



Q4 2019 Supplemental Information for Earnings Conference Call

February 27th 2020



Forward-Looking Statements

This presentation contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Forward-looking statements may be identified by the use of words such as "anticipate", "believe", "expect", "estimate", "plan", "outlook", and "project" and other similar expressions that predict or indicate future events or trends or that are not statements of historical matters. Forward-looking statements should not be read as a guarantee of future performance or results, and will not necessarily be accurate indications of the times at, or by, which such performance or results will be achieved. Forward-looking statements are based on historical information available at the time the statements are made and are based on management's reasonable belief or expectations with respect to future events, and are subject to risks and uncertainties, many of which are beyond the Company's control, that could cause actual performance or results to differ materially from the belief or expectations expressed in or suggested by the forward-looking statements. Forward-looking statements speak only as of the date on which they are made and the Company undertakes no obligation to update any forward-looking statement to reflect future events, developments or otherwise, except as may be required by applicable law. Investors are referred to the Company's filings with the Securities and Exchange Commission, including its Annual Report on Form 10-K, as updated by any quarterly reporting on Form 10-Q, for additional information regarding the risks and uncertainties that may cause actual results to differ materially from those expressed in any forward-looking statement.

Industry Data

We use market data and industry forecasts throughout this presentation. Unless otherwise indicated, statements in this presentation concerning our industries and the markets in which we operate, including our general expectations, competitive position, business opportunity and market size, growth and share, are based on publicly available information, periodic industry publications and surveys, government surveys and reports, and reports by market research firms. We have not independently verified market data and industry forecasts provided by any of these third-party sources, although we believe such market data and industry forecasts included in this presentation are reliable. This information cannot always be verified with complete certainty due to the limits on the availability and reliability of raw data, the voluntary nature of the data gathering process and other limitations and uncertainties inherent in surveys of market size. Management estimates are derived from the information and data referred to above, as well as our internal research, calculations and assumptions made by us based on our analysis of such information and data and our knowledge of our industries and markets, which we believe to be reasonable, although they have not been independently verified. While we believe that the market position information included in this presentation is generally reliable, such information is inherently imprecise. Assumptions, expectations and estimates of our future performance and the future performance of the industries and markets in which we operate are necessarily subject to a high degree of uncertainty and risk due to a variety of factors, including those described in our filings with the Securities and Exchange Commission. These and other factors could cause results to differ materially from those expressed in the estimates made by the independent parties and by us.

Q4

Net sales growth year over year of 7%

Gross profit growth year over year of 13%

Gross profit margin increase of 100 basis points

Adjusted EBITDA¹ growth year over year of 26%

FY

Net sales growth year over year of 3%

Gross profit growth year over year of 21%

Gross profit margin increase of 280 basis points

Adjusted EBITDA¹ growth year over year of 21%

Strong cash flow generation during 2019:

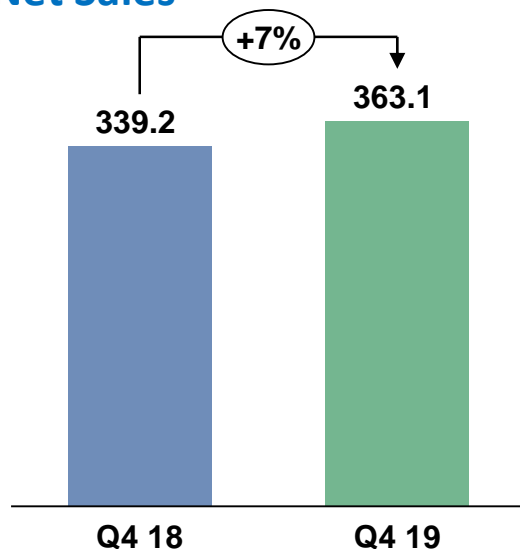
- Generated \$147 million of operating cash flow in 2019 compared to \$27 million in 2018;
- Voluntarily repaid \$87 million of long term debt

¹ Adjusted EBITDA is a non-GAAP measure. See Appendix for additional information regarding this measure and for a reconciliation thereof to the most directly comparable GAAP measure.

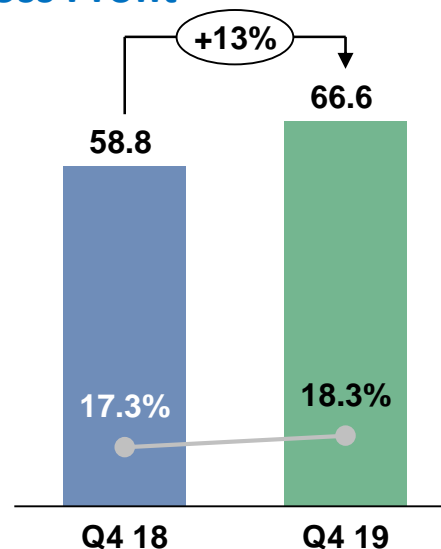
Q4 2019 Financial Performance – Consolidated (\$mm)

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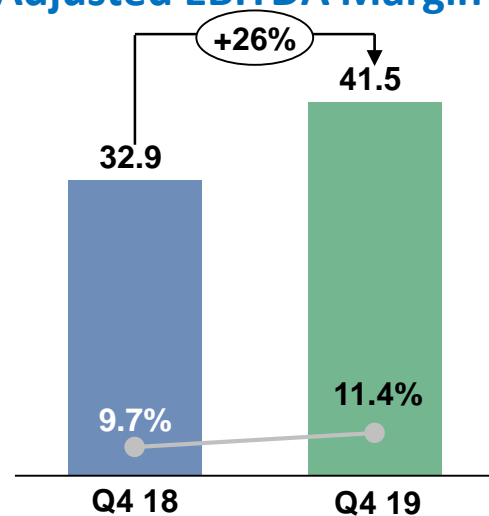
Net Sales



