

REFINITIV

DELTA REPORT

10-Q

CONCRETE PUMPING HOLDINGS

10-Q - JULY 31, 2024 COMPARED TO 10-Q - APRIL 30, 2024

The following comparison report has been automatically generated

| | |
|--------------|-----|
| TOTAL DELTAS | 729 |
| CHANGES | 294 |
| DELETIONS | 185 |
| ADDITIONS | 250 |

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended **April 30, 2024** **July 31, 2024**

OR

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from ____ to ____

Commission File Number: 001-38166

CONCRETE PUMPING HOLDINGS, INC.
(Exact name of Registrant as specified in its charter)

Delaware
(State or other jurisdiction of incorporation or organization)

83-1779605
(I.R.S. Employer Identification No.)

500 E. 84th Avenue, Suite A-5
Thornton, Colorado
(Address of principal executive offices)

80229
(Zip Code)

(303) 289-7497
(Registrant's telephone number, including area code)

None
(Former name, former address and former fiscal year, if changed since last report)

Securities registered pursuant to Section 12(b) of the Act:

| Title of each class | Trading Symbol(s) | Name of each exchange on which registered |
|--|-------------------|---|
| Common Stock, par value \$0.0001 per share | BBCP | The Nasdaq Stock Market LLC |

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☐

Accelerated filer ☒

Non-accelerated filer ☐
Emerging growth company ☐

Smaller reporting company ☒

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

As of **June 3, 2024** **August 30, 2024**, the registrant had **54,119,255** **53,533,261** shares of common stock, par value \$0.0001 per share, issued and outstanding.

CONCRETE PUMPING HOLDINGS, INC.
QUARTERLY REPORT ON FORM 10-Q
FOR THE PERIOD ENDED **APRIL 30, 2024** **JULY 31, 2024**

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PART I

ITEM 1. Financial Statements

Concrete Pumping Holdings, Inc.
Condensed Consolidated Balance Sheets

(Unaudited)

| | As of April 30, 2024 | As of October 31, 2023 | As of July 31, 2024 | As of October 31, 2023 |
|---|-------------------------|---------------------------|---------------------------|------------------------------|
| <i>(in thousands, except per share amounts)</i> | | | | |
| Current assets: | | | | |
| Cash and cash equivalents | \$ 17,956 | \$ 15,861 | \$ 26,333 | \$ 15,861 |
| Receivables, net of allowance for doubtful accounts of \$1,056 and \$978, respectively | 56,909 | 62,976 | | |
| Receivables, net of allowance for doubtful accounts of \$1,076 and \$978, respectively | | | 56,214 | 62,976 |
| Inventory | 6,202 | 6,732 | 6,568 | 6,732 |
| Prepaid expenses and other current assets | 18,392 | 8,701 | 13,357 | 8,701 |
| Total current assets | 99,459 | 94,270 | 102,472 | 94,270 |
| Property, plant and equipment, net | 426,884 | 427,648 | 423,486 | 427,648 |
| Intangible assets, net | 112,756 | 120,244 | 109,253 | 120,244 |
| Goodwill | 222,295 | 221,517 | 222,964 | 221,517 |
| Right-of-use operating lease assets | 27,226 | 24,815 | 26,734 | 24,815 |
| Other non-current assets | 4,506 | 14,250 | 4,392 | 14,250 |
| Deferred financing costs | 1,587 | 1,781 | 1,489 | 1,781 |
| Total assets | \$ 894,713 | \$ 904,525 | \$ 890,790 | \$ 904,525 |
| Current liabilities: | | | | |
| Revolving loan | \$ 16,428 | \$ 18,954 | \$ - | \$ 18,954 |
| Operating lease obligations, current portion | 4,673 | 4,739 | 4,800 | 4,739 |
| Finance lease obligations, current portion | - | 125 | - | 125 |
| Accounts payable | 8,417 | 8,906 | 7,914 | 8,906 |
| Accrued payroll and payroll expenses | 12,804 | 14,524 | 14,795 | 14,524 |
| Accrued expenses and other current liabilities | 35,956 | 34,750 | 38,745 | 34,750 |
| Income taxes payable | 1,695 | 1,848 | 356 | 1,848 |
| Warrant liability, current portion | - | 130 | - | 130 |
| Total current liabilities | 79,973 | 83,976 | 66,610 | 83,976 |
| Long term debt, net of discount for deferred financing costs | 372,564 | 371,868 | 372,912 | 371,868 |
| Operating lease obligations, non-current | 22,819 | 20,458 | 22,243 | 20,458 |
| Finance lease obligations, non-current | - | 50 | - | 50 |
| Deferred income taxes | 80,489 | 80,791 | 84,050 | 80,791 |
| Other liabilities, non-current | 5,567 | 14,142 | 5,299 | 14,142 |
| Total liabilities | 561,412 | 571,285 | 551,114 | 571,285 |
| Commitments and contingencies (Note 13) | | | | |
| Zero-dividend convertible perpetual preferred stock, \$0.0001 par value, 2,450,980 shares issued and outstanding as of April 30, 2024 and October 31, 2023 | 25,000 | 25,000 | | |
| Zero-dividend convertible perpetual preferred stock, \$0.0001 par value, 2,450,980 shares issued and outstanding as of July 31, 2024 and October 31, 2023 | | | 25,000 | 25,000 |
| Stockholders' equity | | | | |
| Common stock, \$0.0001 par value, 500,000,000 shares authorized, 53,741,044 and 54,757,445 issued and outstanding as of April 30, 2024 and October 31, 2023, respectively | 6 | 6 | | |

| | | | | |
|--|-------------------|-------------------|-------------------|-------------------|
| Common stock, \$0.0001 par value, 500,000,000 shares authorized, 53,748,023 and 54,757,445 issued and outstanding as of July 31, 2024 and October 31, 2023, respectively | | | 6 | 6 |
| Additional paid-in capital | 384,585 | 383,286 | 385,229 | 383,286 |
| Treasury stock | (18,131) | (15,114) | (22,275) | (15,114) |
| Accumulated other comprehensive loss | (2,932) | (5,491) | (617) | (5,491) |
| Accumulated deficit | (55,227) | (54,447) | (47,667) | (54,447) |
| Total stockholders' equity | 308,301 | 308,240 | 314,676 | 308,240 |
| Total liabilities and stockholders' equity | <u>\$ 894,713</u> | <u>\$ 904,525</u> | <u>\$ 890,790</u> | <u>\$ 904,525</u> |

The accompanying notes are an integral part of these condensed consolidated financial statements.

