L.B. Foster Company Q4 2023 Earnings Presentation

Nasdaq - FSTR

March 5, 2024

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 presentation 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: 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; a continuation or worsening of the adverse economic conditions in the markets we serve, including recession, 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 decrease in freight or transit rail traffic; 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, global shipping disruptions, 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 dispositions of the Track Components, Chemtec, and Ties businesses, and acquisitions of the Skratch Enterprises Ltd., Intelligent Video Ltd., VanHooseCo Precast LLC, and Cougar Mountain Precast, LLC businesses and to realize anticipated benefits; costs of and impacts associated with shareholder activism; the timeliness and availability of materials from our major suppliers, 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; cybersecurity 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, business or financial condition; 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 SOFR 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 ongoing conflicts between Russia and Ukraine and Israel and Hamas; 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.

All information in this presentation speaks only as of March 5, 2024, 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
- Gross Leverage Ratio per the Company's credit agreement
- Funding capacity
- New orders
- Book-to-bill ratio
- Backlog
- Free cash flow
- Organic sales growth (decline)
- Other certain metrics, as indicated, adjusted for non-routine 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 EBITDA that the Company believes are unusual, non-recurring, unpredictable, or non-cash. The Company also discloses Adjusted EBITDA margin, which is Adjusted EBITDA as a percent of net sales, which is useful to demonstrate Adjusted EBITDA levels and growth relative to net sales. In the three months ended December 31, 2023, the Company made adjustments to exclude expenses from the exit of the bridge grid deck product line, bad debt provision for customer filing for administrative protection, and restructuring costs. In the twelve months ended December 31, 2023, the Company made adjustments to exclude the loss on divestitures, expenses from the exit of the bridge grid deck product line, bad debt provision for customer filing for administrative protection, and restructuring costs. The Company believes the results adjusted to exclude the items listed above are useful to investors as these items are non-routine in nature. Organic sales growth (decline) is a non-GAAP financial measure of sales growth (decline) excluding the effects of acquisitions and divestitures. Management believes this measure provides investors with a supplemental understanding of underlying trends by providing sales growth on a consistent basis. Management provides organic sales growth (decline) at the consolidated and segment levels. Portfolio changes are considered based on their comparative impact over the last twelve months, to determine the differences in 2022 versus 2023 results due to these transactions. The Company also excluded the impact of non-routine items from certain metrics as indicated, in order to provide insight to Company performance on a base level without these non-routine items, which is useful to investors to better understand performance. The Company views net debt, which is total debt less cash and cash equivalents, and the Gross Leverage Ratio, as defined in the Second Amendment to its Fourth Amended and Restated Credit Agreement dated August 12, 2022, and the Fourth Amended and Restated Credit Agreement dated August 13, 2021, 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. The Company discloses free cash flow as it is a non-GAAP measure used by both analysts and management, as it provides insight on cash generated by operations, excluding capital expenditures, in order to better assess the Company's long-term ability to pursue growth and investment opportunities. The Company defines new orders as a contractual agreement between the Company and a third-party in which the Company will, or has the ability to, satisfy the performance obligations of the promised products or services under the terms of the agreement. The Company defines backlog as contractual commitments to customers for which the Company's performance obligations have not been met, including with respect to new orders and contracts for which the Company has not begun any performance. Management utilizes new orders and backlog to evaluate the health of the industries in which the Company operates, the Company's current and future results of operations and financial prospects, and strategies for business development. The Company believes that new orders and backlog are useful to investors as supplemental metrics by which to measure the Company's current performance and prospective results of operations and financial performance. The Company defines book-to-bill ratio as new orders divided by revenue. The Company believes this is a useful metric to assess supply and demand, including order strength versus order fulfillment.

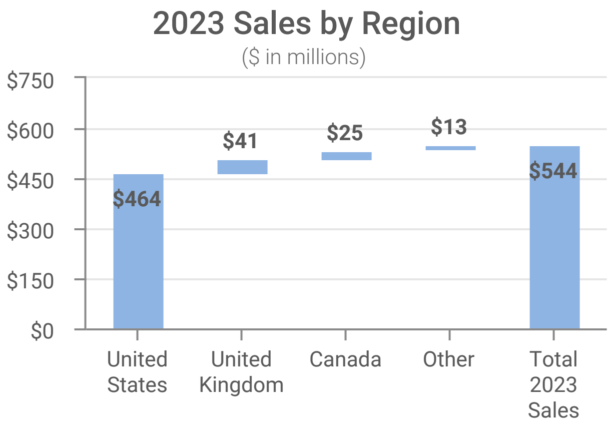
The Company has not reconciled the forward-looking adjusted EBITDA and free cash flow to the most directly comparable GAAP measure because this cannot be done without unreasonable effort due to the variability and low visibility with respect to certain costs, the most significant of which are acquisition and divestiture-related costs, impairment expense, and changes in operating assets and liabilities. These underlying expenses and others that may arise during the year are potential adjustments to future earnings. The Company expects the variability of these items to have a potentially unpredictable, and a potentially significant, impact on our future GAAP financial results.

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, net debt, funding capacity, and adjustments to segment results to exclude portfolio actions and one-time adjustments made are included in this presentation.

L.B. Foster Overview

Innovating to solve global infrastructure challenges

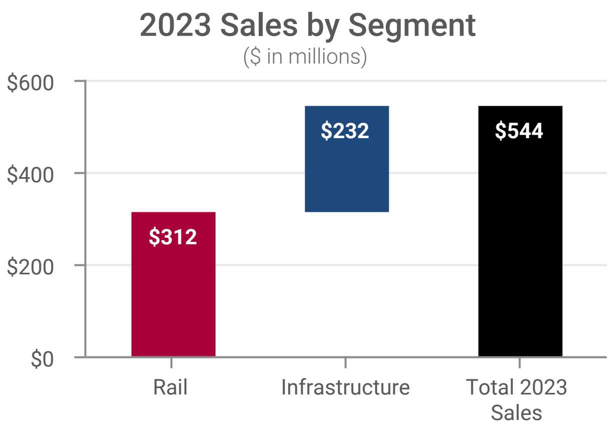
- Founded in 1902, headquartered in Pittsburgh, Pennsylvania
- Locations throughout **North America, South America, Europe, and Asia**
- **18** principal plants, yards, and offices; **~1,100** employees worldwide[2]
- Critical **infrastructure solutions provider** focused on growing our innovative, **technology**-based offerings to address our customers' most challenging operating and **safety** requirements



Business Segments

In Q4 2023, the Company realigned its reporting structure through two segments:

Rail, Technologies, and Services	Infrastructure Solutions*
	



Includes historic Precast Concrete Products and Steel Products and Measurement (now Steel Products business unit) reporting segments

2023 Guidance and Results	Low	High	Results
Revenue	$ 530	$ 540	$ 544
Adj. EBITDA[1]	$ 29	$ 31	$ 32

2024 Guidance	Low	High
Revenue	$ 525	$ 560
Adj. EBITDA[1]	$ 34	$ 39
Free cash flow[1]	$ 12	$ 18
Capex as a % of sales	2.0 %	2.5 %

December 31, 2023 Financial Data		
Stock Price	$	21.99
Shares Outstanding		11
Market Capitalization	$	236
Debt	$	55
Cash	$	3
Enterprise Value	$	289
TTM Revenue	$	544
TTM Adj. EBITDA[1]	$	32
EV / Revenue		0.5
EV / Adj. EBITDA[1]		9.1
Covenant Leverage		1.7x

Data shown above in millions, except stock price and ratios.

1) *Refer to safe harbor disclaimer slide and related reconciliations within the appendix regarding non-GAAP measures.*
2) *Location and employee data as of December 31, 2023.*
Note figures may not foot due to rounding.

