UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 10-Q

(Mark One)

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

for the quarterly period ended March 31, 2020

Or

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

for the transition period from __________ to __________

Commission File Number: 000-10436

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

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

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

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

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

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

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

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

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

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

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

As of April 29, 2020, there were 10,706,390 shares of the registrant’s common stock, par value $0.01 per share, outstanding.

L.B. FOSTER COMPANY AND SUBSIDIARIES

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Part I. FINANCIAL INFORMATION

Item 1. Financial Statements

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

	March 31, 2020	December 31, 2019
	(Unaudited)	
ASSETS		
Current assets:		
Cash and cash equivalents	$ 6,418	$ 14,178
Accounts receivable - net (Note 5)	78,160	78,575
Inventories - net (Note 6)	113,531	119,301
Other current assets	9,060	4,610
Total current assets	207,169	216,664
Property, plant, and equipment - net (Note 7)	82,942	82,314
Operating lease right-of-use assets - net (Note 8)	18,275	13,274
Other assets:		
Goodwill (Note 4)	18,987	19,565
Other intangibles - net (Note 4)	41,616	43,514
Deferred tax assets (Note 15)	28,930	28,638
Other assets	1,156	1,202
TOTAL ASSETS	$ 399,075	$ 405,171
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 63,874	$ 66,361
Deferred revenue	10,629	8,446
Accrued payroll and employee benefits	7,861	14,096
Current portion of accrued settlement (Note 14)	8,000	8,000
Current maturities of long-term debt (Note 9)	2,731	2,905
Other accrued liabilities	14,386	16,936
Total current liabilities	107,481	116,744
Long-term debt (Note 9)	61,456	55,288
Deferred tax liabilities (Note 15)	4,657	4,751
Long-term portion of accrued settlement (Note 14)	32,000	32,000
Long-term operating lease liabilities (Note 8)	15,048	10,268
Other long-term liabilities	15,927	16,258
Stockholders' equity:		
Common stock, par value $0.01, authorized 20,000,000 shares; shares issued at March 31, 2020 and December 31, 2019, 11,115,779; shares outstanding at March 31, 2020 and December 31, 2019, 10,553,179 and 10,422,091, respectively	111	111
Paid-in capital	44,328	49,204
Retained earnings	155,659	157,525
Treasury stock - at cost, 562,600 and 693,688 common stock shares at March 31, 2020 and December 31, 2019, respectively	(12,896)	(16,795)
Accumulated other comprehensive loss	(24,696)	(20,183)
Total stockholders' equity	162,506	169,862
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 399,075	$ 405,171

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

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

	Three Months Ended March 31, 2020	Three Months Ended March 31, 2019
Sales of goods	$ 96,885	$ 113,083
Sales of services	31,890	37,386
Total net sales	128,775	150,469
Cost of goods sold	80,826	92,331
Cost of services sold	26,292	28,976
Total cost of sales	107,118	121,307
Gross profit	21,657	29,162
Selling and administrative expenses	21,325	21,917
Amortization expense	1,463	1,712
Interest expense - net	817	1,355
Other expense (income) - net	746	(150)
(Loss) income before income taxes	(2,694)	4,328
Income tax (benefit) expense	(828)	638
Net (loss) income	$ (1,866)	$ 3,690
Basic (loss) earnings per common share	$ (0.18)	$ 0.36
Diluted (loss) earnings per common share	$ (0.18)	$ 0.35

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

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

	Three Months Ended March 31, 2020	Three Months Ended March 31, 2019
Net (loss) income	$ (1,866)	$ 3,690
Other comprehensive (loss) income, net of tax:		
Foreign currency translation adjustment	(3,707)	1,053
Unrealized loss on cash flow hedges, net of tax benefit of $296 and $0, respectively	(864)	(26)
Reclassification of pension liability adjustments to earnings, net of tax expense of $24 and $0, respectively*	58	93
Other comprehensive (loss) income	(4,513)	1,120
Comprehensive (loss) income	$ (6,379)	$ 4,810

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

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

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

	Three Months Ended March 31, 2020	Three Months Ended March 31, 2019
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net (loss) income	$ (1,866)	$ 3,690
Adjustments to reconcile net (loss) income to cash used in operating activities:		
Deferred income taxes	(58)	(166)
Depreciation	2,707	2,772
Amortization	1,463	1,712
Equity in income of nonconsolidated investments	—	(21)
Loss on sales and disposals of property, plant, and equipment	15	—
Stock-based compensation	680	855
Change in operating assets and liabilities:		
Accounts receivable	(363)	(13,166)
Inventories	3,577	(17,463)
Other current assets	(3,928)	(1,961)
Prepaid income tax	(2,258)	(108)
Other noncurrent assets	(4,939)	591
Accounts payable	532	12,653
Deferred revenue	2,262	7,542
Accrued payroll and employee benefits	(6,094)	(5,438)
Accrued settlement	—	(2,000)
Other current liabilities	(3,124)	(2,305)
Other long-term liabilities	4,504	(733)
Net cash used in operating activities	(6,890)	(13,546)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from the sale of property, plant, and equipment	1	59
Capital expenditures on property, plant, and equipment	(4,444)	(2,572)
Net cash used in investing activities	(4,443)	(2,513)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Repayments of debt	(39,360)	(43,414)
Proceeds from debt	45,362	58,614
Treasury stock acquisitions	(1,657)	(526)
Net cash provided by financing activities	4,345	14,674
Effect of exchange rate changes on cash and cash equivalents	(772)	142
Net decrease in cash and cash equivalents	(7,760)	(1,243)
Cash and cash equivalents at beginning of period	14,178	10,282
Cash and cash equivalents at end of period	$ 6,418	$ 9,039
Supplemental disclosure of cash flow information:		
Interest paid	$ 807	$ 1,179
Income taxes paid	$ 1,173	$ 904

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

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

	Three Months Ended March 31, 2020					
	Common Stock	Paid-in Capital	Retained Earnings	Treasury Stock	Accumulated Other Comprehensive Loss	Total Stockholders' Equity
Balance, December 31, 2019	$ 111	$ 49,204	$ 157,525	$ (16,795)	$ (20,183)	$ 169,862
Net loss	—	—	(1,866)	—	—	(1,866)
Other comprehensive loss, net of tax:						
Pension liability adjustment	—	—	—	—	58	58
Foreign currency translation adjustment	—	—	—	—	(3,707)	(3,707)
Unrealized derivative loss on cash flow hedges	—	—	—	—	(864)	(864)
Issuance of 131,088 common shares, net of shares withheld for taxes	—	(5,556)	—	3,899	—	(1,657)
Stock-based compensation	—	680	—	—	—	680
Balance, March 31, 2020	$ 111	$ 44,328	$ 155,659	$ (12,896)	$ (24,696)	$ 162,506

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

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

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

Note 1. Financial Statements

Basis of Presentation

The accompanying unaudited Condensed Consolidated Financial Statements have been prepared in accordance with accounting principles generally accepted in the United States ("GAAP") for interim financial information and with the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by GAAP for complete financial statements. In the opinion of management, all estimates and adjustments (consisting of normal recurring accruals, unless otherwise stated herein) considered necessary for a fair presentation of the financial position of L.B. Foster Company and subsidiaries as of March 31, 2020 and December 31, 2019, its Condensed Consolidated Statements of Operations, its Condensed Consolidated Statements of Stockholders' Equity, and its Condensed Consolidated Statements of Cash Flows for the three months ended March 31, 2020 and 2019, have been included. However, actual results could differ from those estimates. The results of operations for interim periods are not necessarily indicative of the results that may be expected for the year ending December 31, 2020. The Condensed Consolidated Balance Sheet as of December 31, 2019 was derived from audited financial statements. This Quarterly Report on Form 10-Q should be read in conjunction with the consolidated financial statements and footnotes thereto included in the L.B. Foster Company's Annual Report on Form 10-K for the year ended December 31, 2019. In this Quarterly Report on Form 10-Q, references to "we," "us," "our," and the "Company" refer collectively to L.B. Foster Company and its consolidated subsidiaries.

Recently Issued Accounting Standards

In March 2020, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update No. ("ASU") 2020-04, "Reference Rate Reform (Topic 848): Facilitation of the Effects of Reference Rate Reform on Financial Reporting" ("ASU 2020-04"), which provides optional expedients and exceptions for applying U.S. GAAP to contracts, hedging relationships, and other transactions affected by the discontinuation of the London Interbank Offered Rate ("LIBOR") or by another reference rate expected to be discontinued. The amendments are effective for all entities as of March 12, 2020 through December 31, 2022. We are currently evaluating the impacts of the provisions of ASU 2020-04 on our financial condition, results of operations, and cash flows.

Recently Adopted Accounting Standards

In June 2016, the FASB issued ASU 2016-13, "Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments" ("ASU 2016-13"). The ASU added a new impairment model (known as the current expected credit loss ("CECL") model) that is based on expected losses rather than incurred losses. Under the new guidance, an entity recognizes as an allowance its estimate of expected credit losses, presenting financial assets measured at amortized cost basis at the net amount expected to be collected upon inception. The CECL model applies to trade receivables, other receivables, and most debt instruments. The CECL model does not have a minimum threshold for recognition of impairment losses, and entities must measure expected credit losses on assets that have a low risk of loss. The Company adopted the provisions of ASU 2016-13 on January 1, 2020, using the modified retrospective approach as of the beginning of the period of adoption. In accordance with the standard, the Company evaluated its allowance for credit losses for trade receivables and contract assets, the only assets held by the Company that were impacted by the scope of the standard. The adoption of ASU 2016-13 had no material effect on the Company's financial position or results of operations, and no adjustment to January 1, 2020 retained earnings was recorded; the Company has presented the disclosures required by this new standard in Note 5 Accounts Receivable and Note 6 Inventory.

