcoming quarters, which could have a favorable impact on demand for offerings in the Rail Technologies and Services segment.



## Recently approved

### Federal Infrastructure Bill - November 2021

#### Relevant Highlights

Bill calls for investment dedicated to transportation infrastructure, including:

- > Repair of bridges nationwide
- > Enhancement to grant and loan programs that support passenger and freight rail safety and efficiency
- > Modernization of highways and expansion of public transit
- > Investment in passenger rail service
- > Improvement of ports, waterways, and water systems

#### Impact on L.B. Foster

Possible increased demand for multiple product and service lines and end markets, depending on the nature of projects executed, including:

- > Multiple lines of business within the Rail Technologies and Services segment that could facilitate investments, repair, expansion, and improvements in both freight and passenger rail
- > The Fabricated Steel Products business unit, which focuses on repairs and maintenance within the highway and bridge industries
- > The Precast Concrete Products business unit, which has a wide reach across a large variety of general infrastructure projects

# Closing Remarks

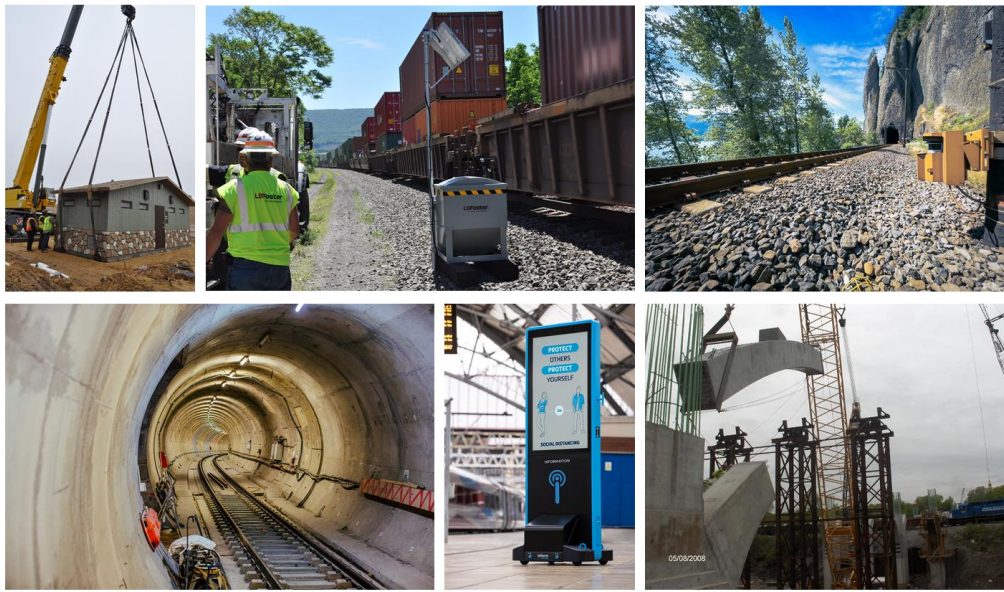
**John Kasel** - President and CEO



# Building Momentum

## LB Foster®

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



Long-Term Vision  
(2025)

<b>REVENUE</b>	<b>~\$600M</b>
Organic	~\$100M
Acquisitions	~\$150M

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<b>GROSS PROFIT MARGIN</b>	<b>~21.0%</b>
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<b>ADJ. EBITDA</b>	<b>~\$50M</b>
<b>Adj. EBITDA Margin</b>	<b>~8.0%</b>

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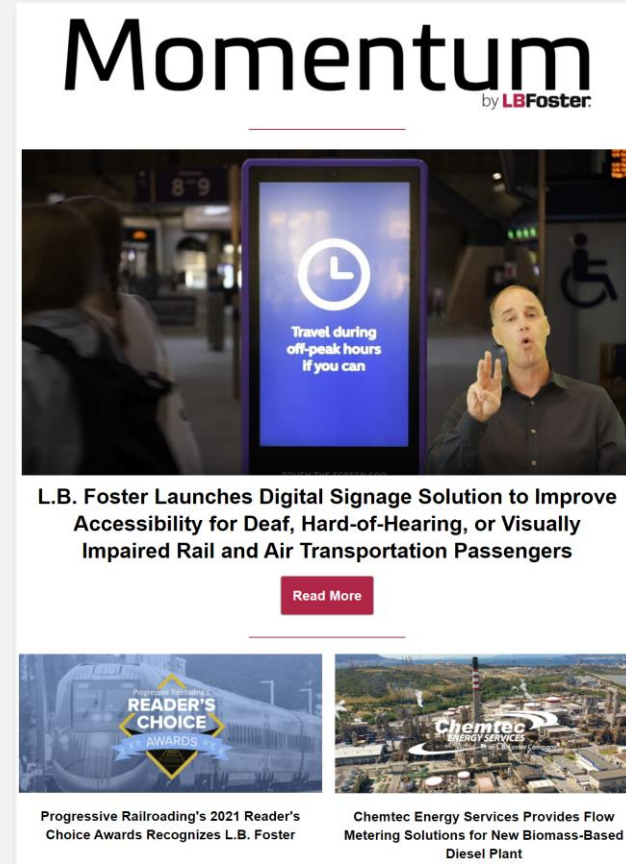
# Building Momentum

Stay up-to-date on L.B. Foster with our quarterly newsletter

L.B. Foster is constantly moving forward, always looking to the future

Ground-breaking now, and tomorrow, always *keeping our world moving*

[L.B Foster - Momentum](#)



