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1Q16 Earnings Presentation

May 3, 2016

Safe Harbor Statement

This presentation and oral statements regarding the subject matter may contain “forward-looking statements” within the meaning of the United States Private Securities Litigation Reform Act of 1995. We caution you that such statements involve risks, uncertainties and assumptions which could cause actual results to differ materially from those expressed or implied in such statements. Potential risks and uncertainties include, but are not limited to, the impact of economic, competitive, regulatory, political and other risks and uncertainties including, the strength of the markets where the Company participates, continued and sustained declines in energy prices, changes in the cost and availability of raw materials and other products purchased for resale, a lack of state or federal funding for infrastructure projects, the effective implementation of an enterprise resource planning system, the ultimate number of concrete ties that will be replaced pursuant to product warranty claims and an overall resolution of the related contract claims, the overall resolution of the product warranty and related contract claims and costs associated with the outcome of the lawsuit filed by Union Pacific Railroad Corporation, the impact of acquisitions and other strategic investments risks inherent in litigation and those matters set forth in Item 8, Footnote 19, “Commitments and Contingent Liabilities” and in Item 1A, “Risk Factors” of the Company’s Form 10-K for the year ended December 31, 2015, and reports on Form 10-Q thereafter.

L.B. Foster Company assumes no obligation to update or revise any forward-looking information to reflect actual results, changes in assumptions or other factors affecting forward-looking information, except as required by law.

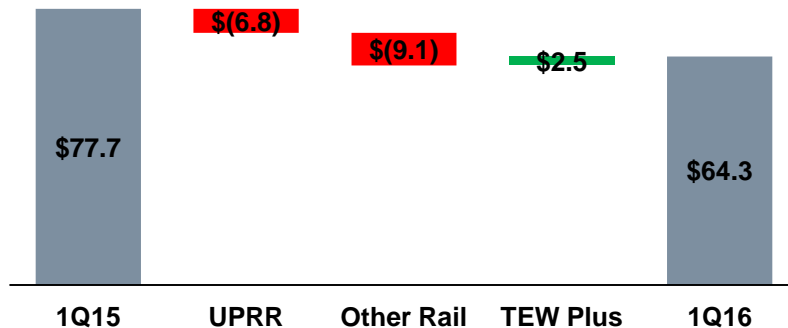
Financial Highlights

Metrics	1Q16	1Q15	Variance
Sales	\$126.3 million	\$137.9 million	\$(11.6) million, -8.4%
Gross Profit Margin	19.0%	22.2%	-326 bps
EBITDA	\$4.0 million	\$12.0 million	\$(8.0) million, -67.0%
Net (Loss) Income per Diluted Share	\$(0.28)	\$0.41	\$(0.69)
Operating Cash Flow	\$(5.1) million	\$(7.4) million	\$2.3 million

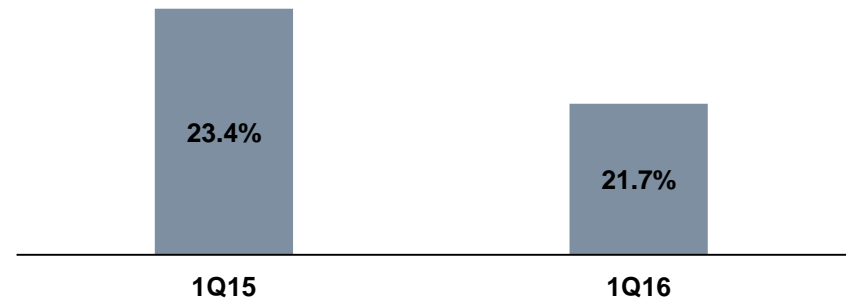
Rail Products and Services

1Q16 Results

Sales
(\$ in millions)



Gross Profit Margin



Commentary

- Sales decreased by 17.2% due to lower sales across all significant rail divisions
 - Reduced sales to Union Pacific Railroad accounted for more than half of the decline
- Gross profit margin of 21.7% decreased by 170 basis points due to reduced sales volumes, partially offset by manufacturing efficiencies and cost reductions