In August 2018, the FASB issued ASU 2018-15, "Intangibles - Goodwill and Other - Internal-Use Software" ("ASU 2018-15"). The ASU requires capitalization of certain implementation costs incurred in a cloud computing arrangement that qualifies as a service contract. The amendments in the ASU are effective for fiscal years beginning after December 15, 2019 and for interim periods therein with early adoption permitted. The adoption of the ASU had no impact on the Company's consolidated financial statements and related disclosures.

Note 2. Business Segments

The Company is a leading manufacturer and distributor of products and provider of services for transportation and energy infrastructure with locations in North America and Europe. The Company is organized and operates in three different operating segments: the Rail Products and Services segment, the Construction Products segment, and the Tubular and Energy Services segment. The segments represent components of the Company (a) that engage in activities from which revenue is generated and expenses are incurred; (b) whose operating results are regularly reviewed by the Chief Operating Decision Maker ("CODM"), who makes decisions about resources to be allocated to the segments, and (c) for which discrete financial information is available. Operating segments are evaluated on their segment profit contribution to the Company's consolidated results. Other income and expenses, interest, income taxes, and certain other items are managed on a consolidated basis. The Company's segment accounting policies are the same as those described in Note 2. Business Segments of the Notes to the Company's Consolidated Financial Statements contained in its Annual Report on Form 10-K for the year-ended December 31, 2019.

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

	Three Months Ended March 31, 2020		Three Months Ended March 31, 2019	
	Net Sales	Segment Profit (Loss)	Net Sales	Segment Profit
Rail Products and Services	$ 70,204	$ 1,171	$ 75,694	$ 3,479
Construction Products	29,034	(1,639)	37,345	834
Tubular and Energy Services	29,537	612	37,430	4,688
Total	$ 128,775	$ 144	$ 150,469	$ 9,001

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

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

	Three Months Ended March 31,	
	2020	2019
Profit for reportable segments	$ 144	$ 9,001
Interest expense - net	(817)	(1,355)
Other income - net	135	150
Unallocated corporate expenses and other unallocated charges	(2,156)	(3,468)
(Loss) income before income taxes	$ (2,694)	$ 4,328

The following table illustrates assets of the Company by segment:

	March 31, 2020	December 31, 2019
Rail Products and Services	$ 170,915	$ 186,323
Construction Products	88,257	83,049
Tubular and Energy Services	81,220	77,320
Unallocated corporate assets	58,683	58,479
Total	$ 399,075	$ 405,171

Note 3. Revenue

Revenue from products or services provided to customers over time accounted for 25.5% and 27.7% of revenue for the three months ended March 31, 2020 and 2019, respectively. Revenue under these long-term agreements is generally recognized over time either using an input measure based upon the proportion of actual costs incurred to estimated total project costs or an input measure based upon actual labor costs as a percentage of estimated total labor costs, depending upon which measure the Company believes best depicts the Company's performance to date under the terms of the contract. Revenue recognized over time using an input measure was $24,432 and $31,837 for the three months ended March 31, 2020 and 2019, respectively. A certain portion of the Company's revenue recognized over time under these long-term agreements is recognized using an output method, specifically units delivered, based upon certain customer acceptance and delivery requirements. Revenue recognized over time using an output measure was $8,345 and $9,911 for the three months ended March 31, 2020 and 2019, respectively. As of March 31, 2020 and December 31, 2019, the Company had contract assets of $32,438 and $37,032, respectively, that were recorded in "Inventories - net" within the Condensed Consolidated Balance Sheets. As of March 31, 2020 and December 31, 2019, the Company had contract liabilities of $5,840 and $4,472, respectively, that were recorded in "Deferred revenue" within the Condensed Consolidated Balance Sheets.

The majority of the Company's revenue is from products transferred and services rendered to customers at a point in time. Point in time revenue accounted for 74.5% and 72.3% of revenue for the three months ended March 31, 2020 and 2019, respectively. The Company recognizes revenue at the point in time at which the customer obtains control of the product or service, which is generally when the product title passes to the customer upon shipment or the service has been rendered to the customer. In limited cases, title does not transfer and revenue is not recognized until the customer has received the products at a physical location.

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

	Three Months Ended March 31,	
	2020	2019
Rail Products	$ 43,562	$ 46,206
Rail Technologies	26,642	29,488
Rail Products and Services	70,204	75,694
Piling and Fabricated Bridge	18,391	23,732
Precast Concrete Products	10,643	13,613
Construction Products	29,034	37,345
Test, Inspection, and Threading Services	9,704	14,724
Protective Coatings and Measurement Systems	19,833	22,706
Tubular and Energy Services	29,537	37,430
Total net sales	$ 128,775	$ 150,469

Net sales by the timing of the transfer of products and services was as follows:

	Three Months Ended March 31, 2020			
	Rail Products and Services	Construction Products	Tubular and Energy Services	Total
Point in time	$ 54,888	$ 16,883	$ 24,227	$ 95,998
Over time	15,316	12,151	5,310	32,777
Total net sales	$ 70,204	$ 29,034	$ 29,537	$ 128,775

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

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

Significant changes in contract assets during the three months ended March 31, 2020 resulted from transfers of $15,600 at the beginning of the period from contract assets to receivables. Significant changes in contract liabilities during the three months ended March 31, 2020 resulted from increases of $2,943 due to billings in excess of costs, excluding amounts recognized as revenue during the period. Contract liabilities were reduced due to revenue recognized during the three months ended March 31, 2020 and 2019 of $2,614 and $948, respectively, that were included in the contract liabilities at the beginning of each period.

As of March 31, 2020, the Company had approximately $237,691 of remaining performance obligations, which is also referred to as backlog. Approximately 7.9% of the March 31, 2020 backlog was related to projects that are anticipated to extend beyond March 31, 2021.

Note 4. Goodwill and Other Intangible Assets

The following table presents the goodwill balance by reportable segment:

	Rail Products and Services	Construction Products	Tubular and Energy Services	Total
Balance as of December 31, 2019	$ 14,418	$ 5,147	$ —	$ 19,565
Foreign currency translation impact	(578)	—	—	(578)
Balance as of March 31, 2020	$ 13,840	$ 5,147	$ —	$ 18,987

The Company performs goodwill impairment tests annually during the fourth quarter, and also performs interim goodwill impairment tests if it is determined that it is more likely than not that the fair value of a reporting unit is less than the carrying amount. Qualitative factors are assessed to determine whether it is more likely than not that the fair value of a reporting unit is less than the carrying amount. No interim goodwill impairment test was required as a result of the evaluation of qualitative factors as of March 31, 2020.

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

	March 31, 2020			
	Weighted Average Amortization Period In Years	Gross Carrying Value	Accumulated Amortization	Net Carrying Amount
Non-compete agreements	5	$ 45	$ (39)	$ 6
Patents	10	345	(176)	169
Customer relationships	18	36,863	(14,222)	22,641
Trademarks and trade names	16	7,736	(3,667)	4,069
Technology	14	35,567	(20,836)	14,731
		$ 80,556	$ (38,940)	$ 41,616

	December 31, 2019			
	Weighted Average Amortization Period In Years	Gross Carrying Value	Accumulated Amortization	Net Carrying Amount
Non-compete agreements	4	$ 1,272	$ (1,259)	$ 13
Patents	10	377	(188)	189
Customer relationships	18	37,498	(13,945)	23,553
Trademarks and trade names	16	7,787	(3,551)	4,236
Technology	13	35,728	(20,205)	15,523
		$ 82,662	$ (39,148)	$ 43,514

Intangible assets are amortized over their useful lives, which range from 5 to 25 years, with a total weighted average amortization period of approximately 16 years as of March 31, 2020. Amortization expense was $1,463 and $1,712 for the three months ended March 31, 2020 and 2019, respectively. During the three months ended March 31, 2020, certain fully amortized intangible assets of $1,186 related to non-compete agreements were eliminated from gross intangible assets and accumulated amortization.

As of March 31, 2020, estimated amortization expense for the remainder of 2020 and thereafter was as follows:

	Amortization Expense
Remainder of 2020	$ 4,362
2021	5,786
2022	5,703
2023	5,231
2024	4,204
2025 and thereafter	16,330
	$ 41,616

Note 5. Accounts Receivable

Credit is extended based upon an evaluation of the customer's financial condition and, while collateral is not required, the Company periodically receives surety bonds that guarantee payment. Credit terms are consistent with industry standards and practices. The amounts of trade accounts receivable as of March 31, 2020 and December 31, 2019 have been reduced by an allowance for doubtful accounts of $1,255 and $1,100, respectively. Changes in reserves for uncollectable accounts, which are recorded as part of "Selling and administrative expenses" in the Condensed Consolidated Statements of Operations, resulted in expense of $164 and $100 for the three months ended March 31, 2020 and 2019, respectively.

On January 1, 2020, the Company adopted ASU 2016-13 and all the related amendments using the modified retrospective approach, which did not result in any changes to the previously reported financial information. The updates related to ASU 2016-13 were applied to assets held as of January 1, 2020.

In accordance with adoption of the new standard, the Company evaluated and revised its policies surrounding the allowance for credit losses for trade receivables. The Company established the allowance for credit losses by calculating the amount to reserve based on the age of a given trade receivable and considering historical collection patterns and bad debt expense experience, in addition to any other relevant subjective adjustments to individual receivables made by management. The Company also considered current and expected future market and other conditions. Trade receivables are pooled within the calculation based on age range, which appropriately groups receivables of similar credit risk together.

