



Q2 2019 Earnings Presentation

July 30, 2019

LBFoster®

Safe Harbor Statement

This presentation and oral statements regarding the subject matter may contain “forward-looking statements” within the meaning of the United States Private Securities Litigation Reform Act of 1995. We caution you that such statements involve risks, uncertainties, and assumptions which could cause actual results to differ materially from those expressed or implied in such statements. L.B. Foster Company (“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 and the possibility of a “no-deal Brexit;” 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; 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, 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; environmental matters, including any costs associated with any remediation and monitoring; risks inherent in litigation; and those matters set forth in Item 8, Footnote 19, “Commitments and Contingent Liabilities” and in Item 1A, “Risk Factors” of the Company's Form 10-K for the year ended December 31, 2018, and as updated and amended in our Quarterly Reports on Form 10-Q thereafter.

All information in this presentation speaks only as of July 30, 2019, 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 earnings 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

Management believes that EBITDA is useful to investors as a supplemental way to evaluate the ongoing operations of the Company’s business since EBITDA enhances investors’ ability to compare historical periods by adjusting for the impact of financing methods, tax law and strategy changes, and depreciation and amortization. In addition, EBITDA is a financial measurement that management and the Company’s Board of Directors uses in its financial and operational decision-making and in the determination of certain compensation programs. Additionally, adjusted EBITDA which includes certain adjustments to EBITDA. In 2018, the Company made adjustments to exclude in impact of the Union Pacific Railroad concrete tie settlement agreement. The Company views net debt, which is total debt less cash and cash equivalents, as an important metric of the operational and financial health of the organization and useful to investors as an indicator of our ability to incur additional debt and to service our 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 and net debt are included within this presentation.



Financial Overview

LBFoster®

Executive Summary

- Second quarter 2019 sales increased by \$28.0 million, or 16.2%, over the prior year quarter
 - Driven by 31.3%, 13.7%, and 10.4% increases in the Construction Products, Tubular and Energy Services, and Rail Products and Services segments, respectively
- Focus on profitability restoration resulted in year over year gross profit and net income growth
 - Gross profit increased \$4.1 million over the prior year quarter to \$37.1 million
 - Diluted earnings per share increased by \$0.38 over the prior year quarter
- Net debt¹ decreased by \$2.0 million as of June 30, 2019 when compared to March 31, 2019
- Reduction of net debt to EBITDA¹ compared to the prior year quarter
 - June 30, 2019 net debt to adjusted EBITDA¹ ratio ended at 1.55x for the trailing twelve months
- Cash provided by operations was \$4.1 million for the three months ended June 30, 2019

Financial Highlights

| Metrics | Q2 2019 | Q2 2018 | Variance |
|-----------------------------------|-----------------|-----------------|---------------------------|
| Sales | \$200.9 million | \$172.9 million | \$28.0 million, 16.2% |
| Gross Profit | \$37.1 million | \$33.1 million | \$4.1 million, 12.3% |
| Gross Profit Margin | 18.5% | 19.1% | (60) bps |
| Earnings per Diluted Share | \$0.90 | \$0.52 | \$0.38 |
| EBITDA¹ | \$17.3 million | \$12.5 million | \$4.8 million, 38.3% |
| Operating Cash Flow | \$4.1 million | \$5.3 million | \$(1.2) million |
| New Orders | \$164.1 million | \$187.5 million | \$(23.3) million, (12.4)% |
| Backlog | \$209.3 million | \$231.3 million | \$(22.0) million, (9.5)% |