Opening Remarks

John Kasel

President and CEO

Executive Summary – Q4 2023 Highlights

Momentum by LBFoster

What we've accomplished…

Net sales of $134.9M down 1.7% YoY (7.7% organic increase[1])

Gross profit of $29.0M, up 8.5% YoY; gross margin of 21.5% up 200 bps YoY

$6.1M in adjusted EBITDA[1] down 18.4% YoY

Net loss of $0.5M favorable $43.5M YoY

Backlog[1,2] remains healthy at $213.8M

Strong operating cash flow of $22.1M in Q4; $40.7M in 2H 2023

Net debt[1] down $16.0M in Q4 to $52.7M

Gross Leverage Ratio[1] improved to 1.7x, down from 2.0x last quarter

Acquired operating assets of Cougar Mountain Precast, LLC for $1.6M

Repurchased 70,865 shares of common stock for $1.4M, or 0.7% of outstanding shares

Impact of strategic execution evident in organic sales growth, margin expansion and cash generation

1) *Refer to safe harbor disclaimer slide and related reconciliations within the appendix regarding non-GAAP measures.*
2) *Q4 2023 backlog reflects a $31.3M decline from divestitures of Ties and Chemtec and the discontinued bridge grid deck product line.*

Executive Summary – Full Year Highlights

Momentum by LBFoster

What we've accomplished…

Where we're going…

Net sales of $543.7M up 9.3% YoY

Gross margin of 20.7% up 270 bps YoY

$31.8M in adjusted EBITDA[1] up 31.4% YoY

Net income of $1.3M favorable $47.0M YoY

Net debt[1] down $36.3M in 2023; strong operating cash flow of $37.4M for the year

Gross Leverage Ratio[1] improved to 1.7x from 2.8x last year

Repurchased 134,208 shares of common stock for $2.3M, or 1.2% of outstanding shares

Divested Chemtec and Ties businesses and acquired Cougar Mountain Precast, LLC

Realigned management and reporting structure into two segments: Rail, Technologies, and Services and Infrastructure Solutions

<u>2024 Guidance</u>

Net Sales
$525M - $560M

Adjusted EBITDA[1]
$34M - $39M

Free Cash Flow[1]
$12M - $18M

Cap Ex % of Sales
2.0% - 2.5%

Final year of $8M Union Pacific payment

Strong, positive momentum established in 2023 expected to carry into 2024

1) *Refer to safe harbor disclaimer slide and related reconciliations within the appendix regarding non-GAAP measures.*

Financial Review

Bill Thalman

Executive Vice President and CFO

LBFoster®

Fourth Quarter Results

As of and for the quarter ended December 31, 2023: $ in millions, unless otherwise noted		YoY Δ
SALES	134.9	(2.3)
GROSS PROFIT	29.0	2.3
GROSS PROFIT MARGIN	21.5%	200 bps
SG&A	27.2	3.9
NET LOSS ATTRIB. TO FSTR	(0.4)	43.5
ADJ. EBITDA[1]	6.1	(1.4)
OPERATING CASH FLOW	22.1	13.8
NEW ORDERS[1]	105.5	(32.3)
BACKLOG[1,2]	213.8	(58.5)

> Net sales declined 1.7% due to a 9.4% decline from divestitures partially offset by a 7.7% organic increase[1]

> Gross profit margins expanded 200 bps to 21.5% due to an uplift in organic sales and improved mix and pricing

> SG&A increased due to variable incentive costs to reset in 2024, $1.0M UK bad debt provision, and $0.7M UK restructuring expense

> Adjusted EBITDA of $6.1M down 18.4% YoY due primarily to higher incentive expense in SG&A

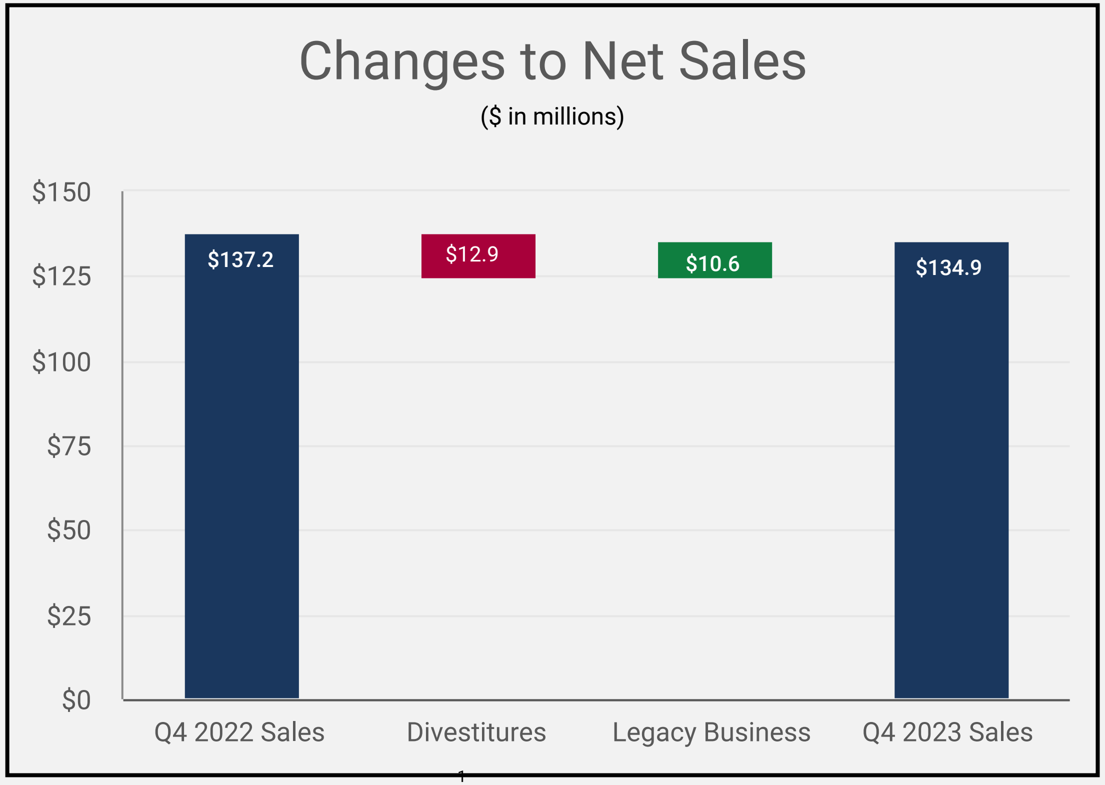
> Net loss attributable to FSTR improved $43.5M due to $37.9M deferred tax allowance and $8.0M impairment in 2022

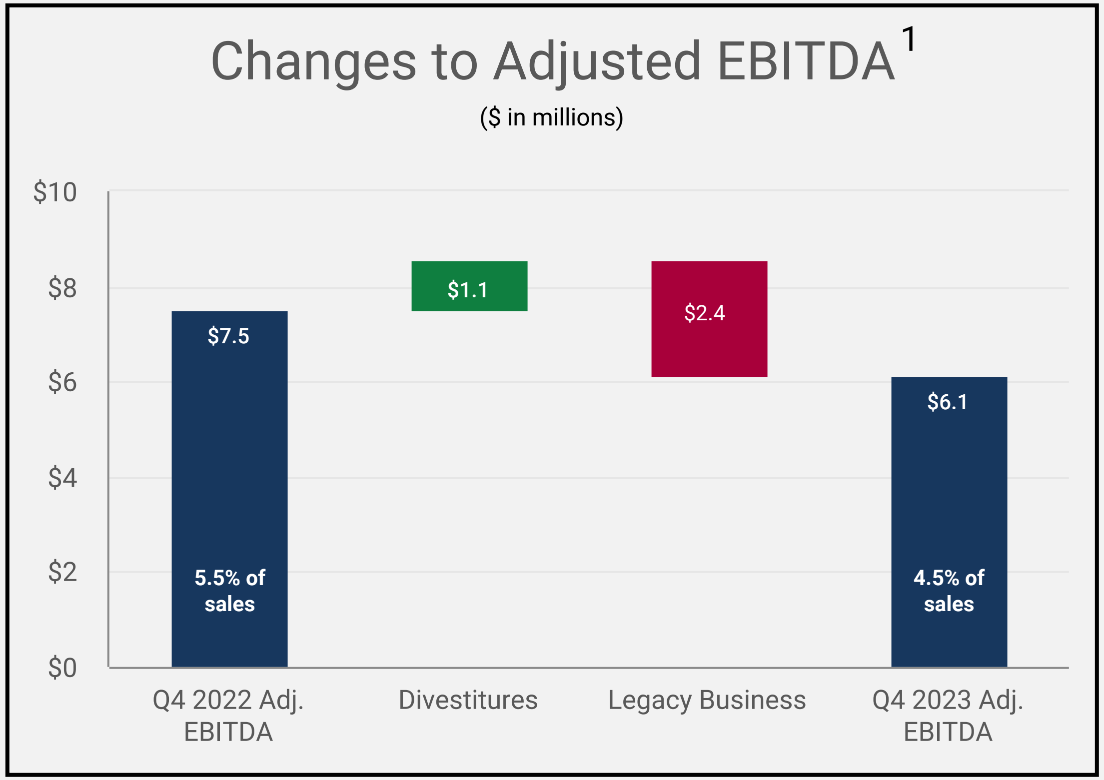
> Cash provided by operations increased to $22.1M for the highest quarterly level in 4 years