The established reserve thresholds to calculate the allowance for credit loss are based on and supported by historic collection patterns and bad debt expense incurred by the Company, as well as the expectation that collection patterns and bad debt expense will continue to adhere to patterns observed in recent years, which was formed based on trends observed as well as current and expected future conditions. Management maintains high-quality credit review practices as well as positive customer relationships that further mitigate credit risk. Management will monitor and review the contributing factors to our reserve, and make any appropriate revisions as they may become necessary.

The Company's adoption of ASU 2016-13 did not require material changes to the allowance for credit losses and no adjustment was recorded to opening retained earnings.

Note 6. Inventory

Inventories as of March 31, 2020 and December 31, 2019 are summarized in the following table:

	March 31, 2020	December 31, 2019
Finished goods	$ 53,898	$ 59,864
Contract assets	32,438	37,032
Work-in-process	7,006	3,728
Raw materials	20,189	18,677
Inventories - net	$ 113,531	$ 119,301

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

In accordance with adoption of ASU 2016-13, the Company evaluated and revised its policies relating to the allowance for credit losses as they pertain to contract assets, as these assets held in inventory will convert to trade receivables upon recognition of revenue for the contract to which they pertain.

In addition to contract-specific provisions for which reserves were historically established as a result of our robust contract review process, management also elected to implement a standard credit loss provision over any remaining contract assets considered to be similar low risk of credit loss.

The development of these estimates is based on historic collection trends, accuracy of contract margin reporting, as well as the expectation that collection patterns, margin accuracy, and bad debt expense will continue to adhere to patterns observed in recent years. These expectations were formed based on trends observed as well as current and expected future conditions. Management will monitor and review the contributing factors to our reserve, and make any appropriate revisions as they become necessary.

Note 7. Property, Plant, and Equipment

Property, plant, and equipment as of March 31, 2020 and December 31, 2019 consisted of the following:

	March 31, 2020	December 31, 2019
Land	$ 11,041	$ 11,076
Improvements to land and leaseholds	17,172	17,172
Buildings	34,619	35,241
Machinery and equipment, including equipment under finance leases	122,983	122,599
Construction in progress	7,692	5,234
Gross property, plant, and equipment	193,507	191,322
Less accumulated depreciation and amortization, including accumulated amortization of finance leases	(110,565)	(109,008)
Property, plant, and equipment - net	$ 82,942	$ 82,314

Depreciation expense was $2,707 and $2,772 for the three months ended March 31, 2020 and 2019, respectively.

We review our property, plant, and equipment for recoverability whenever events or changes in circumstances indicate that carrying amounts may not be recoverable. We recognize an impairment loss if the carrying amount of a long-lived asset is not recoverable and exceeds its fair value. There were no impairments of property, plant, and equipment during the three months ended March 31, 2020 and 2019.

Note 8. Leases

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

The Company has operating and finance leases for manufacturing facilities, corporate offices, sales offices, vehicles, and certain equipment. As of March 31, 2020, our leases had remaining lease terms of 1 to 12 years, some of which include options to extend the leases for up to 12 years, and some of which include options to terminate the leases within 1 year.

The balance sheet components of the Company's leases were as follows as of March 31, 2020 and December 31, 2019:

	March 31, 2020	December 31, 2019
Operating leases		
Operating lease right-of-use assets	$ 18,275	$ 13,274
Other current liabilities	$ 3,227	$ 3,006
Long-term operating lease liabilities	15,048	10,268
Total operating lease liabilities	$ 18,275	$ 13,274
Finance leases		
Property, plant, and equipment	$ 3,469	$ 3,518
Accumulated amortization	(3,095)	(2,943)
Property, plant, and equipment - net	$ 374	$ 575
Current maturities of long-term debt	$ 231	$ 405
Long-term debt	143	170
Total finance lease liabilities	$ 374	$ 575

The components of lease expense within the Company's statements of operations were as follows for the three months ended March 31, 2020 and 2019:

	Three Months Ended March 31,	
	2020	2019
Finance lease cost:		
Amortization of finance leases	$ 184	$ 178
Interest on lease liabilities	18	9
Operating lease cost	980	916
Sublease income	(20)	(9)
Total lease cost	$ 1,162	$ 1,094

The cash flow components of the Company's leases were as follows for the three months ended March 31, 2020 and 2019:

	Three Months Ended March 31,	
	2020	2019
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows related to operating leases	$ (1,210)	$ (1,079)
Financing cash flows related to finance leases	(184)	(181)
Right-of-use assets obtained in exchange for new lease liabilities:		
Operating leases	$ 5,981	$ 447

The weighted-average remaining lease term (in years) and discount rate related to the operating leases were as follows:

	Three Months Ended March 31,	
	2020	2019
Operating lease weighted-average remaining lease term	7	6
Operating lease weighted-average discount rate	5.2 %	4.9 %
Finance lease weighted-average remaining lease term	1	1
Finance lease weighted-average discount rate	4.3 %	4.3 %

As of March 31, 2020, estimated annual maturities of lease liabilities remaining for the year ending December 31, 2020 and thereafter were as follows:

	Operating Leases	Finance Leases
Remaining 2020	$ 2,877	$ 266
2021	3,012	131
2022	2,689	47
2023	2,483	17
2024	2,422	11
2025 and thereafter	7,577	—
Total undiscounted lease payments	21,060	472
Interest	(2,785)	(98)
Total	$ 18,275	$ 374

Note 9. Long-term Debt and Related Matters

Long-term debt consisted of the following:

	March 31, 2020	December 31, 2019
Revolving credit facility	$ 40,688	$ 33,868
Term loan	23,125	23,750
Finance leases and financing agreements	374	575
Total	64,187	58,193
Less current maturities	(2,731)	(2,905)
Long-term portion	$ 61,456	$ 55,288

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

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

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

Amended Credit Agreement). The base rate and Euro-rate spreads range from 25 to 125 basis points and 125 to 225 basis points, respectively.

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

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

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

As of March 31, 2020, L.B. Foster was in compliance with the covenants in the Amended Credit Agreement.

As of March 31, 2020, the Company had outstanding letters of credit of approximately $559 and had net available borrowing capacity of $98,753. The maturity date of the facility is April 30, 2024.

Note 10. Fair Value Measurements

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

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

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

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

LIBOR-based interest rate swaps - To reduce the impact of interest rate changes on outstanding variable-rate debt, the Company entered into forward starting LIBOR-based interest rate swaps with notional values totaling $50,000. The fair value of the interest rate swaps is based on market-observable forward interest rates and represents the estimated amount that the Company would pay to terminate the agreements. As such, the swap agreements are classified as Level 2 within the fair value hierarchy. As of March 31, 2020 and December 31, 2019, the interest rate swaps were recorded within “Other accrued liabilities.”

	Fair Value Measurements at Reporting Date				Fair Value Measurements at Reporting Date			
	March 31, 2020	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	December 31, 2019	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Term deposits	$ 16	$ 16	$ —	$ —	$ 17	$ 17	$ —	$ —
Total assets	$ 16	$ 16	$ —	$ —	$ 17	$ 17	$ —	$ —
Interest rate swaps	$ 1,640	$ —	$ 1,640	$ —	$ 480	$ —	$ 480	$ —
Total liabilities	$ 1,640	$ —	$ 1,640	$ —	$ 480	$ —	$ 480	$ —

The interest rate swaps are accounted for as cash flow hedges and the objective of the hedges is to offset the expected interest variability on payments associated with the interest rate on our debt. The gains and losses related to the interest rate swaps are reclassified from "Accumulated other comprehensive loss" in our Condensed Consolidated Balance Sheets and included in "Interest expense - net" in our Condensed Consolidated Statements of Operations as the interest expense from our debt is recognized. For the three months ended March 31, 2020 and 2019, we recognized interest expense of $73 and interest income of $65, respectively, from interest rate swaps.

In accordance with the provisions of the FASB's Accounting Standards Codification ("ASC") Topic 820, "Fair Value Measurement," the Company measures certain nonfinancial assets and liabilities at fair value, which are recognized or disclosed on a nonrecurring basis.

Note 11. Earnings Per Common Share

(Share amounts in thousands)

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

	Three Months Ended March 31,	
	2020	2019
Numerator for basic and diluted (loss) earnings per common share:		
Net (loss) income	$ (1,866)	$ 3,690
Denominator:		
Weighted average shares outstanding	10,478	10,384
Denominator for basic (loss) earnings per common share	10,478	10,384
Effect of dilutive securities:		
Stock compensation plans	—	63
Dilutive potential common shares	—	63
Denominator for diluted (loss) earnings per common share - adjusted weighted average shares outstanding	10,478	10,447
Basic (loss) earnings per common share	$ (0.18)	$ 0.36
Diluted (loss) earnings per common share	$ (0.18)	$ 0.35

There were approximately 190 anti-dilutive shares during the three months ended March 31, 2020 excluded from the above calculation. There were no anti-dilutive shares during the three months ended March 31, 2019.

Note 12. Stock-based Compensation

The Company applies the provisions of ASC 718, "Compensation – Stock Compensation," to account for the Company's stock-based compensation. Stock-based compensation cost is measured at the grant date based on the calculated fair value of the award and is recognized over the employees' requisite service periods. The Company recorded stock compensation expense related to restricted stock awards and performance share units of $680 and $855 for the three months ended March 31, 2020 and 2019, respectively. As of March 31, 2020, unrecognized compensation expense for unvested awards approximated $5,893. The Company will recognize this expense over the upcoming 4 years through March 2024.