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

New Order Summary

| (\$ in millions) | New Orders Entered | | Delta | |
|-----------------------------|-------------------------------------|-------------------------------------|------------------|----------------|
| | Three Months Ended June 30, 2019 | Three Months Ended June 30, 2018 | \$ | % |
| Rail Products and Services | \$ 78.2 | \$ 116.6 | \$ (38.4) | (32.9)% |
| Construction Products | 44.3 | 39.2 | 5.1 | 13.0 % |
| Tubular and Energy Services | 41.6 | 31.6 | 10.0 | 31.5 % |
| Total | \$ 164.1 | \$ 187.5 | \$ (23.3) | (12.4)% |

| (\$ in millions) | New Orders Entered | | Delta | |
|-----------------------------|-----------------------------------|-----------------------------------|------------------|---------------|
| | Six Months Ended June 30, 2019 | Six Months Ended June 30, 2018 | \$ | % |
| Rail Products and Services | \$ 176.7 | \$ 212.7 | \$ (36.0) | (16.9)% |
| Construction Products | 86.4 | 84.9 | 1.4 | 1.7 % |
| Tubular and Energy Services | 81.4 | 65.9 | 15.5 | 23.6 % |
| Total | \$ 344.4 | \$ 363.5 | \$ (19.0) | (5.2)% |

Note: Figures may not foot due to rounding

Backlog Summary

| (\$ in millions) | Backlog | | |
|-----------------------------|------------------|----------------------|------------------|
| | June 30, 2019 | December 31, 2018 | June 30, 2018 |
| Rail Products and Services | \$ 94.0 | \$ 97.4 | \$ 126.9 |
| Construction Products | 89.2 | 95.4 | 82.4 |
| Tubular and Energy Services | 26.1 | 27.6 | 22.0 |
| Total | \$ 209.3 | \$ 220.4 | \$ 231.3 |

Note: Figures may not foot due to rounding



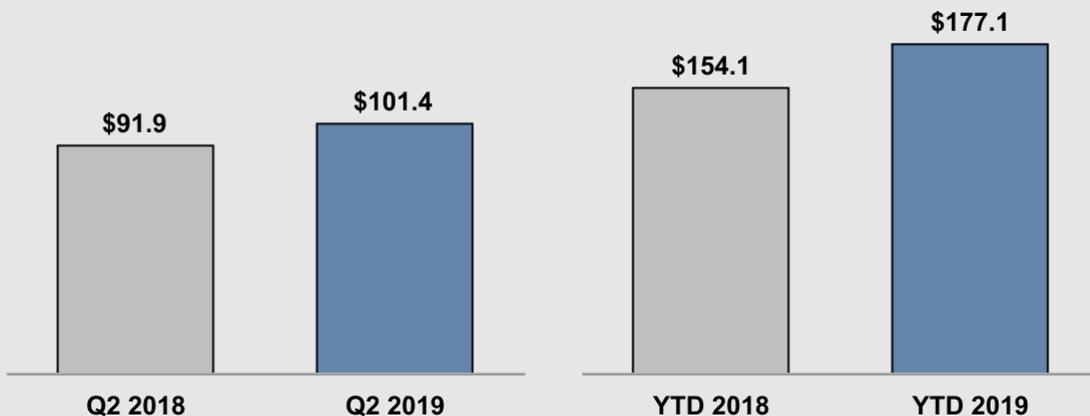
Business Review

LBFoster®

Rail Products and Services

Q2 2019 Results

Sales



- Sales increase was driven by the following:
 - New rail products were the primary driver of the sales increase
 - Domestic transit projects also favorably impacted Rail sales
- Gross profit increase was supported by Rail Products
 - Gross profit margin increased by 90 and 30 basis points compared to the three and six months ended June 30, 2018, respectively
- Segment SG&A expense as a percentage of sales declined year over year as a result of successful cost containment programs which led to increased segment profitability
- First half 2019 new order activity decreased by 16.9% compared to the prior year period, which contributed to an ending backlog that was 25.9% lower than the prior year

Gross Profit



Segment Profit



Construction Products

Q2 2019 Results

Sales



- Sales increased in each division within the segment for the quarter and year to date
- Piling was favorably impacted by continued activity on a significant 2018 order and Fabricated Bridge increased demand for its steel decking and railing products
- Concrete buildings primarily drove the sales increase within Precast Concrete Products
- Second quarter gross profit increase was supported by Piling products
- Gross profit margin decreased by 250 basis points compared to the prior year quarter primarily from increased contribution by lower margin distribution sales
- New orders for the second quarter of 2019 increased by 13.0% compared to the prior year quarter, which contributed to backlog ending 8.3% higher than the prior year period