Structural improvement in profitability contributing to improved cash flow generation

1) *Refer to safe harbor disclaimer slide and related reconciliations within the appendix regarding non-GAAP measures.*
2) *Q4 2023 backlog reflects a $31.3M decline from divestitures of Ties and Chemtec and the discontinued bridge grid deck product line.*

Year over Year Change in Sales and Adj. EBITDA[1]



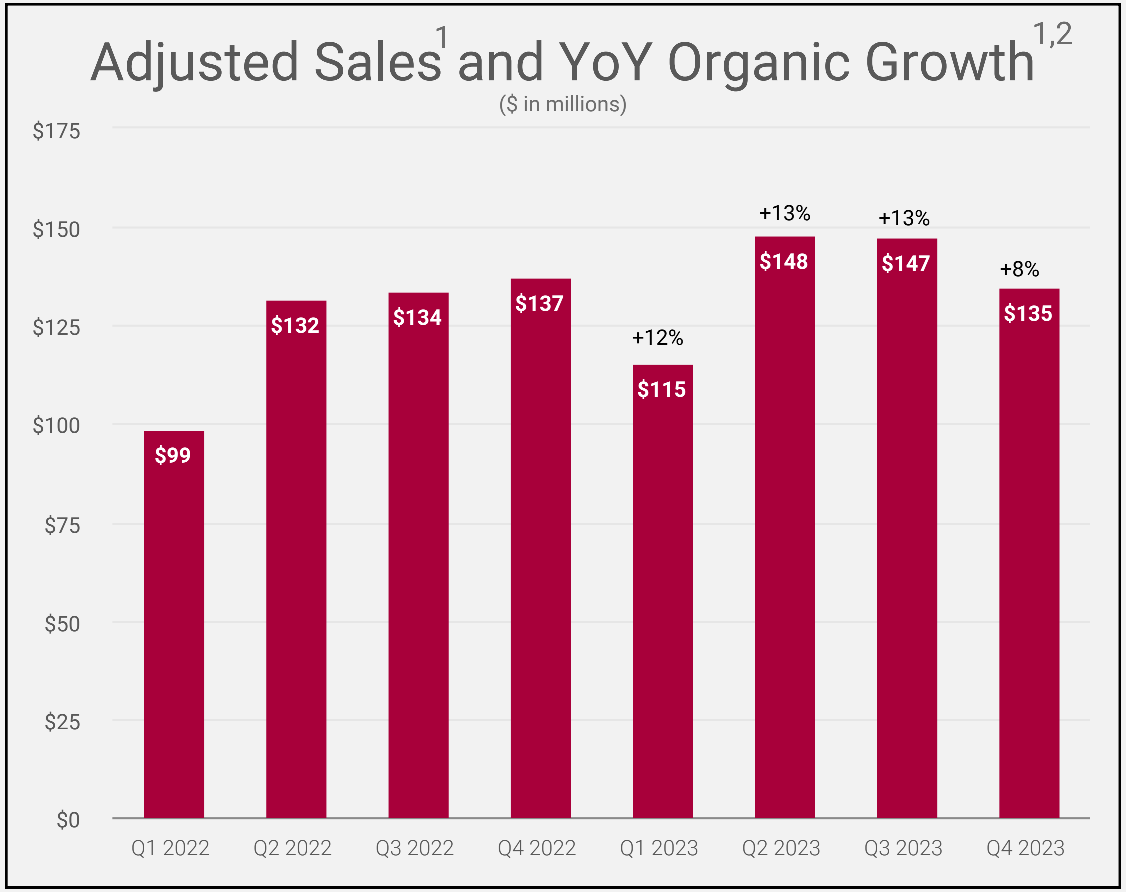


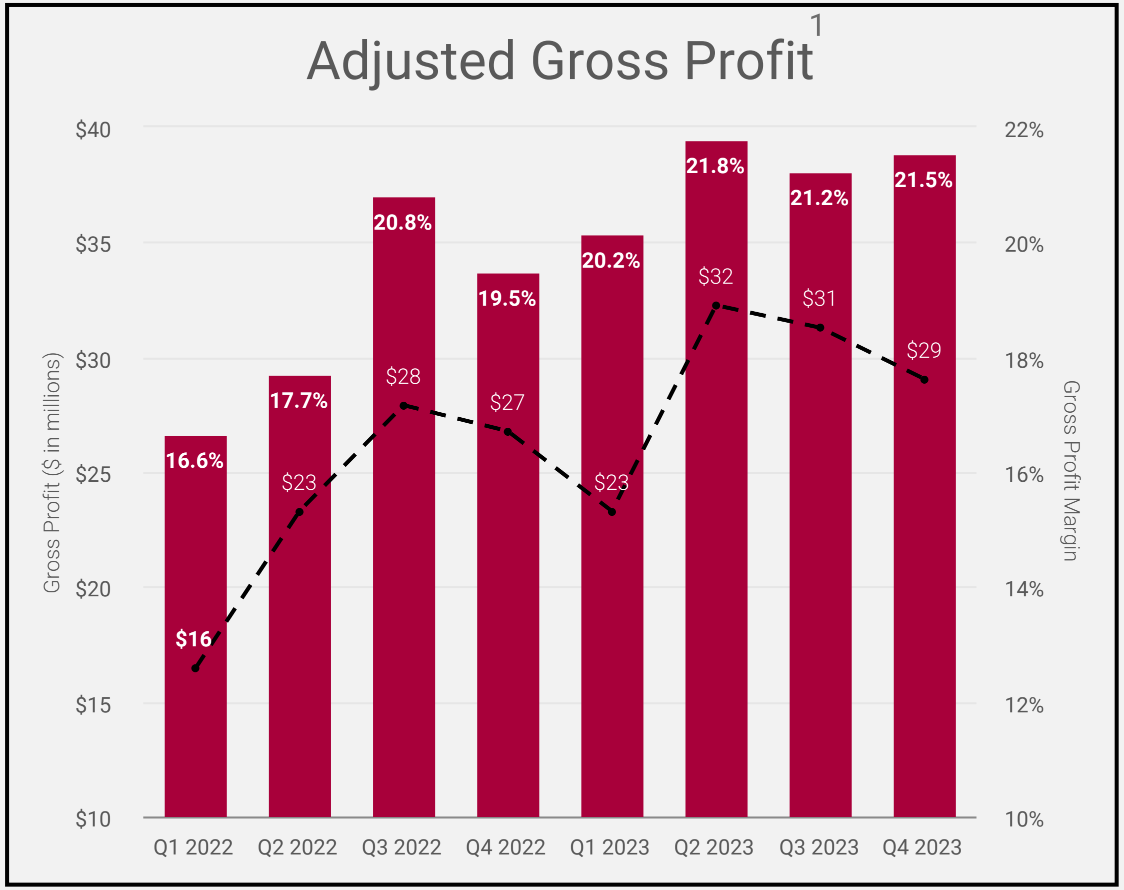
Divestitures accretive to EBITDA margins, while legacy business impacted by incentives / UK weakness

$ in millions unless otherwise indicated. Figures may not foot due to rounding.