Concrete Pumping Holdings, Inc.
Condensed Consolidated Statements of Operations
(Unaudited)

| | Three Months Ended April 30, | | Six Months Ended April 30, | | Three Months Ended July 31, | | Nine Months Ended July 31, | |
|---|------------------------------|-----------------|----------------------------|------------------|-----------------------------|-----------------|----------------------------|------------------|
| (in thousands, except per share amounts) | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 |
| Revenue | \$ 107,062 | \$ 107,791 | \$ 204,773 | \$ 201,366 | \$ 109,617 | \$ 120,671 | \$ 314,390 | \$ 322,037 |
| Cost of operations | 65,295 | 64,317 | 129,692 | 121,438 | 65,112 | 71,187 | 194,804 | 192,625 |
| Gross profit | 41,767 | 43,474 | 75,081 | 79,928 | 44,505 | 49,484 | 119,586 | 129,412 |
| General and administrative expenses | 29,712 | 30,258 | 61,570 | 57,299 | 27,880 | 29,937 | 89,450 | 87,236 |
| Income from operations | 12,055 | 13,216 | 13,511 | 22,629 | 16,625 | 19,547 | 30,136 | 42,176 |
| Other income (expense): | | | | | | | | |
| Interest expense and amortization of deferred financing costs | (6,873) | (7,348) | (13,336) | (14,219) | (6,318) | (7,066) | (19,744) | (21,285) |
| Change in fair value of warrant liabilities | - | 1,172 | 130 | 5,728 | - | 911 | 130 | 6,639 |
| Interest income | | | | | 58 | - | 148 | - |
| Other income (expense), net | 44 | 13 | 84 | 34 | 276 | 262 | 360 | 296 |
| Total other expense | (6,829) | (6,163) | (13,122) | (8,457) | (5,984) | (5,893) | (19,106) | (14,350) |
| Income before income taxes | 5,226 | 7,053 | 389 | 14,172 | 10,641 | 13,654 | 11,030 | 27,826 |
| Income tax expense | 2,180 | 1,465 | 1,169 | 2,109 | 3,081 | 3,318 | 4,250 | 5,427 |
| Net income (loss) | 3,046 | 5,588 | (780) | 12,063 | | | | |
| Net income | | | | | 7,560 | 10,336 | 6,780 | 22,399 |
| Less accretion of liquidation preference on preferred stock | (430) | (427) | (870) | (868) | (440) | (441) | (1,310) | (1,309) |
| Income (loss) available to common shareholders | <u>\$ 2,616</u> | <u>\$ 5,161</u> | <u>\$ (1,650)</u> | <u>\$ 11,195</u> | | | | |
| Income available to common shareholders | | | | | <u>\$ 7,120</u> | <u>\$ 9,895</u> | <u>\$ 5,470</u> | <u>\$ 21,090</u> |
| Weighted average common shares outstanding | | | | | | | | |
| Basic | 53,430 | 53,330 | 53,501 | 53,468 | 53,699 | 53,199 | 53,556 | 53,377 |
| Diluted | 54,380 | 54,225 | 53,501 | 54,343 | 53,775 | 54,105 | 54,191 | 54,263 |

| | | | | | | | | | |
|------------------------------------|----|------|----|------|----|--------|----|------|---------------------------------|
| Net income (loss) per common share | | | | | | | | | |
| Net income per common share | | | | | | | | | |
| Basic | \$ | 0.05 | \$ | 0.09 | \$ | (0.03) | \$ | 0.20 | \$ 0.13 \$ 0.18 \$ 0.10 \$ 0.38 |
| Diluted | \$ | 0.05 | \$ | 0.09 | \$ | (0.03) | \$ | 0.20 | \$ 0.13 \$ 0.18 \$ 0.10 \$ 0.38 |

The accompanying notes are an integral part of these condensed consolidated financial statements.

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Concrete Pumping Holdings, Inc.
Condensed Consolidated Statements of Comprehensive Income
(Unaudited)

| (in thousands) | Three Months Ended April 30, | | Six Months Ended April 30, | | Three Months Ended July 31, | | Nine Months Ended July 31, | |
|---|------------------------------|----------|----------------------------|-----------|-----------------------------|-----------|----------------------------|-----------|
| | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 |
| Net income (loss) | \$ 3,046 | \$ 5,588 | \$ (780) | \$ 12,063 | | | | |
| Net income | | | | | \$ 7,560 | \$ 10,336 | \$ 6,780 | \$ 22,399 |
| Other comprehensive income: | | | | | | | | |
| Foreign currency translation adjustment | (1,529) | 1,678 | 2,559 | 6,730 | 2,315 | 1,835 | 4,874 | 8,565 |
| Total comprehensive income | \$ 1,517 | \$ 7,266 | \$ 1,779 | \$ 18,793 | \$ 9,875 | \$ 12,171 | \$ 11,654 | \$ 30,964 |

The accompanying notes are an integral part of these condensed consolidated financial statements.

