



INVESTOR PRESENTATION SEPTEMBER 2018

LBFoster®

Investor Presentation Released September 20, 2018

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This presentation and oral statements regarding the subject matter may contain “forward-looking statements” within the meaning of the United States Private Securities Litigation Reform Act of 1995. We caution you that such statements involve risks, uncertainties, and assumptions which could cause actual results to differ materially from those expressed or implied in such statements. The Company has based these forward-looking statements on current expectations and assumptions of future events. While the Company considers these expectations and assumptions to be reasonable, they are inherently subject to significant business, economic, competitive, regulatory, political, and other risks and uncertainties, most of which are difficult to predict, and many of which are beyond the Company's control. Among the factors that could cause actual results to differ materially are risks and uncertainties related to: economic conditions and regulatory changes caused by the United Kingdom's pending exit from the European Union; shifting federal and foreign regulatory policies, including tariffs; the risk of doing business in international markets; the strength of the markets where the Company participates; sustained declines in energy prices; changes in the cost and availability of raw materials and other products purchased for resale; a lack of state or federal funding for infrastructure projects; domestic and international taxes, including the estimates that impact these amounts, including as a result of any interpretations, regulatory actions, and amendments to the Tax Cuts and Jobs Act; the impact of acquisitions and other strategic investments; the effective continued implementation of an enterprise resource planning system; our ability to effectuate our strategy; including cost reduction initiatives; the ability to manage our working capital requirements and indebtedness; environmental matters, including any costs associated with any remediation and monitoring; risks inherent in litigation; the ultimate number of concrete ties that will be replaced pursuant to product warranty claims and an overall resolution of the product warranty and related contract claims and costs associated with the outcome of the lawsuit filed by Union Pacific Railroad Corporation; and those matters set forth in Item 8, Footnote 19, “Commitments and Contingent Liabilities” and in Item 1A, “Risk Factors” of the Company's Form 10-K for the year ended December 31, 2017, and reports on Form 10-Q thereafter.

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The information in this presentation is unaudited, except where noted otherwise.

This presentation also includes non-GAAP measures. Please refer to the Appendix for reconciliations of such non-GAAP measures to the most directly comparable GAAP measures. Management believes that the use of non-GAAP measures assists investors in understanding the underlying operating performance of the Company and its segments.

Discussion Points

- Financial Highlights
- Company Profile
- Market Outlook
- Value Creation



FINANCIAL HIGHLIGHTS

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Historical Financial Summary

(\$Millions, except EPS)

	2014	2015	2016	2017
Sales	\$607.2	\$624.5	\$483.5	\$536.4
Gross Profit	121.6	133.7	90.4	103.3
Gross Profit %	20.0%	21.4%	18.7%	19.2%
EBITDA ⁽¹⁾	51.6	(19.7)	(117.4)	36.0
Adjusted EBITDA ⁽¹⁾	51.6	60.6	18.5	36.0
Adjusted EBITDA %	8.5%	9.7%	3.8%	6.7%
Diluted EPS	\$2.48	\$(4.33)	\$(13.79)	\$0.39
Operating Cash Flow	\$66.7	\$56.2	\$18.4	\$39.4
Net Debt ⁽²⁾	\$(25.6)	\$135.4	\$129.2	\$92.3

¹ See non-GAAP reconciliation tables at the end of this presentation regarding non-GAAP measures used herein.

² Net debt is a non-GAAP measure consisting of total debt less cash and cash equivalents.

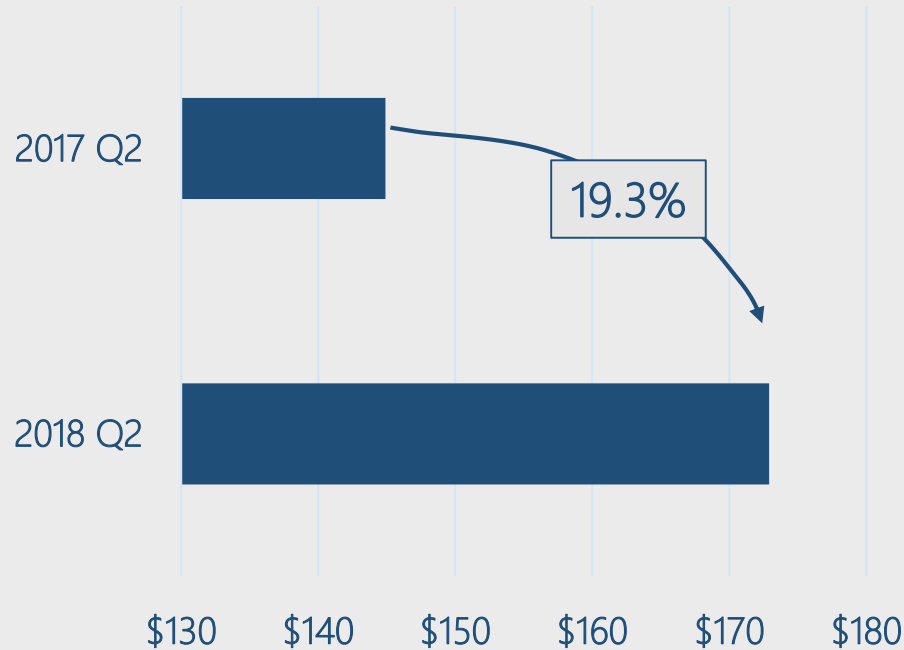
Financial Highlights

Metrics	YTD June 30, 2018	YTD June 30, 2017	Variance
Sales	\$295.3 million	\$263.6 million	\$31.8 million, 12.1%
Gross Profit	\$54.5	\$49.0	\$5.6 million, 11.3%
Gross Profit Margin	18.5%	18.6%	(10) Bps
Earnings per Diluted Share	\$0.28	\$0.06	\$0.22
EBITDA ¹	\$17.1 million	\$15.7 million	\$1.4 million, 9.0%
Operating Cash Flow	\$7.9 million	\$29.9 million	\$(22.0) million
New Orders	\$363.5 million	\$291.2 million	\$72.3 million, 24.8%
Backlog	\$231.3 million	\$176.0 million	\$55.3 million, 31.4%

¹ See non-GAAP reconciliation tables at the end of this presentation regarding non-GAAP measures used herein.