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

Restricted Stock Awards and Performance Share Units

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

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

In February 2020, the Compensation Committee approved the 2020 Performance Share Unit Program and the Executive Annual Incentive Compensation Plan (consisting of cash and equity components).

The following table summarizes the restricted stock awards, deferred stock units, and performance share units activity for the three months ended March 31, 2020:

	Restricted Stock	Deferred Stock Units	Performance Share Units	Weighted Average Grant Date Fair Value
Outstanding as of December 31, 2019	150,799	54,078	331,148	$ 18.50
Granted	66,531	—	105,857	17.87
Vested	(62,782)	—	(163,224)	16.33
Adjustment for incentive awards not expected to vest	—	—	(2,477)	33.61
Outstanding as of March 31, 2020	154,548	54,078	271,304	$ 18.45

Note 13. Retirement Plans

Retirement Plans

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

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

United States Defined Benefit Plan

Net periodic pension costs for the United States defined benefit pension plan for the three months ended March 31, 2020 and 2019 were as follows:

	Three Months Ended March 31,	
	2020	2019
Interest cost	$ 56	$ 162
Expected return on plan assets	(58)	(180)
Recognized net actuarial loss	13	31
Net periodic pension cost	$ 11	$ 13

The Company expects to make contributions to its United States defined benefit pension plan of $660 during the remainder of 2020.

United Kingdom Defined Benefit Plan

Net periodic pension costs for the United Kingdom defined benefit pension plan for the three months ended March 31, 2020 and 2019 were as follows:

	Three Months Ended March 31,	
	2020	2019
Interest cost	$ 44	$ 54
Expected return on plan assets	(59)	(62)
Amortization of prior service costs and transition amount	6	11
Recognized net actuarial loss	64	53
Net periodic pension cost	$ 55	$ 56

United Kingdom regulations require trustees to adopt a prudent approach to funding required contributions to defined benefit pension plans. The Company anticipates contributions of approximately $297 to the United Kingdom pension plan during 2020. For the three months ended March 31, 2020, the Company contributed approximately $77 to the plan.

Defined Contribution Plans

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

	Three Months Ended March 31,	
	2020	2019
United States	$ (138)	$ 550
Canada	39	38
United Kingdom	111	107
	$ 12	$ 695

Note 14. Commitments and Contingent Liabilities

Product Liability Claims

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

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

	Warranty Liability
Balance as of December 31, 2019	$ 1,222
Additions to warranty liability	47
Warranty liability utilized	(251)
Balance as of March 31, 2020	$ 1,018

Union Pacific Railroad ("UPRR") Concrete Tie Matter

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

Under the Settlement Agreement, the Company and CXT will pay UPRR the aggregate amount of $50,000 without pre-judgment interest, which began with a $2,000 immediate payment, and with the remaining $48,000 paid in installments over a six-year period commencing on the effective date of the Settlement Agreement through December 2024 pursuant to a Promissory Note. Additionally, commencing in January 2019 and through December 2024, UPRR agreed to purchase from the Company and its subsidiaries and affiliates, a cumulative total amount of $48,000 of products and services, targeting $8,000 of annual purchases per year beginning March 13, 2019 per letters of intent under the Settlement Agreement. The Settlement Agreement also includes a mutual release of all claims and liability regarding or relating to all CXT pre-stressed concrete railroad ties with no admission of liability and dismissal of the litigation with prejudice.

The expected payments under the UPRR Settlement Agreement for the remainder of the year ending December 31, 2020 and thereafter are as follows:

Year Ending December 31,		
Remainder of 2020	$	8,000
2021		8,000
2022		8,000
2023		8,000
2024		8,000
Total	$	40,000

Environmental and Legal Proceedings

The Company is subject to national, state, foreign, provincial, and/or local laws and regulations relating to the protection of the environment. The Company's efforts to comply with environmental regulations may have an adverse effect on its future earnings.

On June 5, 2017, a General Notice Letter was received from the United States Environmental Protection Agency ("EPA") indicating that the Company may be a potentially responsible party ("PRP") regarding the Portland Harbor Superfund Site cleanup along with numerous other companies. More than 140 other companies received such a notice. The Company and a predecessor owned and operated a facility near the harbor site for a period prior to 1982. The net present value and undiscounted costs of the selected remedy throughout the harbor site are estimated by the EPA to be approximately $1.1 billion and $1.7 billion, respectively, and the remedial work is expected to take as long as 13 years to complete. The Company is reviewing the basis for its identification by the EPA and the nature of the historic operations of a Company predecessor near the site. Additionally, the Company executed a PRP agreement which provides for a private allocation process among almost 100 PRPs in a working group whose work is ongoing. On March 26, 2020, the EPA issued a Unilateral Administrative Order to two parties requiring them to perform remedial design work for that portion of the Harbor Superfund Site that includes the area closest to the facility; the Company was not a recipient of this Unilateral Administrative Order. We cannot predict the ultimate impact of these proceedings because of the large number of PRPs involved throughout the harbor site, the degree of contamination of various wastes, varying environmental impacts throughout the harbor site, the scarcity of data related to the facility once operated by the Company and a predecessor, and the speculative nature of the remediation costs. Based upon information currently available, management does not believe that the Company's alleged PRP status regarding the Portland Harbor Superfund Site or other compliance with the present environmental protection laws will have a material adverse effect on the financial condition, results of operations, cash flows, competitive position, or capital expenditures of the Company.

As of March 31, 2020 and December 31, 2019, the Company maintained environmental reserves approximating $6,052 and $6,068, respectively. The following table sets forth the Company's environmental obligation:

	Environmental liability	
Balance as of December 31, 2019	$	6,068
Environmental obligations utilized		(16)
Balance as of March 31, 2020	$	6,052

The Company is also subject to other legal proceedings and claims that arise in the ordinary course of its business. Legal actions are subject to inherent uncertainties, and future events could change management's assessment of the probability or estimated amount of potential losses from pending or threatened legal actions. Based on available information, it is the opinion of management that the ultimate resolution of pending or threatened legal actions, both individually and in the aggregate, will not result in losses having a material adverse effect on the Company's financial position or liquidity as of March 31, 2020.

If management believes that, based on available information, it is at least reasonably possible that a material loss (or additional material loss in excess of any accrual) will be incurred in connection with any legal actions, the Company discloses an estimate of the possible loss or range of loss, either individually or in the aggregate, as appropriate, if such an estimate can be made, or discloses that an estimate cannot be made. Based on the Company's assessment as of March 31, 2020, no such disclosures were considered necessary.

Note 15. Income Taxes

For the three months ended March 31, 2020 and 2019, the Company recorded an income tax benefit of $828 on pre-tax losses of $2,694 and income tax expense of $638 on pre-tax income of $4,328, respectively, for an effective income tax rate of 30.7% and 14.7%, respectively. The Company's effective income tax rate for the three months ended March 31, 2020 differed from the federal statutory rate of 21% primarily due to state income taxes and nondeductible expenses.

Note 16. Subsequent Events

On April 30, 2020, the Company approved the permanent closure of three operating locations servicing the U.S. Niobrara and Bakken oil and gas production regions and the discontinuance of mobile services for the Permian production region within our Test, Inspection, and Threading Services business unit. These closures are a result of the Company’s continuing strategic review of operations serving the U.S. oil and gas market, which includes the events surrounding the COVID-19 pandemic. With the deterioration of the oil and gas market and unfavorable outlook, the industry expects significant difficulties in funding ongoing development activity that requires the Company's services. The Company believes these actions will strengthen its core businesses, result in improved operating profitability, and allow for the reallocation of resources and investment opportunities to provide sustainable value to its shareholders. The Company expects the closure of these operations to be substantially completed during 2020.

As a result of these activities, the Company expects to incur certain exit and disposal charges consisting of relocation and employee retention expenses, as well as asset impairments, site clean-up, and facility restoration expenses, totaling approximately $5,500 to $7,000 in its Tubular and Energy Services operating segment during the second quarter and remainder of 2020. These expenses consist of estimated cash charges of approximately $1,500 to $2,500 and estimated non-cash charges of approximately $4,000 to $4,500. The approximate expense resulting from these actions could change materially as a result of certain factors including unknown or unforeseen costs as part of winding up these operations.

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

(Dollars in thousands, except share data)

Forward-Looking Statements

This Quarterly Report on Form 10-Q contains “forward-looking” statements within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended, and Section 27A of the Securities Act of 1933, as amended. Many of the forward-looking statements are located in “Management’s Discussion and Analysis of Financial Condition and Results of Operations” (“MD&A”). Forward-looking statements provide management's current expectations of future events based on certain assumptions and include any statement that does not directly relate to any historical or current fact. Sentences containing words such as “believe,” “intend,” “plan,” “may,” “expect,” “should,” “could,” “anticipate,” “estimate,” “predict,” “project,” or their negatives, or other similar expressions of a future or forward-looking nature generally should be considered forward-looking statements. Forward-looking statements in this Quarterly Report on Form 10-Q are based on management's current expectations and assumptions about future events that involve inherent risks and uncertainties and may concern, among other things, L.B. Foster Company’s (the “Company’s”) expectations relating to our strategy, goals, projections, and plans regarding our financial position, liquidity, capital resources, and results of operations 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 impact and the response thereto by the Company, our employees, our customers, and national, state, or local governments; a continued deterioration in the prices of oil and natural gas and the related impact on the upstream and midstream energy markets; a resumption of the economic slowdown we experienced in previous years in the markets we serve, whether as a result of the current COVID-19 pandemic, the deterioration in the prices of oil and gas, 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; our ability to effectuate our strategy, including cost reduction initiatives, and our ability to effectively integrate acquired businesses and realize anticipated benefits; costs of and impacts associated with shareholder activism; the timeliness and availability of materials from our major suppliers, including 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, a failure of 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 effective implementation of an enterprise resource planning system; changes in current accounting estimates and their ultimate outcomes; the adequacy of internal and external sources of funds to meet financing needs, including our ability to negotiate any additional necessary amendments to our credit agreement or the terms of 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 these amounts; foreign currency fluctuations; inflation; domestic and foreign government regulations, including tariffs; economic conditions and regulatory changes caused by the United Kingdom’s exit from the European Union in January 2020; 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, 2019, or as updated and amended by other periodic filings with the Securities and Exchange Commission.