1) *Refer to safe harbor disclaimer slide and related reconciliations within the appendix regarding non-GAAP measures.*

Sales and Gross Profit Trend – Trailing 4 Quarters





Margin expansion year over year due to improved business portfolio, organic growth and pricing initiatives

$ in millions unless otherwise indicated. Figures may not foot due to rounding.
1) *Refer to safe harbor disclaimer slide and related reconciliations within the appendix regarding non-GAAP measures.*
2) *Year over year growth rate represents adjusted organic sales growth*

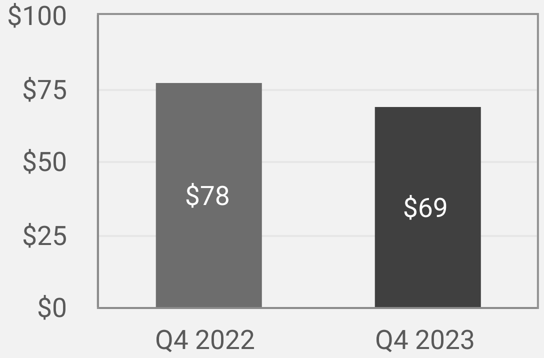
Rail, Technologies, and Services – Q4 Results

Softer results in Rail due primarily to Rail Products order timing and UK commercial weakness

- Net sales declined 10.9% due a 4.0% decrease in organic sales[1] and a 6.9% decrease from divestitures
- Gross margins decreased 390 basis points due to weak commercial conditions in the UK and softer margins in Friction Management
- New orders[1] and backlog[1,2] declined due to divestitures and softer orders in the Rail Products business partially offset by increases in the Technology Services and Solutions business

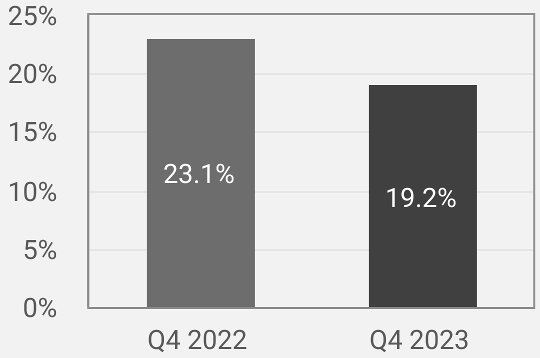
Sales

(10.9)%



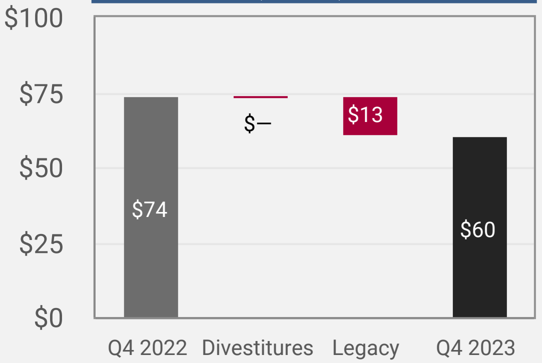
GP Margin

(390) bps



New Orders[1]

(18.3)%



Backlog[1,2]

(19.8)%

$ in millions unless otherwise indicated. Figures may not foot due to rounding.

1) *Refer to safe harbor disclaimer slide and related reconciliations within the appendix regarding non-GAAP measures.*

2) *Q4 2023 backlog reflects a $2.2M decline from the divestiture of Ties.*

Infrastructure Solutions – Q4 Results

Strong organic growth in both business units contributed to sales growth and expanded profitability

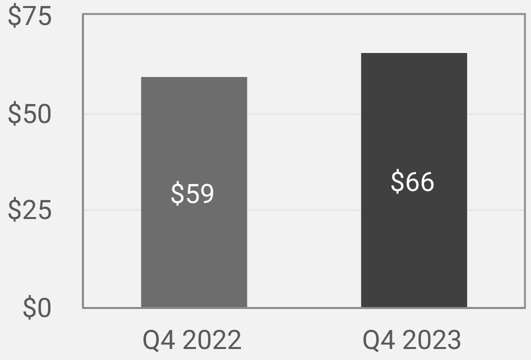
> Net sales increased by 10.3% due to strong organic sales[1] of 23.1% from both Precast Concrete and Steel Products, partially offset by a 12.7% decline from Chemtec divestiture

> Gross margins expanded 910 basis points due to strong organic margin expansion in both Precast and Steel Products, coupled with the Chemtec divestiture

> New orders[1] and backlog[1,2] down primarily due to Chemtec and bridge product line exit

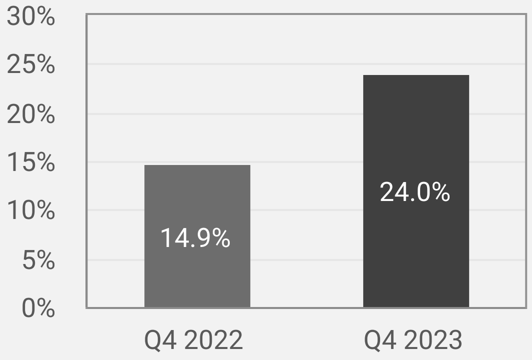
Sales

+10.3%



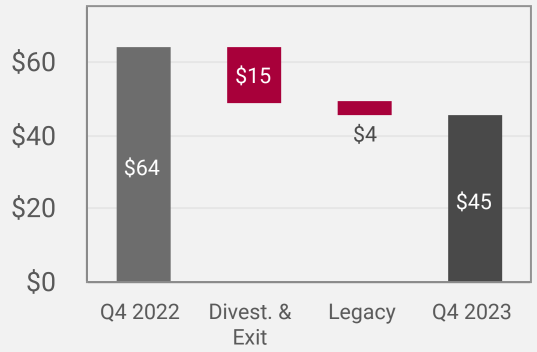
GP Margin

+910 bps



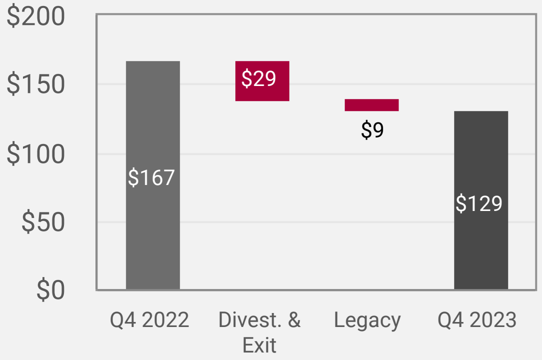
New Orders[1]

(29.3)%



Backlog[1,2]

(22.5)%



$ in millions unless otherwise indicated. Figures may not foot due to rounding.

1) Refer to safe harbor disclaimer slide and related reconciliations within the appendix regarding non-GAAP measures.

2) Q4 2023 backlog reflects a $29.0 decline from the divestiture of Chemtec and the discontinued bridge grid deck product line.

Full Year 2023 Results

As of and for the year ended December 31, 2023: $ in millions, unless otherwise stated		YoY Δ
SALES	543.7	46.2
GROSS PROFIT	112.8	23.2
GROSS PROFIT MARGIN	20.7%	270 bps
SG&A	97.4	14.7
NET INCOME ATTRIB. TO FSTR	1.5	47.0
ADJ. EBITDA[1]	31.8	7.6
OPERATING CASH FLOW	37.4	48.0
NEW ORDERS[1]	529.0	(22.9)
BACKLOG[1,2]	213.8	(58.5)

- Net sales increased 11.7% organically[1] and 4.0% from acquisitions, offset by a 6.4% decline from divestitures
- Gross margins expanded by 270 bps from portfolio changes and improved product mix and pricing
- SG&A as a percent of sales increased to 17.9% due to higher personnel / variable incentive costs to reset in 2024, a $1.9M bad debt provision, and $0.7M of restructuring costs
- Net income attrib. to FSTR of $1.5M favorable by $47.0M due to deferred tax valuation allowance and impairment booked in 2022
- Adjusted EBITDA[1] up $7.6M, or 31.4% YoY
- Strong operating cash flow up $48.0M YoY