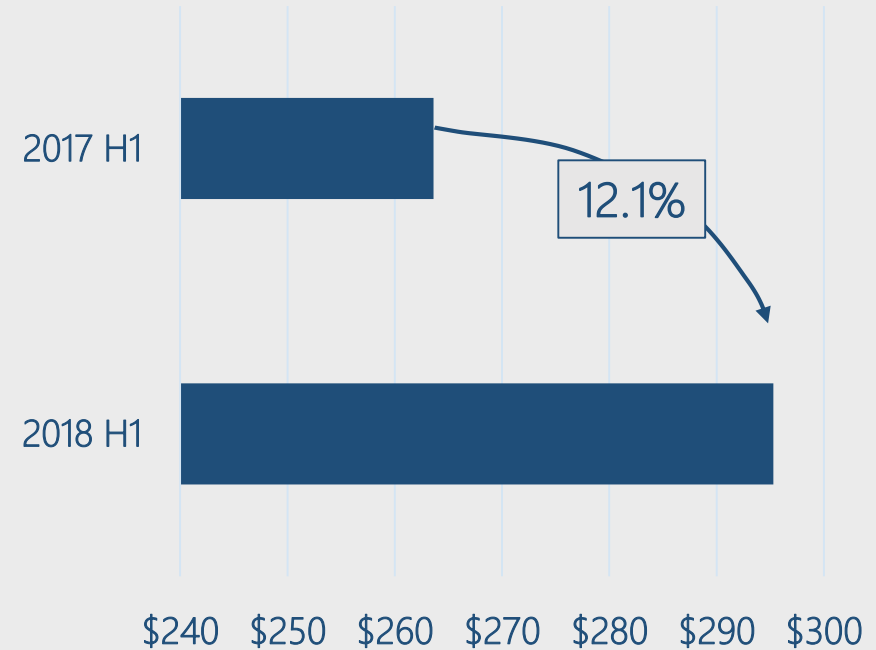
Sales Growth in 2018

Q2 Sales (\$M)



- Rail Products & Services sales increased 32.5%
- Tubular & Energy Services sales increased 29.1%
- Construction Products sales decreased 7.2%

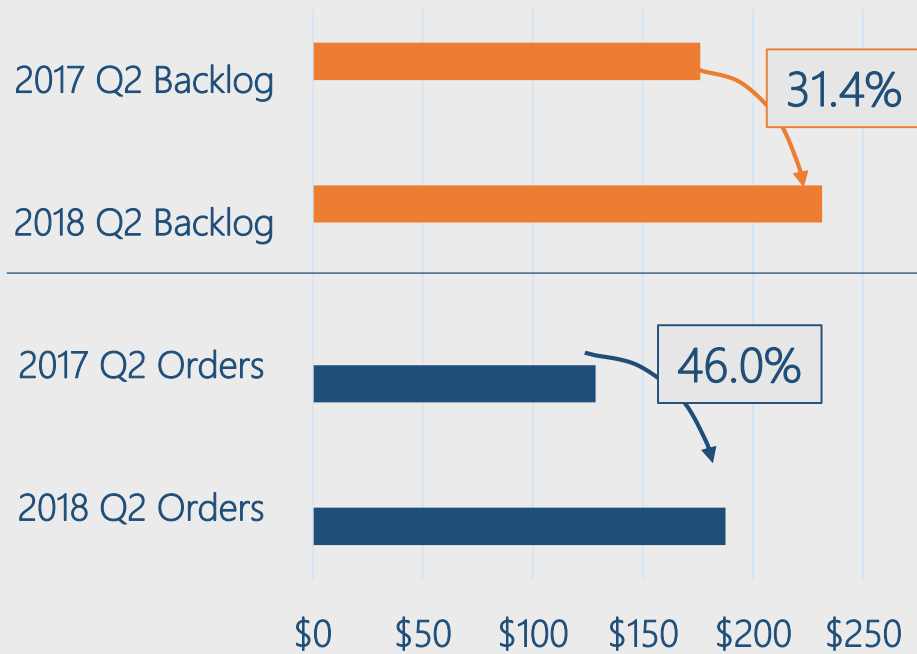
1st Half Sales (\$M)



- Rail Products & Services sales increased 22.4%
- Tubular & Energy Services sales increased 27.7%
- Construction Products sales decreased 14.1%