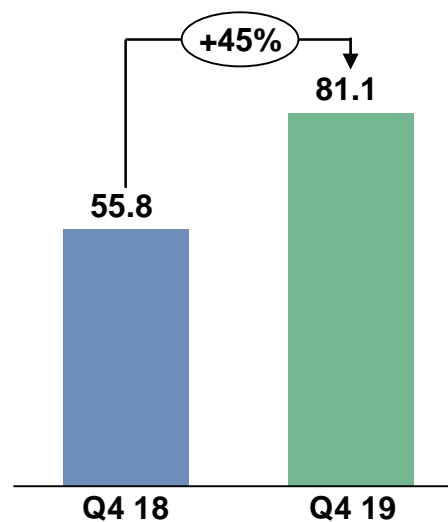
Gross Profit



Adjusted EBITDA and Adjusted EBITDA Margin¹

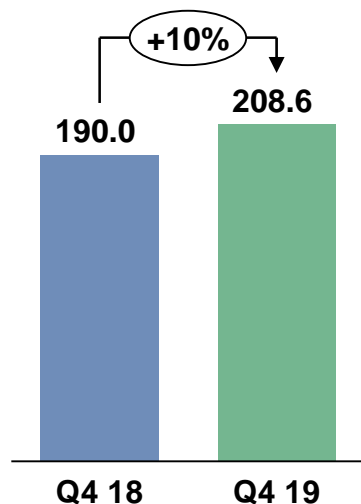


Operating Cash Flow

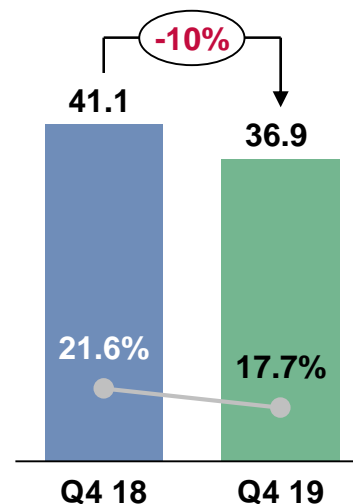


¹ Adjusted EBITDA and Adjusted EBITDA Margin are non-GAAP measures. See Appendix for additional information regarding these measures and for reconciliations thereof to the respective most directly comparable GAAP measures.

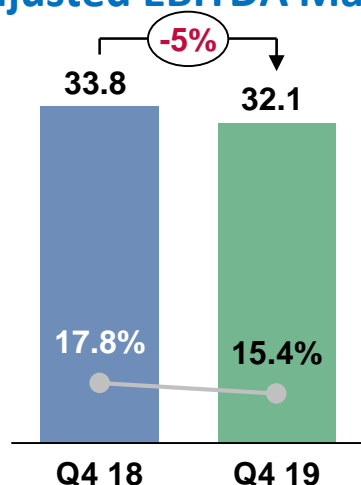
Net Sales



Gross Profit



Adjusted EBITDA and Adjusted EBITDA Margin¹



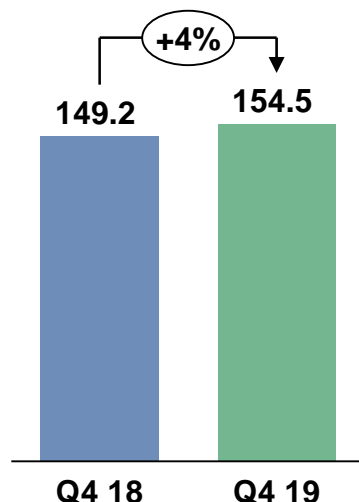
Operational Statistics²

| | Q4 2019 v Q4 2018 | |
|-----------------------------|-------------------|----|
| Volume (tons) | ↑ | 9% |
| Pricing per Unit | ↑ | 3% |
| Cost of Goods Sold per Unit | ↑ | |

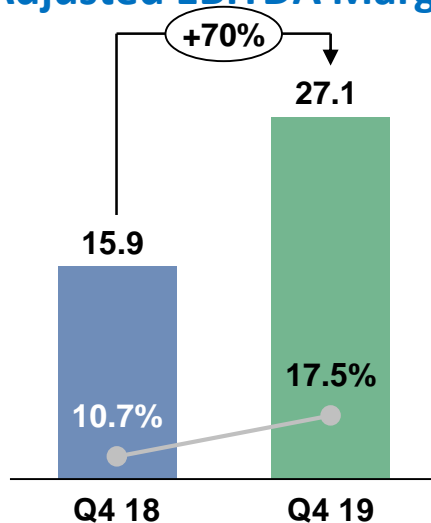
¹ Adjusted EBITDA and Adjusted EBITDA Margin are non-GAAP measures. See Appendix for additional information regarding these measures and for reconciliations thereof to the respective most directly comparable GAAP measures.

² Operational statistics only pertain to our pipe and precast products and do not include other services, non-volume based products, or non-core products. Pipe and precast products revenue accounted for more than 90% of Drainage segment revenue.

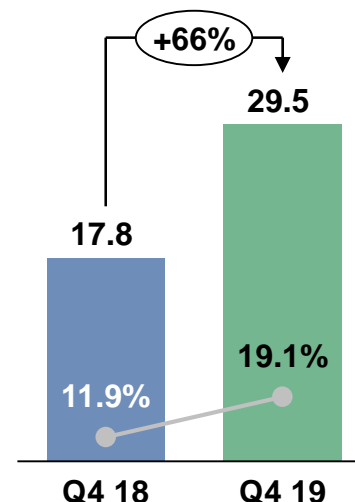
Net Sales



Adjusted EBITDA and Adjusted EBITDA Margin¹



Gross Profit



Operational Statistics²

| | Q4 2019 v Q4 2018 | |
|-----------------------------|-------------------|----|
| Volume (tons) | ↑ | 6% |
| Pricing per Unit | ↑ | 4% |
| Cost of Goods Sold per Unit | ↓ | |