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

General Overview and Business Update

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

During the month of March 2020, in response to the COVID-19 pandemic, several national, state, provincial, and local state of emergency orders were declared that included significant restrictive measures in the countries and other jurisdictions in which the Company sells, manufactures, and services products and systems. The Company is considered an “essential” business under the majority of these governmental orders and, as such, is allowed to continue operating in such jurisdictions. In response, the Company adopted its Pandemic Action Plan, pursuant to which the Company implemented a range of enhanced safety protocols recommended by the United States (“U.S.”) Centers for Disease Control and Prevention and applicable recommendations of non-U.S. governments and authorities to mitigate the spread of the virus while the Company continues operations in various locations. As a result of the COVID-19 pandemic, the Company has experienced disruptions in supply chains, customer acceptance of material, and customer willingness to have the Company's employees work on site, as well as general weakness in demand as stay-at-home orders were enacted and global, national, and regional economic slowdowns occurred.

The Company anticipates continued disruptions in the second quarter of 2020 and possibly beyond as stay-at-home orders have remained in effect to date in the major markets we serve. The Company has experienced minimal disruption with its workforce up to this point, and the Company expects to continue to operate under its established pandemic protocols with minimal changes. The second quarter has historically been an important quarter for the Company, as it typically experiences an increase in orders and backlog as construction projects are planned and started. The Rail Products and Services and Construction Products segments are currently experiencing steady proposal activity and continuation of planned projects as we expect economies to recover and to return to more normal operations. However, the outlook for the Tubular and Energy Services segment is much less favorable due to the impact on demand that the COVID-19 pandemic has had in the energy markets.

Since the middle of 2019, the upstream energy markets that the Company serves have deteriorated as prices of oil and natural gas have declined leading to production cuts from reduced drilling activity. This deterioration has recently accelerated as a result of the global COVID-19 pandemic and the associated reduction in demand due to reduced travel and movement of goods throughout the world. As U.S. exploration and production companies reduce production and implement spending cuts, demands for much of what the Company does in its Test, Inspection, and Threading Services division of the Tubular and Energy Services segment has sharply declined and further deterioration is anticipated. As a result, the Company is taking a number of steps to minimize the unfavorable impact from the anticipated loss in sales volume.

In the fourth quarter of 2019, the Company announced the closure of three service centers within the Test, Inspection, and Threading Services business that did not have a path to profitability as they were operating in markets that were not expected to recover. During the first quarter of 2020, the Company incurred approximately $204 related to those closures. On April 30, 2020, the Company approved the permanent closure of an additional three operating locations servicing the U.S. Niobrara and Bakken oil and gas production regions and the discontinuance of mobile services for the Permian production region. The Company believes that these actions will strengthen its core businesses, result in improved operating profitability, and allow for the reallocation of resources and investment opportunities to provide sustainable value to its shareholders. The Company expects the closure of these operations to be substantially completed during 2020. As a result of these activities, the Company expects to incur certain exit and disposal charges consisting of relocation and employee retention expenses, as well as asset impairments, site clean-up, and facility restoration expenses, totaling approximately $5,500 to $7,000. The approximate expense resulting from these actions could change materially as a result of certain factors including unknown or unforeseen costs as part of winding up these operations.

The Company is continuing to evaluate the market conditions and outlook for the energy markets and will continue to evaluate actions of this nature for the Test, Inspection, and Threading Services division. The Company may determine that additional service centers need to be shut down, or similar strategic actions may need to be undertaken in order to effectively navigate the very difficult market conditions in the upstream energy market. While the Company is anticipating an unfavorable impact of the current environment on its businesses serving the mid-stream energy market, the Company currently believes that, as the impact of the COVID-19 pandemic on oil and natural gas demand dissipates over time, these businesses will recover. However, the Company is taking steps to address the cost structure of its mid-stream businesses to mitigate the impact of the deterioration in energy prices on the Company’s mid-stream service offerings.

Results of the Quarter

	Three Months Ended March 31, 2020	Three Months Ended March 31, 2019	Percent Increase/ (Decrease) 2020 vs. 2019	Percent of Total Net Sales Three Months Ended March 31, 2020	Percent of Total Net Sales Three Months Ended March 31, 2019
Net Sales:					
Rail Products and Services	$ 70,204	$ 75,694	(7.3)%	54.5 %	50.3 %
Construction Products	29,034	37,345	(22.3)	22.5	24.8
Tubular and Energy Services	29,537	37,430	(21.1)	23.0	24.9
Total net sales	$ 128,775	$ 150,469	(14.4)%	100.0 %	100.0 %

	Three Months Ended March 31, 2020	Three Months Ended March 31, 2019	Percent Increase/ (Decrease) 2020 vs. 2019	Gross Profit Percentage Three Months Ended March 31, 2020	Gross Profit Percentage Three Months Ended March 31, 2019
Gross Profit:					
Rail Products and Services	$ 12,492	$ 14,237	(12.3)%	17.8 %	18.8 %
Construction Products	4,039	5,572	(27.5)	13.9	14.9
Tubular and Energy Services	5,126	9,353	(45.2)	17.4	25.0
Total gross profit	$ 21,657	$ 29,162	(25.7)%	16.8 %	19.4 %

	Three Months Ended March 31, 2020	Three Months Ended March 31, 2019	Percent Increase/ (Decrease) 2020 vs. 2019	Percent of Total Net Sales Three Months Ended March 31, 2020	Percent of Total Net Sales Three Months Ended March 31, 2019
Expenses:					
Selling and administrative expenses	$ 21,325	$ 21,917	(2.7)%	16.6 %	14.6 %
Amortization expense	1,463	1,712	(14.5)	1.1	1.1
Interest expense - net	817	1,355	(39.7)	0.6	0.9
Other expense (income) - net	746	(150)	**	0.6	(0.1)
(Loss) income before income taxes	$ (2,694)	$ 4,328	(162.2)%	(2.1)%	2.9 %
Income tax (benefit) expense	(828)	638	(229.8)	(0.6)	0.4
Net (loss) income	$ (1,866)	$ 3,690	(150.6)%	(1.4)%	2.5 %

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

First Quarter 2020 Compared to First Quarter 2019 – Company Analysis

Net sales of $128,775 for the three months ended March 31, 2020 decreased by $21,694, or 14.4%, compared to the prior year quarter. The decline was attributable to reductions within each of our three segments, due in part to disruptions across each of our segments due to the COVID-19 pandemic. Sales for the Construction Products segment decreased by 22.3%, the Tubular and Energy Services segment decreased by 21.1%, and the Rail Products and Services segment decreased by 7.3%.

Gross profit decreased by $7,505 compared to the prior year quarter to $21,657 for the three months ended March 31, 2020. The decline in gross profit was attributable to each of the three segments, as Tubular and Energy Services decreased by 45.2%, Construction Products decreased by 27.5%, and Rail Products and Services decreased by 12.3%. Gross profit margin for the three months ended March 31, 2020 was 16.8%, or 260 basis points ("bps") lower than the prior year quarter, primarily due to Tubular and Energy Services.

Selling and administrative expenses decreased by $592, or 2.7%, compared to the prior year quarter. The decrease in expense was primarily driven by reductions in third-party professional service expenses of $718. As a percent of sales, selling and administrative expenses increased 200 bps compared to the prior year quarter, primarily due to the 14.4% reduction in sales.

The Company's effective income tax rate for the three months ended March 31, 2020 was 30.7%, compared to 14.7% in the prior year quarter. For the three months ended March 31, 2020, the Company recorded an income tax benefit of $828, compared to income tax expense of $638 in the three months ended March 31, 2019. The Company's effective tax rate for the three months ended March 31, 2020 differed from the federal statutory rate of 21%, primarily due to state income taxes and nondeductible expenses. The increase in the effective tax rate compared to the prior year quarter was primarily due to the realization of a portion of U.S. deferred tax assets previously offset by a valuation allowance during the prior year quarter.

Net loss for the first quarter of 2020 was $1,866, or $0.18 loss per diluted share, compared to net income of $3,690, or $0.35 earnings per diluted share, in the prior year quarter.

Results of Operations – Segment Analysis

Rail Products and Services

	Three Months Ended March 31, 2020	Three Months Ended March 31, 2019	Decrease 2020 vs. 2019	Percent Decrease 2020 vs. 2019
Net sales	$ 70,204	$ 75,694	$ (5,490)	(7.3)%
Gross profit	$ 12,492	$ 14,237	$ (1,745)	(12.3)%
Gross profit percentage	17.8 %	18.8 %	(1.0)%	(5.4)%
Segment profit	$ 1,171	$ 3,479	$ (2,308)	(66.3)%
Segment profit percentage	1.7 %	4.6 %	(2.9)%	(63.7)%

First Quarter 2020 Compared to First Quarter 2019

The Rail Products and Services segment sales decreased by $5,490, or 7.3%, compared to the prior year quarter. The sales decline was primarily driven by our Rail Technologies business which decreased by $2,846, or 9.7%, from the prior year due primarily to our North American friction management consumable products and services as freight and transit rail customer traffic declined as a result of the impact of the COVID-19 pandemic. Also contributing to the decline was reduced activity levels on the London Crossrail project in the U.K, primarily from the project nearing its completion and stay-at-home orders resulting from the COVID-19 pandemic.