Gross Profit



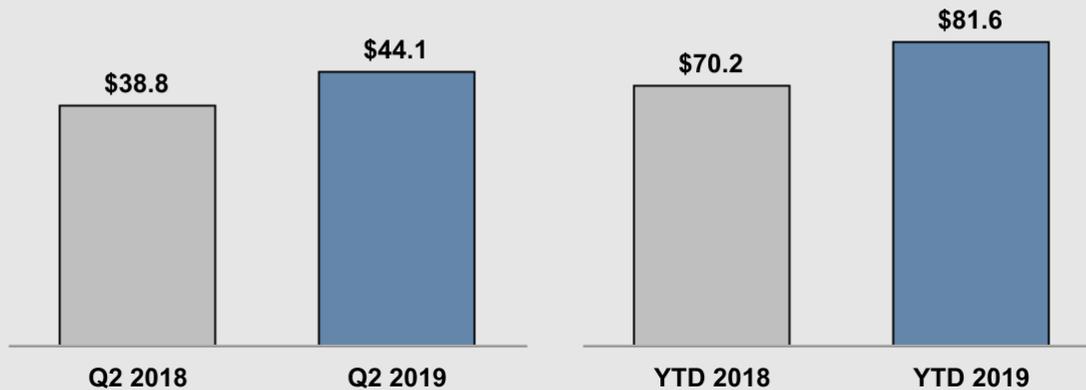
Segment Profit



Tubular and Energy Services

Q2 2019 Results

Sales



- Sales increased by 13.7% over the prior year quarter
- The sales increase was primarily driven by Protective Coatings and Measurement Systems
- Gross profit increased by 7.0% supported by Protective Coatings and Measurement Systems
 - Gross profit margin decreased by 150 basis points from the prior year quarter which was primarily related to Test, Inspection, and Threading Services
- Segment SG&A expense as a percentage of sales declined year over year as a result of successful cost containment programs
- New order activity increased by 31.5% compared to the prior year quarter while ending backlog increased by 18.5% compared to the prior year period
 - New order increase is primarily attributable to midstream activity

Gross Profit



Segment Profit





Appendix

LBFoster®

Consolidated Income Statement - Second Quarter

L.B. Foster Company (FSTR)
Q2 2019 Earnings Presentation
Webcast July 30, 2019

| (\$ in millions, except per share) | Three Months Ended June 30, 2019 | | Three Months Ended June 30, 2018 | | Delta | |
|------------------------------------|-------------------------------------|--------------|-------------------------------------|--------------|----------------|---------------|
| | \$ | % of Sales | \$ | % of Sales | \$ | % |
| Sales | \$ 200.9 | — | \$ 172.9 | — | \$ 28.0 | 16.2 % |
| Gross profit | 37.1 | 18.5 % | 33.1 | 19.1 % | 4.1 | 12.3 % |
| SG&A | 22.9 | 11.4 % | 23.4 | 13.5 % | (0.5) | (2.2)% |
| Amortization expense | 1.7 | 0.8 % | 1.8 | 1.0 % | (0.1) | (5.4)% |
| Interest expense - net | 1.6 | 0.8 % | 1.6 | 0.9 % | (0.0) | (2.0)% |
| Other (income) expense - net | (0.3) | (0.1)% | 0.1 | 0.1 % | (0.4) | (296.9)% |
| Pre-tax income | 11.2 | 5.6 % | 6.2 | 3.6 % | 5.1 | 82.6 % |
| Net income | \$ 9.6 | 4.8 % | \$ 5.4 | 3.1 % | \$ 4.1 | 76.0 % |
| Diluted earnings per share | \$ 0.90 | | \$ 0.52 | | \$ 0.38 | |
| EBITDA⁽¹⁾ | \$ 17.3 | 8.6 % | \$ 12.5 | 7.2 % | \$ 4.8 | 38.3 % |