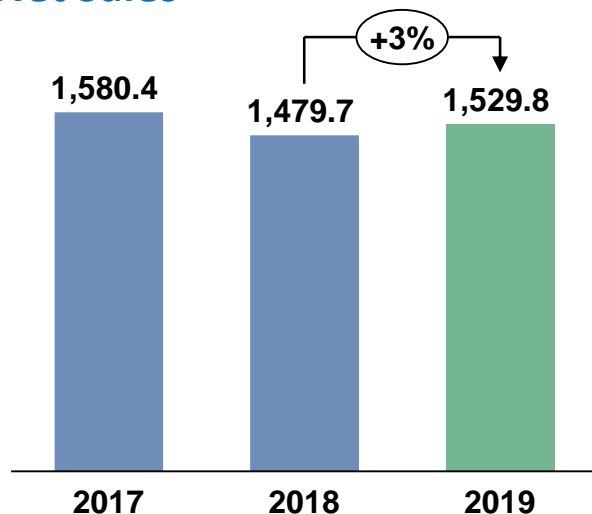
¹ Adjusted EBITDA and Adjusted EBITDA Margin are non-GAAP measures. See Appendix for additional information regarding these measures and for reconciliations thereof to the respective most directly comparable GAAP measures.

² Operational statistics only pertain to our ductile iron pipe products and do not include other services, non-volume based products, or non-core products. Ductile iron pipe revenue accounted for more than 80% of Water segment revenue.

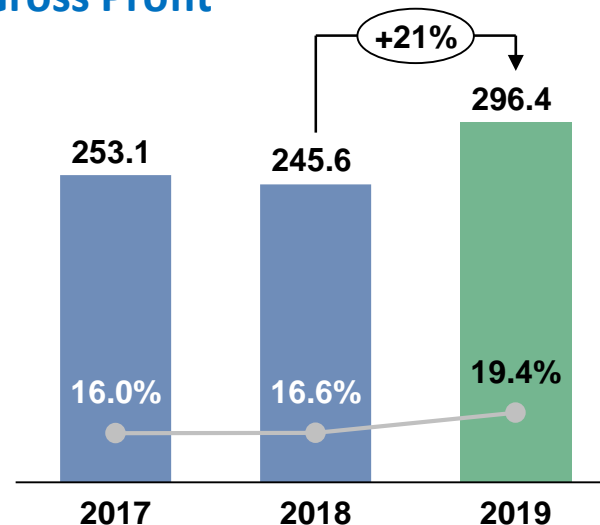
Full Year 2019 Financial Performance – Consolidated (\$mm)

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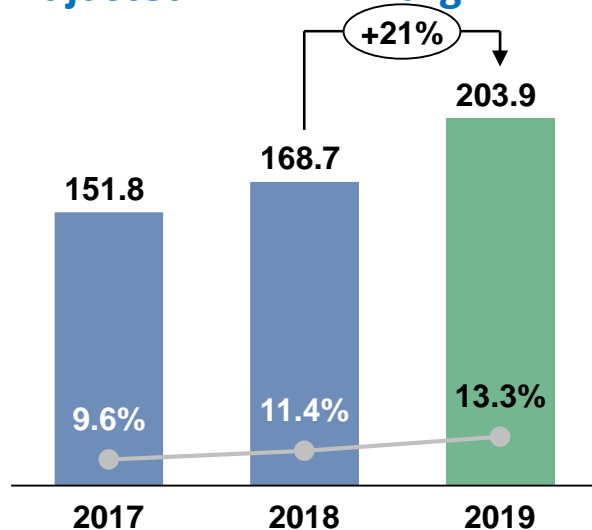
Net Sales



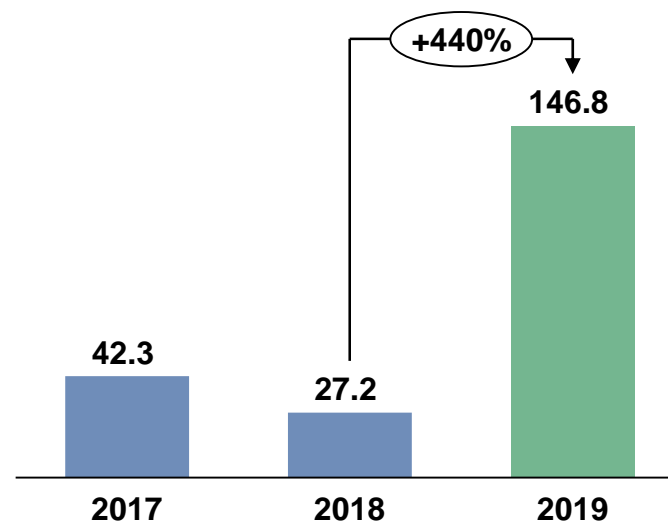
Gross Profit



Adjusted EBITDA and Adjusted EBITDA Margin¹



Operating Cash Flow

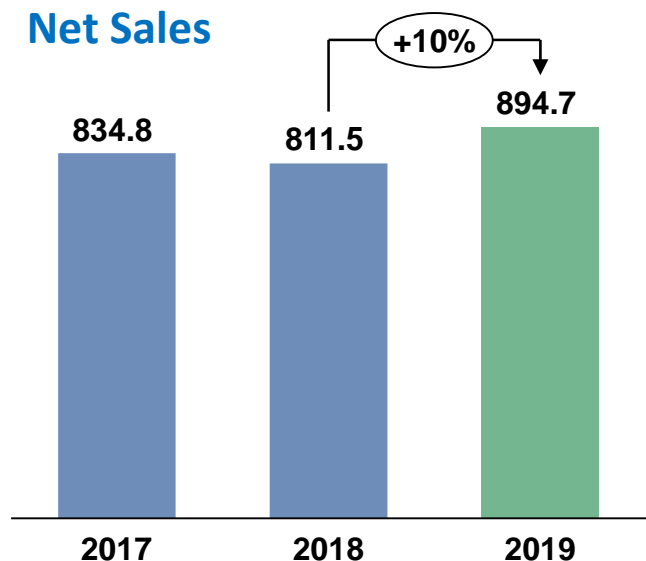


¹ Adjusted EBITDA and Adjusted EBITDA Margin are non-GAAP measures. See Appendix for additional information regarding these measures and for reconciliations thereof to the respective most directly comparable GAAP measures.