The Rail Products and Services segment gross profit decreased by $1,745, or 12.3%, from the prior year quarter. The decrease was primarily driven by the volume decline in our Rail Technologies business. Segment gross profit margin declined by 100 bps as a result of the reduction in demand in our friction management offerings due to weakened demand resulting from less movement of freight and transit traffic, coupled with stay-at-home orders that delayed services for the London Crossrail project. Segment profit was $1,171, a $2,308 decline over the prior year quarter. Selling, general, and administrative expenses incurred by the segment increased by $658 compared to the prior year quarter, primarily attributable to increased personnel costs.

During the current quarter, the Rail Products and Services segment had a decrease in new orders of 23.5% compared to the prior year period. The decrease was primarily related to activity within our global transit projects, friction management consumables, and on track services. Backlog as of March 31, 2020 was $108,910, a 5.0% increase from December 31, 2019.

Construction Products

	Three Months Ended March 31, 2020	Three Months Ended March 31, 2019	Decrease 2020 vs. 2019	Percent Decrease 2020 vs. 2019
Net sales	$ 29,034	$ 37,345	$ (8,311)	(22.3)%
Gross profit	$ 4,039	$ 5,572	$ (1,533)	(27.5)%
Gross profit percentage	13.9 %	14.9 %	(1.0)%	(6.8)%
Segment (loss) profit	$ (1,639)	$ 834	$ (2,473)	(296.5)%
Segment profit percentage	(5.6)%	2.2 %	(7.8)%	(352.8)%

First Quarter 2020 Compared to First Quarter 2019

The Construction Products segment sales decreased by $8,311, or 22.3%, compared to the prior year quarter. The decline was attributable to volume decreases in both the Piling and Fabricated Bridge division and the Precast Concrete Products division, resulting in sales reductions of $5,341 and $2,970, respectively. Piling and Fabricated Bridge experienced decreased volume during the current year quarter primarily due to inclement weather impacting the timing and ability to fulfill orders. In addition, the three months ended March 31, 2019 included revenue from the Port Everglades project, which was a project of a much larger size than any project that the business had in the current year quarter. Our Precast Concrete Products business unit sales were unfavorably impacted by the relocation of operations to Boise, ID during the first quarter of 2020. This relocation resulted in expected downtime of production until the new facility became fully operational.

Construction Products gross profit decreased by $1,533, or 27.5%, over the prior year quarter. The decrease was primarily attributable to relocation and start-up costs coupled with lower operational efficiency during the ramp-up of the new precast concrete facility in Boise, ID, which resulted in a year-over-year decline in gross profit of $1,221. This facility is expected to attain full operational efficiency by the third quarter of 2020. The segment loss of $1,639 was a reduction of $2,473 from the prior year quarter segment profit of $834. Included within the first quarter of 2020 segment loss are relocation and start-up costs of $677 related to the Boise, ID facility.

During the quarter, the Construction Products segment had a decrease in new orders of 13.5% compared to the prior year quarter, which was primarily related to a decline in bridge decking projects. The Company believes the decline is related to the stay-at-home orders associated with COVID-19, which delayed the progress of scheduled projects. As of March 31, 2020, backlog was $102,066, a 10.6% increase from December 31, 2019.

Tubular and Energy Services

	Three Months Ended March 31, 2020	Three Months Ended March 31, 2019	Decrease 2020 vs. 2019	Percent Decrease 2020 vs. 2019
Net sales	$ 29,537	$ 37,430	$ (7,893)	(21.1)%
Gross profit	$ 5,126	$ 9,353	$ (4,227)	(45.2)%
Gross profit percentage	17.4 %	25.0 %	(7.6)%	(30.5)%
Segment profit	$ 612	$ 4,688	$ (4,076)	(86.9)%
Segment profit percentage	2.1 %	12.5 %	(10.4)%	(83.5)%

First Quarter 2020 Compared to First Quarter 2019

Tubular and Energy Services segment sales decreased by $7,893, or 21.1%, compared to the prior year quarter. The decrease was due to deteriorating conditions in the served U.S. oil and gas market. The reduction in demand caused by reduced travel throughout the world as a result of the COVID-19 pandemic has caused exploration and production companies to decrease their activities and reduce spending, which impacted the need for our products and services within the segment. This led to sales decreases of $5,020 and $2,873 in our Test, Inspection, and Threading Services and Protective Coatings and Measurement Systems businesses, respectively, from the prior year quarter.

Tubular and Energy Services segment gross profit decreased by $4,227, or 45.2%, which was primarily attributable to the reduced volumes within our Test, Inspection, and Threading Services business unit and, to a lesser extent, Protective Coatings and Measurement Systems resulting in gross profit decreases of 163.3% and 19.3%, respectively. Segment gross profit margin decreased by 760 bps over the prior year quarter, which was primarily driven by reduced revenue volume supporting the fixed costs within the Test, Inspection, and Threading Services business. Segment profit decreased by $4,076, or 86.9%, over the prior year quarter. The first quarter of 2020 segment profit included closure costs of $204 related to the Test, Inspection, and Threading Services site closures enacted in the fourth quarter of 2019.

The Tubular and Energy Services segment had a decrease of 36.1% in new orders compared to the prior year quarter. Each of the business units within the segment contributed to the decline in new orders as capital spending and project delays within the served domestic oil and gas market negatively impacted the segment.

On April 30, 2020, the Company approved the permanent closure of three operating locations servicing the U.S. Niobrara and Bakken oil and gas production regions and the discontinuance of mobile services for the Permian production region within our Test, Inspection, and Threading Services business unit. These closures are a result of the Company’s continuing strategic review of operations serving the U.S. oil and gas market. The Company believes these actions will strengthen its core businesses, result in improved operating profitability, and allow for the reallocation of resources and investment opportunities to provide sustainable value to its shareholders. The Company expects the closure of these operations to be substantially completed during 2020.

As a result of these activities, the Company expects to incur certain exit and disposal charges consisting of relocation and employee retention expenses, as well as asset impairments, site clean-up, and facility restoration expenses, totaling approximately $5,500 to $7,000 in the Tubular and Energy Services operating segment. The approximate expense resulting from these actions could change materially as a result of certain factors including unknown or unforeseen costs as part of winding up these operations.

Other

Segment Backlog

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

	March 31, 2020	December 31, 2019	March 31, 2019
Rail Products and Services	$ 108,910	$ 103,694	$ 121,481
Construction Products	102,066	92,280	100,988
Tubular and Energy Services	26,715	34,093	27,583
Total backlog	$ 237,691	$ 230,067	$ 250,052

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

Liquidity and Capital Resources

Our principal sources of liquidity are our existing cash and cash equivalents, cash generated by operations, and our available capacity under our revolving credit facility, which provides for a total commitment of up to $140,000. Our primary needs for liquidity relate to working capital requirements for operations, capital expenditures, debt service obligations, and payments related to the Union Pacific Railroad Settlement. Our total debt was $64,187 and $58,193 as of March 31, 2020 and December 31, 2019, respectively, and was primarily comprised of borrowings under our revolving credit facility.

The following table reflects our available funding capacity as of March 31, 2020:

	March 31, 2020	
Cash and cash equivalents		$ 6,418
Credit agreement:		
Total availability under the credit agreement	140,000	
Outstanding borrowings on revolving credit facility	(40,688)	
Letters of credit outstanding	(559)	
Net availability under the revolving credit facility		98,753
Total available funding capacity		$ 105,171

Our cash flows are impacted from period to period by fluctuations in working capital. While we place an emphasis on working capital management in our operations, factors such as our contract mix, commercial terms, days sales outstanding ("DSO"), and market conditions as well as seasonality may impact our working capital. We regularly assess our receivables for collectability, and provide allowances for doubtful accounts where appropriate. We believe that our reserves for doubtful accounts are appropriate as of March 31, 2020, but adverse changes in the economic environment, including further deterioration of demand for crude oil and natural gas in the energy markets, and adverse financial conditions of our customers resulting from, among other things, the COVID-19 pandemic, may impact certain of our customers' ability to access capital and compensate us for our products and services, as well as impact demand for our products and services.

The change in cash and cash equivalents for the three months ended March 31, 2020 and 2019 is as follows:

	March 31,	
	2020	2019
Net cash used in operating activities	$ (6,890)	$ (13,546)
Net cash used in investing activities	(4,443)	(2,513)
Net cash provided by financing activities	4,345	14,674
Effect of exchange rate changes on cash and cash equivalents	(772)	142
Net decrease in cash and cash equivalents	$ (7,760)	$ (1,243)

Cash Flow from Operating Activities

During the three months ended March 31, 2020, cash flows used in operating activities were $6,890, compared to $13,546 during the prior year period. For the three months ended March 31, 2020, the net (loss) income and adjustments to net (loss) income from operating activities provided $2,941, compared to $8,842 in the 2019 period. Working capital and other assets and liabilities used $9,831 in the current period, compared to $22,388 in the prior year period. During the three months ended March 31, 2019, the Company made a payment totaling $2,000 under the terms of the concrete tie settlement agreement with Union Pacific Railroad.

The Company's calculation for DSO at March 31, 2020 and December 31, 2019 was 46 and 49 days, respectively, and we believe our receivables portfolio is strong.

