

**LB**Foster®

# L.B. Foster Company Q3 2022 Earnings Presentation

Nasdaq - FSTR

November 8, 2022



# Safe Harbor Disclaimer

## Safe Harbor Statement

This presentation may contain "forward-looking" statements within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended, and Section 27A of the Securities Act of 1933, as amended. Forward-looking statements provide management's current expectations of future events based on certain assumptions and include any statement that does not directly relate to any historical or current fact. Sentences containing words such as "believe," "intend," "plan," "may," "expect," "should," "could," "anticipate," "estimate," "predict," "project," or their negatives, or other similar expressions of a future or forward-looking nature generally should be considered forward-looking statements. Forward-looking statements in this earnings release are based on management's current expectations and assumptions about future events that involve inherent risks and uncertainties and may concern, among other things, the Company's expectations relating to our strategy, goals, projections, and plans regarding our financial position, liquidity, capital resources, and results of operations and decisions regarding our strategic growth initiatives, market position, and product development. While the Company considers these expectations and assumptions to be reasonable, they are inherently subject to significant business, economic, competitive, regulatory, and other risks and uncertainties, most of which are difficult to predict and many of which are beyond the Company's control. The Company cautions readers that various factors could cause the actual results of the Company to differ materially from those indicated by forward-looking statements. Accordingly, investors should not place undue reliance on forward-looking statements as a prediction of actual results. Among the factors that could cause the actual results to differ materially from those indicated in the forward-looking statements are risks and uncertainties related to: the COVID-19 pandemic, and any future global health crises, and the related social, regulatory, and economic impacts and the response thereto by the Company, our employees, our customers, and national, state, or local governments; volatility in the prices of oil and natural gas and the related impact on the midstream energy markets, which could result in cost mitigation actions, including shutdowns or furlough periods; a continuation or worsening of the adverse economic conditions in the markets we serve, including recession, whether as a result of the current COVID-19 pandemic or otherwise, including its impact on labor markets, supply chains, and other inflationary costs, travel and demand for oil and gas, the continued volatility in the prices for oil and gas, governmental travel restrictions, project delays, and budget shortfalls, or otherwise; volatility in the global capital markets, including interest rate fluctuations, which could adversely affect our ability to access the capital markets on terms that are favorable to us; restrictions on our ability to draw on our credit agreement, including as a result of any future inability to comply with restrictive covenants contained therein; a continuing decrease in freight or transit rail traffic, including as a result of the ongoing COVID-19 pandemic, strikes, or labor stoppages; environmental matters, including any costs associated with any remediation and monitoring of such matters; the risk of doing business in international markets, including compliance with anti-corruption and bribery laws, foreign currency fluctuations and inflation, and trade restrictions or embargoes; our ability to effectuate our strategy, including cost reduction initiatives, and our ability to effectively integrate acquired businesses or to divest businesses, such as the recent disposition of the Piling business and Track Components business, and acquisitions of the Skratz Enterprises Ltd., Intelligent Video Ltd., and VanHooseCo Precast LLC businesses and to realize anticipated benefits; costs of and impacts associated with shareholder activism; continued customer restrictions regarding the on-site presence of third party providers due to the COVID-19 pandemic; the timeliness and availability of materials from our major suppliers, including any continuation or worsening of the disruptions in the supply chain experienced as a result of the COVID-19 pandemic, as well as the impact on our access to supplies of customer preferences as to the origin of such supplies, such as customers' concerns about conflict minerals; labor disputes; cyber-security risks such as data security breaches, malware, ransomware, "hacking," and identity theft, which could disrupt our business and may result in misuse or misappropriation of confidential or proprietary information, and could result in the disruption or damage to our systems, increased costs and losses, or an adverse effect to our reputation; the continuing effectiveness of our ongoing implementation of an enterprise resource planning system; changes in current accounting estimates and their ultimate outcomes; the adequacy of internal and external sources of funds to meet financing needs, including our ability to negotiate any additional necessary amendments to our credit agreement or the terms of any new credit agreement, and reforms regarding the use of LIBOR as a benchmark for establishing applicable interest rates; the Company's ability to manage its working capital requirements and indebtedness; domestic and international taxes, including estimates that may impact taxes; domestic and foreign government regulations, including tariffs; economic conditions and regulatory changes caused by the United Kingdom's exit from the European Union; geopolitical conditions, including the conflict in Ukraine; a lack of state or federal funding for new infrastructure projects; an increase in manufacturing or material costs; the loss of future revenues from current customers; and risks inherent in litigation and the outcome of litigation and product warranty claims. Should one or more of these risks or uncertainties materialize, or should the assumptions underlying the forward-looking statements prove incorrect, actual outcomes could vary materially from those indicated. Significant risks and uncertainties that may affect the operations, performance, and results of the Company's business and forward-looking statements include, but are not limited to, those set forth under Item 1A, "Risk Factors," and elsewhere in our Annual Report on Form 10-K for the year ended December 31, 2021, or as updated and/or amended by our other current or periodic filings with the Securities and Exchange Commission.

All information in this presentation speaks only as of November 8, 2022, and any distribution of the presentation after that date is not intended and will not be construed as updating or confirming such information. L.B. Foster Company assumes no obligation to update or revise any forward-looking information, whether as a result of new information, future events, or otherwise, except as required by securities laws. The information in this presentation is unaudited, except where noted otherwise.

## Non-GAAP Financial Measures

This investor presentation discloses the following non-GAAP measures:

- Earnings before interest, taxes, depreciation, and amortization ("EBITDA")
- Earnings before interest, taxes, depreciation, amortization, and certain charges ("Adjusted EBITDA")
- Net debt
- Adjusted net leverage ratio
- Funding capacity
- Other certain metrics, as indicated, adjusted for nonroutine items

The Company believes that EBITDA is useful to investors as a supplemental way to evaluate the ongoing operations of the Company's business since EBITDA may enhance investors' ability to compare historical periods as it adjusts for the impact of financing methods, tax law and strategy changes, and depreciation and amortization. In addition, EBITDA is a financial measure that management and the Company's Board of Directors use in their financial and operational decision-making and in the determination of certain compensation programs. Adjusted EBITDA adjusts for certain charges to net income and EBITDA that the Company believes are unusual, non-recurring, unpredictable, or non-cash. In 2022, the Company made adjustments to exclude acquisition and divestiture related costs, Crossrail project settlement amount, the gain from insurance proceeds, the loss associated with sale of Track Components, the gain associated with the sale of Piling Products, and VanHooseCo acquisition related inventory step-up amortization and contingent consideration expense. In 2021, the Company made an adjustment for the gain on the divestiture of the Piling Products business. In 2020, the Company made adjustments for a non-recurring benefit from a distribution associated with the Company's interest in an unconsolidated partnership, as well as adjustments to exclude the impact of restructuring activities and site relocation, and the income tax benefits associated with the divestiture of the IOS Test and Inspection Services business. In 2018, the Company adjusted for expenses related to a settlement with Union Pacific Railway regarding its concrete ties. The Company views net debt, which is total debt less cash and cash equivalents, and the adjusted net leverage ratio, which is the ratio of net debt to the trailing twelve-month adjusted EBITDA, as important metrics of the operational and financial health of the organization and believe they are useful to investors as indicators of its ability to incur additional debt and to service its existing debt.

Non-GAAP financial measures are not a substitute for GAAP financial results and should only be considered in conjunction with the Company's financial information that is presented in accordance with GAAP. Quantitative reconciliations of EBITDA, adjusted EBITDA from continuing operations, net debt, adjusted net leverage ratio, and adjustments to segment results to exclude one-time adjustments made to accommodate the anticipated settlement of the Crossrail project are included in this presentation.