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Concrete Pumping Holdings, Inc.
Condensed Consolidated Statements of Changes in Stockholders' Equity
(Unaudited)

| (in thousands, except share amounts) | Common Stock | | Additional Paid-In Capital | Treasury Stock | Accumulated Other Comprehensive Income (Loss) | Accumulated Deficit | Total | Common Stock | | Additional Paid-In Capital | Treasury Stock | Acc |
|---|--------------|--------|----------------------------|----------------|---|---------------------|------------|--------------|--------|----------------------------|----------------|----------|
| | Shares | Amount | | | | | | Shares | Amount | | | Com Incc |
| Balance, January 31, 2024 | 53,870,084 | \$ 6 | \$ 383,822 | \$ (16,212) | \$ (1,403) | \$ (58,273) | \$ 307,940 | | | | | |
| Balance, April 30, 2024 | | | | | | | | 53,741,044 | \$ 6 | \$ 384,585 | \$ (18,131) | \$ |
| Stock-based compensation expense | - | - | 737 | - | - | - | 737 | - | - | 644 | - | |
| Forfeiture/cancellation of restricted stock | - | - | - | - | - | - | - | (812) | - | - | - | |

| | | | | | | | | | | | |
|--|------------|------|------------|-------------|------------|-------------|------------|------------|------|------------|-------------|
| Shares issued under stock-based program | 124,353 | - | 26 | - | - | - | 26 | 709,192 | - | - | - |
| Treasury shares purchased for tax withholding | (82,364) | - | - | (650) | - | - | (650) | (330,982) | - | - | (1,683) |
| Treasury shares purchased under share repurchase program | (171,029) | - | - | (1,269) | - | - | (1,269) | (370,419) | - | - | (2,460) |
| Net income | - | - | - | - | - | 3,046 | 3,046 | - | - | - | - |
| Foreign currency translation adjustment | - | - | - | - | (1,529) | - | (1,529) | - | - | - | - |
| Balance, April 30, 2024 | 53,741,044 | \$ 6 | \$ 384,585 | \$ (18,131) | \$ (2,932) | \$ (55,227) | \$ 308,301 | | | | |
| Balance, July 31, 2024 | | | | | | | | 53,748,023 | \$ 6 | \$ 385,229 | \$ (22,275) |

| | Common Stock | | Additional Paid-In Capital | Treasury Stock | Accumulated Other Comprehensive Income (Loss) | Accumulated Deficit | Total | Common Stock | | Additional Paid-In Capital | Treasury Stock | Accumulated Other Comprehensive Income (Loss) |
|--|--------------|--------|----------------------------|----------------|---|---------------------|------------|--------------|--------|----------------------------|----------------|---|
| (in thousands, except share amounts) | Shares | Amount | | | | | | Shares | Amount | | | |
| Balance, January 31, 2023 | 55,407,330 | \$ 6 | \$ 380,535 | \$ (10,105) | \$ (4,176) | \$ (79,762) | \$ 286,498 | | | | | |
| Balance, April 30, 2023 | | | | | | | | 55,015,572 | \$ 6 | \$ 381,599 | \$ (12,894) | \$ |
| Stock-based compensation expense | - | - | 1,064 | - | - | - | 1,064 | - | - | 934 | - | - |
| Forfeiture/cancellation of restricted stock | - | - | - | - | - | - | - | (18,459) | - | - | - | - |
| Shares issued under stock-based program | 15,783 | - | - | - | - | - | - | 8,773 | - | - | - | - |
| Treasury shares purchased for tax withholding | (68,009) | - | - | (467) | - | - | (467) | - | - | - | - | - |
| Treasury shares purchased under share repurchase program | (339,532) | - | - | (2,322) | - | - | (2,322) | (198,973) | - | - | (1,394) | - |
| Net income | - | - | - | - | - | 5,588 | 5,588 | - | - | - | - | - |
| Foreign currency translation adjustment | - | - | - | - | 1,678 | - | 1,678 | - | - | - | - | - |
| Balance, April 30, 2023 | 55,015,572 | \$ 6 | \$ 381,599 | \$ (12,894) | \$ (2,498) | \$ (74,174) | \$ 292,039 | | | | | |
| Balance, July 31, 2023 | | | | | | | | 54,806,913 | \$ 6 | \$ 382,533 | \$ (14,288) | \$ |

Concrete Pumping Holdings, Inc.
Condensed Consolidated Statements of Changes in Stockholders' Equity

(Unaudited)

| | Accumulated | | | | | | | Acc | | | | |
|--|--------------|--------|------------|------------|---------------|-------------|------------|--------------|---------|------------|------------|-----|
| | Common Stock | | Additional | Treasury | Other | Accumulated | Total | | | Additional | Treasury | Com |
| | | | Paid-In | Stock | Comprehensive | Deficit | | Common Stock | Capital | Stock | Incc | |
| (in thousands, except share amounts) | Shares | Amount | | | Income (Loss) | | | Shares | Amount | | | |
| Balance, October 31, 2023 | 54,757,445 | \$ 6 | \$ 383,286 | \$(15,114) | \$(5,491) | \$(54,447) | \$ 308,240 | 54,757,445 | \$ 6 | \$ 383,286 | \$(15,114) | \$ |
| Stock-based compensation expense | - | - | 1,273 | - | - | - | 1,273 | - | - | 1,917 | - | |
| Forfeiture/cancellation of restricted stock | (750,585) | - | - | - | - | - | - | (751,397) | - | - | - | |
| Shares issued under stock-based program | 132,849 | - | 26 | - | - | - | 26 | 842,041 | - | 26 | - | |
| Treasury shares purchased for tax withholding | (191,542) | - | - | (1,500) | - | - | (1,500) | (522,524) | - | - | (3,184) | |
| Treasury shares purchased under share repurchase program | (207,123) | - | - | (1,517) | - | - | (1,517) | (577,542) | - | - | (3,977) | |
| Net income | - | - | - | - | - | (780) | (780) | - | - | - | - | |
| Foreign currency translation adjustment | - | - | - | - | 2,559 | - | 2,559 | - | - | - | - | |
| Balance, April 30, 2024 | 53,741,044 | \$ 6 | \$ 384,585 | \$(18,131) | \$(2,932) | \$(55,227) | \$ 308,301 | | | | | |
| Balance, July 31, 2024 | | | | | | | | 53,748,023 | \$ 6 | \$ 385,229 | \$(22,275) | \$ |