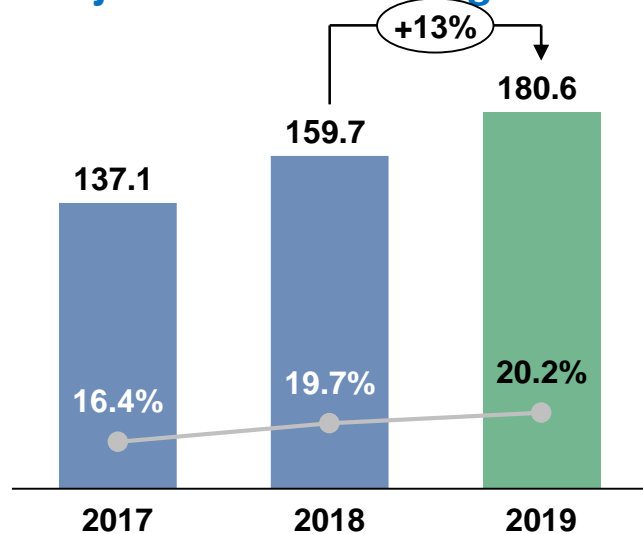
Full Year 2019 Financial Performance – Drainage (\$mm)

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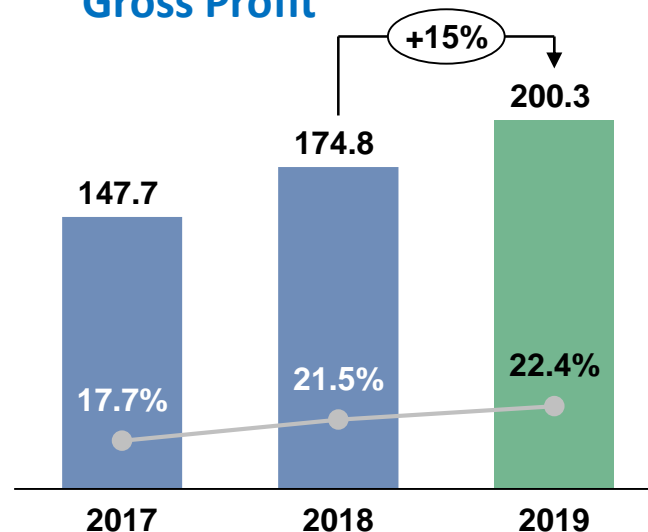
Net Sales



Adjusted EBITDA and Adjusted EBITDA Margin¹



Gross Profit



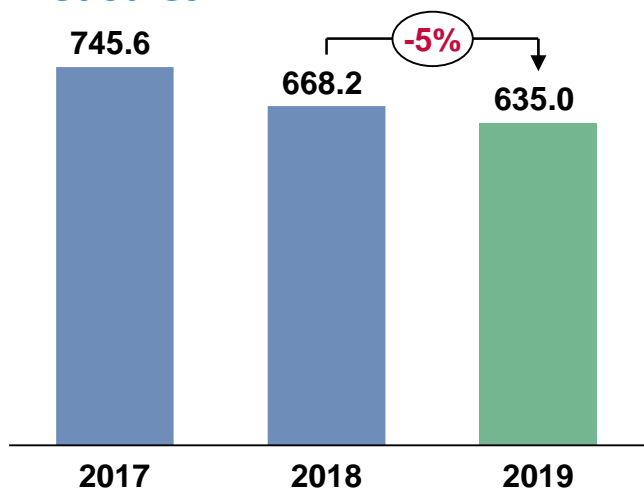
Operational Statistics²

| | 2018 v 2017 | | 2019 v 2018 | |
|-----------------------------|-------------|------|-------------|----|
| Volume (tons) | ↓ | -11% | ↑ | 4% |
| Pricing per Unit | ↑ | 8% | ↑ | 6% |
| Cost of Goods Sold per Unit | ↑ | | ↑ | |

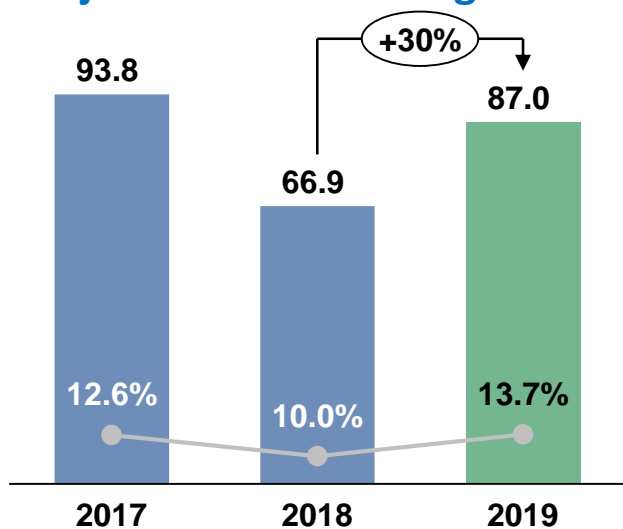
¹ Adjusted EBITDA and Adjusted EBITDA Margin are non-GAAP measures. See Appendix for additional information regarding these measures and for reconciliations thereof to the respective most directly comparable GAAP measures.

² Operational statistics only pertain to our pipe and precast products and do not include other services, non-volume based products, or non-core products. Pipe and precast products revenue accounted for more than 90% of Drainage segment revenue.