# Company Overview

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

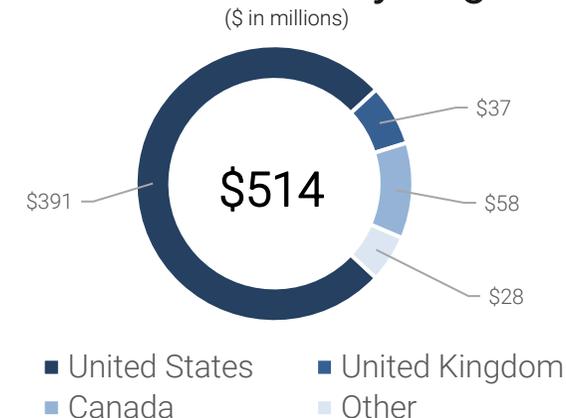
## Who we are

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

NASDAQ: FSTR



## 2021 Net Sales by Region



## Segments

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



## Business System



## Focus

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



## Financials

- \$130.0M – Q3 2022 Revenue
- \$9.3M – Q3 2022 Adj. EBITDA<sup>1</sup>
- \$137.3M – Q3 2022 New Orders
- \$272.8M – 9/30/2022 Backlog

# Opening Remarks

**John Kasel**  
President and CEO



# Executive Summary – Quarterly Highlights

Significant portfolio moves in the quarter, including acquisition of VanHooseCo and divestiture of Track Components

Focused efforts on margin improvement delivered expanded profitability in legacy business after adjusting for nonroutine items

Adjusted EBITDA<sup>1</sup> of \$9.3M reflects an 111% increase vs. last year with contributions from legacy business and strategic portfolio transformation

Portfolio changes should help maintain steady to improving demand despite recessionary environment; increasing commercial activity from infrastructure investment expected

**Value from strategic transformation beginning to manifest in results**

# Strategic Playbook – Progress on Key Workstreams



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

# Business Transformation Update – Recent Transactions

We are executing our portfolio transformation in line with our strategic playbook.

## Rail Technologies - Acquisitions



Completed acquisition of U.K. based Intelligent Video Ltd. and Skcratch on July 6, 2022 and June 21, 2022, respectively

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

- Combined annual revenue of \$8.0M and \$1.8M in EBITDA
- \$8.8M in combined acquisition purchase price
- 38 employees

## Rail Products - Divestiture



Completed sale of Track Components business on August 1, 2022

### Proceeds provide funds to invest in growth platforms

- Annual revenue of \$14.1M and \$1.5M in EBITDA
- \$7.8M in divestiture proceeds
- 30 employees

## Precast Concrete - Acquisition



Completed acquisition of VanHooseCo Precast LLC on August 12, 2022

### Business to support the Precast Concrete growth platform

- 2021 revenue of \$28.7M and \$4.2M in EBITDA
- \$52.2M in acquisition purchase price
- 100 employees at acquisition

# Financial Review

**Bill Thalman**

Senior Vice President and CFO



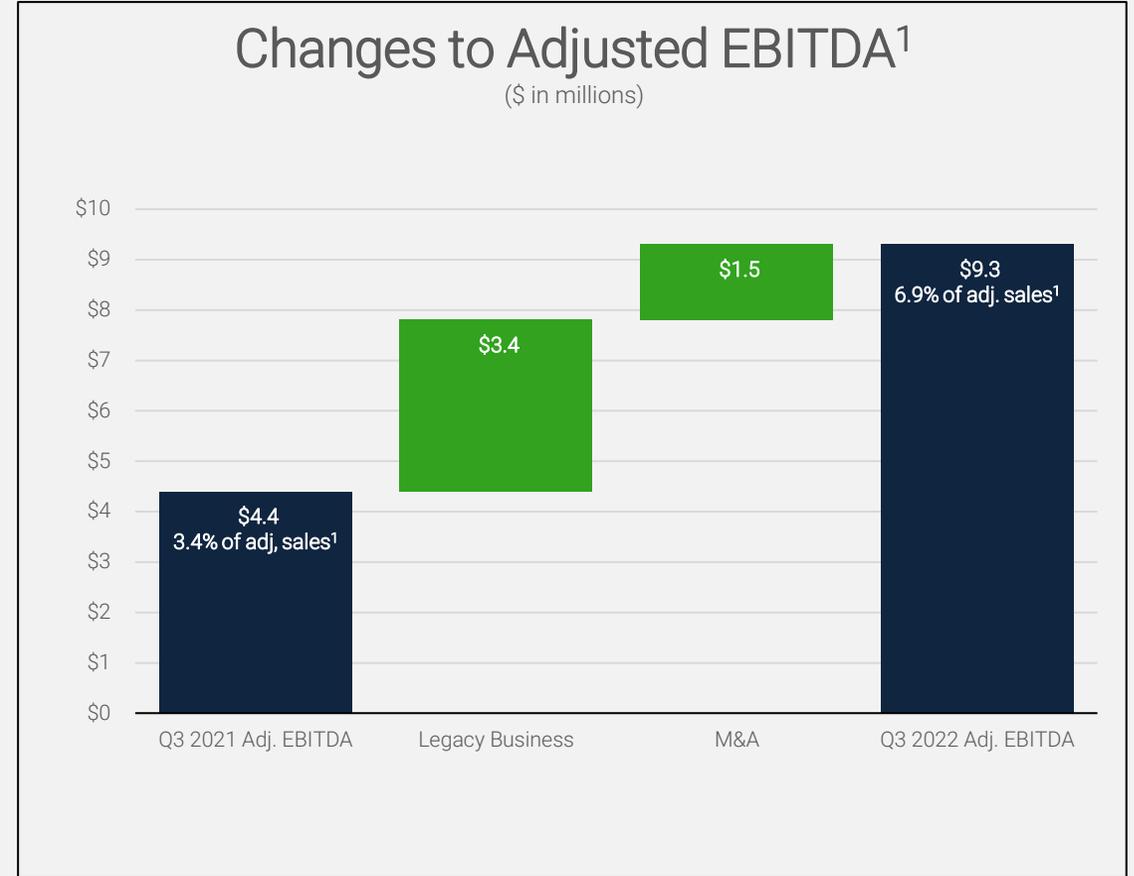
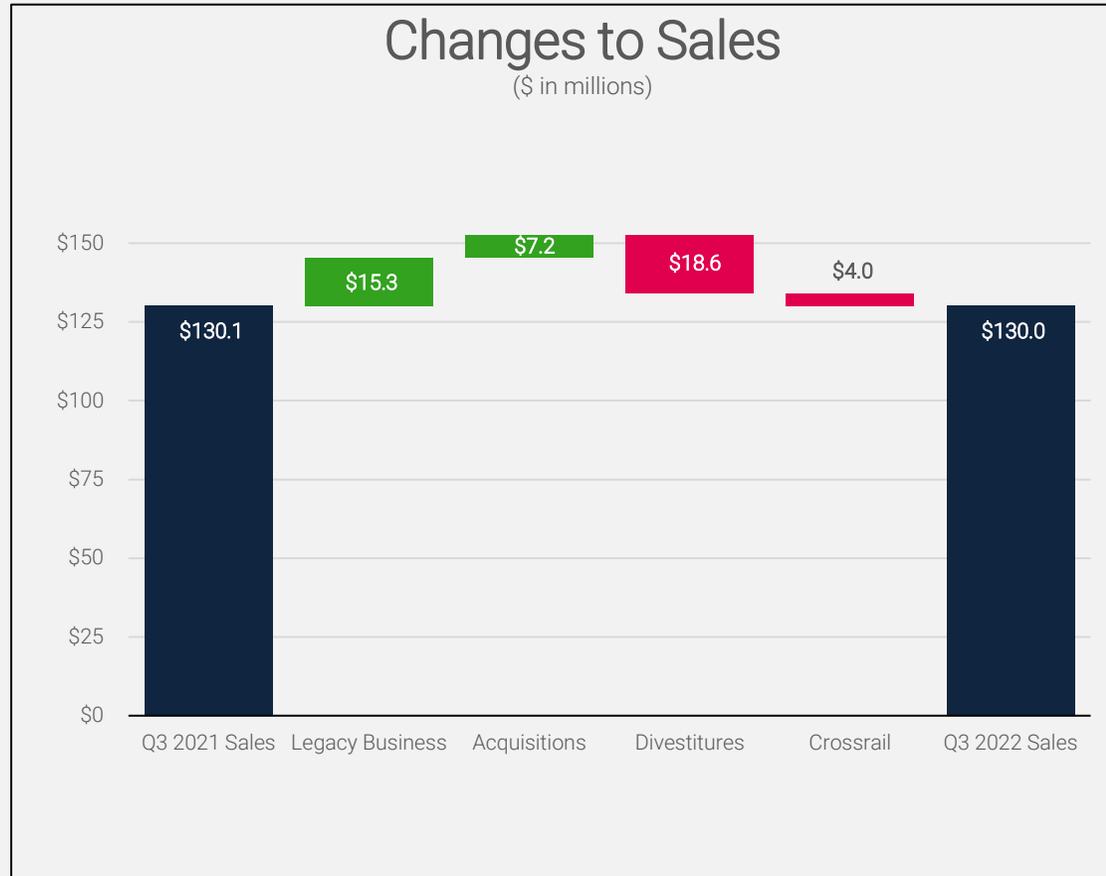
# Third Quarter Results