(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

Consolidated Income Statement - First Six Months

L.B. Foster Company (FSTR)
Q2 2019 Earnings Presentation
Webcast July 30, 2019

| (\$ in millions, except per share) | Six Months Ended June 30, 2019 | | Six Months Ended June 30, 2018 | | Delta | |
|------------------------------------|-----------------------------------|--------------|-----------------------------------|--------------|----------------|----------------|
| | \$ | % of Sales | \$ | % of Sales | \$ | % |
| Sales | \$ 351.4 | — | \$ 295.3 | — | \$ 56.1 | 19.0 % |
| Gross profit | 66.3 | 18.9 % | 55.3 | 18.7 % | 11.0 | 20.0 % |
| SG&A | 44.8 | 12.7 % | 43.8 | 14.8 % | 0.9 | 2.2 % |
| Amortization expense | 3.4 | 1.0 % | 3.6 | 1.2 % | (0.2) | (4.7)% |
| Interest expense - net | 3.0 | 0.8 % | 3.5 | 1.2 % | (0.6) | (16.1)% |
| Other income - net | (0.4) | (0.1)% | (0.5) | (0.2)% | 0.1 | 15.7 % |
| Pre-tax income | 15.6 | 4.4 % | 4.8 | 1.6 % | 10.7 | 222.6 % |
| Net income | \$ 13.3 | 3.8 % | \$ 3.6 | 1.2 % | \$ 9.7 | 270.6 % |
| Diluted earnings per share | \$ 1.25 | | \$ 0.34 | | \$ 0.91 | |
| EBITDA⁽¹⁾ | \$ 27.5 | 7.8 % | \$ 17.8 | 6.0 % | \$ 9.7 | 54.4 % |

(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

Segment Results

L.B. Foster Company (FSTR)
Q2 2019 Earnings Presentation
Webcast July 30, 2019

| Sales (\$ in millions) | Three Months Ended June 30, 2019 | | Three Months Ended June 30, 2018 | | Delta | |
|------------------------------------|-------------------------------------|--------------|-------------------------------------|--------------|----------------|---------------|
| | \$ | % of Total | \$ | % of Total | \$ | % |
| Rail Products and Services | \$ 101.4 | 50.5 % | \$ 91.9 | 53.1 % | \$ 9.5 | 10.4 % |
| Construction Products | 55.4 | 27.6 % | 42.2 | 24.4 % | 13.2 | 31.3 % |
| Tubular and Energy Services | 44.1 | 21.9 % | 38.8 | 22.5 % | 5.3 | 13.7 % |
| Total | \$ 200.9 | | \$ 172.9 | | \$ 28.0 | 16.2 % |
| Segment Profit (\$ in millions) | Three Months Ended June 30, 2019 | | Three Months Ended June 30, 2018 | | Delta | |
| | \$ | % Margin | \$ | % Margin | \$ | % |
| Rail Products and Services | \$ 7.9 | 7.8 % | \$ 5.3 | 5.8 % | \$ 2.6 | 49.2 % |
| Construction Products | 3.4 | 6.2 % | 2.9 | 6.8 % | 0.6 | 19.5 % |
| Tubular and Energy Services | 5.0 | 11.4 % | 4.5 | 11.7 % | 0.5 | 11.0 % |
| Segment profit | 16.4 | 8.1 % | 12.7 | 7.4 % | 3.6 | 28.6 % |
| Corporate/Unallocated | (5.1) | (2.5)% | (6.5) | (3.8)% | 1.4 | 22.1 % |
| Pre-tax income | \$ 11.2 | 5.6 % | \$ 6.2 | 3.6 % | \$ 5.1 | 82.6 % |