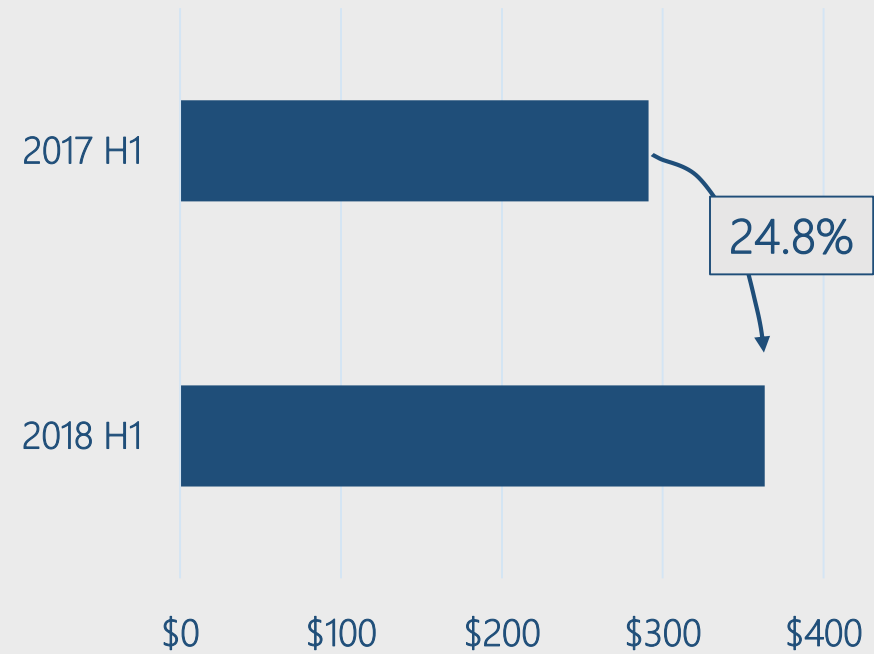
Backlog & Orders Growth in 2018

Q2 Backlog & Orders (\$M)



- Rail Products & Services backlog increased \$48.4 million, or 61.7%, driven by Transit projects
- Construction Products backlog increased \$6.9 million, or 9.1%

1st Half Orders (\$M)



- Rail Products & Services orders increased 49.2%
 - Transit projects worldwide, Rail Services, and North American freight rail drove increase
- Tubular & Energy Services orders increased 4.9%



COMPANY PROFILE

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Primary End Market Focus

Infrastructure for Transportation

Adjacent Markets around Core

- Rail Products and Services
 - Track infrastructure products
- Rail Technologies
 - Wheel rail interface solutions
 - Condition monitoring
- Automation Solutions
- Highways, Bridges, Ports
 - Piling products
 - Fabricated bridge decking

Automotive

Precast Concrete Solutions

Automation Solutions

Infrastructure for Energy

Adjacent Markets around Core

- Energy Delivery Path
 - Safe deployment of tubulars
 - Corrosive protective coatings – pipelines
 - Test & inspection services
 - Reclamation and refurbishing
 - Measurement & control for transport of liquids and gas
 - Precision measurement systems
 - Additive and Injection systems

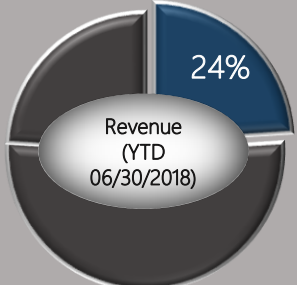
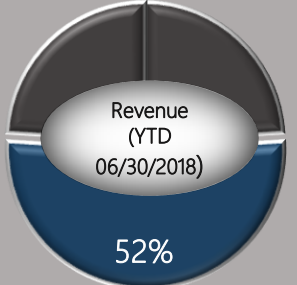
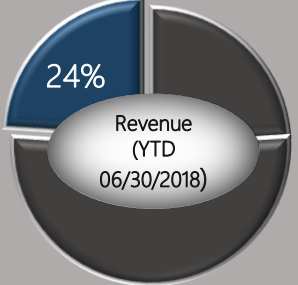
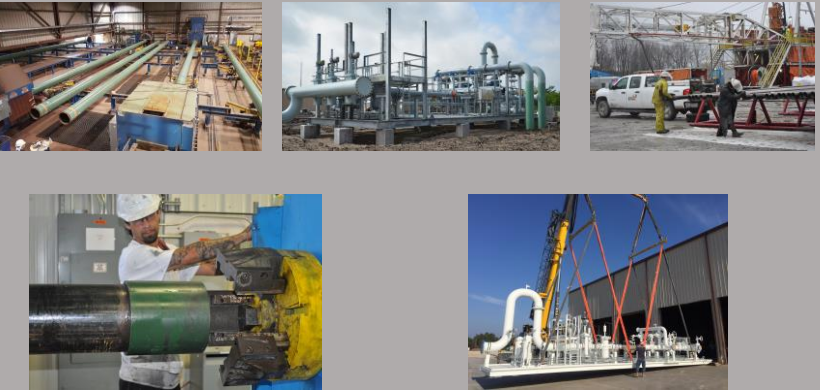