As of and for the quarter ended September 30, 2022: \$ in millions, unless otherwise stated		YoY Δ
<b>SALES</b>	<b>130.0</b>	<b>0.0</b>
<b>GROSS PROFIT</b>	<b>23.1</b>	<b>0.8</b>
<b>GROSS PROFIT MARGIN</b>	<b>17.8%</b>	<b>70 bps</b>
<b>SG&amp;A</b>	<b>22.6</b>	<b>2.6</b>
<b>NET LOSS</b>	<b>(2.1)</b>	<b>(4.3)</b>
<b>ADJ. EBITDA<sup>1</sup></b>	<b>9.3</b>	<b>4.9</b>
<b>OPERATING CASH FLOW</b>	<b>(5.5)</b>	<b>8.2</b>
<b>NEW ORDERS</b>	<b>137.3</b>	<b>(1.6)</b>
<b>BACKLOG</b>	<b>272.8</b>	<b>41.1</b>

- Net sales increased 8.7% organically (11.8% adjusted for Crossrail) and 5.5% from acquisitions, offset by 14.3% from divestitures.
- Crossrail settlement negatively impacted sales and gross profit \$4.0M. Unfavorable gross profit adjustment of \$0.9M for VanHooseCo purchase accounting. Adjusting for these nonroutine items, gross profit margin<sup>1</sup> was up 370 bps.
- M&A transaction costs drove \$1.4M of SG&A increase; increase also due to higher employee compensation (both wages and incentives).
- New orders increased 5.0% organically and 5.6% from acquisitions, partially offset by an 11.7% decrease from divestitures. Backlog remains at historically high levels.

**Organic growth and profitability improvement in legacy business with strong leverage from portfolio reshaping**

# Year over Year Increase in Sales and Adj. EBITDA<sup>1</sup>



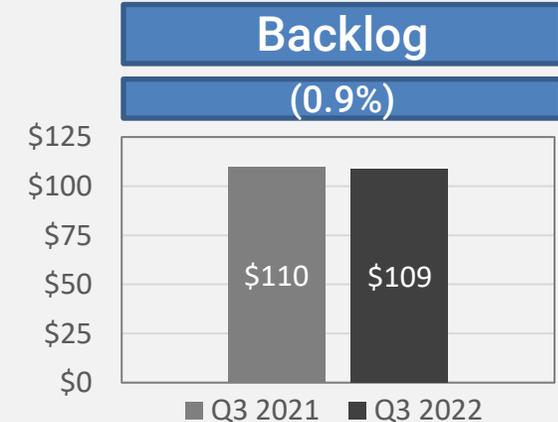
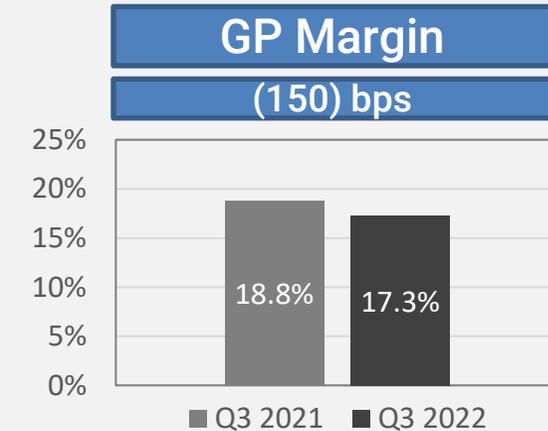
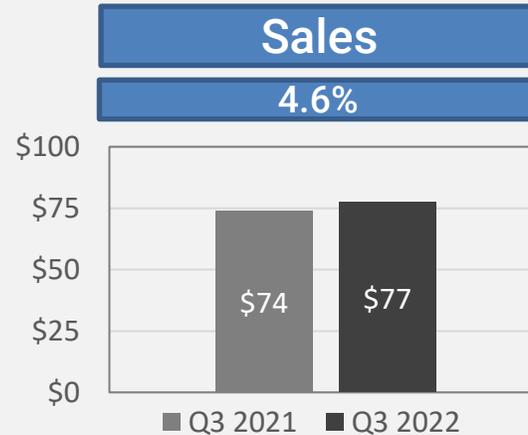
**Growth and margin expansion in legacy businesses, while portfolio reshaping provides meaningful uplift**

# Rail, Technologies, and Services – Q3 Results

Strong increase in sales and profitability adjusting for the impact of the Crossrail settlement



- Net sales increased 11.8% organically, partially offset by a net 1.9% reduction from acquisitions and divestitures, and a 5.3% reduction due the \$4.0M Crossrail settlement.
- Margins impacted by Crossrail settlement. Excluding this settlement, margins<sup>1</sup> were 21.3%, an increase of 250 basis points.
- New order decrease due almost entirely to Rail Distribution order timing differences.



# Precast Concrete Products – Q3 Results

Improved legacy volumes and margins coupled with acquisition of VanHooseCo expanding addressable market



**Precast Concrete Products**

- Net sales increased 25.2% organically and 35.4% from acquisitions.
- Margin expansion driven by accretive VanHooseCo margins and margin expansion in the base business.
- 450 bps margin improvement realized despite \$0.9M purchase accounting expense for VanHooseCo.
- Backlog levels remain at historic high; demand environment remains strong.

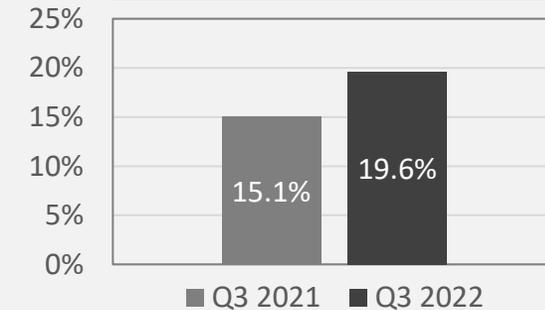
## Sales

+60.6%



## GP Margin

+450 bps



## New Orders

+31.3%



## Backlog

+24.5%



# Steel Products and Measurement – Q3 Results

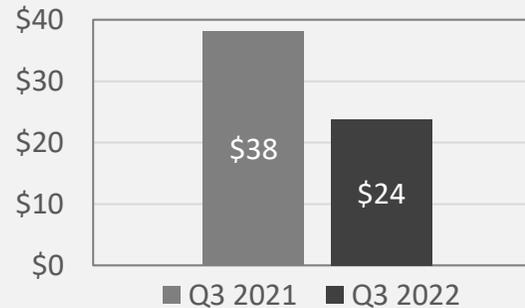
Lower sales and higher margins due to Piling divestiture, with improving outlook for coatings business



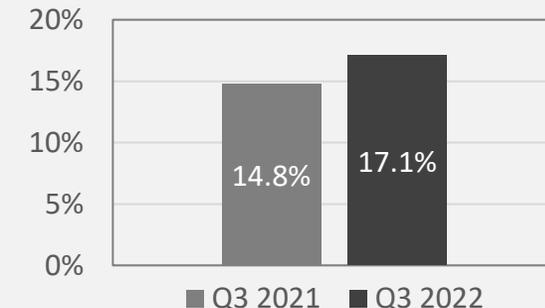
**Steel Products and Measurement**

- Net sales increased 5.2% organically and decreased 42.8% from the sale of the Piling business.
- Margin uplift primarily from the sale of the dilutive Piling business, as well as more favorable sales mix and inflation mitigation efforts across the segment.
- Improved orders and backlog driven by new order for ESG-related business for Birmingham, AL coatings facility, partially offset by impact of Piling sale.