Cash Flow from Investing Activities

Capital expenditures for the three months ended March 31, 2020 and 2019 were $4,444 and $2,572, respectively. The current year expenditures relate to the purchase of a continuous welded rail car and unloader within our Rail Products and Services segment, facility start-up expenditures within our Construction Products and Tubular and Energy Services segments, and general plant and operational improvements throughout the Company. Expenditures for the three months ended March 31, 2019 related to plant expansion and automation integration programs within our Tubular and Energy Services segment as well as general plant and operational improvements throughout the Company.

Cash Flow from Financing Activities

During the three months ended March 31, 2020, the Company had an increase in outstanding debt of $6,002, primarily related to the need for seasonal operational funding. During the three months ended March 31, 2019, the Company had an increase in outstanding debt of $15,200, primarily related to the funding of working capital for operations. Treasury stock acquisitions of $1,657 and $526 for the three months ended March 31, 2020 and 2019, respectively, represent income tax withholdings from employees in connection with the vesting of restricted stock awards.

Financial Condition

As of March 31, 2020, we had $6,418 in cash and cash equivalents. Our cash management priority continues to be short-term maturities and the preservation of our principal balances. As of March 31, 2020, approximately $5,178 of our cash and cash equivalents was held in non-domestic bank accounts. During the three months ended March 31, 2020, the Company repatriated $5,387 in excess cash from our international locations We principally maintain our cash and cash equivalents in accounts held by major banks and financial institutions.

Our principal uses of cash in recent years have been to fund our operations, including capital expenditures, and to service our indebtedness. We view our short and long-term liquidity as being dependent on our results of operations, changes in working capital and our borrowing capacity. As of March 31, 2020, our revolving credit facility had $98,753 of net availability, while we had $64,187 in total debt. Our current ratio as of March 31, 2020 was 1.93. We believe that the combination of our cash and cash equivalents, cash generated from operations and the capacity under our revolving credit facility will provide us with sufficient liquidity to provide the flexibility to operate the business in a prudent manner and enable us to continue to service our outstanding debt.

To reduce the impact of interest rate changes on outstanding variable-rate debt, we entered into forward starting LIBOR-based interest rate swaps with notional values totaling $50,000. The swaps became effective on February 28, 2017, at which point they effectively converted a portion of the debt from variable to fixed-rate borrowings during the term of the swap contract. As of March 31, 2020 and December 31, 2019, the swap liability was $1,640 and $480, respectively.

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

Critical Accounting Policies

The Condensed Consolidated Financial Statements have been prepared in conformity with accounting principles generally accepted in the United States. When more than one accounting principle, or method of its application, is generally accepted, management selects the principle or method that, in its opinion, is appropriate in the Company's specific circumstances. Application of these accounting principles requires management to reach opinions regarding estimates about the future resolution of existing uncertainties. As a result, actual results could differ from these estimates. In preparing these financial statements, management has reached its opinions regarding the best estimates and judgments of the amounts and disclosures included in the financial statements giving due regard to materiality. We have updated our allowance for doubtful accounts policies since December 31, 2019, in conjunction with our adoption of Accounting Standards Codification Topic 326, "Financial Instruments - Credit Losses" ("ASC 326"), as further described in Note 5 and Note 6 of the Notes to Condensed Consolidated Financial Statements contained in this Quarterly Report on Form 10-Q. A summary of the Company's critical accounting policies and estimates is included in Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations - Critical Accounting Policies and Estimates in the Company's Annual Report on Form 10-K for the year ended December 31, 2019.

Off-Balance Sheet Arrangements

The Company's off-balance sheet arrangements include purchase obligations and standby letters of credit. A schedule of the Company's required payments under financial instruments and other commitments as of December 31, 2019 is included in Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations - Liquidity and Capital Resources - Tabular

Disclosure of Contractual Obligations in the Company's Annual Report on Form 10-K for the year ended December 31, 2019. There were no material changes to these off-balance sheet arrangements during the current quarter. These arrangements provide the Company with increased flexibility relative to the utilization and investment of cash resources.

Item 3. Quantitative and Qualitative Disclosures about Market Risk

Interest Rate Risk

The Company is exposed to risks that increases in interest rates may adversely affect funding costs associated with its variable-rate debt. To reduce the impact of interest rate changes on a portion of this variable-rate debt, the Company entered into forward starting interest rate swap agreements which effectively convert a portion of the debt from a variable to a fixed-rate borrowing during the term of the swap contracts. See Note 10 Fair Value Measurements of the Notes to Condensed Consolidated Financial Statements contained in this Quarterly Report on Form 10-Q for additional information.

For the three months ended March 31, 2020, a 1% change in the interest rate for variable rate debt as of March 31, 2020 would increase or decrease interest expense by approximately $175.

The Company does not purchase or hold any derivative financial instruments for trading purposes. It does enter into interest rate hedges to reduce the risk in the variability of interest rate fluctuations. At contract inception, the Company designates its derivative instruments as hedges. The Company recognizes all derivative instruments on the balance sheet at fair value. Fluctuations in the fair values of derivative instruments designated as cash flow hedges are recorded in accumulated other comprehensive income and reclassified into earnings within other income as the underlying hedged items affect earnings. To the extent that a change in a derivative does not perfectly offset the change in value of the interest rate being hedged, the ineffective portion is recognized in earnings immediately.

As of March 31, 2020 and December 31, 2019, the Company recorded a current liability of $1,640 and $480, respectively, related to its LIBOR-based interest rate swap agreements.

Foreign Currency Exchange Rate Risk

The Company is subject to exposures to changes in foreign currency exchange rates. The Company may manage its exposure to changes in foreign currency exchange rates on firm sale and purchase commitments by entering into foreign currency forward contracts. The Company's risk management objective is to reduce its exposure to the effects of changes in exchange rates on these transactions over the duration of the transactions. The Company did not engage in foreign currency hedging transactions during the three months ended March 31, 2020.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

L.B. Foster Company carried out an evaluation, under the supervision and with the participation of the Company's management, including the Chief Executive Officer and the Chief Financial Officer, of the effectiveness of the design and operation of the Company's disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended) as of March 31, 2020. Based upon that evaluation, the Chief Executive Officer and Chief Financial Officer concluded that the Company's disclosure controls and procedures were effective such that the information required to be disclosed by the Company in reports filed under the Exchange Act is (i) recorded, processed, summarized, and reported within the time periods specified in the SEC's rules and forms and (ii) accumulated and communicated to management, including the chief executive officer, chief financial officer, or person performing such functions, as appropriate to allow timely decisions regarding disclosure.

Changes in Internal Control Over Financial Reporting

There were no changes to our "internal control over financial reporting" (as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) that occurred during the three months ended March 31, 2020, that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Limitations on Effectiveness of Controls and Procedures

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

PART II. OTHER INFORMATION

(Dollars in thousands, except share data)

Item 1. Legal Proceedings

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

Item 1A. Risk Factors

Except as set forth below, there have been no material changes in our risk factors from those disclosed in our Annual Report on Form 10-K for the year ended December 31, 2019. You should carefully consider the factors discussed in Part I, Item 1A. Risk Factors in our Annual Report on Form 10-K for the year ended December 31, 2019, as filed with the SEC on February 27, 2020, which could materially affect our business, financial condition, financial results, or future performance. The risks described in our Annual Report on Form 10-K and quarterly reports on Form 10-Q are not the only risks facing the Company. Additional risks and uncertainties not currently known or that we currently deem to be immaterial may also materially affect our business, financial condition, and/or results of operations.

The COVID-19 pandemic could continue to adversely affect our business.

The COVID-19 pandemic is adversely affecting, and is expected to continue to adversely affect, our operations and supply chains, and we have experienced and expect to continue to experience unpredictable reductions in demand for certain of our products and services. If we do not successfully manage our supply chain or identify new sources of supplies, we may be unable to satisfy customer orders, which could harm our reputation and customer relationships and materially adversely affect our business, financial condition, and operating results. While COVID-19 has adversely affected each of our segments, the impact on our upstream and midstream energy markets has been particularly adverse, contributing to deteriorating prices of oil and natural gas, weakening demand, and reducing customer spending, and we expect this trend may continue. While the majority of our employees have generally been permitted to continue to work because our businesses are regarded as essential, U.S. and non-domestic governmental pandemic mitigation measures such as stay-at-home orders have slowed travel and movement of goods throughout the world, contributing to reduction in demand for our products and services. We expect that these adverse impacts could continue but we are unable to predict the extent, nature, or duration of these impacts on our results of operations and financial condition at this time.

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

The Company’s purchases of equity securities for the three months ended March 31, 2020 were as follows:

	Total number of shares purchased (1)	Average price paid per share	Total number of shares purchased as part of publicly announced plans or programs	Approximate dollar value of shares that may yet be purchased under the plans or programs
January 1, 2020 - January 31, 2020	—	$ —	—	$ —
February 1, 2020 - February 29, 2020	87,261	17.61	—	—
March 1, 2020 - March 31, 2020	7,451	16.19	—	—
Total	94,712	$ 17.50	—	$ —

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

Item 4. Mine Safety Disclosures

This item is not applicable to the Company.

Item 6. Exhibits
See Exhibit Index below.