Measurement Devices

Gas Measurement Systems

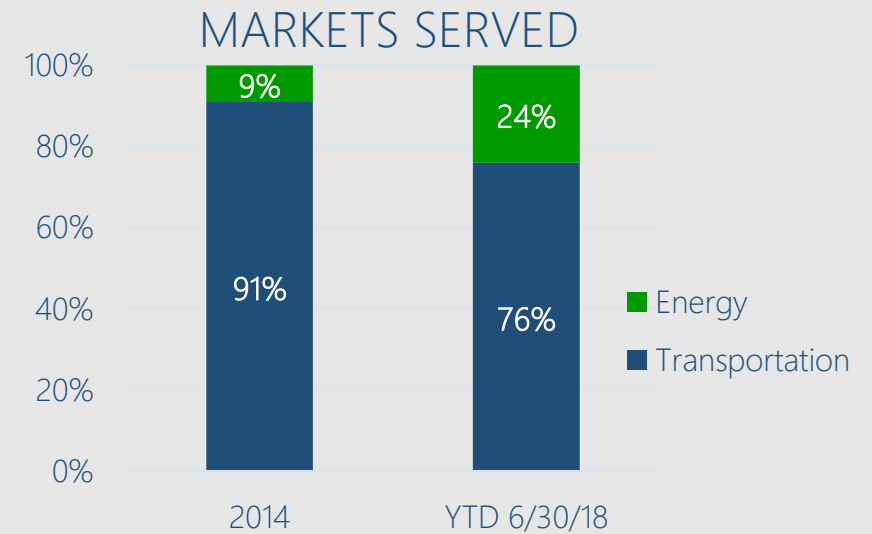
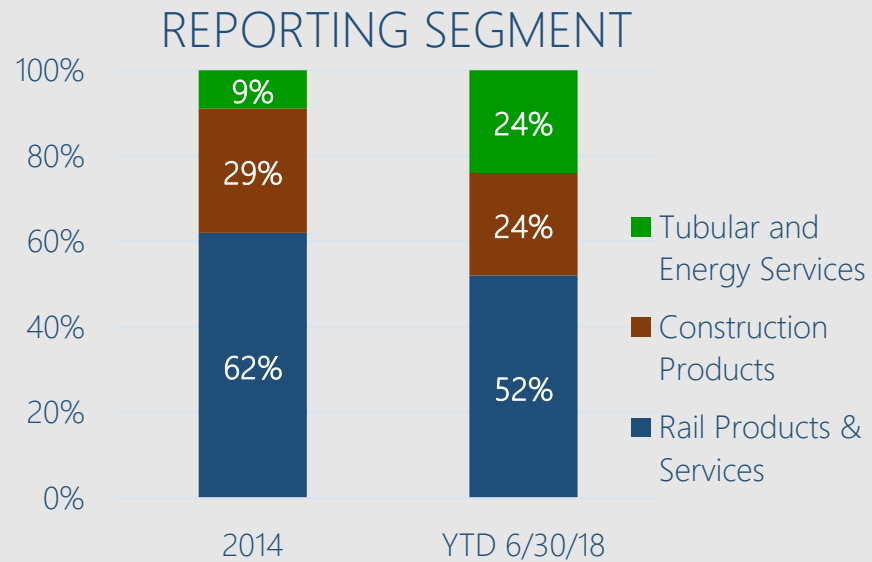
Coating Applications

Core focus remains while we pursue growth opportunities in adjacent markets

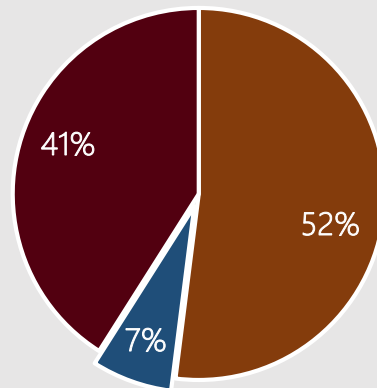
Current Business Profile

Markets We Serve	Energy Infrastructure	Transportation Infrastructure	
Segment	Tubular and Energy Services	Rail Products and Services	Construction Products
% Revenue (YTD 6/30/18)	 <p>24% Revenue (YTD 06/30/2018)</p>	 <p>52% Revenue (YTD 06/30/2018)</p>	 <p>24% Revenue (YTD 06/30/2018)</p>
Segment Overview	<ul style="list-style-type: none"> • Protective Coatings for tubulars • Precision Measurement Systems for pipelines • Upstream Test & Inspection for tubulars • Threaded Products 	<ul style="list-style-type: none"> • Rail Products & Services for track infrastructure • Rail Technologies for managing friction, wear, and comfort • Precast Concrete Ties • Diagnostics, Controls & Displays 	<ul style="list-style-type: none"> • Piling Products for highways, bridges, and ports • Fabricated Bridge Products • Precast Concrete Products
Product Overview			

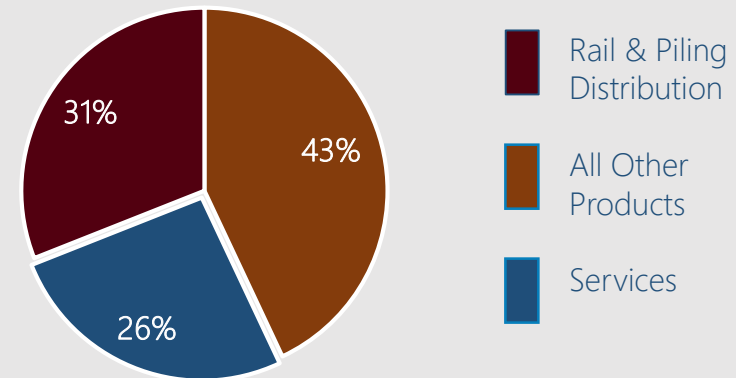
Diversified Revenue Base



2014 SALES MIX



YTD JUNE 30, 2018 SALES MIX



Shift from Distribution to Services and Solutions Business

Acquisitions Aimed at Expanding Served Markets

	Acquisitions	Rationale
Energy	<ul style="list-style-type: none"> IOS (Test & Inspection Services) Chemtec (Precision Measurement Systems) 	<ul style="list-style-type: none"> Exposure to growing shale development with service and solutions IOS acquisition shifted us more from a products business to a services business Offers new markets and access to larger measurement market (about \$750M) within our existing customer base
	<ul style="list-style-type: none"> Ball Winch 	<ul style="list-style-type: none"> High margin custom coatings for small pipeline applications and fittings Complements and expands business through addition of custom coatings business
Transportation	<ul style="list-style-type: none"> Carr Concrete 	<ul style="list-style-type: none"> Ability to compete in East Coast market Expanded product offerings across entire precast business
	<ul style="list-style-type: none"> TEW 	<ul style="list-style-type: none"> Enhanced our product application and automation solutions capabilities Further expansion into international rail markets
	<ul style="list-style-type: none"> FWO 	<ul style="list-style-type: none"> Expansion of electronic track lubrication and maintenance business into Germany