Market Outlook

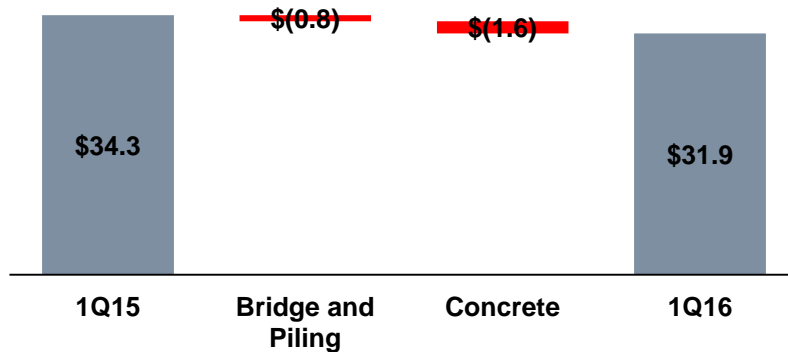
1Q16 Trends / Outlook:

- Greater than expected decrease in N.A. rail market spend and consumption of inventory
- Slow start in Europe in 1Q16, although outlook still positive
- Transit projects continue to be funded globally
- TEW acquisition launching new products for safety and reliability

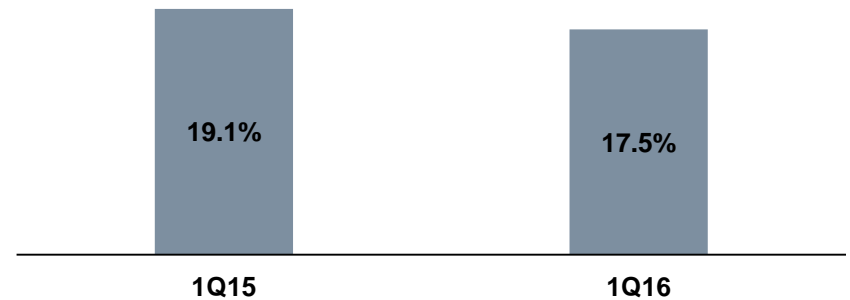
Construction Products

1Q16 Results

Sales (\$ in millions)



Gross Profit Margin



Commentary

- Sales decreased by 7.0% due to lower sales across product lines, particularly in pre-cast concrete
- Gross profit margin of 17.5% decreased by 160 basis points due to a decline in margins for pre-cast concrete products, partially offset by improved margins in fabricated bridge products

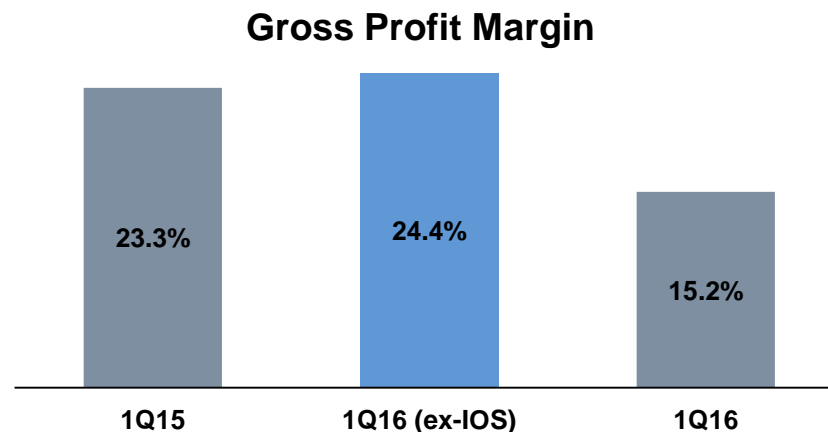
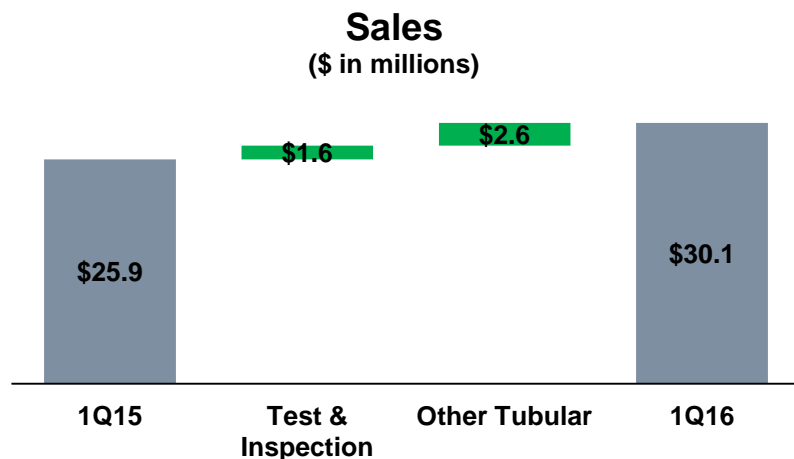
Market Outlook