| | Balance Sheet | | | | | | | Statement of Equity | | | | |
|--|---------------|--------|----------------------------|----------------|-----------------------------------|---------------------|------------|---------------------|--------|----------------------------|----------------|---------------------|
| | Common Stock | | Additional Paid-In Capital | Treasury Stock | Other Comprehensive Income (Loss) | Accumulated Deficit | Total | Common Stock | | Additional Paid-In Capital | Treasury Stock | Accumulated Deficit |
| | Shares | Amount | | | | | | Shares | Amount | | | Com Incc |
| (in thousands, except share amounts) | | | | | | | | | | | | |
| Balance, October 31, 2022 | 56,226,191 | \$ 6 | \$ 379,395 | \$ (4,609) | \$ (9,228) | \$ (86,237) | \$ 279,327 | 56,226,191 | \$ 6 | \$ 379,395 | \$ (4,609) | \$ |
| Stock-based compensation expense | - | - | 2,204 | - | - | - | 2,204 | - | - | 3,138 | - | |
| Forfeiture/cancellation of restricted stock | (1,312) | - | - | - | - | - | - | (19,771) | - | - | - | |
| Shares issued under stock-based program | 41,047 | - | - | - | - | - | - | 49,820 | - | - | - | |
| Treasury shares purchased for tax withholding | (150,365) | - | - | (1,040) | - | - | (1,040) | (150,365) | - | - | (1,040) | |
| Treasury shares purchased under share repurchase program | (1,099,989) | - | - | (7,245) | - | - | (7,245) | (1,298,962) | - | - | (8,639) | |

| | | | | | | | | | | | |
|---|------------|----|---|----|---------|------------|-----------|------------|----|---------|--------------------------|
| Net income | - | - | - | - | - | 12,063 | 12,063 | - | - | - | - |
| Foreign currency translation adjustment | - | - | - | - | 6,730 | - | 6,730 | - | - | - | - |
| Balance, April 30, 2023 | 55,015,572 | \$ | 6 | \$ | 381,599 | \$(12,894) | \$(2,498) | \$(74,174) | \$ | 292,039 | |
| Balance, July 31, 2023 | | | | | | | | 54,806,913 | \$ | 6 | \$ 382,533 \$(14,288) \$ |

The accompanying notes are an integral part of these condensed consolidated financial statements.

Concrete Pumping Holdings, Inc.
Condensed Consolidated Statements of Cash Flows
(Unaudited)

| (in thousands) | For the Six Months Ended April 30, | | For the Nine Months Ended July 31, | |
|--|------------------------------------|-----------|------------------------------------|-----------|
| | 2024 | 2023 | 2024 | 2023 |
| Net income (loss) | \$ (780) | \$ 12,063 | | |
| Adjustments to reconcile net income (loss) to net cash provided by operating activities: | | | | |
| Net income | | | \$ 6,780 | \$ 22,399 |
| Adjustments to reconcile net income to net cash provided by operating activities: | | | | |
| Non-cash operating lease expense | 2,567 | 2,317 | 3,841 | 3,526 |
| Foreign currency adjustments | (451) | (1,106) | (890) | (1,421) |
| Depreciation | 20,565 | 19,523 | 31,345 | 29,541 |
| Deferred income taxes | (590) | 1,128 | 2,693 | 4,140 |
| Amortization of deferred financing costs | 890 | 957 | 1,336 | 1,414 |
| Amortization of intangible assets | 7,771 | 9,647 | 11,482 | 14,336 |
| Stock-based compensation expense | 1,273 | 2,204 | 1,917 | 3,138 |
| Change in fair value of warrant liabilities | (130) | (5,728) | (130) | (6,639) |
| Net gain on the sale of property, plant and equipment | (1,147) | (640) | (1,412) | (1,472) |
| Other operating activities | 65 | (70) | 72 | (93) |
| Net changes in operating assets and liabilities: | | | | |
| Receivables | 6,279 | 867 | 7,227 | (3,199) |
| Inventory | 612 | (681) | 301 | (970) |
| Other operating assets | (2,420) | (3,216) | (551) | (875) |
| Accounts payable | (1,218) | (1,112) | (1,668) | (2,050) |
| Other operating liabilities | (3,841) | (5,061) | 2,131 | 4,457 |
| Net cash provided by operating activities | 29,445 | 31,092 | 64,474 | 66,232 |
| Cash flows from investing activities: | | | | |
| Purchases of property, plant and equipment | (28,817) | (34,745) | (37,484) | (43,166) |
| Proceeds from sale of property, plant and equipment | 5,236 | 4,416 | 7,472 | 8,043 |
| Purchases of intangible assets | - | (800) | - | (800) |
| Net cash used in investing activities | (23,581) | (31,129) | (30,012) | (35,923) |
| Cash flows from financing activities: | | | | |
| Proceeds on revolving loan | 167,611 | 174,504 | 230,398 | 239,911 |
| Payments on revolving loan | (170,138) | (167,213) | (249,352) | (256,345) |
| Payment of debt issuance costs | | | - | (550) |

| | | | | |
|--|-----------|----------|-----------|-----------|
| Purchase of treasury stock | (3,017) | (8,285) | (7,161) | (9,679) |
| Other financing activities | 1,409 | (58) | 1,343 | (81) |
| Net cash used in financing activities | (4,135) | (1,052) | (24,772) | (26,744) |
| Effect of foreign currency exchange rate changes on cash | 366 | 250 | 782 | 485 |
| Net increase (decrease) in cash and cash equivalents | 2,095 | (839) | | |
| Net increase in cash and cash equivalents | | | 10,472 | 4,050 |
| Cash and cash equivalents: | | | | |
| Beginning of period | 15,861 | 7,482 | 15,861 | 7,482 |
| End of period | \$ 17,956 | \$ 6,643 | \$ 26,333 | \$ 11,532 |

The accompanying notes are an integral part of these condensed consolidated financial statements.