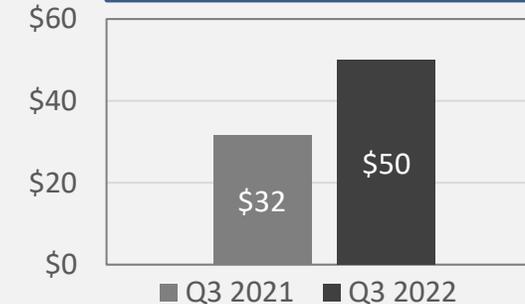
**Sales**  
**(37.6%)**



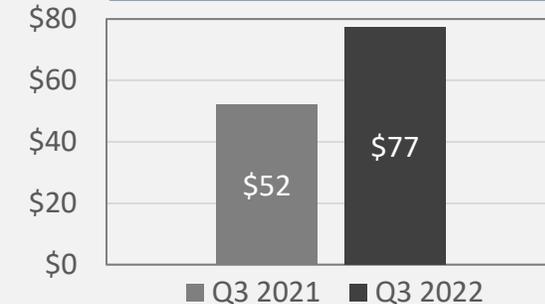
**GP Margin**  
**+230 bps**



**New Orders**  
**+58.8%**



**Backlog**  
**+47.7%**



# Year to Date Results

As of and for the nine months ended September 30, 2022: \$ in millions, unless otherwise stated		YoY Δ
<b>SALES</b>	<b>360.3</b>	<b>(40.3)</b>
<b>GROSS PROFIT</b>	<b>62.8</b>	<b>(4.4)</b>
<b>GROSS PROFIT MARGIN</b>	<b>17.4%</b>	<b>60 bps</b>
<b>SG&amp;A</b>	<b>59.3</b>	<b>1.5</b>
<b>NET LOSS</b>	<b>(1.7)</b>	<b>(5.5)</b>
<b>ADJ. EBITDA<sup>1</sup></b>	<b>16.7</b>	<b>1.2</b>
<b>OPERATING CASH FLOW</b>	<b>(18.8)</b>	<b>(12.0)</b>
<b>NEW ORDERS</b>	<b>414.1</b>	<b>1.2</b>
<b>BACKLOG</b>	<b>272.8</b>	<b>41.1</b>

- Sales declined 15.4% due to divestitures, partially offset by a 3.5% organic sales increase and 1.8% increase from acquisitions.
- Gross profit margin increased primarily due to the favorable impact of the portfolio transformation, coupled with improving margins in the legacy business in the third quarter.
- Improved gross profit margin realized despite impact of Crossrail settlement.
- Selling and administrative expenses include \$2.0 million associated with current year transformation and M&A-related expenses.
- Orders and backlog levels remain strong, reflecting robust demand environment.

**Year to date results reflect impact of portfolio transformation with favorable trend in performance**

# Focus on Liquidity

Credit agreement amendment allows sufficient funding for operations and pursuit of growth opportunities

September 30, 2022

## Key Metrics

**4.7x**

Adjusted net leverage ratio<sup>1</sup>

**\$35.6M**

Funding Capacity<sup>1,2</sup>

**\$18.8M**

YTD Operating Cash Use

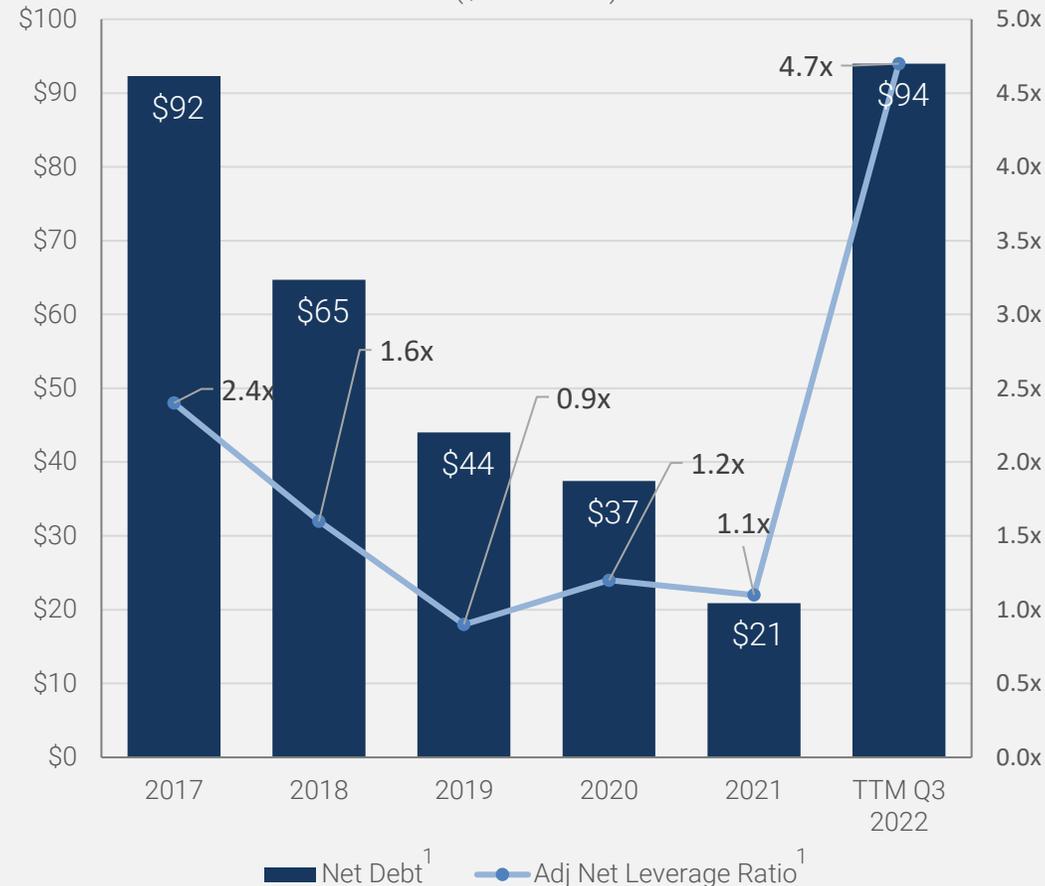
**\$4.6M**

YTD Capital Spending

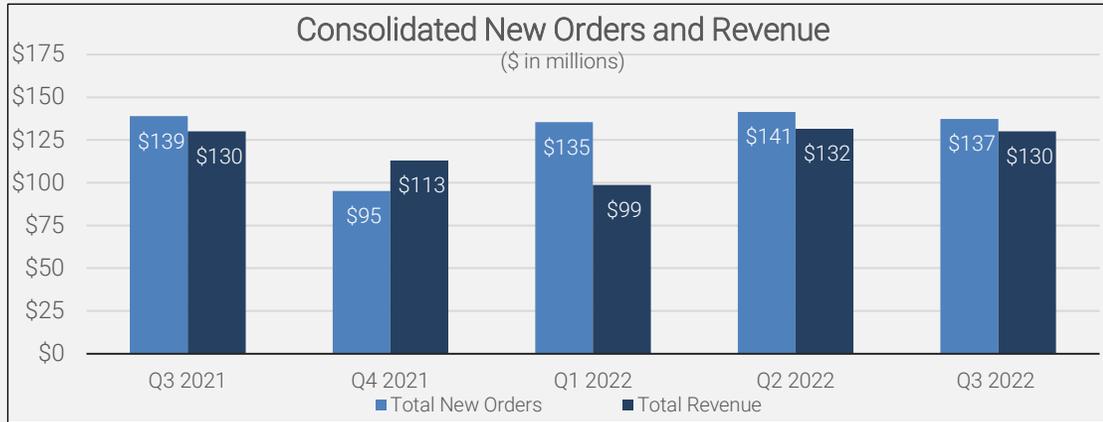
- Net debt<sup>1</sup> totaled \$94.0M, up \$67.9M YoY due to acquisition related activity.
- Adjusted net leverage ratio<sup>1</sup> elevated due to higher net debt from acquisitions (excludes historical EBITDA from acquisitions).
- Credit agreement amended in Q3 to accommodate VanHooseCo acquisition.
- The Company continues to be in compliance with its debt covenants.
- \$5.6M federal income tax refund received in Q3; further ~\$2.8M refund also outstanding and to be collected.
- Capital spending YTD September 30, 2022 totaled \$4.6M, slightly below \$5.7M TTM.