Infrastructure for Energy – Current & Future Focus



Precision Measurement

- 1. Custody transfer systems
- 2. Precision metering systems for liquids & gas
- 3. Pigging operations
- 4. Additive & injection systems
- 5. Terminal operations systems

Critical measurement and control systems for transport and movement of liquids and gas

Safe Deployment of Tubulars

- 1. Corrosion protection for pipeline
- 2. Ultrasonic MRI inspection & test
- 3. Hydrostatic & X-ray testing
- 4. Field testing & inspection for drill pipe and pipelines
- 5. Premium connections & couplings

Keeping tubulars in production on critical drilling and pipeline applications



MARKET OUTLOOK

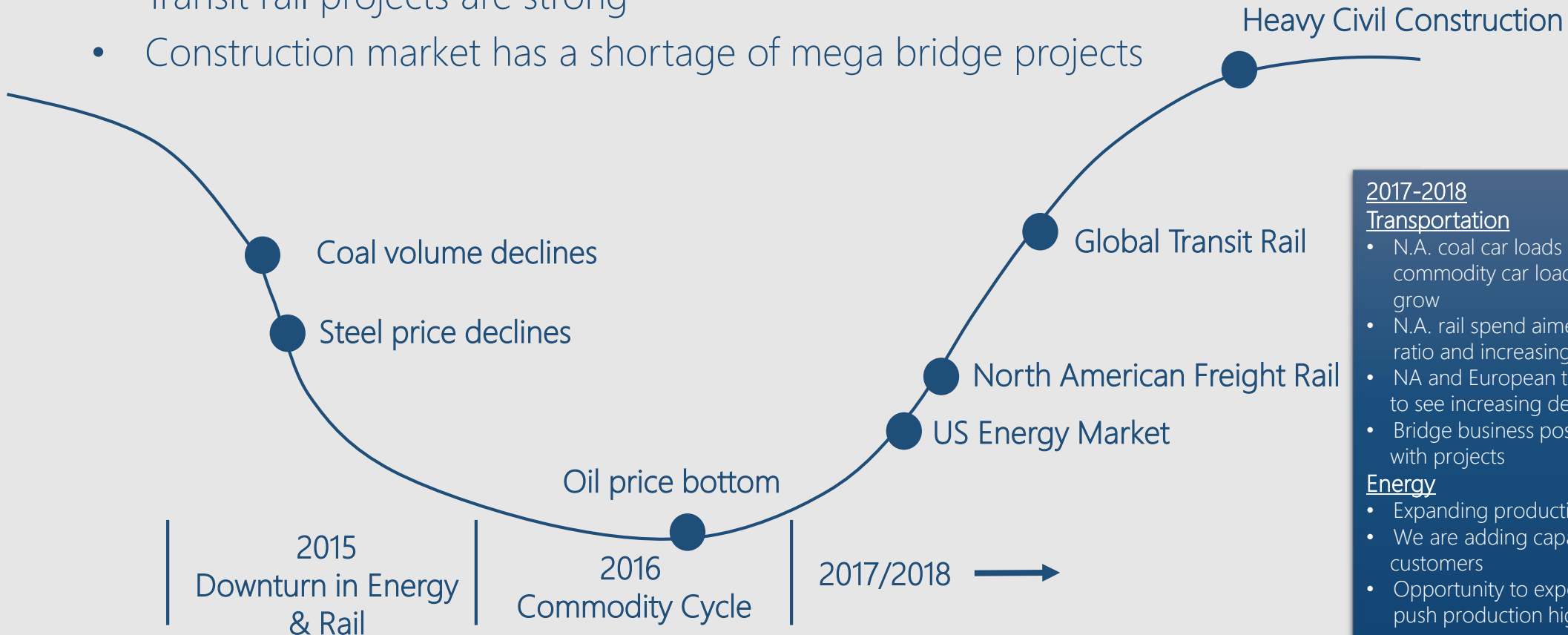
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Globalization and Mobility Drive Transportation and Energy

<u>Trends</u>	<u>Drivers</u>	<u>Impact on FSTR</u>	
Increasing use of public transportation	Congested highways, pollution	Transit capacity demand	↑
Efficiently moving people & freight constantly, around the world	Globalization, search for best supply chains & cost	Need for transportation investment & energy consumption	↑
North American transition from a net importer to a net exporter of energy	Lower cost unconventional sources of oil, gas & natural gas liquids	Investment for export based infrastructure	↑
Import/export growth	Global markets, trade & quotas	Construction of ports & intermodal rail	—
Abundance, cost of gas, and environmental regulations	Natural gas is a faster growing energy source replacing coal	Increasing natural gas drilling & transport, but less coal by rail	—
Increase in renewable energy sources	Clean energy	Unfavorable for hydrocarbons and coal	↓