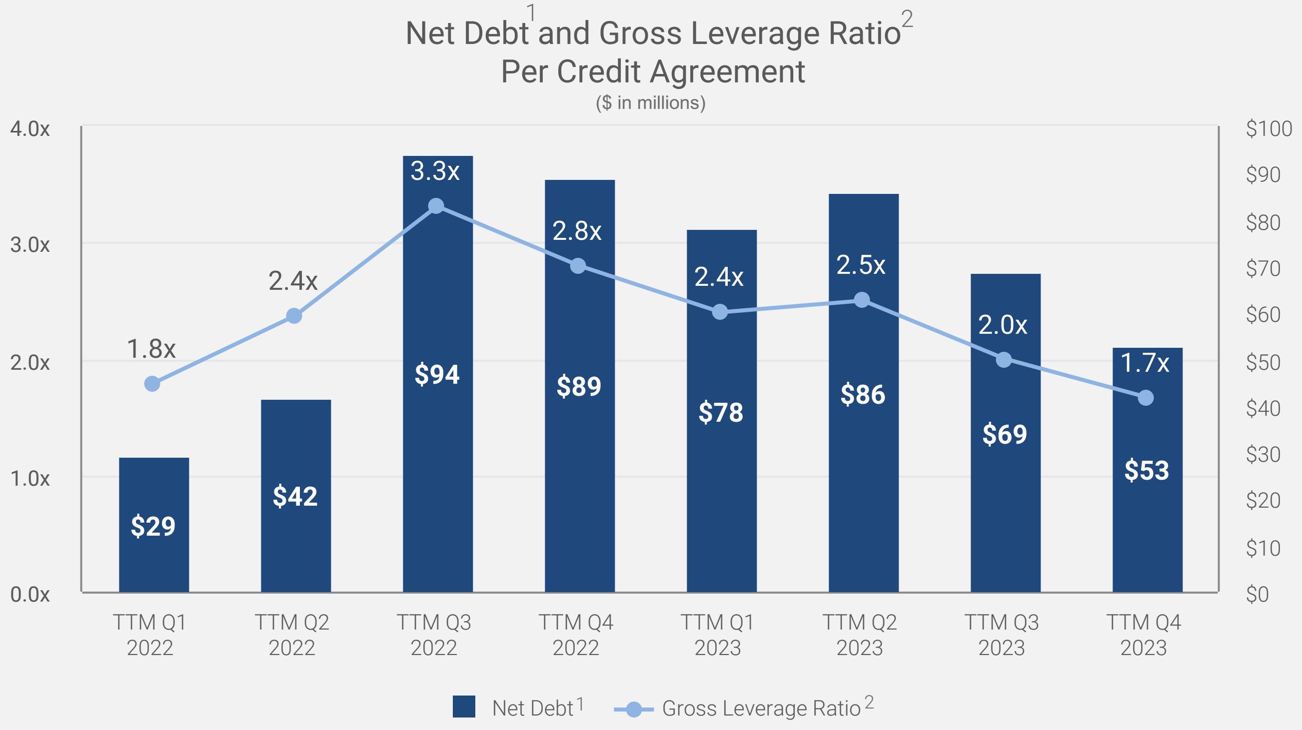
Exceeded 2023 sales and adjusted EBITDA guidance, with exceptional cash flow performance

1) Refer to safe harbor disclaimer slide and related reconciliations within the appendix regarding non-GAAP measures.
2) Q4 2023 backlog reflects a $31.3M decline from divestitures of Ties and Chemtec and the discontinued bridge grid deck product line.

Cash Generation, Net Debt[1] and Leverage

Strong operating cash generated in 2023 2H funded deleveraging, growth cap ex and stock buybacks

- Strongest quarterly operating cash flow in four years of $22.1M drove substantial decline in net debt[1] and improved Gross Leverage Ratio[2]
- Demonstrated history of diligent debt and leverage management over time
- Capital-light business model with significant free cash flow[1] drivers in place
- Last Union Pacific settlement payment in 2024 ($8M)
- ~$103M in federal NOLs should minimize taxes for the foreseeable future
- Opportunistic execution on $15M share repurchase program aligned with capital allocation priorities; $2.3M repurchased to date (1.2% of o/s shares)



December 31, 2023
Key Metrics

1.7x	$74.7M	$37.4M	$4.9M
Gross Leverage Ratio[1]	Funding Capacity[1,3]	Full Year Operating Cash	Full Year Cap. Spend

1) Refer to safe harbor disclaimer slide and related reconciliations within the appendix regarding non-GAAP measures.
2) Gross leverage ratio shown calculated per the credit agreement in place during the displayed quarter.
3) Subject to covenant restrictions.

Capital Allocation Priorities

Relentless pursuit of shareholder returns

Capital Allocation

Debt Reduction

- Target maintaining Gross Leverage Ratio[1] at ~2.0x; improving free cash flow outlook provides opportunities for further growth and shareholder returns

Share Repurchases

- Repurchased ~1.2% of outstanding shares since program inception; $12.7M authorization remaining through February 2026

Dividends

- Potential for ordinary or special dividends as free cash flow improves in coming years

Investment for Growth

Growth Capital Expenditures

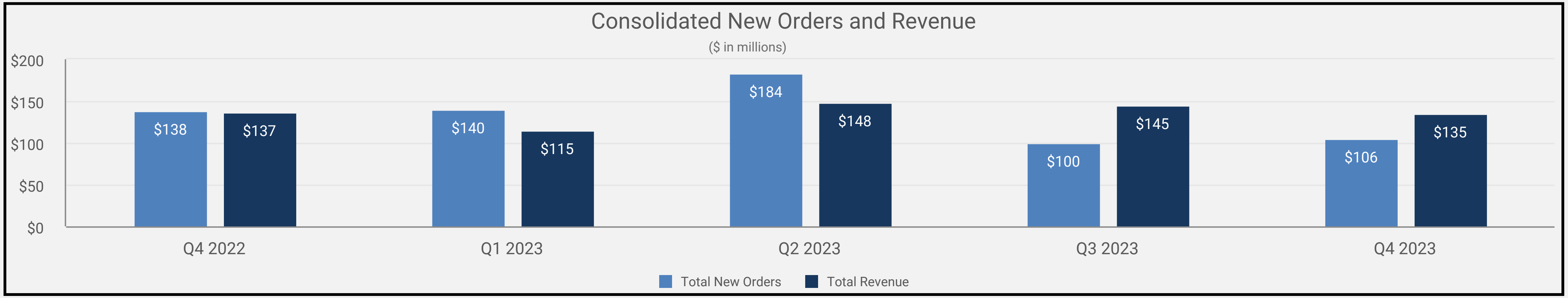
- Targeting 2.0% - 2.5% of sales to support organic growth initiatives with high returns, quick paybacks

Tuck In Acquisitions

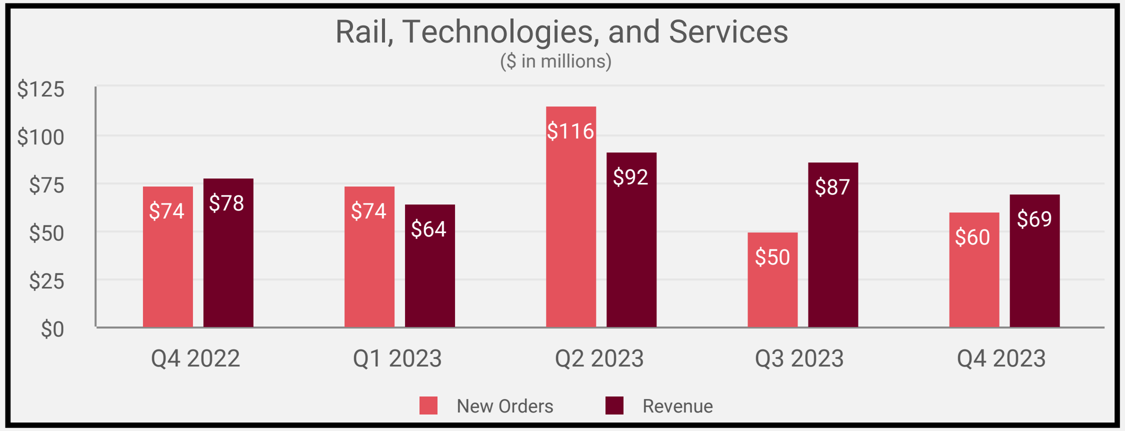
- Continue to opportunistically evaluate strategic partnerships that enhance our current portfolio