Concrete Pumping Holdings, Inc.

Notes to the Condensed Consolidated Financial Statements (Unaudited)

Note 1. Organization and Description of Business

Organization

Concrete Pumping Holdings, Inc. (the "Company") is a Delaware corporation headquartered in Thornton, Colorado. The condensed consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries including Brundage-Bone Concrete Pumping, Inc. ("Brundage-Bone"), Camfaud Group Limited ("Camfaud") and Eco-Pan, Inc. ("Eco-Pan").

Nature of business

Brundage-Bone is a concrete pumping service provider in the United States ("U.S.") and Camfaud is a concrete pumping service provider in the United Kingdom ("U.K."). Their core business is the provision of concrete pumping services to general contractors and concrete finishing companies in the commercial, infrastructure and residential sectors. Most often equipment returns to a "home base" nightly and these service providers do not contract to purchase, mix, or deliver concrete. Brundage-Bone has approximately 100 branch locations across approximately 21 states, with its corporate headquarters in Thornton, Colorado. Camfaud has approximately 30 branch locations throughout the U.K., with its corporate headquarters in Epping (near London), England.

Eco-Pan provides industrial cleanup and containment services, primarily to customers in the construction industry. Eco-Pan uses containment pans specifically designed to hold waste products from concrete and other industrial cleanup operations. Eco-Pan has 20 operating locations across the U.S. with its corporate headquarters in Thornton, Colorado. In addition, we have concrete waste management operations under our Eco-Pan brand name in the U.K. and currently operate from a shared Camfaud location.

Seasonality

The Company's sales are historically seasonal, with lower revenue in the first quarter and higher revenue in the fourth quarter of each year. Such seasonality also causes the Company's working capital cash flow requirements to vary from quarter to quarter and primarily depends on the variability of weather patterns with the Company generally having lower sales volume during the winter and spring months.

Note 2. Summary of Significant Accounting Policies

We describe our significant accounting policies in Note 2 of the notes to condensed consolidated financial statements in our annual report on [Form 10-K for the year ended October 31, 2023 \("Annual Report"\)](#). During the six nine months ended April 30, July 31, 2024, there were no changes to those accounting policies.

Basis of presentation

Our condensed consolidated balance sheet as of October 31, 2023, which was derived from our audited condensed consolidated financial statements and our unaudited interim condensed consolidated financial statements provided herein have been prepared in accordance with the instructions for Form 10-Q. The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP") and the rules and regulations of the Securities and Exchange Commission ("SEC"). Accordingly, they do not include all the information and footnotes required by GAAP for complete financial statements. The enclosed statements reflect all normal and recurring adjustments which, in the opinion of management, are necessary to present a fair statement of the

interim periods. The consolidated results of operations and cash flows for the first **six** **nine** months of the year are not necessarily indicative of the consolidated results of operations and cash flows that might be expected for the entire year. These condensed consolidated financial statements and the accompanying notes should be read in conjunction with the audited consolidated financial statements and the notes thereto included in our Annual Report on Form 10-K for the year ended October 31, 2023.

Certain prior period amounts have been reclassified in order to conform to the current year presentation.

During the first quarter of fiscal year 2024, certain assets and associated revenues and expenses previously part of the Company's Other activities **has now been** **were** aggregated into its U.S. Concrete Pumping segment in order to better align its placement with the manner in which the Company now allocates resources and measures performance. As a result, segment results for prior periods have been reclassified to conform to current period presentation. For further discussion, see [Note 18](#).

Use of estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the condensed consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Revenue recognition

The Company generates revenues primarily from (1) concrete pumping services in both the U.S. and U.K and (2) the Company's concrete waste services business, both of which are discussed below. In addition, the Company generates an immaterial amount of revenue from the sales of replacement parts to customers. The Company's delivery terms for replacement part sales are FOB shipping point. Revenue is disaggregated between two accounting standards: (1) ASC 606, *Revenue Recognition* ("ASC 606") and (2) ASC 842, *Leases* ("ASC 842").

Leases as Lessor

Our Eco-Pan business involves contracts with customers whereby we are a lessor for the rental component of the contract and therefore, such rental components of the contract are recorded as lease revenue. We account for such rental contracts as operating leases. We recognize revenue from pan rentals in the period earned, regardless of the timing of billing to customers. The lease component of the revenue is disaggregated by a base price that is based on the number of contractual days and a variable component that is based on days in excess of the number of contractual days.