Business Cycles

- Current business cycles are largely favorable
- Energy segment has strengthened considerably since 2016 trough
- North America freight rail market has improved since commodity cycle
- Transit rail projects are strong
- Construction market has a shortage of mega bridge projects



2017-2018

Transportation

- N.A. coal car loads stabilizing while other commodity car loads & intermodal expected to grow
- N.A. rail spend aimed at improving operating ratio and increasing resiliency
- NA and European transit markets continue to see increasing demand
- Bridge business posited well but will cycle with projects

Energy

- Expanding production and longer laterals
- We are adding capabilities to attract new service customers
- Opportunity to export liquids and gas could push production higher



VALUE CREATION

LBFoster®

Plan to Create Value Going Forward

Invest in divisions with superior organic growth opportunity

- Friction management technology with after-market services
- Smart samplers, injection systems & gas measurement skids
- Automation solutions for railway & other applications
- New precast concrete products

Capitalize on recent market dynamics

Increase profitability & cash flow

- Costs have been reduced when experiencing lower volume
- Continued margin improvement from hardest-hit divisions during downturn
- Further working capital opportunity
- Minimal capital needed for modernization
- Business system enhances operational excellence

Expect further improvement in operating margins

Continue shift toward higher margin business models

- Investing in service business models such as tubular services, specialty coating, & friction management
- Sales mix: increasing in value-add solutions such as railway automation, smart measurement systems, controls & displays
- Exited low margin businesses:

2017/2018

- Brazil (switch to distribution model)
- Coating Field Services
- LB Pipe & Coupling JV

Creating Value Through Innovation



Friction Management for Rail Applications



LIDAR used to Detect Debris at Crossings



Wheel Impact Load Detection



Smart Sampler for Precise Measurement



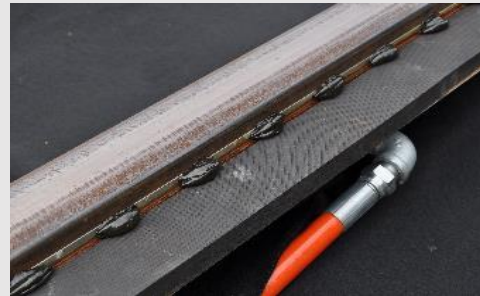
Traceability on Key Oilfield Tubular Integrity Tests



Single Driver Control/Display



Passenger Display Solutions



Biodegradable Grease Solutions



Corrosion Protection for Critical Applications

Modernizing our Digital Eco-System - Journey to a digital platform

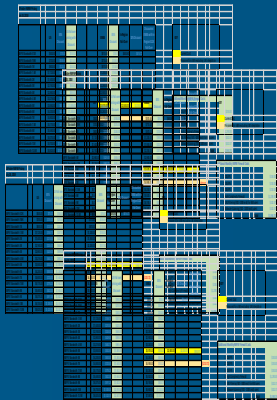
Transaction Processing & Materials Management
Today

Scalable Digital Platform with true productivity and information advantages
2018-2019

Digital Realization
2020 -

Management Information

Legacy ERPs



Creating the Intelligent Enterprise

Integrated business management with more advanced analytics and intelligent design (customer centric, business strategy)



SAP

Managing Human Capital

Complete HR platform for talent management including succession, performance & career advancement



UltiPro

Quality and Compliance

Critical process controls and documentation with risk management tools for compliance