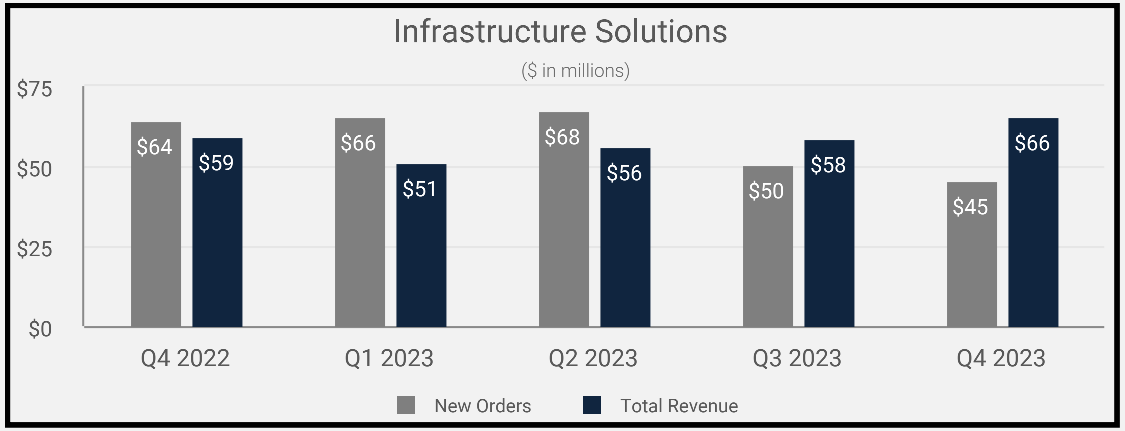
1) *Refer to safe harbor disclaimer slide and related reconciliations within the appendix regarding non-GAAP measures.*

New Orders[1], Revenue and Book-to-Bill Ratios[1]



TTM Q4 2023 Book-to-Bill Ratio: 0.97:1.00



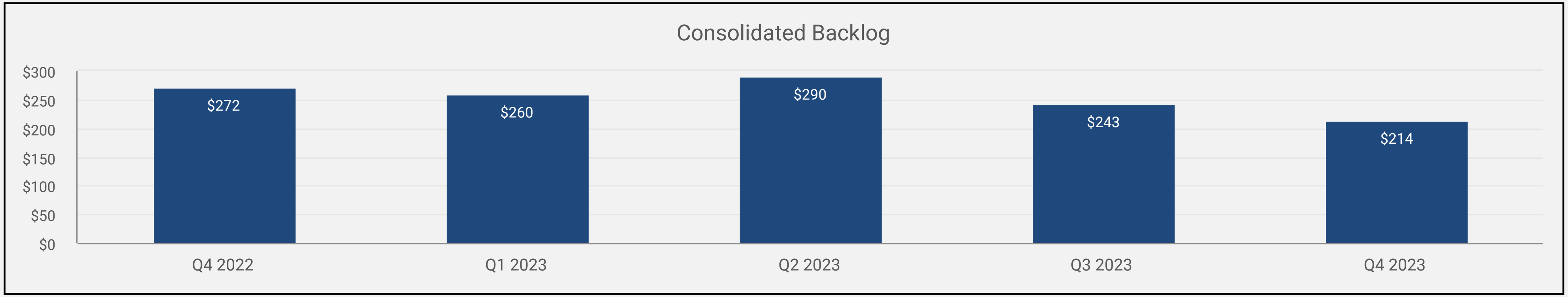


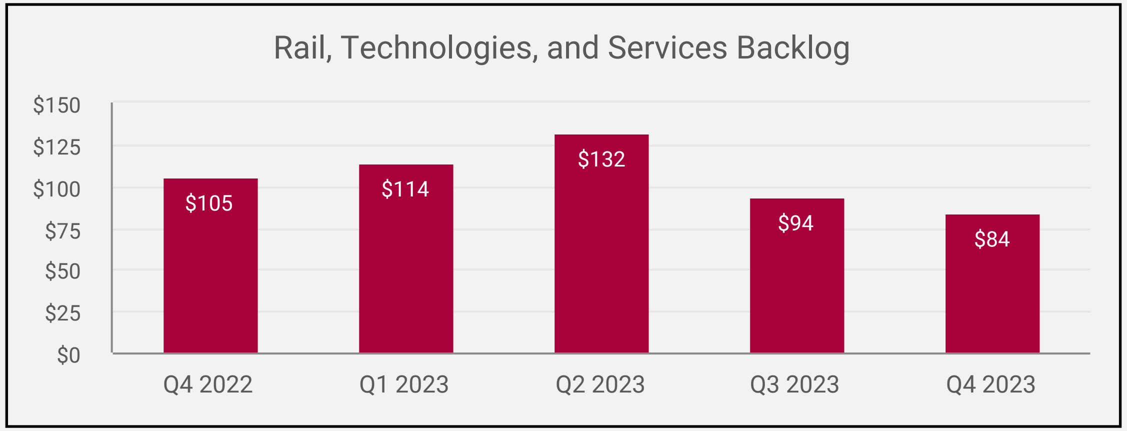
TTM Q4 2023 Book-to-Bill Ratio: 0.96:1.00

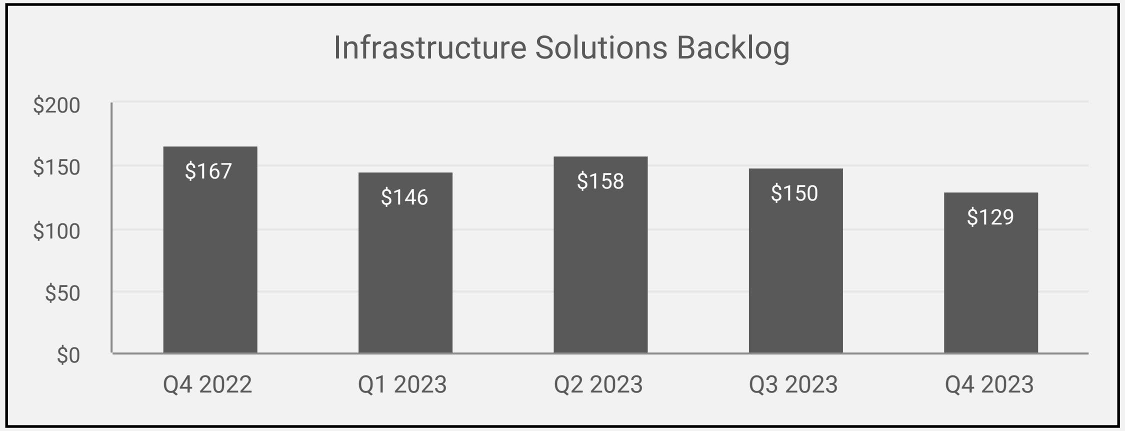
TTM Q4 2023 Book-to-Bill Ratio: 0.99:1.00

1) *Refer to safe harbor disclaimer slide and related reconciliations within the appendix regarding non-GAAP measures. Note figures may not foot due to rounding.*

Backlog[1,2] Trends







Backlog levels remain healthy...decline expected largely due to divestitures / order timing

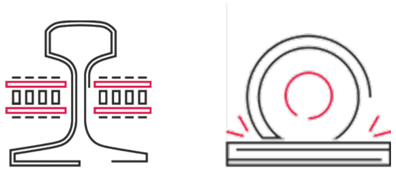
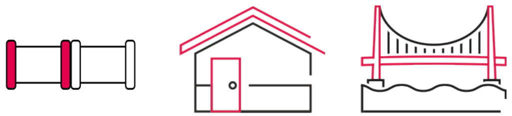
1) *Refer to safe harbor disclaimer slide and related reconciliations within the appendix regarding non-GAAP measures.*
2) *Q4 2023 backlog reflects a $31.3M decline from divestitures of Ties and Chemtec and the discontinued bridge grid deck product line.*

Closing Remarks

John Kasel
President and CEO

Market and Business Outlook

Organic growth outlook due to favorable end market conditions despite UK headwinds

	> Continued focus on rail safety and U.S. infrastructure spend expected to support long-term growth for Rail, Technologies, and Services domestic end-markets > Soft economic conditions in the UK remain challenging but showing signs of bottoming; actions taken to control costs
	> Continued infrastructure spend in domestic markets expected to drive organic growth and profitability for the Precast Concrete and Fabricated Bridge businesses > Strong demand growth expected in Precast Concrete through access to new geographic areas experiencing strong construction spend and project starts, primarily in the northeastern and southern United States and the continued integration of proprietary product technology and product licenses > Protective Coatings business continues to see growth in traditional and expanded market applications
	> Improved market conditions and cooling inflation in North America expected to drive sales and profitability growth > Healthy backlog levels expected to remain steady from favorable end market conditions

L.B. Foster Investment Thesis

Structural Improvement in Profitability	Business portfolio transformation, organic growth and focused profitability initiatives manifesting in improved results
Organic Growth Drivers in Place	Infrastructure pure play with a diverse set of avenues for growth in multi-year infrastructure investment super cycle
Favorable Free Cash Flow Inflection Point Imminent	Improving margin and profitability outlook with capital-light business model with demonstrated FCF generation over time
Disciplined Capital Allocation	Multiple value-creating capital allocation levers at disposal

Innovating to Solve Global Infrastructure Challenges

Relative Performance Chart: Russell 2000 vs FSTR
Source: Google
Performance range March 2023 - February 2024

Momentum
by LBFoster

Near Term Goals (2025)

REVENUE $580M - $620M

GP % 22.0% - 23.0%

ADJ. EBITDA[1] $48M - $52M
Adj. EBITDA[1] Margin ~8.0%

1) *Refer to safe harbor disclaimer slide and related reconciliations within the appendix regarding non-GAAP measures.*

Thank you!