The table below summarizes our revenues as presented in our unaudited **condensed** consolidated statements of operations for the periods ended **April 30, July 31, 2024** and 2023 by revenue type:

| | Three Months Ended April 30, | | Six Months Ended April 30, | | Three Months Ended July 31, | | Nine Months Ended July 31, | |
|------------------------|------------------------------|------------|----------------------------|------------|-----------------------------|------------|----------------------------|------------|
| (in thousands) | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 |
| Service revenue | \$ 98,729 | \$ 100,816 | \$ 188,686 | \$ 187,182 | \$ 100,575 | \$ 112,340 | \$ 289,262 | \$ 299,521 |
| Lease fixed revenue | 3,111 | 2,813 | 6,315 | 5,968 | 5,744 | 5,237 | 15,516 | 13,453 |
| Lease variable revenue | 5,222 | 4,162 | 9,772 | 8,216 | 3,298 | 3,094 | 9,612 | 9,063 |
| Total revenue | \$ 107,062 | \$ 107,791 | \$ 204,773 | \$ 201,366 | \$ 109,617 | \$ 120,671 | \$ 314,390 | \$ 322,037 |

Receivables and contract assets and liabilities

Receivables are carried at the original invoice amount less an estimate made for doubtful receivables based on a review of all outstanding amounts. Generally, the Company does not require collateral for their accounts receivable; however, the Company may file statutory liens or take other appropriate legal action when necessary on construction projects in which collection problems arise. A receivable is typically considered to be past due if any portion of the receivable balance is outstanding for more than 30 days. The Company does not typically charge interest on past-due receivables.

Pursuant to CECL (defined below), Management determines the allowance for doubtful accounts by identifying troubled accounts and by using historical experience applied to an aging of accounts, Management's understanding of the current economic circumstances within the Company's industry, reasonable and supportable forecasts and Management's judgment as to the likelihood of ultimate payment based upon available data. Receivables are written off when deemed uncollectible. Recoveries of receivables previously written off are recorded when received. Our estimate of doubtful accounts could change based on changing circumstances, including changes in the economy or in particular circumstances of individual customers. Accordingly, the Company may be required to increase or decrease the allowance for doubtful accounts.

The Company does not have contract liabilities associated with contracts with customers. The Company's contract assets and impairment losses associated therewith are not significant. Contracts with customers do not result in amounts billed to customers in excess of recognizable revenue.

Newly adopted accounting pronouncements

ASU 2016-13, Financial Instruments Credit Losses (Topic 326) ("ASU 2016-13") - In June 2016, the FASB issued ASU No. 2016-13, which, along with subsequently issued related ASUs, requires financial assets (or groups of financial assets) measured at amortized cost basis to be presented at the net amount expected to be collected, among other provisions (known as the current expected credit loss ("CECL") model). Under the new guidance, the Company recognizes an allowance for its estimate of expected credit losses over the entire contractual term of its receivables from the date of initial recognition of the financial instrument. Measurement of expected credit losses are based on relevant forecasts that affect collectability. The Company's receivables are in scope for CECL. At the point that these receivables are recorded, they become subject to the CECL model and estimates of expected credit losses over their contractual life are recorded at inception based on historical information, current conditions, and reasonable and supportable forecasts. This ASU is effective for smaller reporting companies with fiscal years beginning after December 15, 2022, with early adoption permitted. The Company adopted CECL as of November 1, 2023 for fiscal year ending October 31, 2024. The adoption of CECL did not have a material impact on the condensed consolidated financial statements and related disclosures or the existing internal controls because the Company's accounts receivable are of short duration and there is not a material difference between incurred losses and expected losses.

Recently issued accounting pronouncements not yet effective

ASU 2023-07, Improvements to Reportable Segment Disclosures ("ASU 2023-07") - In November 2023, the FASB issued ASU No. 2023-07, which improves reportable segment disclosure requirements, primarily through enhanced disclosures about significant segment expenses. In addition, the amendments enhance interim disclosure requirements, clarify circumstances in which an entity can disclose multiple segment measures of profit or loss, provide new segment disclosure requirements for entities with a single reportable segment, and contain other disclosure requirements. The purpose of the amendments is to enable investors to better understand an entity's overall performance and assess potential future cash flows. This ASU is effective for public companies with annual periods beginning after December 15, 2023, and interim periods within annual period beginning after December 15, 2024, with early adoption permitted. The Company is currently evaluating the effects adoption of this guidance will have on its consolidated financial statements.

ASU 2023-09, Improvements to Income Tax Disclosures ("ASU 2023-09") - In December 2023, the FASB issued ASU No. 2023-09, which requires disaggregated information about a reporting entity's effective tax rate reconciliation as well as information on income taxes paid. The standard is intended to benefit investors by providing more detailed income tax disclosures that would be useful in making capital allocation decisions. This ASU is effective for public companies with annual periods beginning after December 15, 2024, with early adoption permitted. The Company is currently evaluating the effects adoption of this guidance will have on its consolidated financial statements.

Note 3. Fair Value Measurement

The carrying amounts of the Company's cash and cash equivalents, accounts receivable, accounts payable and current accrued liabilities approximate their fair value as recorded due to the short-term maturity of these instruments, which approximates fair value. The Company's outstanding obligations on its asset-backed loan ("ABL") credit facility are deemed to be at fair value as the interest rates on these debt obligations are variable and consistent with prevailing rates. There were no changes since October 31, 2023 in the Company's valuation techniques used to measure fair value.

Long-term debt instruments

The Company's long-term debt instruments are recorded at their carrying values in the condensed consolidated balance sheet, which may differ from their respective fair values. The fair values of the long-term debt instruments are derived from Level 2 inputs. The fair value amount of the long-term debt instruments as of April 30, July 31, 2024 and October 31, 2023 is presented in the table below based on the prevailing interest rates and trading activity of the Senior Notes.

| (in thousands) | As of April 30, 2024 | | As of October 31, 2023 | | As of July 31, 2024 | | As of October 31, 2023 | |
|----------------|-------------------------|------------|---------------------------|------------|------------------------|---------------|---------------------------|---------------|
| | Carrying Value | Fair Value | Carrying Value | Fair Value | Carrying Value | Fair Value | Carrying Value | Fair Value |
| | | | | | | | | |

| | | | | | | | | | | | | | | | | |
|--------------|----|---------|----|---------|----|---------|----|---------|----|---------|----|---------|----|---------|----|---------|
| Senior Notes | \$ | 375,000 | \$ | 368,438 | \$ | 375,000 | \$ | 353,438 | \$ | 375,000 | \$ | 372,188 | \$ | 375,000 | \$ | 353,438 |
|--------------|----|---------|----|---------|----|---------|----|---------|----|---------|----|---------|----|---------|----|---------|

Warrants

At October 31, 2023, there were 13,017,677 public warrants and no private warrants outstanding. The warrants expired on December 6, 2023 and there were no amounts outstanding as of April 30, July 31, 2024.