Exhibit Index

Exhibit Number	Description
*10.1	2020 Executive Annual Incentive Compensation Plan.
*10.2	Form of Restricted Stock Award Agreement (2020).
*10.3	Long Term Incentive Performance Share Unit Program (2020-2022).
*10.4	Form of Performance Share Unit Award Agreement (2020-2022).
*31.1	Certification of Chief Executive Officer under Section 302 of the Sarbanes-Oxley Act of 2002.
*31.2	Certification of Chief Financial Officer under Section 302 of the Sarbanes-Oxley Act of 2002.
*32.0	Certification of Chief Executive Officer and Chief Financial Officer under Section 906 of the Sarbanes-Oxley Act of 2002.
*101.INS	XBRL Instance Document-the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
*101.SCH	XBRL Taxonomy Extension Schema Document.
*101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document.
*101.DEF	XBRL Taxonomy Extension Definition Linkbase Document.
*101.LAB	XBRL Taxonomy Extension Label Linkbase Document.
*101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document.
*104	Cover Page Interactive Data File (formatted as inline XBRL and contained in Exhibit 101)

* Exhibits marked with an asterisk are filed herewith.

SIGNATURE

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

L.B. FOSTER COMPANY
(Registrant)

Date: **May 6, 2020**

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

L.B. FOSTER COMPANY
ANNUAL EXECUTIVE INCENTIVE COMPENSATION PROGRAM

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

I. **DEFINITIONS**

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

II. TERMS AND CONDITIONS

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

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

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

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

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

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

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

III. CALCULATING PAYOUT OF AWARDS

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

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

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

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

Adjusted EBITDA Multiplier

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

W/C as a % of Sales Multiplier

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

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

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

III. RECOUPMENT

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

IV. COMPENSATION COMMITTEE

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

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

Approved:

/s/ Robert S. Purgason
Robert S. Purgason
Chairman, Compensation Committee

2/20/2020
Date

Schedule 1.10

PERFORMANCE MEASURES AND ADJUSTMENTS

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

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

The following adjustments are guidelines subject to board approval.

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

RESTRICTED STOCK AGREEMENT
(EXECUTIVE)

(Section 5.1 Of The Omnibus Incentive Plan, as Amended and Restated)

This Restricted Stock Agreement set forth below (this "***Agreement***") is dated as of **February 20, 2020** (the "***Issue Date***") and is between L.B. Foster Company, a Pennsylvania corporation ("***Company***"), and **NAME** (the "***Stockholder***").

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

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

AGREEMENT

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Section 12. *Notice*. All notices, requests, demands, claims, and other communications under this Agreement shall be in writing. Any notice, request, demand, claim, or other communication under this Agreement shall be deemed duly given if (and then two business days after) it is sent by registered or certified mail, return receipt requested, postage prepaid, and addressed to the intended recipient at the following address: If to the Company, L.B. Foster Company, 415 Holiday Drive, Suite 100, Pittsburgh, PA 15220, Attn: Secretary; and if to the

Stockholder, to his or her address as it appears on the Company's records. Either party to this Agreement may send any notice, request, demand, claim, or other communication under this Agreement to the intended recipient at such address using any other means (including personal delivery, expedited courier, messenger service, telecopy, ordinary mail, or electronic mail), but no such notice, request, demand, claim, or other communication shall be deemed to have been duly given unless and until it actually is received by the intended recipient. Either party to this Agreement may change the address to which notices, requests, demands, claims, and other communications hereunder are to be delivered by giving the other party notice in the manner set forth in this section.

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

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

Section 15. ***Acknowledgments.***

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

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

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

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

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

L.B. FOSTER COMPANY

By:

Name:
Title:

ACCEPTED AND AGREED TO:

_______, Stockholder

L.B. FOSTER COMPANY
2020 PERFORMANCE SHARE UNIT PROGRAM
(2020-2022)

L.B. FOSTER COMPANY, a Pennsylvania corporation (the "Company"), hereby establishes this L.B. FOSTER COMPANY 2020 PERFORMANCE SHARE UNIT PROGRAM (the "Program"), in accordance with the provisions of the L.B. FOSTER COMPANY 2006 Omnibus Incentive Plan, as amended (the "Plan"), and the terms and conditions provided herein.

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

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

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

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

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

2. Effective Date. The effective date of this Program is January 1, 2020.

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

4. Performance Share Unit Awards.

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

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

5. Performance Conditions of the Performance Share Units. The total number of shares of the Company's Common Stock that may be earned by a Participant will be based on the Company's attainment of performance goals relating to the Company's return on invested capital ("ROIC") and Cumulative Earnings Before Interest, Taxes, Depreciation and Amortization ("Cumulative EBITDA") during the Performance Period (as defined below) as approved by (and in accordance with the procedures established by) the Committee on February 20, 2020 and on file with the Committee (the "Performance Conditions"), for the performance period of January 1, 2020 through December 31, 2022 (the "Performance Period"); provided, however, that except as otherwise specifically provided herein, the ability to earn shares of the Company's Common Stock and to receive payment thereon under the Program is expressly contingent upon achievement of the threshold for the Performance Conditions and otherwise satisfying all other terms and conditions of the Program.

6. Issuance and Distribution.

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

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

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

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

8. Change in Participant's Status. In the event a Participant's employment with the Company or any Subsidiary is terminated (i) by reason of Retirement on or after January 1, 2021 (or such earlier date as may be expressly authorized by the Committee), or (ii) on account of death or total and permanent Disability prior to the Payment Date, the Participant shall be entitled to retain the Performance Share Units and receive payment therefore to the extent earned and payable pursuant to the provisions of this Program; provided, however, the Participant shall only be entitled to retain a prorated portion of the Performance Share Units determined at the end of the Performance Period and based on the ratio of the number of complete months the Participant is employed or serves during the Performance Period to the total number of months in the Performance Period (or the number of remaining months in the Performance Period if the Participant becomes an employee of the Company and/or its Subsidiaries after the start of the Performance Period). In the event a Participant's employment with the Company or any Subsidiary is terminated for any other reason, including, but not limited to, by the Participant voluntarily, or by the Company on account of a Termination for Cause or without cause, prior to the Payment Date, the Performance Share Units awarded to the Participant shall be cancelled and forfeited, whether payable or not, without payment by the Company or any Subsidiary. Any payments due a deceased Participant shall be paid to his estate as provided herein after the end of the Performance Period.

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

10. Tax Consequences/Withholding.

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

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

(c) This Program is intended to be excepted from coverage under Section 409A and shall be construed accordingly. Notwithstanding any provision of this Program to the contrary, if any benefit provided under this Program is subject to the provisions of Section 409A, the provisions of the Program will be administered, interpreted and construed in a manner necessary to comply with Section

409A (or disregarded to the extent such provision cannot be so administered, interpreted or construed). Notwithstanding, Section 409A may impose upon the Participant certain taxes or other charges for which the Participant is and shall remain solely responsible, and nothing contained in this Program or the Plan shall be construed to obligate the Compensation Committee, the Company or any Subsidiary for any such taxes or other charges

11. Non-Competition.

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

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

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

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

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

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

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

13. Remedies/Forfeiture/Recoupment.

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

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

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

Notwithstanding any other provisions of this program or the Plan, the Performance Share Units granted pursuant to this Program shall be subject to recovery under any law, governmental regulation, stock exchange listing requirement or Company policy applicable to them, including any related deductions, recoupment and/or claw-back as may be required to be made pursuant to such law, government regulation, stock exchange listing requirement, or Company policy, as may be in effect from time to time, and which may operate to create additional rights for the Company with respect to the Performance Share Units and recovery of amounts relating thereto (the "Clawback Requirement"). By accepting Performance Share Units granted under the Program and under the Plan, Participants agree and acknowledge that they are obligated to cooperate with, and provide any and all assistance necessary to, the Company to recover or recoup any Award or amounts paid under the Plan subject to claw-back pursuant to such law, government regulation, stock exchange listing requirement or Company policy. Such cooperation and assistance shall include, but is not limited to, executing, completing and submitting any documentation necessary to recover or recoup any Award or amounts paid under the Plan from a Participant's accounts, or pending or future compensation or Awards. In the event the Awards granted pursuant to this document and the Plan become subject to such Clawback Requirement, then the Awards shall be subject to such Clawback Requirement, and the foregoing provisions of this Section 13(c) shall no longer apply to such Awards.

14. Assignment/Nonassignment.

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

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

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

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

17. Governing Law, Jurisdiction, and Venue.

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

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

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

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

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

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

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

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

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

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

Dated: 2/22/2020

/s/ Robert S. Purgason
Robert S. Purgason
Chairman, Compensation Committee

Exhibit 10.4

L.B. Foster Company
2020 PERFORMANCE SHARE UNIT PROGRAM
(2020-2022)

February 21, 2020

415 Holiday Dr., Suite 100
Pittsburgh, PA 15220

Dear_______:

Pursuant to the terms and conditions of the L.B. Foster Company 2020 Performance Share Unit Program (the “Program”), a component of the Long-Term Incentive Program, the Compensation Committee of the Board of Directors of L.B. Foster Company (the “Committee”) has awarded you **[shares]** Performance Share Units (the “Award”). The terms and conditions of your Award are governed by the provisions of the Program document attached hereto as Exhibit A, the terms of which are hereby incorporated by reference. Capitalized terms not otherwise defined herein shall each have the meaning assigned to them in the Program.

____
Name: Robert S. Purgason
Title: Director and Chairman of the Compensation Committee

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

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

Signature: ____________________________ Date: ______________________________
[Name]

Exhibit 31.1

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

I, Robert P. Bauer, certify that:

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

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

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

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

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

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

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

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

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

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

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

Date: **May 6, 2020**

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

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

I, James P. Maloney, certify that:

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

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

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

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

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

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

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

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

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

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

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

Date: **May 6, 2020**

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

Exhibit 32.0

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

In connection with the Quarterly Report of L.B. Foster Company (the "Company") on Form 10-Q for the period ended March 31, 2020, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), the undersigned certify pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 that:

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

Date: **May 6, 2020**

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

Date: **May 6, 2020**

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