## Net Debt<sup>1</sup> and Adj. Net Leverage Ratio<sup>1</sup>

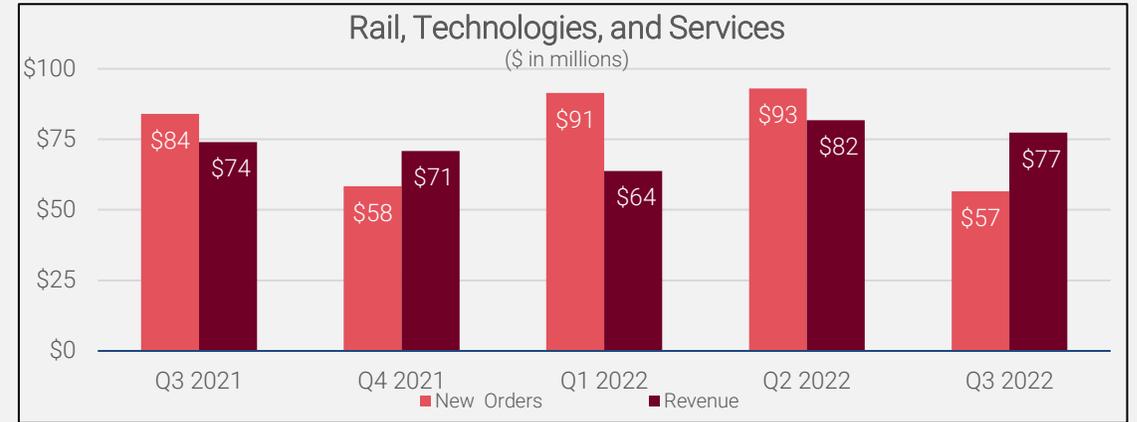
(\$ in millions)



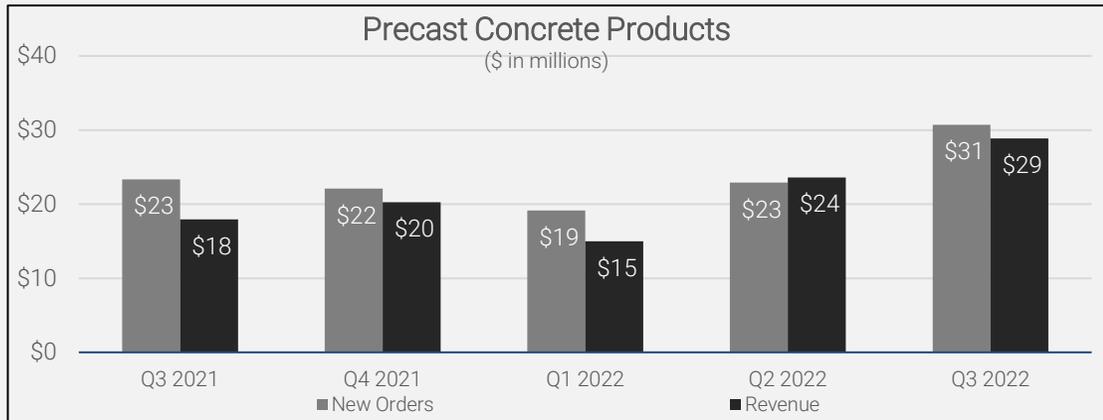
# Orders, Revenue and TTM Book to Bill Ratios



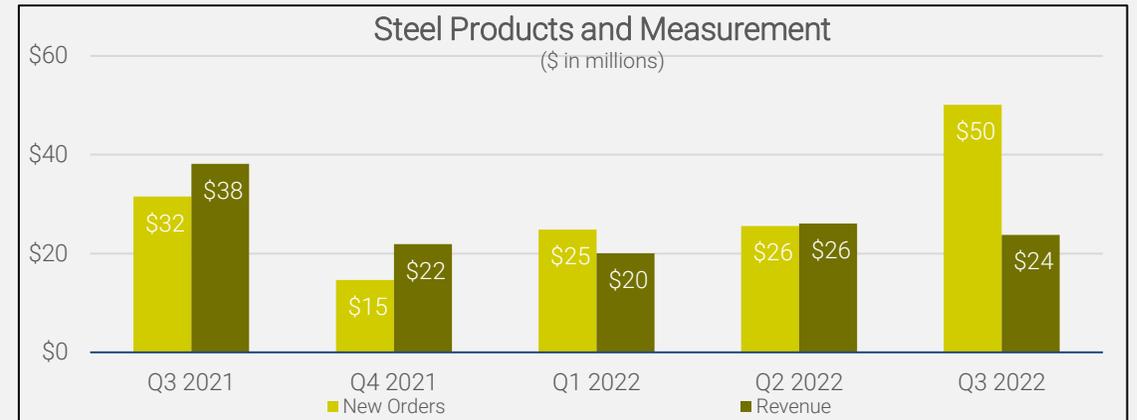
> **Consolidated Ratio: 1.1**



> **Rail Ratio: 1.0**

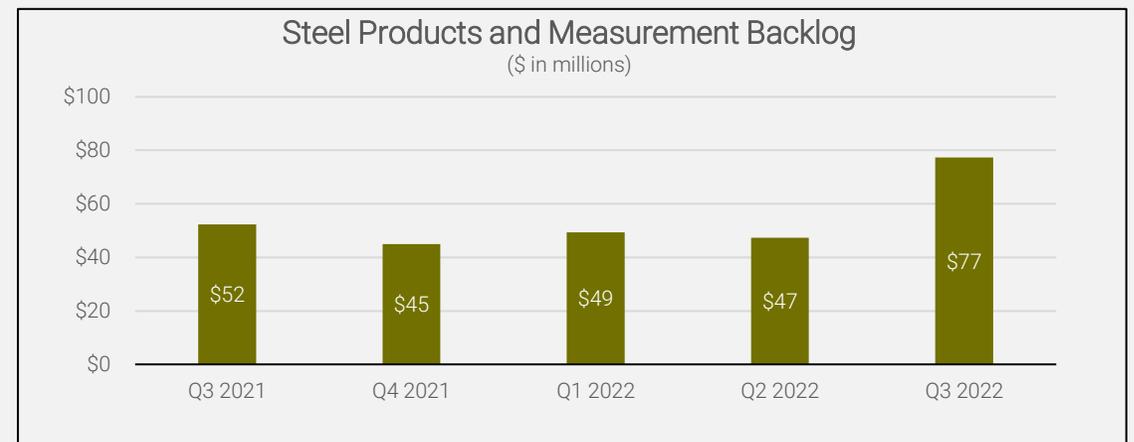
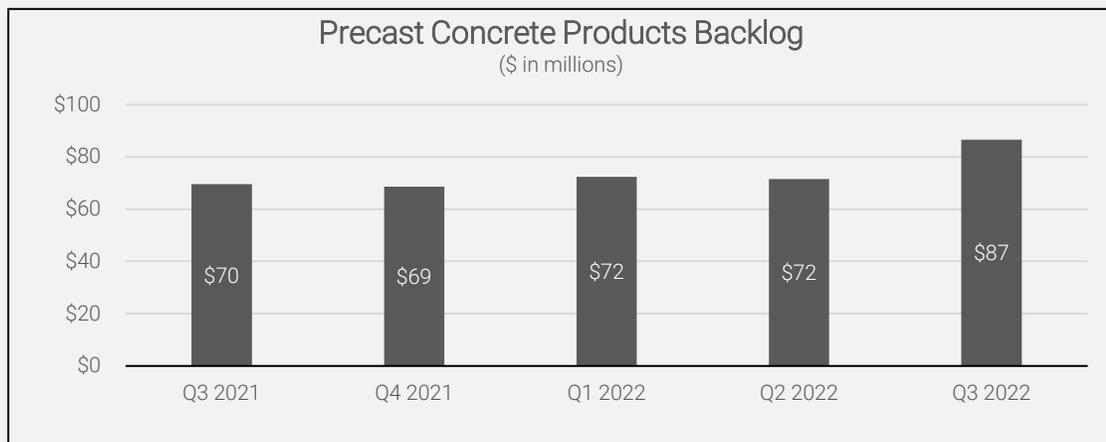
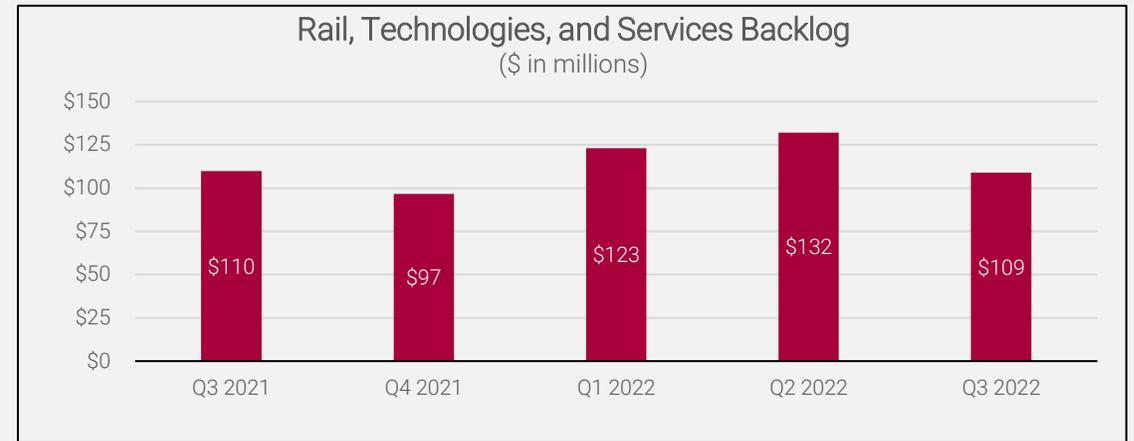
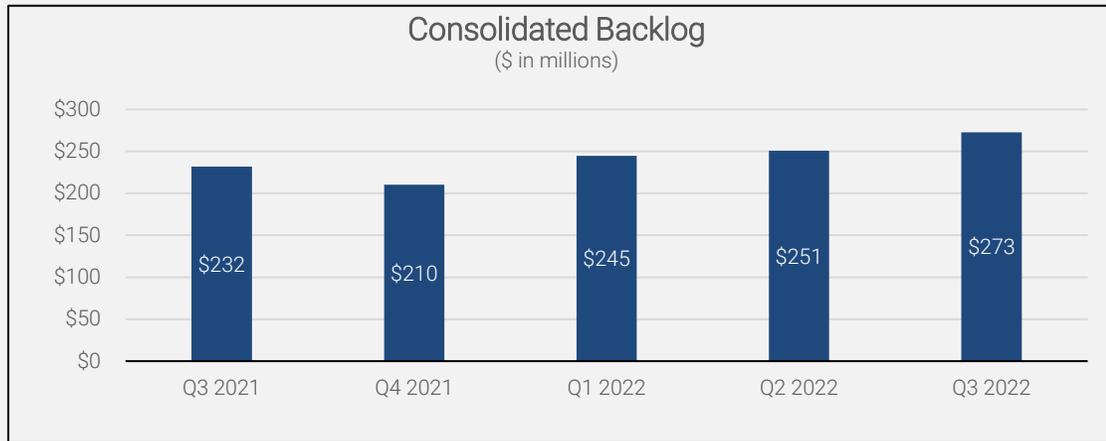