1Q16 Trends / Outlook:

- Improving trends – January was very weak, but sales improved considerably in February and March
- 1Q16 shipments for products were below expectations, but backlog remains solid
- Stronger y/y pre-cast concrete bookings in 1Q16
- Expect depressed steel prices to pressure Piling sales

Tubular Products and Energy Services

1Q16 Results



Commentary

- Sales increased by 16.2% driven by sales from coated products, precision measurement systems and sales from test and inspection services, which was acquired in March 2015
- Gross profit margin of 15.2% decreased by 806 basis points driven by lower margins in test and inspection services, partially offset by improved margins in coated products

Market Outlook

1Q16 Trends:

- Solid backlog as a result of strong bookings last year in coated pipe and precision measurement from midstream pipeline customers

2016 Outlook:

- Sales growth (excluding IOS) of 5% to 15%
- IOS sales of -10% to 10%
- Business climate remains challenging and we do not assume an improvement in our outlook
- Upstream remains weak / midstream expected to be marginally better but preserving liquidity

Restructuring Actions

- While we have taken steps since the beginning of last year to rationalize our expense structure to adjust to lower volumes, ongoing market conditions have caused us to further scrutinize our expense structure throughout the organization to drive greater efficiencies
- Defer expenses that are not related to either cost reductions or securing new business
- Expect incremental expenses related to SAP implementation and Union Pacific Railroad litigation
 - Successful startup of SAP on April 1st (3 divisions)
- Annual savings expected to more than offset potential restructuring charges
- Positioned to deliver solid results when demand environment improves

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Financial Overview

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Consolidated Income Statement

(\$ in millions, except per share)	Three Months Ended March 31, 2016		Three Months Ended March 31, 2015		Delta	
	\$	%	\$	%	\$	%
Sales	\$126.3		\$137.9		\$(11.6)	-8.4%
Gross Profit	24.0	19.0%	30.7	22.2%	(6.7)	-21.8%
SG&A	22.8	18.1%	22.3	16.1%	0.6	2.5%
Amortization Expense	3.3	2.6%	2.2	1.6%	1.1	51.5%
Interest Expense	1.2	0.9%	0.6	0.4%	0.6	91.0%
Other Expense (Income)	0.7	0.7%	(0.8)	-0.6%	1.5	N/M
J.V. Loss (Income)	0.1	0.1%	(0.2)	-0.2%	0.3	N/M
Pre-tax (Loss) Income	(4.1)	-3.3%	6.7	4.8%	(10.8)	N/M
Net (Loss) Income	(2.8)	-2.2%	4.3	3.1%	(7.1)	N/M
Diluted (Loss) EPS	\$(0.28)		\$0.41		\$(0.69)	N/M
EBITDA	\$4.0	3.1%	\$12.0	8.7%	\$(8.0)	-67.0%

Note: Figures may not foot due to rounding.

Segment Results

Sales (\$ in millions)	Three Months Ended March 31, 2016		Three Months Ended March 31, 2015		Delta	
	\$	%	\$	%	\$	%
Rail Products and Services	\$64.3	50.9%	\$77.7	56.3%	\$(13.4)	-17.2%
Construction Products	31.9	25.2%	34.3	24.9%	(2.4)	-7.0%
Tubular Products and Energy Services	30.1	23.9%	25.9	18.8%	4.2	16.2%
Total	\$126.3		\$137.9		\$(11.6)	-8.4%

Gross Profit (\$ in millions)	Three Months Ended March 31, 2016		Three Months Ended March 31, 2015		Delta	
	\$	%	\$	%	\$	%
Rail Products and Services	\$13.9	21.7%	\$18.1	23.4%	\$(4.2)	-23.2%
Construction Products	5.6	17.5%	6.6	19.1%	(1.0)	-15.1%
Tubular Products and Energy Services	4.6	15.2%	6.0	23.3%	(1.4)	-24.0%
LIFO income (expense)	0.1	0.1%	(0.0)	N/M	0.1	N/M
Other	(0.2)	-0.2%	(0.1)	-0.1%	(0.1)	163.8%
Total	\$24.0	19.0%	\$30.7	22.2%	\$(6.7)	-21.8%

Note: Figures may not foot due to rounding.