Intelex

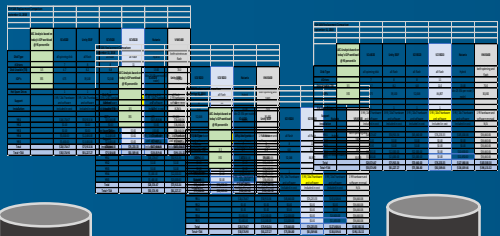
Analytics, Information, Intelligence

Advanced productivity solutions and customer centric benefits



Digital Apps

Shared Data



HR, Payroll & Benefits



Custom data tracking

Customer Connected and locked in

Integrated Business Processes

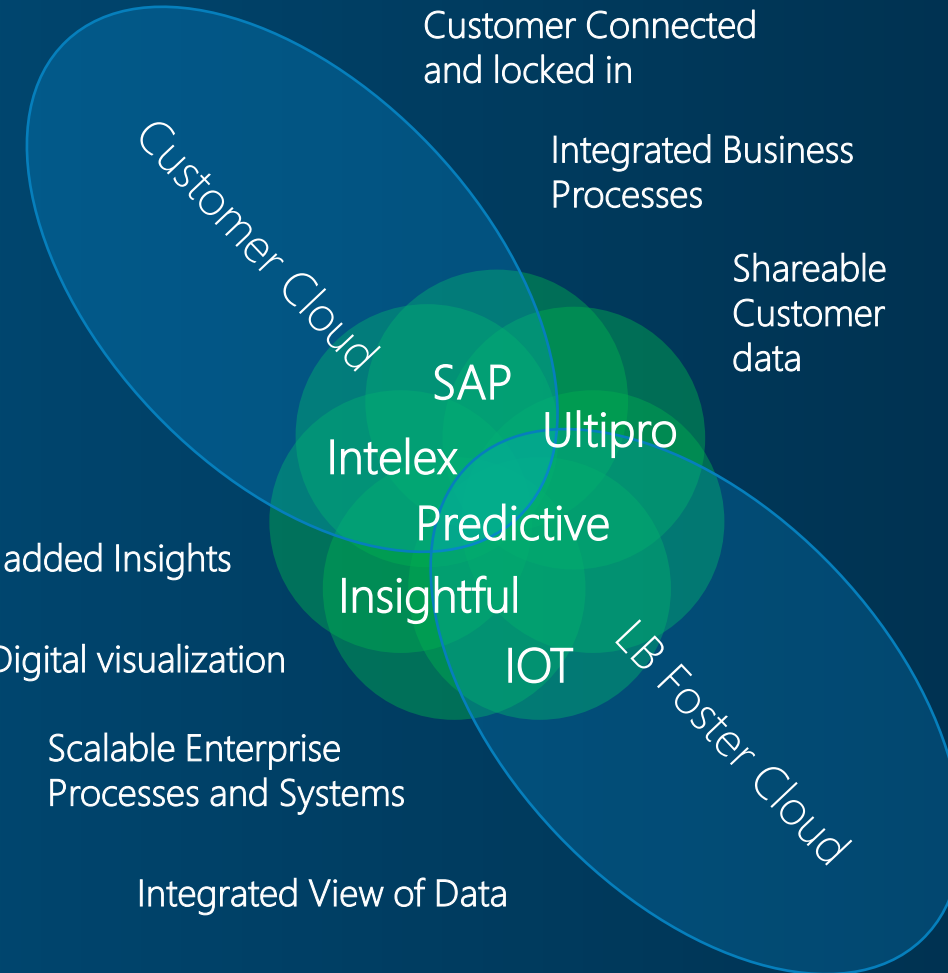
Shareable Customer data

Value added Insights

Digital visualization

Scalable Enterprise Processes and Systems

Integrated View of Data



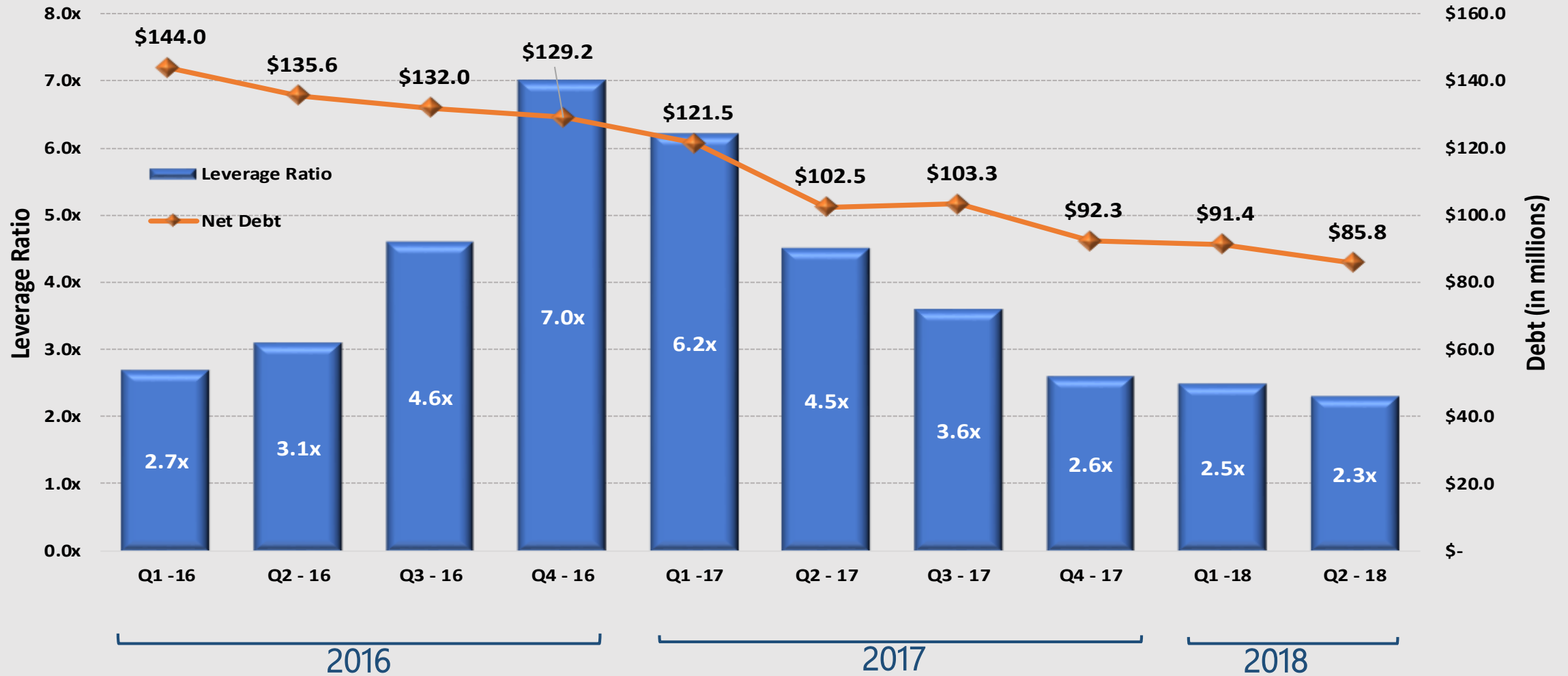
Operating Free Cash Flow Creates Value for our Shareholders

	2012	2013	2014	2015	2016	2017
Operating Cash Flow	\$27.0	\$13.9	\$66.7	\$56.2	\$18.4	\$39.4
Capital Spending	\$7.2	\$9.7	\$17.1	\$14.9	\$7.7	\$6.1