> **Precast Ratio: 1.1**



> **SP&M Ratio: 1.3**

# Backlog Trends



**Strong backlog levels continue to reflect robust demand environment**

# Closing Remarks

**John Kasel**  
President and CEO



# Market and Business Outlook

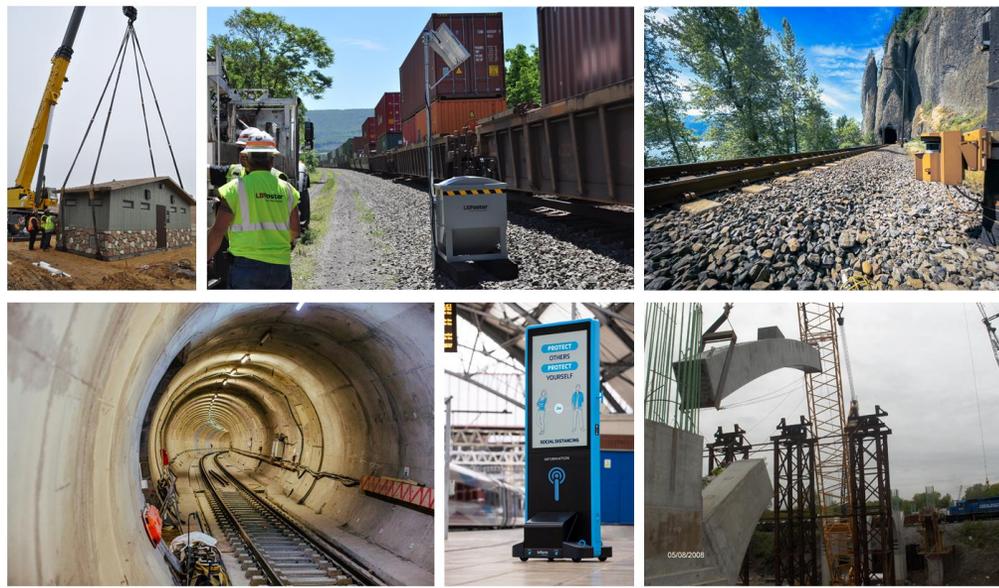
Quotation activity from Infrastructure Investment and Jobs Act increasing; revenue expected in 2023

	<ul style="list-style-type: none"><li>• Maintaining optimistic outlook regarding longer-term trends in core end markets of freight and transit rail and general infrastructure</li><li>• Overall quotation levels and demand continues to be robust across most of the business</li><li>• Integration of recent acquisitions facilitates access to new markets and improvements in profitability</li></ul>
	<ul style="list-style-type: none"><li>• Encouraged by significant new order in coatings business related to carbon sequestration</li><li>• Margins expected to improve due to our efforts to mitigate inflationary conditions in commodity markets and through our portfolio transformation</li><li>• No significant improvement in demand expected in measurement business</li></ul>
	<ul style="list-style-type: none"><li>• Inflationary pressures and periodic disruption in labor and raw materials availability persist</li><li>• Continued focus on pricing, margin improvement and supply chain resilience</li><li>• Monitoring potential for recessionary market environment; should be shielded to some degree with longer-term government funding of infrastructure programs</li></ul>

# Building Momentum

## LB Foster®

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



Long-Term Vision  
(2025)

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

**GROSS PROFIT MARGIN** ~21.0%

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

# Thank you!

## L.B. Foster Q3 2022 Earnings Presentation

November 8, 2022

# Appendix

# Condensed Balance Sheet - Assets

Assets	September 30, 2022	December 31, 2021
(\$ in millions)		
Current assets:		
Cash and cash equivalents	\$ 4.9	\$ 10.4
Accounts receivable - net	80.7	55.9
Contract assets	32.0	36.2
Inventories - net	85.1	62.9
Other current assets	13.7	14.1
<b>Total current assets</b>	<b>\$ 216.4</b>	<b>\$ 179.5</b>
Property, plant, and equipment - net	84.0	58.2
Operating lease right-of-use assets - net	12.7	15.1
Other assets:		
Goodwill	33.4	20.2
Other intangibles - net	29.2	31.0
Other assets	37.5	38.6
<b>Total assets</b>	<b>\$ 413.2</b>	<b>\$ 342.6</b>

# Condensed Balance Sheet – Liabilities and Equity

Liabilities and Stockholders' Equity	September 30, 2022	December 31, 2021
(\$ in millions)		
Current liabilities:		
Accounts payable	\$ 51.2	\$ 41.4
Deferred revenue	22.2	13.4
Other accrued liabilities	31.6	31.3
Current maturities of long-term debt	0.1	0.1
<b>Total current liabilities</b>	<b>\$ 105.1</b>	<b>\$ 86.2</b>
Long term debt	98.8	31.2
Other long-term liabilities	33.6	41.6
<b>Total L.B. Foster Company stockholders' equity</b>	<b>175.3</b>	<b>183.1</b>
Noncontrolling interest	0.4	0.5
<b>Total liabilities and stockholders' equity</b>	<b>\$ 413.2</b>	<b>\$ 342.6</b>

# Condensed Income Statement – Q3

	Three Months Ended September 30, 2022		Three Months Ended September 30, 2021		Delta	
	\$	% of Sales	\$	% of Sales	\$	%
(\$ in millions except per share data)						
Sales	\$ 130.0		\$ 130.1		\$ (0.0)	(0.0%)
Gross profit	23.1	17.8%	22.3	17.1%	0.8	3.7%
SG&A	22.6	17.4%	20.1	15.4%	2.6	12.8%
Amortization expense	1.6		1.5		0.1	9.4%
Interest expense - net	1.0		0.7		0.3	37.5%
Other expense (income) - net	0.2		(2.9)		3.0	(105.8%)
(Loss) income before income taxes	(2.3)		2.9		(5.2)	(178.2%)
Income tax (benefit) expense	(0.2)		0.7		(0.9)	(126.0%)
<b>Net (loss) income</b>	<b>\$ (2.1)</b>		<b>\$ 2.2</b>		<b>\$ (4.3)</b>	<b>(194.0%)</b>
<b>Diluted (loss) earnings per share</b>	<b>\$ (0.20)</b>		<b>\$ 0.22</b>		<b>\$ (0.42)</b>	<b>(190.9%)</b>
<b>EBITDA<sup>(1)</sup></b>	<b>\$ 2.6</b>	<b>2.0%</b>	<b>\$ 7.1</b>	<b>5.5%</b>	<b>\$ (4.6)</b>	<b>(63.9%)</b>
<b>Adjusted EBITDA<sup>(1)</sup></b>	<b>\$ 9.3</b>	<b>7.1%</b>	<b>\$ 4.4</b>	<b>3.4%</b>	<b>\$ 4.9</b>	<b>110.8%</b>