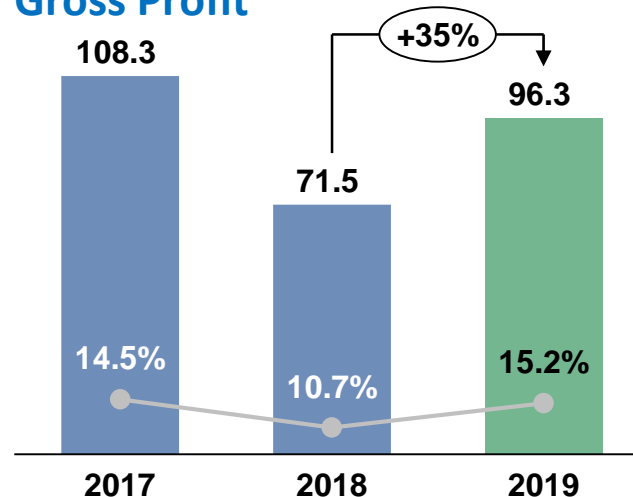
Net Sales



Adjusted EBITDA and Adjusted EBITDA Margin¹



Gross Profit



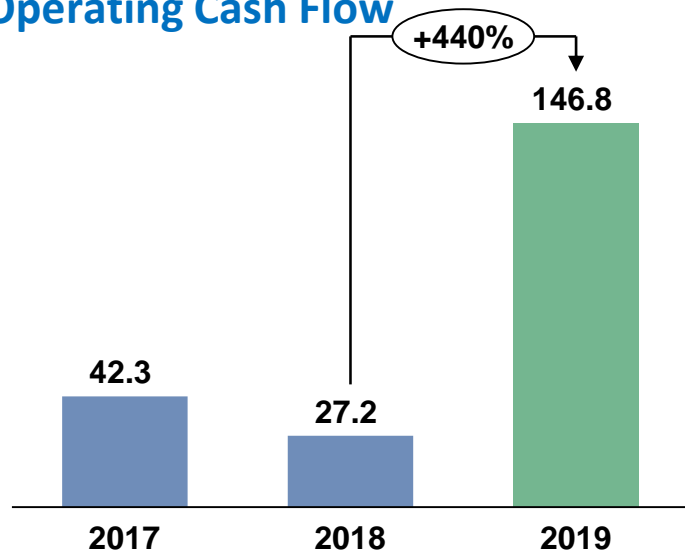
Operational Statistics²

| | 2018 v 2017 | | 2019 v 2018 | |
|-----------------------------|-------------|----|-------------|-----|
| Volume (tons) | ~ | | ↓ | -8% |
| Pricing per Unit | ↑ | 2% | ↑ | 6% |
| Cost of Goods Sold per Unit | ↑ | | ↓ | |

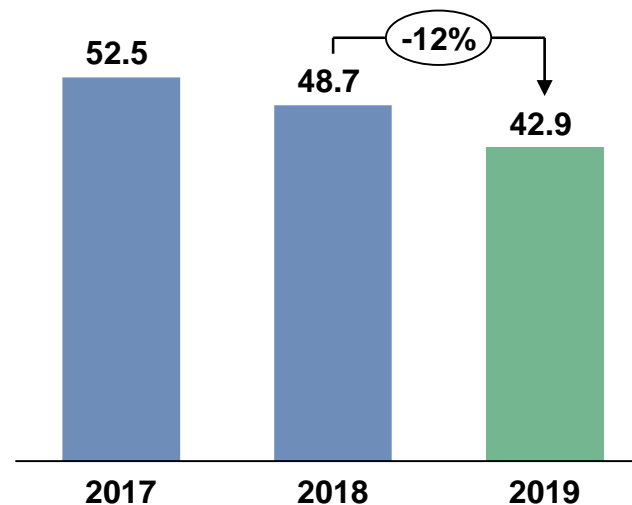
¹ Adjusted EBITDA and Adjusted EBITDA Margin are non-GAAP measures. See Appendix for additional information regarding these measures and for reconciliations thereof to the respective most directly comparable GAAP measures.

² Operational statistics only pertain to our ductile iron pipe products and do not include other services, non-volume based products, or non-core products. Ductile iron pipe revenue accounted for more than 80% of Water segment revenue.