L.B. Foster Q4 2023 Earnings Presentation

We look forward to discussing our Q1 2024 results in early May 2024.

Appendix

Condensed Balance Sheet - Assets

Assets	December 31, 2023	December 31, 2022
($ in millions)		
Current assets:		
Cash and cash equivalents	$ 2.6	$ 2.9
Accounts receivable - net	53.5	82.5
Contract assets	29.5	33.6
Inventories - net	73.5	75.7
Other current assets	9.0	11.1
Total current assets	$ 168.0	$ 205.7
Property, plant, and equipment - net	76.0	85.3
Operating lease right-of-use assets - net	14.9	17.3
Other assets:		
Goodwill	32.6	30.7
Other intangibles - net	19.0	23.8
Other assets	2.7	2.4
Total assets	$ 313.2	$ 365.3

Note figures may not foot due to rounding.

Condensed Balance Sheet – Liabilities and Equity

Liabilities and Stockholders' Equity	December 31, 2023	December 31, 2022
($ in millions)		
Current liabilities:		
Accounts payable	$ 40.3	$ 48.8
Deferred revenue	12.5	19.5
Other accrued liabilities	42.4	34.8
Current maturities of long-term debt	0.1	0.1
Total current liabilities	$ 95.3	$ 103.1
Long term debt	55.2	91.8
Other long-term liabilities	19.9	32.8
Total L.B. Foster Company stockholders' equity	142.1	137.2
Noncontrolling interest	0.7	0.4
Total liabilities and stockholders' equity	$ 313.2	$ 365.3

Note figures may not foot due to rounding.

Condensed Income Statement – Q4

($ in millions except per share data)	Three Months Ended December 31, 2023 $	Three Months Ended December 31, 2023 % of Sales	Three Months Ended December 31, 2022 $	Three Months Ended December 31, 2022 % of Sales	Delta $	Delta %
Sales	$ 134.9		$ 137.2		$ (2.3)	(1.7)%
Gross profit	29.0	21.5%	26.8	19.5%	2.3	8.5 %
SG&A	27.2	20.2%	23.3	17.0%	3.9	16.7 %
Amortization expense	1.2		1.7		(0.5)	(29.3)%
Impairment charges	—		8.0		(8.0)	(100.0)%
Interest expense - net	1.1		1.6		(0.5)	(29.4)%
Other expense (income) - net	0.2		(0.5)		0.7	(144.7)%
Loss before income taxes	(0.7)		(7.4)		6.7	(90.2)%
Income tax (benefit) expense	(0.3)		36.5		(36.8)	(100.7)%
Net loss attributable to noncontrolling interest	—		—		—	29.0 %
Net loss attributable to L.B. Foster Company	$ (0.4)		$ (43.9)		$ 43.5	(99.0)%
Diluted loss per share	$ (0.04)		$ (4.09)		$ 4.05	(99.0)%
EBITDA[(1)]	$ 4.1	3.0%	$ (1.6)	(1.2)%	$ 5.7	**
Adjusted EBITDA[(1)]	$ 6.1	4.5%	$ 7.5	5.5%	$ (1.4)	(18.4)%

1) *Refer to safe harbor disclaimer slide and related reconciliations within the appendix regarding non-GAAP measures.*
Note figures may not foot due to rounding.
***Results of this calculation are not meaningful for presentation purposes.*

Condensed Income Statement – Full Year

	Year Ended December 31, 2023		Year Ended December 31, 2022		Delta	
($ in millions except per share data)	$	% of Sales	$	% of Sales	$	%
Sales	$ 543.7		$ 497.5		$ 46.2	9.3 %
Gross profit	112.8	20.7%	89.6	18.0%	23.2	25.9 %
SG&A	97.4	17.9%	82.7	16.6%	14.7	17.8 %
Amortization expense	5.3		6.1		(0.8)	(13.5)%
Impairment charges	—		8.0		(8.0)	(100.0)%
Interest expense - net	5.5		3.3		2.2	65.5 %
Other expense (income) - net	3.7		(1.6)		5.2	**
Income (loss) before income taxes	0.9		(9.0)		9.9	(110.5)%
Income tax (benefit) expense	(0.4)		36.7		(37.0)	(101.0)%
Net loss attributable to noncontrolling interest	(0.2)		(0.1)		(0.1)	46.0 %
Net income (loss) attributable to L.B. Foster Company	$ 1.5		$ (45.6)		$ 47.0	(103.2)%
Diluted earnings (loss) per share	$ 0.13		$ (4.25)		$ 4.38	(103.1)%
EBITDA[1]	$ 21.7	4.0%	$ 9.1	1.8%	$ 12.6	138.2 %
Adjusted EBITDA[1]	$ 31.8	5.8%	$ 24.2	4.9%	$ 7.6	31.4 %

1) *Refer to safe harbor disclaimer slide and related reconciliations within the appendix regarding non-GAAP measures.*
Note figures may not foot due to rounding.
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Condensed Cash Flows

($ in millions)	Year Ended December 31, 2023	Year Ended December 31, 2022
Net income and other non-cash items from operations	$ 21.5	$ 15.2
Receivables	27.4	(25.1)
Contract assets	1.8	(0.5)
Inventory	(7.0)	(11.8)
Payables and deferred revenue	(6.6)	14.7
Trade working capital subtotal	$ 37.0	$ (7.4)
Payment of accrued settlement	(8.0)	(8.0)
All other[1]	8.4	4.9
Net cash used in operating activities	$ 37.4	$ (10.5)
Capital expenditures	(4.9)	(7.6)
Proceeds from asset divestitures	7.7	8.8
Acquisitions, net of cash acquired	(1.2)	(57.9)
Net (repayments) proceeds of debt	(37.3)	60.8
All other[1]	(2.0)	(1.1)
Net increase (decrease) in cash	$ (0.3)	$ (7.5)
Cash balance, end of period	$ 2.6	$ 2.9

1) *Contains changes in cash flows due to other assets, accrued payroll, and other liabilities, treasury stock acquisitions, proceeds from sale of property, plant, and equipment, consideration from NCI, and exchange rate impact.*
Note figures may not foot due to rounding.

New Orders and Backlog

New Orders Entered – Three Months Ended				
($ in millions)	December 31, 2023	December 31, 2022	Delta	
Rail, Technologies, and Services	$ 60.1	$ 73.5	$ (13.5)	(18.3)%
Infrastructure Solutions	45.5	64.3	(18.8)	(29.3)%
Total	$ 105.5	$ 137.8	$ (32.3)	(23.4)%

New Orders Entered – Year Ended				
($ in millions)	December 31, 2023	December 31, 2022	Delta	
Rail, Technologies, and Services	$ 299.6	$ 314.4	$ (14.8)	(4.7)%
Infrastructure Solutions	229.4	237.6	(8.1)	(3.4)%
Total	$ 529.0	$ 552.0	$ (22.9)	(4.2)%

Backlog vs. Prior Year Quarter				
($ in millions)	December 31, 2023	December 31, 2022	Delta	
Rail, Technologies, and Services	$ 84.4	$ 105.2	$ (20.8)	(19.8)%
Infrastructure Solutions	129.4	167.0	(37.6)	(22.5)%
Total	$ 213.8	$ 272.3	$ (58.5)	(21.5)%

Note figures may not foot due to rounding.