Facility modernization
ERP system investment
Acquisition program support

- Significant modernization progress made during 2013 – 2015
- Several projects aimed to drive improvement in operating efficiency

Change in Leverage





THANK YOU

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APPENDIX

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Consolidated Income Statement - First Six Months

(\$ in millions, except per share)	Six Months Ended June 30, 2018		Six Months Ended June 30, 2017		Delta	
	\$	% of Sales	\$	% of Sales	\$	%
Sales	\$ 295.3	—	\$ 263.6	—	\$ 31.8	12.1%
Gross profit	54.5	18.5%	49.0	18.6%	5.6	11.3%
SG&A	43.8	14.8%	39.8	15.1%	4.0	10.1%
Amortization expense	3.6	1.2%	3.5	1.3%	0.1	3.1%
Interest expense, net	3.5	1.2%	4.2	1.6%	(0.7)	(15.8)%
Other (income) expense	(0.5)	(0.2)%	0.0	—%	(0.5)	(1,235.7)%
Pre-tax income	4.1	1.4%	1.5	0.6%	2.6	172.9%
Net income	\$ 2.9	1.0%	\$ 0.6	0.2%	\$ 2.3	384.7%
Diluted earnings per share	\$ 0.28		\$ 0.06		\$ 0.22	
EBITDA⁽¹⁾	\$ 17.1	5.8%	\$ 15.7	5.9%	\$ 1.4	9.0%

(1) See non-GAAP reconciliation tables at the end of this presentation regarding non-GAAP measures used herein.
Note: Figures may not foot due to rounding

Balance Sheet

(\$ in millions)	June 30, 2018	December 31, 2017
ASSETS		(audited)
Current assets:		
Cash and cash equivalents	\$ 13.3	\$ 37.7
Accounts receivable – net	96.3	76.6
Inventories – net	101.3	97.5
Other current assets	12.5	9.3
Total current assets	223.4	221.1
Property, plant and equipment – net	89.5	96.1
Other assets:		
Goodwill	19.6	19.8
Other intangibles – net	53.7	57.4
Other assets	1.4	2.2
Total assets	\$ 387.6	\$ 396.6
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 105.1	\$ 84.2
Accrued warranty	8.7	8.7
Current maturities of long-term debt	0.6	0.7
Total current liabilities	114.4	93.5
Long-term debt	98.4	129.3
Other long-term liabilities	25.6	27.3
Total stockholders' equity	149.2	146.5
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 387.6	\$ 396.6

Note: Figures may not foot due to rounding

Cash Flows

(\$ in millions)

	Twelve Months Ended December 31, 2017	Twelve Months Ended December 31, 2016
	Audited	Audited
Net income (loss) and non-cash items	\$ 23.7	\$ 24.3
Receivables	(9.2)	12.0
Inventory	(12.6)	10.5
Payables and deferred revenue	17.0	(15.0)
Working capital subtotal	(4.8)	7.4
All other	20.5	(13.3)
Operating cash flow	39.4	18.4
Capital expenditures	(6.1)	(7.7)
Dividends	—	(1.2)
Debt (payments) / proceeds – net	(29.6)	(9.2)
All other	3.6	(3.2)
Net increase / (decrease) in cash	7.3	(2.9)
Cash balance, end of period	\$ 37.7	\$ 30.4

Note: Figures may not foot due to rounding

New Order Summary - First Six Months

(\$ in millions)	New Orders Entered		Delta	
	Six Months Ended June 30, 2018	Six Months Ended June 30, 2017	\$	%
Rail Products and Services	\$ 212.7	\$ 142.6	\$ 70.1	49.2%
Construction Products	84.9	85.8	(0.9)	(1.0)%
Tubular and Energy Services	65.9	62.8	3.1	4.9%
Total	\$ 363.5	\$ 291.2	\$ 72.3	24.8%

Note: Figures may not foot due to rounding

Backlog Summary

(\$ in millions)	Backlog		
	June 30, 2018	December 31, 2017	June 30, 2017
Rail Products and Services	\$ 126.9	\$ 68.9	\$ 78.5
Construction Products	82.4	71.3	75.5
Tubular and Energy Services	22.0	26.7	22.0
Total	\$ 231.3	\$ 166.9	\$ 176.0

Note: Figures may not foot due to rounding

Non-GAAP Financial Measures: EBITDA & Adjusted EBITDA

(\$ in millions)	Twelve Months Ended December 31,			
	2014	2015	2016	2017
Net income (loss), as reported	\$ 25.7	\$ (44.4)	\$ (141.7)	\$ 4.1
Interest expense, net	(0.0)	4.2	6.3	8.1
Income tax expense (benefit)	13.4	(6.1)	(5.5)	3.9
Depreciation expense	7.9	14.4	13.9	12.8
Amortization expense	4.7	12.2	9.6	7.0
EBITDA	51.6	(19.7)	(117.4)	36.0
Asset impairments	-	80.3	135.9	-
Adjusted EBITDA	\$ 51.6	\$ 60.6	\$ 18.5	\$ 36.0

Note: Figures may not foot due to rounding

Non-GAAP Financial Measures: EBITDA

(\$ in millions)	Six Months Ended	
	June 30, 2018	June 30, 2017
Net income as reported	\$ 2.9	\$ 0.6
Interest expense, net	3.5	4.2
Income tax expense	1.2	0.9
Depreciation	5.9	6.5
Amortization	3.6	3.5
EBITDA	\$ 17.1	\$ 15.7

Note: Figures may not foot due to rounding