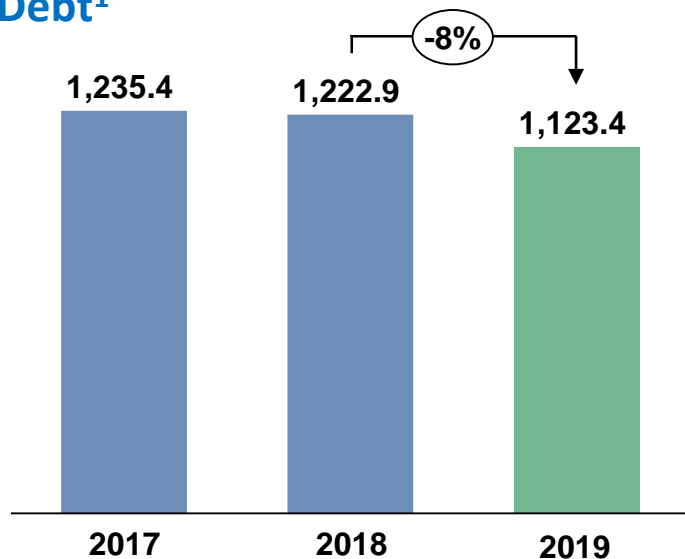
Operating Cash Flow



Capex



Debt¹



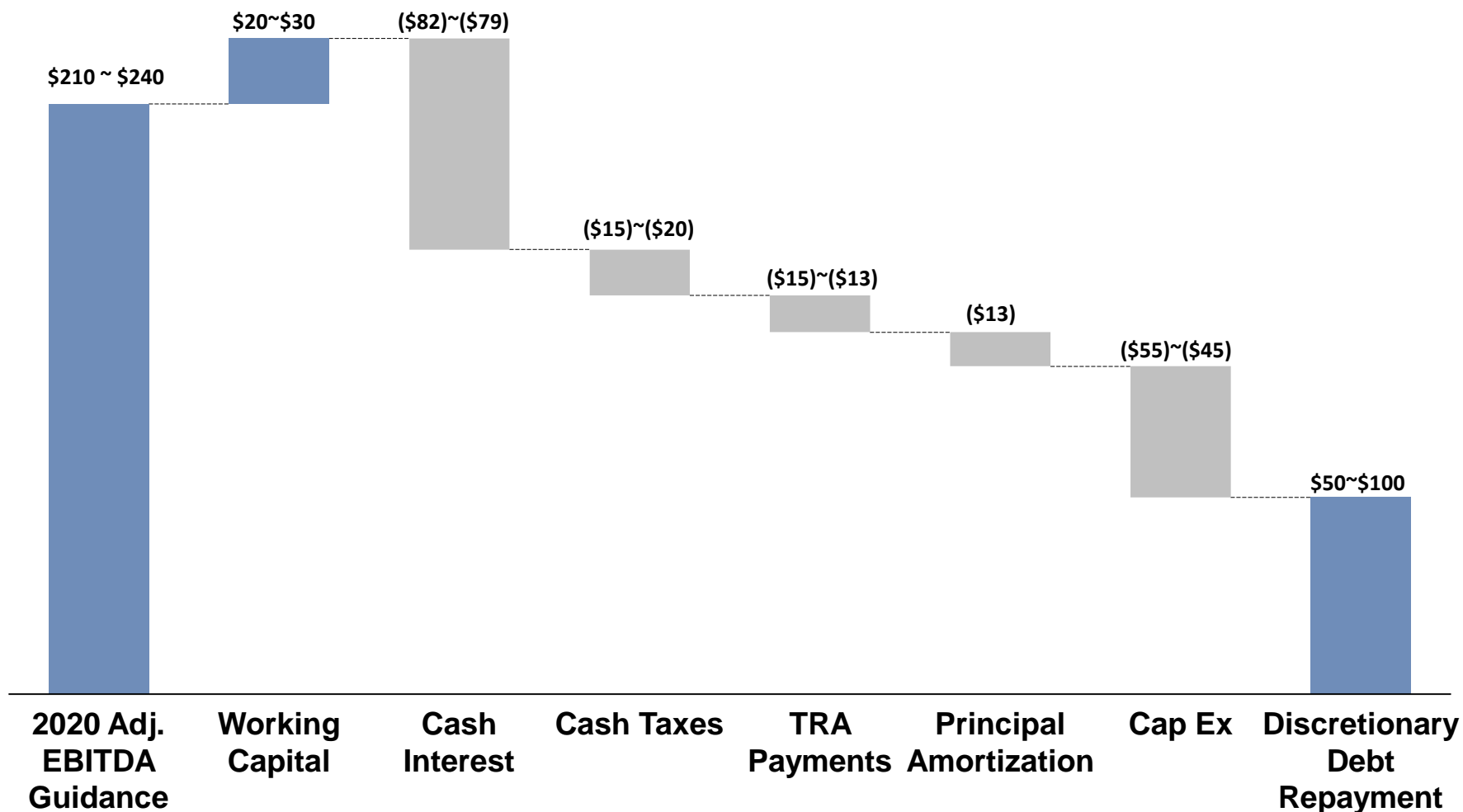
¹ Represents outstanding balances of our term loan at the end of each of the years presented; at each date, there were no borrowings outstanding under our revolving credit facility.

| | 2019 Actual | 2020 Guidance | Y-o-Y Change |
|------------------------------|-------------|---------------|---------------|
| Adjusted EBITDA ¹ | \$204 | \$210 - \$240 | Up \$6 - \$36 |
| Net (Loss) Income | (\$7) | \$2 - \$22 | Up \$9 - \$29 |

¹ Adjusted EBITDA is a non-GAAP measure. See Appendix for additional information regarding this measure and for a reconciliation thereof to the most directly comparable GAAP measure.

2020 Discretionary Debt Repayment Illustration (\$mm)

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- The figures shown above are for illustrative purposes only, and the illustration does not reflect all potential uses of or demands on cash flow that could impact this illustration. Bars represent mid-point of guidance ranges.

Appendix: Non-GAAP Financial Measures

In addition to our results calculated under generally accepted accounting principles in the United States ("GAAP"), in this presentation we also present Adjusted EBITDA and Adjusted EBITDA margin. Adjusted EBITDA and Adjusted EBITDA margin are non-GAAP measures and have been presented in this presentation as supplemental measures of financial performance that are not required by, or presented in accordance with GAAP. We calculate Adjusted EBITDA as the sum of net income (loss), before interest expense (include (gain) loss from extinguishment of debt), depreciation and amortization, income tax (benefit) expense and before (gains) losses on the sale of property, plant and equipment, impairment and exit charges and certain other non-recurring income and expenses, such as transaction costs, inventory step-up impacting margin, non-cash compensation expense and pro-rate share of Adjusted EBITDA from equity method investee, minus earnings from equity method investee. Adjusted EBITDA margin represents Adjusted EBITDA as a percentage of net sales. Prior period amounts have been adjusted to reflect the current period calculation of Adjusted EBITDA.

Adjusted EBITDA and Adjusted EBITDA margin are presented in this presentation because they are important metrics used by management as one of the means by which it assesses our financial performance. Adjusted EBITDA and Adjusted EBITDA margin are also frequently used by analysts, investors and other interested parties to evaluate companies in our industry. We use Adjusted EBITDA and Adjusted EBITDA margin as supplements to GAAP measures of performance to evaluate the effectiveness of our business strategies, to make budgeting decisions, to allocate resources and to compare our performance relative to our peers. Adjusted EBITDA and Adjusted EBITDA margin are also important measures for assessing our operating results and evaluating each operating segment's performance on a consistent basis, by excluding the impacts of depreciation, amortization, income tax expense, interest expense and other items not indicative of ongoing operating performance. Additionally, these measures, when used in conjunction with related GAAP financial measures, provide investors with additional financial analytical framework which management uses, in addition to historical operating results, as the basis for financial, operational and planning decisions and present measurements that third parties have indicated are useful in assessing the Company and its results of operations.