Note: Figures may not foot due to rounding

Balance Sheet

L.B. Foster Company (FSTR)
Q2 2019 Earnings Presentation
Webcast July 30, 2019

| (\$ in millions) | June 30, 2019 | December 31, 2018 |
|---|-----------------|-------------------|
| ASSETS | | (audited) |
| Current assets: | | |
| Cash and cash equivalents | \$ 12.0 | \$ 10.3 |
| Accounts receivable – net | 98.7 | 86.1 |
| Inventories – net | 134.4 | 124.5 |
| Other current assets | 7.0 | 5.8 |
| Total current assets | 252.1 | 226.7 |
| Property, plant, and equipment – net | 84.4 | 86.9 |
| Operating lease right-of-use assets – net | 13.2 | — |
| Other assets: | | |
| Goodwill | 19.2 | 19.3 |
| Other intangibles – net | 46.4 | 49.8 |
| Other assets | 1.5 | 0.5 |
| TOTAL ASSETS | \$ 416.8 | \$ 383.2 |
| LIABILITIES AND STOCKHOLDERS' EQUITY | | |
| Current liabilities: | | |
| Accounts payable and accrued liabilities | \$ 120.4 | \$ 123.6 |
| Current maturities of long-term debt | 3.1 | 0.6 |
| Total current liabilities | 123.6 | 124.2 |
| Long-term debt | 88.0 | 74.4 |
| Other long-term liabilities | 69.0 | 62.5 |
| Total stockholders' equity | 136.2 | 122.1 |
| TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY | \$ 416.8 | \$ 383.2 |

Note: Figures may not foot due to rounding

Cash Flows

L.B. Foster Company (FSTR)
Q2 2019 Earnings Presentation
Webcast July 30, 2019

| (\$ in millions) | Six Months Ended June 30, 2019 | Six Months Ended June 30, 2018 |
|--|-----------------------------------|-----------------------------------|
| Net income and non-cash items | \$ 23.8 | \$ 13.9 |
| Receivables | (12.4) | (20.1) |
| Inventory | (9.8) | (5.3) |
| Payables and deferred revenue | 2.8 | 23.7 |
| Working capital subtotal | (19.4) | (1.6) |
| All other | (13.8) | (4.4) |
| Operating cash flow | (9.4) | 7.9 |
| Capital expenditures | (3.8) | (1.8) |
| Debt proceeds (payments) – net | 16.1 | (30.9) |
| All other | (1.2) | 0.4 |
| Net increase (decrease) in cash | 1.7 | (24.4) |
| Cash balance, end of period | \$ 12.0 | \$ 13.3 |

Non-GAAP Financial Measures: EBITDA

L.B. Foster Company (FSTR)
Q2 2019 Earnings Presentation
Webcast July 30, 2019

| (\$ in millions) | Three Months Ended | | Six Months Ended | | Trailing Twelve Months Ended |
|---------------------------------|--------------------|----------------|------------------|----------------|------------------------------|
| | June 30, 2019 | June 30, 2018 | June 30, 2019 | June 30, 2018 | June 30, 2019 |
| Net income, as reported | \$ 9.6 | \$ 5.4 | \$ 13.3 | \$ 3.6 | \$ (21.5) |
| Interest expense - net | 1.6 | 1.6 | 3.0 | 3.5 | 5.6 |
| Income tax expense | 1.7 | 0.7 | 2.3 | 1.3 | 5.5 |
| Depreciation | 2.8 | 2.9 | 5.5 | 5.9 | 11.2 |
| Amortization | 1.7 | 1.8 | 3.4 | 3.6 | 6.9 |
| EBITDA | \$ 17.3 | \$ 12.5 | \$ 27.5 | \$ 17.8 | \$ 7.7 |
| Concrete Tie Settlement expense | — | — | — | — | 43.4 |
| Adjusted EBITDA | \$ 17.3 | \$ 12.5 | \$ 27.5 | \$ 17.8 | \$ 51.1 |

Note: Figures may not foot due to rounding

Non-GAAP Financial Measures: Net Debt

L.B. Foster Company (FSTR)
Q2 2019 Earnings Presentation
Webcast July 30, 2019

| (\$ in millions) | June 30, 2019 | | March 31, 2019 | | December 31, 2018 | | June 30, 2018 | |
|--------------------------------|------------------|-------------|-------------------|-------------|----------------------|-------------|------------------|-------------|
| Total debt | \$ | 91.1 | \$ | 90.2 | \$ | 75.0 | \$ | 99.0 |
| Less cash and cash equivalents | | (12.0) | | (9.0) | | (10.3) | | (13.3) |
| Net debt | \$ | 79.1 | \$ | 81.1 | \$ | 64.7 | \$ | 85.8 |

Note: Figures may not foot due to rounding