Segment Results – Q4

Segment Sales	Three Months Ended December 31, 2023		Three Months Ended December 31, 2022		Delta			
($ in millions)	$		$		$		%
Rail, Technologies, and Services	$	69.3	$	77.7	$	(8.4)	(10.9)%
Infrastructure Solutions		65.6		59.4		6.1	10.3 %
Total	$	134.9	$	137.2	$	(2.3)	(1.7)%

Segment Gross Profit	Three Months Ended December 31, 2023			Three Months Ended December 31, 2022			Delta		
($ in millions)	$		% of Sales	$		% of Sales	$		Δ bps
Rail, Technologies, and Services	$	13.3	19.2%	$	17.9	23.1%	$	(4.6)	(390)
Infrastructure Solutions		15.7	24.0%		8.8	14.9%		6.9	910
Total	$	29.0	21.5%	$	26.8	19.5%	$	2.3	200

Operating Profit (Loss)	Three Months Ended December 31, 2023		Three Months Ended December 31, 2022		Delta		
($ in millions)	$		$		$		%
Rail, Technologies, and Services	$	(0.9)	$	5.9	$	(6.8)	(116.0)%
Infrastructure Solutions		5.7		(8.4)		14.1	(168.3)%
Other - Corporate		(4.2)		(3.8)		(0.4)	10.7 %
Consolidated operating profit (loss)	$	0.6	$	(6.3)	$	6.9	(109.6)%

Note figures may not foot due to rounding.
*** Results of this calculation not considered meaningful for presentation purposes.*

Segment Results – Full Year

Segment Sales	Year Ended December 31, 2023	Year Ended December 31, 2022	Delta	
($ in millions)	$	$	$	%
Rail, Technologies, and Services	$ 312.2	$ 300.6	$ 11.6	3.8 %
Infrastructure Solutions	231.6	196.9	34.7	17.6 %
Total	$ 543.7	$ 497.5	$ 46.2	9.3 %

Segment Gross Profit	Year Ended December 31, 2023		Year Ended December 31, 2022		Delta	
($ in millions)	$	% of Sales	$	% of Sales	$	Δ bps
Rail, Technologies, and Services	$ 64.7	20.7 %	$ 59.5	19.8 %	$ 5.2	90
Infrastructure Solutions	48.1	20.8 %	30.1	15.3 %	18.0	550
Total	$ 112.8	20.7 %	$ 89.6	18.0 %	$ 23.2	270

Operating Profit (Loss)	Year Ended December 31, 2023	Year Ended December 31, 2022	Delta	
($ in millions)	$	$	$	%
Rail, Technologies, and Services	$ 11.9	$ 11.5	$ 0.5	4.2 %
Infrastructure Solutions	10.0	(1.1)	11.1	**
Other - Corporate	(11.8)	(9.5)	(2.3)	23.7 %
Consolidated operating profit	$ 10.1	$ 0.8	$ 9.3	**

Note figures may not foot due to rounding.
*** Results of this calculation not considered meaningful for presentation purposes.*

Non-GAAP Measure: Adjusted EBITDA

	Three Months Ended		Year Ended	
($ in millions)	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
Net income, as reported	$ (0.5)	$ (44.0)	$ 1.3	$ (45.7)
Interest expense - net	1.1	1.6	5.5	3.3
Income tax expense	(0.3)	36.5	(0.4)	36.7
Depreciation expense	2.5	2.6	9.9	8.6
Amortization expense	1.2	1.7	5.3	6.1
Total EBITDA	4.1	(1.6)	21.7	9.1
Loss (gain) on divestitures	—	—	3.1	—
Impairment expense	—	8.0	—	8.0
Acquisition and divestiture costs	—	0.4	—	2.2
Commercial contract settlement	—	—	—	4.0
Insurance proceeds	—	—	—	(0.8)
VanHooseCo inventory adjustment to fair value amortization	—	0.3	—	1.1
VanHooseCo contingent consideration	—	0.3	—	0.5
Bridge grid deck exit impact	0.3	—	4.5	—
Bad debt provision	1.0	—	1.9	—
Restructuring costs	0.7	—	0.7	—
Adjusted EBITDA	$ 6.1	$ 7.5	$ 31.8	$ 24.2

Note figures may not foot due to rounding.

Non-GAAP Measure: Funding Capacity & Free Cash Flow

($ in millions)	December 31, 2023
Cash and cash equivalents	$ 2.6
Total availability under the credit facility	130.0
Outstanding borrowings on revolving credit facility	(55.1)
Letters of credit outstanding	(2.8)
Net availability under the revolving credit facility[1]	$ 72.1
Total available funding capacity[1]	**$ 74.7**

	December 31, 2023
($ in millions)	
Net cash provided by operating activities	$ 37.4
Proceeds from sales and disposals of property, plant, and equipment	0.5
Less capital expenditures on property, plant, and equipment	(4.9)
Free cash flow	**$ 33.0**

Note figures may not foot due to rounding.

Non-GAAP Measure: Net Debt[1]

($ in millions)	December 31, 2023	September 30, 2023	June 30, 2023	March 31, 2023	December 31, 2022	September 30, 2022	June 30, 2022	March 31, 2022
Total debt	$ 55.3	$ 71.7	$ 89.5	$ 80.1	$ 91.9	$ 98.9	$ 49.3	$ 35.6
Less: cash and cash equivalents	(2.6)	(3.0)	(3.9)	(2.6)	(2.9)	(4.9)	(7.7)	(6.2)
Total net debt	$ 52.7	$ 68.7	$ 85.6	$ 77.5	$ 89.0	$ 94.0	$ 41.6	$ 29.3

Note figures may not foot due to rounding.
1) Subject to covenant restrictions.

Non-GAAP Measure: Adj. Results for Non-routine Items

	Three Months Ended	
($ in millions)	September 30, 2023	September 30, 2022
Net sales, as reported	$ 145.3	$ 130.0
Bridge grid deck exit impact	2.0	—
Crossrail settlement adjustment	—	4.0
Net sales, as adjusted	$ 147.3	$ 134.0
Gross profit, as reported	$ 28.2	$ 23.1
Bridge grid deck exit impact	3.1	—
Crossrail settlement adjustment	—	4.0
VanHooseCo inventory adjustment to fair value amortization	—	0.9
Gross profit, as adjusted	$ 31.3	$ 27.9
Gross profit margin, as reported	19.4 %	17.8 %
Gross profit margin, as adjusted	21.2 %	20.8 %

Change in Adjusted Organic Sales	Three Months Ended	Percent Change
($ in millions)	September 30,	
2023 net sales, as adjusted	$ 147.3	
2022 net sales, as adjusted	134.0	
Change in adjusted sales	13.4	10.0 %
Net sales decrease (increase) from acquisitions and divestitures	3.5	2.6 %
Change in adjusted organic sales	$ 16.9	12.6 %

Note figures may not foot due to rounding.

Non-GAAP Measure: Organic Sales

Change in Consolidated Organic Sales	Three Months Ended	Percent Change	Year Ended	Percent Change
($ in millions)	December 31,		December 31,	
2022 net sales, as reported	$ 137.2		$ 497.5	
Decrease due to divestitures	(12.9)	(9.4)%	(32.0)	(6.4)%
Increase due to acquisitions	—	— %	19.8	4.0 %
Change due to organic sales	10.6	7.7 %	58.4	11.7 %
2023 net sales, as reported	$ 134.9	(1.7)%	$ 543.7	9.3 %

Change in Rail, Technology, and Services Organic Sales	Three Months Ended	Percent Change	Year Ended	Percent Change
($ in millions)	December 31,		December 31,	
2022 net sales, as reported	$ 77.7		$ 300.6	
Decrease due to divestitures	(5.3)	(6.9)%	(16.0)	(5.3)%
Increase due to acquisitions	—	— %	1.5	0.5 %
Change due to organic sales	(3.1)	(4.0)%	26.0	8.7 %
2023 net sales, as reported	$ 69.3	(10.9)%	$ 312.2	3.8 %

Change in Infrastructure Solutions Organic Sales	Three Months Ended	Percent change	Year Ended	Percent change
($ in millions)	December 31,		December 31,	
2022 net sales, as reported	$ 59.4		$ 196.9	
Decrease due to divestitures	(7.6)	(12.7)%	(16.0)	(8.1)%
Increase due to acquisitions	—	— %	18.3	9.3 %
Change due to organic sales	13.7	23.1 %	32.4	16.4 %
2023 net sales, as reported	$ 65.6	10.3 %	$ 231.6	17.6 %

Note figures may not foot due to rounding.