Adjusted EBITDA and Adjusted EBITDA margin have certain limitations. Adjusted EBITDA should not be considered as an alternative to consolidated net income (loss), and in the case of our segment results, Adjusted EBITDA should not be considered an alternative to EBITDA, which the chief operating decision maker reviews for purposes of evaluating segment profit, or in the case of any of the non-GAAP measures, as a substitute for any other measure of financial performance calculated in accordance with GAAP. Similarly, Adjusted EBITDA margin should not be considered as an alternative to gross margin or any other margin calculated in accordance with GAAP. These measures also should not be construed as an inference that our future results will be unaffected by unusual or nonrecurring items for which these non-GAAP measures make adjustments. Additionally, Adjusted EBITDA and Adjusted EBITDA margin are not intended to be liquidity measures because of certain limitations such as: (i) they do not reflect our cash outlays for capital expenditures or future contractual commitments; (ii) they do not reflect changes in, or cash requirements for, working capital; (iii) they do not reflect interest expense, or the cash requirements necessary to service interest, or principal payments, on indebtedness; (iv) they do not reflect income tax expense or the cash necessary to pay income taxes; and (v) although depreciation and amortization are non-cash charges, the assets being depreciated and amortized will often have to be replaced in the future, and these non-GAAP measures do not reflect cash requirements for such replacements.

Other companies, including other companies in our industry, may not use such measures or may calculate one or more of the measures differently than as presented in this presentation, limiting their usefulness as a comparative measure. In evaluating Adjusted EBITDA and Adjusted EBITDA margin, you should be aware that in the future we will incur expenses that are the same as or similar to some of the adjustments made in the calculations below and the presentation of Adjusted EBITDA and Adjusted EBITDA margin should not be construed to mean that our future results will be unaffected by such adjustments. Management compensates for these limitations by using Adjusted EBITDA and Adjusted EBITDA margin as supplemental financial metrics and in conjunction with results prepared in accordance with GAAP.

Adjusted EBITDA Reconciliation – Three Months Ended December 31, 2019 and December 31, 2018

| (\$ in thousands) | Q4 2018 | Q4 2019 |
|--|-------------------|------------------|
| Net Loss | (\$16,952) | (\$7,676) |
| Interest expense | 25,344 | 21,250 |
| Depreciation & amortization | 26,053 | 24,304 |
| Income tax benefit | (3,266) | (2,760) |
| EBITDA ¹ | 31,179 | 35,118 |
| (Gain) Loss on sale of property, plant & equipment, net | (1,820) | 494 |
| Gain on extinguishment of debt | — | (1,334) |
| Impairment & exit charges ² | 445 | 2,197 |
| Transaction costs ³ | 298 | 955 |
| Non-cash compensation ⁴ | 1,652 | 3,086 |
| Earnings from equity method investee ⁵ | (2,417) | (1,507) |
| Pro-rate share of Adjusted EBITDA from equity method investee ⁶ | 3,553 | 2,535 |
| Adjusted EBITDA | \$32,890 | \$41,544 |
| Adjusted EBITDA margin % | 9.7% | 11.4% |

1. For purposes of evaluating segment profit, the Company's chief operating decision maker reviews EBITDA as a basis for making the decisions to allocate resources and assess performance.
2. Impairment or abandonment of long-lived assets and other exit charges.
3. Legal, valuation, accounting, advisory and other costs related to business combinations and other transactions.
4. Non-cash equity compensation expense.
5. Net income from Forterra's 50% ownership in the Concrete Pipe & Precast LLC ("CP&P") joint venture accounted for under the equity method of accounting.
6. Adjusted EBITDA from Forterra's 50% ownership in the CP&P joint venture. Calculated as CP&P net income adjusted primarily to add back Forterra's pro-rata portion of CP&P's depreciation and amortization and interest expense.

Segment Adjusted EBITDA Reconciliation – Three Months Ended December 31, 2019 and December 31, 2018

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| (\$ in thousands) | DRAINAGE PIPE & PRODUCTS | | WATER PIPE & PRODUCTS | |
|--|--------------------------|-----------------|-----------------------|-----------------|
| | Q4 2018 | Q4 2019 | Q4 2018 | Q4 2019 |
| EBITDA ¹ | \$33,894 | \$29,989 | \$15,624 | \$25,153 |
| (Gain)/loss on sale of property, plant & equipment, net | (2,179) | 316 | 344 | 178 |
| Impairment & exit charges ² | 153 | 128 | 292 | 2,069 |
| Non-cash compensation ³ | 410 | 273 | 50 | 106 |
| Other ⁴ | 401 | 401 | (401) | (401) |
| Earnings from equity method investee ⁵ | (2,417) | (1,507) | — | — |
| Pro-rate share of Adjusted EBITDA from equity method investee ⁶ | 3,553 | 2,535 | — | — |
| Adjusted EBITDA | \$33,815 | \$32,135 | \$15,909 | \$27,105 |
| Adjusted EBITDA margin % | 17.8% | 15.4% | 10.7% | 17.5% |

1. For purposes of evaluating segment profit, the Company's chief operating decision maker reviews EBITDA as a basis for making the decisions to allocate resources and assess performance.
2. Impairment or abandonment of long-lived assets and other exit charges.
3. Non-cash equity compensation expense.
4. Other one-time charges or gains.
5. Net income from Forterra's 50% ownership in the Concrete Pipe & Precast LLC ("CP&P") joint venture accounted for under the equity method of accounting.
6. Adjusted EBITDA from Forterra's 50% ownership in the CP&P joint venture. Calculated as CP&P net income adjusted primarily to add back Forterra's pro-rata portion of CP&P's depreciation and amortization and interest expense.