# Condensed Income Statement – YTD

	Nine Months Ended September 30, 2022		Nine Months Ended September 30, 2021		Delta	
	\$	% of Sales	\$	% of Sales	\$	%
(\$ in millions except per share data)						
Sales	\$ 360.3		\$ 400.7		\$ (40.3)	(10.1%)
Gross profit	62.8	17.4%	67.3	16.8%	(4.4)	(6.6%)
SG&A	59.3	16.5%	57.8	14.4%	1.5	2.5%
Amortization expense	4.5		4.4		0.1	1.3%
Interest expense - net	1.7		2.5		(0.7)	(28.8%)
Other (income) - net	(1.1)		(2.8)		1.7	(60.2%)
(Loss) income before income taxes	(1.6)		5.3		(6.9)	(129.7%)
Income tax expense	-		1.5		(1.5)	(100.0%)
<b>Net (loss) income</b>	<b>\$ (1.7)</b>		<b>\$ 3.8</b>		<b>\$ (5.5)</b>	<b>(144.8%)</b>
<b>Diluted (loss) earnings per share</b>	<b>\$ (0.16)</b>		<b>\$ 0.37</b>		<b>\$ (0.53)</b>	<b>(143.2%)</b>
<b>EBITDA<sup>(1)</sup></b>	<b>\$ 10.7</b>	<b>3.0%</b>	<b>\$ 18.2</b>	<b>4.5%</b>	<b>\$ (7.5)</b>	<b>(41.2%)</b>
<b>Adjusted EBITDA<sup>(1)</sup></b>	<b>\$ 16.7</b>	<b>4.6%</b>	<b>\$ 15.5</b>	<b>3.9%</b>	<b>\$ 1.2</b>	<b>7.9%</b>

# Condensed Cash Flows

	Nine Months Ended	Nine Months Ended
(\$ in millions)	September 30, 2022	September 30, 2021
Net (loss) income and other non-cash items from continuing operations	\$ 9.1	\$ 13.9
Receivables	(23.8)	(6.4)
Contract assets	(1.0)	(3.3)
Inventory	(21.6)	(9.3)
Payables and deferred revenue	19.8	5.2
Trade working capital subtotal	\$ (26.6)	\$ (13.9)
Payment of accrued settlement	(4.0)	(4.0)
All other <sup>1</sup>	2.6	(2.8)
Net cash used in continuing operating activities	\$ (18.8)	\$ (6.8)
Capital expenditures	(4.6)	(3.6)
Proceeds from asset divestiture	8.8	22.7
Acquisition, net of cash acquired	(58.6)	(0.2)
Net proceeds (repayments) of debt	69.2	(12.5)
All other <sup>1</sup>	(1.4)	(0.5)
Net cash used by discontinued operations	-	(0.3)
Net decrease in cash	\$ (5.4)	\$ (1.2)
Cash balance, end of period	\$ 4.9	\$ 6.4

# Orders and Backlog

## New Orders Entered – Three Months Ended

(\$ in millions)	September 30, 2022	September 30, 2021	Delta	
Rail, Technologies, and Services	\$ 56.5	\$ 84.0	\$ (27.4)	(32.7%)
Precast Concrete Products	30.7	23.4	7.3	31.3%
Steel Products and Measurement	50.1	31.5	18.5	58.8%
<b>Total</b>	<b>\$ 137.3</b>	<b>\$ 138.9</b>	<b>\$ (1.6)</b>	<b>(1.1%)</b>

## New Orders Entered – Nine Months Ended

(\$ in millions)	September 30, 2022	September 30, 2021	Delta	
Rail, Technologies, and Services	\$ 240.9	\$ 223.4	\$ 17.5	7.8%
Precast Concrete Products	72.7	70.6	2.2	3.1%
Steel Products and Measurement	100.5	119.0	(18.4)	(15.5%)
<b>Total</b>	<b>\$ 414.1</b>	<b>\$ 412.9</b>	<b>\$ 1.2</b>	<b>0.3%</b>

## Backlog vs. Prior Year Quarter

(\$ in millions)	September 30, 2022	September 30, 2021	Delta	
Rail, Technologies, and Services	\$ 108.9	\$ 109.8	\$ (1.0)	(0.9%)
Precast Concrete Products	86.6	69.6	17.0	24.5%
Steel Products and Measurement	77.3	52.3	25.0	47.7%
<b>Total</b>	<b>\$ 272.8</b>	<b>\$ 231.7</b>	<b>\$ 41.1</b>	<b>17.7%</b>

# Segment Results – Q3

Segment Sales	Three Months Ended September 30, 2022		Three Months Ended September 30, 2021		Delta	
	(\$ in millions)		(\$ in millions)		\$	%
	\$		\$		\$	%
Rail, Technologies, and Services	\$	77.4	\$	73.9	\$ 3.4	4.6%
Precast Concrete Products		28.9		18.0	10.9	60.6%
Steel Products and Measurement		23.8		38.1	(14.3)	(37.6%)
Total	\$	130.0	\$	130.1	\$ (0.0)	(0.0%)

Segment Gross Profit	Three Months Ended September 30, 2022		Three Months Ended September 30, 2021		Delta			
	(\$ in millions)		(\$ in millions)		\$	Δ bps		
	\$	% of Sales	\$	% of Sales	\$	Δ bps		
Rail, Technologies, and Services	\$	13.4	17.3%	\$	13.9	18.8%	\$ (0.6)	(150)
Precast Concrete Products		5.6	19.6%		2.7	15.1%	2.9	450
Steel Products and Measurement		4.1	17.1%		5.6	14.8%	(1.6)	230
Total	\$	23.1	17.8%	\$	22.3	17.1%	\$ 0.8	70

Operating (Loss) Profit	Three Months Ended September 30, 2022		Three Months Ended September 30, 2021		Delta	
	(\$ in millions)		(\$ in millions)		\$	%
	\$		\$		\$	%
Rail, Technologies, and Services	\$	0.5	\$	3.1	\$ (2.6)	(82.6%)
Precast Concrete Products		1.2		0.1	1.1	**
Steel Products and Measurement		0.3		(0.0)	0.3	**
Other - Corporate		(3.2)		(2.4)	(0.8)	31.1%
Consolidated Operating (Loss) Profit	\$	(1.1)	\$	0.8	\$ (1.9)	(246.9%)

# Segment Results – YTD

Segment Sales	Nine Months Ended September 30, 2022		Nine Months Ended September 30, 2021		Delta	
	(\$ in millions)		(\$ in millions)		\$	%
	\$		\$		\$	%
Rail, Technologies, and Services	\$	222.9	\$	229.0	(6.1)	(2.7%)
Precast Concrete Products		67.5		50.7	16.8	33.0%
Steel Products and Measurement		70.0		121.0	(51.0)	(42.1%)
<b>Total</b>	\$	360.3	\$	400.7	\$ (40.3)	(10.1%)

Segment Gross Profit	Nine Months Ended September 30, 2022		Nine Months Ended September 30, 2021		Delta			
	(\$ in millions)		(\$ in millions)		\$	Δ bps		
	\$	% of Sales	\$	% of Sales	\$	Δ bps		
Rail, Technologies, and Services	\$	41.6	18.7%	\$	43.4	19.0%	(1.8)	(30)
Precast Concrete Products		11.4	17.0%		9.1	18.0%	2.3	(100)
Steel Products and Measurement		9.8	14.1%		14.7	12.2%	(4.9)	190
<b>Total</b>	\$	62.8	17.4%	\$	67.3	16.8%	\$ (4.4)	60

Operating (Loss) Profit	Nine Months Ended September 30, 2022		Nine Months Ended September 30, 2021		Delta	
	(\$ in millions)		(\$ in millions)		\$	%
	\$		\$		\$	%
Rail, Technologies, and Services	\$	5.6	\$	11.0	(5.4)	(49.2%)
Precast Concrete Products		0.3		1.2	(0.8)	(72.0%)
Steel Products and Measurement		(1.1)		(0.1)	(0.9)	**
Other - Corporate		(5.7)		(7.0)	1.2	(17.7%)
<b>Consolidated Operating (Loss) Profit</b>	\$	(0.9)	\$	5.0	\$ (5.9)	(118.5%)