# Thank you!

L.B. Foster Virtual Investor Day

December 14, 2021



# Appendix

# Adj. EBITDA Margin: Non-GAAP Financial Measure

Twelve months ended:	December 31, 2011	December 31, 2012	December 31, 2013	December 31, 2014	December 31, 2015	December 31, 2016	December 31, 2017	December 31, 2018	December 31, 2019	December 31, 2020	September 30, 2021
(\$ in millions)											
Net income (loss) from continuing operations	\$ 22.1	\$ 14.8	\$ 29.3	\$ 25.7	\$ 16.3	\$ (97.1)	\$ 8.1	\$ (30.6)	\$ 48.0	\$ 25.8	\$ 6.2
Interest expense, net	0.3	0.1	(0.2)	(0.0)	4.2	6.3	8.1	6.1	4.9	3.8	3.4
Income tax expense (benefit)	10.6	9.1	14.8	13.4	8.4	20.3	3.9	6.0	(23.8)	(11.8)	1.4
Depreciation Expense	9.2	10.0	6.9	7.9	10.1	9.6	9.3	8.1	7.9	7.9	8.1
Amortization Expense	2.8	3.0	3.1	4.7	8.7	7.6	6.9	7.0	6.4	5.7	5.9
<b>EBITDA from Continuing Operations</b>	<b>\$ 45.0</b>	<b>\$ 36.9</b>	<b>\$ 53.9</b>	<b>\$ 51.6</b>	<b>\$ 47.7</b>	<b>\$ (53.2)</b>	<b>\$ 36.3</b>	<b>\$ (3.4)</b>	<b>\$ 43.4</b>	<b>\$ 31.3</b>	<b>\$ 24.9</b>
Difference between net realizable value and cost basis of inventory sold due to purchase accounting step-up	2.5	-	-	-	-	-	-	-	-	-	-
Concrete ties warranty related-adjustments	-	22.0	-	9.4	0.7	-	-	-	-	-	-
Impairment of goodwill	-	-	-	-	10.4	-	-	-	-	-	-
Gain on Tuscon, AZ asset sale	-	-	-	-	(2.3)	-	-	-	-	-	-
Asset impairments	-	-	-	-	-	77.9	-	-	-	-	-
Relocation and restructuring costs	-	-	-	-	-	-	-	-	1.8	2.5	0.3
Distribution from unconsolidated partnership	-	-	-	-	-	-	-	-	-	(1.9)	-
U.S. pension settlement expense	-	-	-	-	-	-	-	-	2.2	-	-
Gain on divestiture of Piling Products	-	-	-	-	-	-	-	-	-	-	(2.7)
Concrete Tie Settlement Expense	-	-	-	-	-	-	-	43.4	-	-	-
<b>Adjusted EBITDA from continuing operations</b>	<b>\$ 47.5</b>	<b>\$ 58.9</b>	<b>\$ 53.9</b>	<b>\$ 61.0</b>	<b>\$ 56.5</b>	<b>\$ 24.8</b>	<b>\$ 36.3</b>	<b>\$ 40.0</b>	<b>\$ 47.4</b>	<b>\$ 32.0</b>	<b>\$ 22.5</b>
Net sales from continuing operations	\$ 575.3	\$ 588.5	\$ 598.0	\$ 607.2	\$ 588.6	\$ 462.7	\$ 497.2	\$ 581.1	\$ 616.4	\$ 497.4	\$ 516.2
Adjusted EBITDA	47.5	58.9	53.9	61.0	56.5	24.8	36.3	40.0	47.4	32.0	22.5
<b>Adjusted EBITDA Margin</b>	<b>8.2%</b>	<b>10.0%</b>	<b>9.0%</b>	<b>10.0%</b>	<b>9.6%</b>	<b>5.3%</b>	<b>7.3%</b>	<b>6.9%</b>	<b>7.7%</b>	<b>6.4%</b>	<b>4.4%</b>

# Adjusted Leverage Ratio: Non-GAAP Financial Measure

	September 30, 2021	December 31, 2020	September 30, 2020	December 31, 2019	December 31, 2018	December 31, 2017
(\$ in millions)						
Outstanding Borrowings on Revolving Credit Facility	\$ 32.3	\$ 44.8	\$ 48.9	\$ 33.9	\$ 74.0	\$ 128.5
Term Loan Outstanding	-	-	-	23.8	-	-
Financing Leases and Financing Arrangements	0.2	0.2	0.3	0.6	1.0	1.5
Total debt	\$ 32.5	\$ 45.0	\$ 49.1	\$ 58.2	\$ 75.0	\$ 130.0
Less cash and cash equivalents	(6.4)	(7.6)	(9.3)	(14.2)	(10.3)	(37.7)
<b>Total net debt</b>	<b>\$ 26.0</b>	<b>\$ 37.5</b>	<b>\$ 39.8</b>	<b>\$ 44.0</b>	<b>\$ 64.7</b>	<b>\$ 92.3</b>
LTM Adjusted EBITDA <sup>1</sup>	\$ 22.5	\$ 32.0	\$ 35.9	\$ 47.4	\$ 40.0	\$ 38.3
<b>Adjusted Net Leverage Ratio</b>	<b>1.2x</b>	<b>1.2x</b>	<b>1.1x</b>	<b>.9x</b>	<b>1.6x</b>	<b>2.4x</b>