Adjusted EBITDA Reconciliation – Year Ended December 31, 2019, December 31, 2018 and December 31, 2017

| (\$ in thousands) | 2017 | 2018 | 2019 |
|---|------------------|-------------------|------------------|
| Net Loss | (\$2,060) | (\$24,365) | (\$7,331) |
| Interest expense | 59,408 | 78,337 | 94,970 |
| Depreciation & amortization | 115,659 | 105,423 | 97,258 |
| Income tax (benefit) expense | (40,672) | 3,085 | (3,279) |
| EBITDA ¹ | 132,335 | 162,480 | 181,618 |
| (Gain) Loss on sale of property, plant & equipment, net | 2,107 | (4,267) | 2,045 |
| Gain on extinguishment of debt | — | — | (1,708) |
| Impairment & exit charges ² | 13,220 | 4,336 | 3,520 |
| Transaction costs ³ | 7,743 | 2,541 | 2,963 |
| Inventory step-up impacting margin ⁴ | 2,433 | 464 | 278 |
| Loss on business divestitures ⁵ | 32,278 | — | — |
| Non-cash compensation ⁶ | 3,696 | 6,240 | 7,919 |
| Change in tax receivable agreement liability ⁷ | (46,180) | — | — |
| Other ⁸ | (117) | (6,688) | 3,328 |
| Earnings from equity method investee ⁹ | (12,360) | (10,162) | (10,466) |
| Pro-rate share of Adjusted EBITDA from equity method investee ¹⁰ | 16,666 | 13,751 | 14,433 |
| Adjusted EBITDA | \$151,821 | \$168,695 | \$203,930 |

| | | | |
|--------------------------|------|-------|-------|
| Adjusted EBITDA margin % | 9.6% | 11.4% | 13.3% |
|--------------------------|------|-------|-------|

- For purposes of evaluating segment profit, the Company's chief operating decision maker reviews EBITDA as a basis for making the decisions to allocate resources and assess performance.
- Impairment or abandonment of long-lived assets and other exit charges.
- Legal, valuation, accounting, advisory and other costs related to business combinations and other transactions.
- Effect of the purchase accounting step-up in the value of inventory to fair value recognized in cost of goods sold as a result of business combinations.
- Loss on divestiture of U.S. concrete and steel pressure pipe business, net of specific items for which adjustments are separately made elsewhere in the calculation of adjusted EBITDA presented herein.
- Non-cash equity compensation expense.
- Adjustments to the estimated value of the tax receivable agreement due to the December 2017 Tax Cuts and Jobs Act.
- Other includes one-time charges such as executive severance costs and (gains) losses from divestiture transactions.
- Net income from Forterra's 50% ownership in the Concrete Pipe & Precast LLC ("CP&P") joint venture accounted for under the equity method of accounting.
- Adjusted EBITDA from Forterra's 50% ownership in the CP&P joint venture. Calculated as CP&P net income adjusted primarily to add back Forterra's pro-rata portion of CP&P's depreciation and amortization and interest expense.

Segment Adjusted EBITDA Reconciliation – Year Ended December 31, 2019, December 31, 2018 and December 31, 2017

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| (\$ in thousands) | DRAINAGE PIPE & PRODUCTS | | | WATER PIPE & PRODUCTS | | |
|--|--------------------------|------------------|------------------|-----------------------|-----------------|-----------------|
| | 2017 | 2018 | 2019 | 2017 | 2018 | 2019 |
| EBITDA ¹ | \$129,618 | \$156,735 | \$171,413 | \$47,587 | \$64,547 | \$84,424 |
| (Gain)/loss on sale of property, plant & equipment, net | 15 | (5,598) | 1,554 | 2,092 | 1,316 | 489 |
| Impairment & exit charges ² | (14) | 1,886 | 230 | 12,395 | 2,458 | 3,290 |
| Inventory step-up impacting margin ³ | 2,433 | 464 | 278 | — | — | — |
| Loss on business divestitures ⁴ | — | — | — | 32,278 | — | — |
| Non-cash compensation ⁵ | 711 | 1,695 | 1,552 | 379 | 256 | 449 |
| Other ⁶ | 29 | 920 | 1,604 | (942) | (1,671) | (1,604) |
| Earnings from equity method investee ⁷ | (12,360) | (10,162) | (10,466) | — | — | — |
| Pro-rate share of Adjusted EBITDA from equity method investee ⁸ | 16,666 | 13,751 | 14,433 | — | — | — |
| Adjusted EBITDA | \$137,098 | \$159,691 | \$180,598 | \$93,789 | \$66,906 | \$87,048 |
| Adjusted EBITDA margin % | 16.4% | 19.7% | 20.2% | 12.6% | 10.0% | 13.7% |

- For purposes of evaluating segment profit, the Company's chief operating decision maker reviews EBITDA as a basis for making the decisions to allocate resources and assess performance.
- Impairment or abandonment of long-lived assets and other exit charges.
- Effect of the purchase accounting step-up in the value of inventory to fair value recognized in cost of goods sold as a result of business combinations.
- Loss on divestiture of U.S. concrete and steel pressure pipe business, net of specific items for which adjustments are separately made elsewhere in the calculation of adjusted EBITDA presented herein.
- Non-cash equity compensation expense.
- Other includes one-time charges such as executive severance costs and (gains) losses from divestiture transaction.
- Net income from Forterra's 50% ownership in the Concrete Pipe & Precast LLC ("CP&P") joint venture accounted for under the equity method of accounting.
- Adjusted EBITDA from Forterra's 50% ownership in the CP&P joint venture. Calculated as CP&P net income adjusted primarily to add back Forterra's pro-rata portion of CP&P's depreciation and amortization and interest expense.

| (\$ in millions) | Full Year 2020 Guidance | |
|-------------------------------|-------------------------|---------------|
| | Low | High |
| Net Income | \$ 2 | \$ 22 |
| Interest expense | 88 | 88 |
| Income tax expense | 20 | 25 |
| Depreciation and amortization | 95 | 95 |
| Other adjustments | 5 | 10 |
| Adjusted EBITDA | \$ 210 | \$ 240 |