Balance Sheet

(\$ in millions)	March 31, 2016	December 31, 2015
ASSETS	(unaudited)	
Current assets:		
Cash and cash equivalents	\$30.9	\$33.3
Accounts receivable – net	74.8	78.5
Inventories – net	92.2	96.4
Other current assets	12.9	6.3
Total current assets	210.8	214.5
Property, plant and equipment – net	126.0	126.7
Other assets:		
Goodwill	81.6	81.8
Other intangibles – net	131.3	134.9
Other assets	8.4	8.8
Total assets	\$558.1	\$566.7
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable and accrued liabilities	\$72.0	\$81.6
Accrued warranty	8.7	8.8
Current maturities of long-term debt	1.3	1.3
Total current liabilities	82.0	91.6
Long-term debt	173.6	167.4
Other long-term liabilities	23.7	24.8
Total stockholders' equity	278.9	282.8
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$558.1	\$566.7

Note: Figures may not foot due to rounding.

Cash Flows

(\$ in millions)	Three Months Ended March 31, 2016	Three Months Ended March 31, 2015
Net income adjusted for non-cash items	\$4.0	\$9.0
Receivables	4.3	16.0
Inventory	4.1	(8.3)
Payables	(9.2)	(12.5)
Working capital subtotal	(0.9)	(4.7)
All other	(8.3)	(11.7)
Operating cash flow	(5.1)	(7.4)
Capital expenditures	(3.1)	(4.5)
Dividends	(0.4)	(0.4)
Acquisitions	-	(189.2)
Debt proceeds – net	6.2	191.8
All other	0.1	(4.8)
Net decrease in cash	(2.4)	(14.5)
Cash balance, end of period	\$30.9	\$37.6

Note: Figures may not foot due to rounding.

New Order Summary

(\$ in millions)	New Orders Entered		Delta	
	March 31, 2016	March 31, 2015	\$	%
Rail Products and Services	\$54.6	\$92.2	\$(37.6)	-40.8%
Construction Products	39.6	43.7	(4.1)	-9.3%
Tubular Products and Energy Services	23.8	27.4	(3.6)	-13.2%
Total	\$118.0	\$163.3	\$(45.3)	-27.8%

Note: Figures may not foot due to rounding.

Backlog Summary

(\$ in millions)	Backlog		Delta	
	March 31, 2016	March 31, 2015	\$	%
Rail Products and Services	\$74.9	\$124.1	\$(49.2)	-39.6%
Construction Products	57.0	75.4	(18.5)	-24.5%
Tubular Products and Energy Services	22.1	17.8	4.3	24.4%
Total	\$154.0	\$217.3	\$(63.3)	-29.1%

Note: Figures may not foot due to rounding.

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Appendix

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Non-GAAP Financial Measures

This earnings presentation contains earnings before interest, taxes, depreciation, and amortization (EBITDA) which is a non-GAAP financial measure. The Company believes that EBITDA is useful to investors in order to provide a better understanding of the ongoing operations of the Company's business. The EBITDA measures are useful in the assessment of the use of our assets without regard to financing methods, capital structure, or historical cost basis. EBITDA is also a financial measurement that is utilized in the determination of certain compensation programs and debt covenant calculations.

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 the GAAP measures are presented in the slides that follow.

Non-GAAP Financial Measures: EBITDA

(\$ in millions)	Three Months Ended	
	March 31, 2016	March 31, 2015
Net (loss) income as reported	\$(2.8)	\$4.3
Interest expense, net	1.1	0.6
Income tax (benefit) expense	(1.3)	2.4
Depreciation	3.7	2.6
Amortization	3.3	2.2
EBITDA	\$4.0	\$12.0

Note: Figures may not foot due to rounding.