# Non-GAAP Measure: Funding Capacity

(\$ in millions, unless otherwise noted)	September 30, 2022
Cash & Cash Equivalents	\$ 4.9
Total Availability Under the Credit Facility	130.0
Outstanding Borrowings on Revolving Credit Facility	(98.8)
Letters of Credit Outstanding	(0.6)
Net Availability Under the Revolving Credit Facility <sup>2</sup>	\$ 30.7
<b>Total Available Funding Capacity<sup>2</sup></b>	<b>\$ 35.6</b>
Outstanding Borrowings on Revolving Credit Facility	98.8
Finance Leases and Financing Agreements	0.2
Total Debt Outstanding	\$ 98.9
Total Net Debt Outstanding	\$ 94.0
TTM Adjusted EBITDA <sup>1</sup>	19.9
<b>Adjusted Net Leverage Ratio</b>	<b>4.7x</b>

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

	September 30, 2022	December 31, 2021	September 30, 2021	December 31, 2020	December 31, 2019	December 31, 2018	December 31, 2017
<b>(\$ in millions)</b>							
Outstanding Borrowings on Revolving Credit Facility	\$ 98.8	\$ 31.1	\$ 32.3	\$ 44.8	\$ 33.9	\$ 74.0	\$ 128.5
Term Loan Outstanding	-	-	-	-	23.8	-	-
Financing Leases and Financing Arrangements	0.2	0.2	0.2	0.2	0.6	1.0	1.5
<b>Total debt</b>	<b>\$ 98.9</b>	<b>\$ 31.3</b>	<b>\$ 32.5</b>	<b>\$ 45.0</b>	<b>\$ 58.2</b>	<b>\$ 75.0</b>	<b>\$ 130.0</b>
Less cash and cash equivalents	(4.9)	(10.4)	(6.4)	(7.6)	(14.2)	(10.3)	(37.7)
<b>Total net debt</b>	<b>\$ 94.0</b>	<b>\$ 20.9</b>	<b>\$ 26.1</b>	<b>\$ 37.5</b>	<b>\$ 44.0</b>	<b>\$ 64.7</b>	<b>\$ 92.3</b>
TTM Adjusted EBITDA <sup>1</sup> from continuing operations	\$ 19.9	\$ 18.7	\$ 22.4	\$ 32.0	\$ 47.4	\$ 40.0	\$ 38.3
<b>Adjusted Net Leverage Ratio</b>	<b>4.7x</b>	<b>1.1x</b>	<b>1.2x</b>	<b>1.2x</b>	<b>0.9x</b>	<b>1.6x</b>	<b>2.4x</b>

# Non-GAAP Measure: Adjusted EBITDA

(\$ in millions)	Twelve Months Ended						
	September 30, 2022	December 31, 2021	September 30, 2021	December 31, 2020	December 31, 2019	December 31, 2018	December 31, 2017*
Net (loss) income from continuing operations, as reported	\$ (2.1)	\$ 3.5	\$ 6.2	\$ 25.8	\$ 48.0	\$ (30.6)	\$ 6.8
Interest expense, net	2.2	3.0	3.4	3.8	4.9	6.1	8.1
Income tax (benefit) expense	(0.2)	1.1	1.4	(11.8)	(23.8)	6.0	7.2
Depreciation expense	8.1	8.1	8.1	7.9	7.9	8.1	9.3
Amortization expense	5.9	5.8	5.9	5.7	6.4	7.0	6.9
<b>Total EBITDA from continuing operations</b>	<b>\$ 13.9</b>	<b>\$ 21.4</b>	<b>\$ 24.9</b>	<b>\$ 31.3</b>	<b>\$ 43.4</b>	<b>\$ (3.4)</b>	<b>\$ 38.3</b>
Acquisition and divestiture costs	1.8	-	-	-	-	-	-
Commercial contract settlement	4.0	-	-	-	-	-	-
Insurance proceeds	(0.8)	-	-	-	-	-	-
Loss on divestiture of Track Components	0.4	-	-	-	-	-	-
Gain on divestiture of Piling Products	(0.5)	(2.7)	(2.7)	-	-	-	-
VanHooseCo inventory adjustment to fair value amortization	0.9	-	-	-	-	-	-
VanHooseCo contingent consideration	0.2	-	-	-	-	-	-
Litigation settlement	-	-	-	-	-	43.4	-
Relocation and restructuring costs	-	-	0.3	2.5	1.8	-	-
Distribution from unconsolidated partnership	-	-	-	(1.9)	-	-	-
U.S. pension settlement expense	-	-	-	-	2.2	-	-
<b>Adjusted EBITDA from continuing operations</b>	<b>\$ 19.9</b>	<b>\$ 18.7</b>	<b>\$ 22.4</b>	<b>\$ 32.0</b>	<b>\$ 47.4</b>	<b>\$ 40.0</b>	<b>\$ 38.3</b>

# Non-GAAP Measure: EBITDA

	<b>Three Months Ended</b>	
(\$ in millions)	September 30, 2022	September 30, 2021
Net (loss) income as reported	\$ (2.1)	\$ 2.2
Interest expense, net	1.0	0.7
Income tax (benefit) expense	(0.2)	0.7
Depreciation expense	2.3	2.0
Amortization expense	1.6	1.5
<b>Total EBITDA</b>	<b>\$ 2.6</b>	<b>\$ 7.1</b>
Acquisition and divestiture costs	1.3	-
Commercial contract settlement	4.0	-
Loss on divestiture of Track Components	0.5	-
Gain on divestiture of Piling Products	-	(2.7)
VanHooseCo inventory adjustment to fair value amortization	0.9	-
VanHooseCo contingent consideration	0.2	-
<b>Adjusted EBITDA</b>	<b>\$ 9.3</b>	<b>\$ 4.4</b>

# Non-GAAP Measure: Crossrail Adjustment

	<b>Three Months Ended</b>		<b>Nine Months Ended</b>	
(\$ in millions)	September 30, 2022	September 30, 2021	September 30, 2022	September 30, 2021
Rail, Technologies, and Services net sales, as reported	\$ 77.4	\$ 73.9	\$ 222.9	\$ 229.0
Crossrail settlement adjustment	4.0	-	4.0	-
Rail, Technologies, and Services net sales, as adjusted	81.3	73.9	226.8	229.0
Rail, Technologies, and Services gross profit, as reported	\$ 13.4	\$ 13.9	\$ 41.6	\$ 43.4
Crossrail settlement adjustment	4.0	-	4.0	-
Rail, Technologies, and Services gross profit, as adjusted	17.3	13.9	45.5	43.4
Rail, Technologies, and Services gross profit margin, as reported	17.3%	18.8%	18.7%	19.0%
Rail, Technologies, and Services gross profit margin, as adjusted	21.3%	18.8%	20.1%	19.0%

# Non-GAAP Measure: Nonroutine Item Adjustments

(\$ in millions)	Three Months Ended		Nine Months Ended	
	September 30, 2022	September 30, 2021	September 30, 2022	September 30, 2021
Net sales, as reported	\$ 130.0	\$ 130.1	\$ 360.3	\$ 400.7
Crossrail settlement adjustment	4.0	-	4.0	-
Net sales, as adjusted	134.0	130.1	364.3	400.7
Gross profit, as reported	\$ 23.1	\$ 22.3	\$ 62.8	\$ 67.3
Crossrail settlement adjustment	4.0	-	4.0	-
VanHooseCo inventory adjustment to fair value amortization	0.9	-	0.9	-
Gross profit, as adjusted	27.9	22.3	67.6	67.3
Gross profit margin, as reported	17.8%	17.1%	17.4%	16.8%
Gross profit margin, as adjusted	20.8%	17.1%	18.6%	16.8%

# Non-GAAP Measure: Adj. EBITDA Margin, Adj. Sales

	<b>Three Months Ended</b>	
(\$ in millions)	September 30, 2022	September 30, 2021
Net sales, as reported	\$ 130.0	\$ 130.1
Crossrail settlement adjustment	4.0	-
Net sales, as adjusted	134.0	130.1
Adjusted EBITDA <sup>1</sup>	\$ 9.3	\$ 4.4
Adjusted EBITDA margin as a % of adjusted sales	6.9%	3.4%

# Non-GAAP Measure: Adjusted Legacy Sales

	<b>Three Months Ended</b>	
(\$ in millions)	September 30, 2022	September 30, 2021
Net sales, as reported	\$ 130.0	\$ 130.1
VanHooseCo sales	6.4	-
Track components sales	0.7	2.9
Skratch sales	0.9	-
Piling products sales	-	16.3
Legacy business sales	122.1	110.8
Crossrail settlement adjustment	4.0	-
Legacy sales, as adjusted	126.1	110.8