All other non-financial assets

The Company's non-financial assets, which primarily consist of property and equipment, goodwill and other intangible assets, are not required to be carried at fair value on a recurring basis and are reported at carrying value. However, on a periodic basis or whenever events or changes in circumstances indicate that their carrying value may not be fully recoverable (and at least annually for goodwill and indefinite lived intangibles), non-financial instruments are assessed for impairment and, if applicable, written down to and recorded at fair value.

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Note 4. Prepaid Expenses and Other Current Assets

The significant components of prepaid expenses and other current assets as of April 30, July 31, 2024 and October 31, 2023 are comprised of the following:

| | As of April 30, | | As of October 31, | | As of July 31, | | As of October 31, | |
|--|-----------------|--------|-------------------|-------|----------------|--------|-------------------|-------|
| | 2024 | | 2023 | | 2024 | | 2023 | |
| (in thousands) | | | | | | | | |
| Expected recoveries related to self-insured commercial liabilities | \$ | 11,150 | \$ | 3,802 | \$ | 8,463 | \$ | 3,802 |
| Prepaid insurance | | 3,702 | | 1,611 | | 2,482 | | 1,611 |
| Prepaid licenses and deposits | | 1,248 | | 810 | | 837 | | 810 |
| Prepaid rent | | 117 | | 629 | | 82 | | 629 |
| Other current assets and prepaids | | 2,175 | | 1,849 | | 1,493 | | 1,849 |
| Total prepaid expenses and other current assets | \$ | 18,392 | \$ | 8,701 | \$ | 13,357 | \$ | 8,701 |

Note 5. Property, Plant and Equipment

The significant components of property, plant and equipment as of April 30, July 31, 2024 and October 31, 2023 are comprised of the following:

| | As of April 30, | | As of October 31, | | As of July 31, | | As of October 31, | |
|--------------------------------------|-----------------|-----------|-------------------|-----------|----------------|-----------|-------------------|-----------|
| | 2024 | | 2023 | | 2024 | | 2023 | |
| (in thousands) | | | | | | | | |
| Land, building and improvements | \$ | 32,440 | \$ | 29,338 | \$ | 32,583 | \$ | 29,338 |
| Finance leases—land and buildings | | - | | 828 | | - | | 828 |
| Machinery and equipment | | 530,255 | | 517,514 | | 535,934 | | 517,514 |
| Transportation equipment | | 10,311 | | 9,306 | | 10,523 | | 9,306 |
| Furniture and office equipment | | 3,913 | | 3,817 | | 4,149 | | 3,817 |
| Property, plant and equipment, gross | | 576,919 | | 560,803 | | 583,189 | | 560,803 |
| Less accumulated depreciation | | (150,035) | | (133,155) | | (159,703) | | (133,155) |
| Property, plant and equipment, net | \$ | 426,884 | \$ | 427,648 | \$ | 423,486 | \$ | 427,648 |

For the three and six nine months ended April 30, July 31, 2024 and 2023, depreciation expense is as follows:

| Three Months Ended April 30, | Six Months Ended April 30, | Three Months Ended July 31, | Nine Months Ended July 31, |
|------------------------------|----------------------------|-----------------------------|----------------------------|
|------------------------------|----------------------------|-----------------------------|----------------------------|

(in thousands)

| | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 |
|-------------------------------------|------------------|-----------------|------------------|------------------|-----------------|-----------------|-----------------|-----------------|
| Cost of operations | \$ 9,784 | \$ 9,261 | \$ 19,397 | \$ 18,322 | \$10,221 | \$ 9,396 | \$29,617 | \$27,718 |
| General and administrative expenses | 579 | 608 | 1,168 | 1,201 | 560 | 622 | 1,728 | 1,823 |
| Total depreciation expense | <u>\$ 10,363</u> | <u>\$ 9,869</u> | <u>\$ 20,565</u> | <u>\$ 19,523</u> | <u>\$10,781</u> | <u>\$10,018</u> | <u>\$31,345</u> | <u>\$29,541</u> |

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Note 6. Goodwill and Intangible Assets

The Company has recognized goodwill and certain intangible assets in connection with prior business combinations.

There were no triggering events during the **six** **nine** months ended **April 30, July 31, 2024**. The Company will continue to evaluate its goodwill and intangible assets in future quarters.

The following table summarizes the composition of intangible assets as of **April 30, July 31, 2024** and October 31, 2023:

| (in thousands) | As of April 30, 2024 | | | | | | As of July 31, 2024 | | | | | |
|---|---------------------------------|----------------------|------------------------|--------------------------|---|---------------------|---------------------------------|----------------------|------------------------|--------------------------|---|---------------------|
| | Weighted Average Remaining Life | Gross Carrying Value | Accumulated Impairment | Accumulated Amortization | Foreign Currency Translation Adjustment | Net Carrying Amount | Weighted Average Remaining Life | Gross Carrying Value | Accumulated Impairment | Accumulated Amortization | Foreign Currency Translation Adjustment | Net Carrying Amount |
| | (in Years) | | | | | | (in Years) | | | | | |
| Intangibles subject to amortization: | | | | | | | | | | | | |
| Customer relationship | 9.6 | \$ 195,126 | \$ - | \$ (137,408) | \$ 1,032 | \$ 58,750 | 9.4 | \$ 195,126 | \$ - | \$ (140,798) | \$ 1,179 | \$ 55,407 |
| Trade name | 4.6 | 5,097 | - | (2,910) | 229 | 2,416 | 4.4 | 5,097 | - | (3,044) | 291 | 2,344 |
| Assembled workforce | 1.0 | 1,650 | - | (1,247) | - | 403 | 0.9 | 1,650 | - | (1,385) | - | 265 |
| Noncompete agreements | 3.4 | 1,200 | - | (513) | - | 687 | 3.2 | 1,200 | - | (563) | - | 637 |
| Indefinite-lived intangible assets: | | | | | | | | | | | | |
| Trade names (indefinite life) | - | 55,500 | (5,000) | - | - | 50,500 | - | 55,500 | (5,000) | - | - | 50,500 |
| Total intangibles | | <u>\$ 258,573</u> | <u>\$ (5,000)</u> | <u>\$ (142,078)</u> | <u>\$ 1,261</u> | <u>\$ 112,756</u> | | <u>\$ 258,573</u> | <u>\$ (5,000)</u> | <u>\$ (145,790)</u> | <u>\$ 1,470</u> | <u>\$ 108,253</u> |

As of October 31, 2023

| (in thousands) | Weighted Average Remaining Life (in Years) | Gross Carrying Value | Accumulated Impairment | Accumulated Amortization | Foreign Currency Translation Adjustment | Net Carrying Amount |
|---|--|----------------------|------------------------|--------------------------|---|---------------------|
| Intangibles subject to amortization: | | | | | | |
| Customer relationship | 10.1 | \$ 195,126 | \$ - | \$ (130,295) | \$ 832 | \$ 65,663 |

| | | | | | | |
|---|-----|------------|-------------|---------------|--------|------------|
| Trade name | 5.1 | 5,097 | - | (2,645) | 146 | 2,598 |
| Assembled workforce | 1.4 | 1,650 | - | (972) | - | 678 |
| Noncompete agreements | 3.9 | 1,200 | - | (395) | - | 805 |
| <u>Indefinite-lived intangible assets:</u> | | | | | | |
| Trade names (indefinite life) | - | 55,500 | (5,000) | - | - | 50,500 |
| Total intangibles | | \$ 258,573 | \$ (5,000) | \$ (134,307) | \$ 978 | \$ 120,244 |

Amortization expense for the three months ended April 30, July 31, 2024 and 2023 was \$3.9 \$3.7 million and \$4.8 million, \$4.7 million, respectively. Amortization expense for the six nine months ended April 30, July 31, 2024 and 2023 was \$7.8 million \$11.5 million and \$9.6 million, \$14.3 million, respectively.

The changes in the carrying value of goodwill by reportable segment for the six nine months ended April 30, July 31, 2024 are as follows:

| (in thousands) | U.S. Concrete Pumping | U.K. Operations | U.S. Concrete Waste Management Services | Total | U.S. Concrete Pumping | U.K. Operations | U.S. Concrete Waste Management Services | Total |
|------------------------------|-----------------------------|--------------------|--|------------|-----------------------------|--------------------|---|------------|
| | | | | | | | | |
| Balance at October 31, 2023 | \$ 147,482 | \$ 24,902 | \$ 49,133 | \$ 221,517 | \$ 147,482 | \$ 24,902 | \$ 49,133 | \$ 221,517 |
| Foreign currency translation | - | 778 | - | 778 | - | 1,447 | - | 1,447 |
| Balance at April 30, 2024 | \$ 147,482 | \$ 25,680 | \$ 49,133 | \$ 222,295 | | | | |
| Balance at July 31, 2024 | | | | | \$ 147,482 | \$ 26,349 | \$ 49,133 | \$ 222,964 |

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Note 7. Other Non-Current Assets

The significant components of other non-current assets as of April 30, July 31, 2024 and October 31, 2023 are comprised of the following:

| (in thousands) | As of April 30, | As of October 31, | As of | As of |
|--|-----------------|-------------------|---------------|------------------|
| | 2024 | 2023 | July 31, 2024 | October 31, 2023 |
| Expected recoveries related to self-insured commercial liabilities | \$ 4,124 | \$ 13,822 | \$ 4,040 | \$ 13,822 |
| Other non-current assets | 382 | 428 | 352 | 428 |
| Total other non-current assets | \$ 4,506 | \$ 14,250 | \$ 4,392 | \$ 14,250 |

Note 8. Long Term Debt and Revolving Lines of Credit

The table below is a summary of the composition of the Company's debt balances as of April 30, July 31, 2024 and October 31, 2023:

| (in thousands) | | | April 30, | October 31, | | | July 31, | October 31, |
|--|----------------|---------------|-----------|-------------|----------------|---------------|----------|-------------|
| | Interest Rates | Maturities | 2024 | 2023 | Interest Rates | Maturities | 2024 | 2023 |
| ABL Facility - short term | Varies | June 2028 | \$ 16,428 | \$ 18,954 | Varies | June 2028 | \$ - | \$ 18,954 |
| Senior notes - all long term | 6.0000% | February 2026 | 375,000 | 375,000 | 6.00% | February 2026 | 375,000 | 375,000 |
| Total debt, gross | | | 391,428 | 393,954 | | | 375,000 | 393,954 |
| Less: Unamortized deferred financing costs offsetting long term debt | | | (2,436) | (3,132) | | | (2,088) | (3,132) |
| Less: Current portion | | | (16,428) | (18,954) | | | - | (18,954) |

| | | | | | | |
|---|----|---------|----|---------|------------|------------|
| Long term debt, net of unamortized deferred financing costs | \$ | 372,564 | \$ | 371,868 | \$ 372,912 | \$ 371,868 |
|---|----|---------|----|---------|------------|------------|

On January 28, 2021, Brundage-Bone Concrete Pumping Holdings Inc., a Delaware corporation (the "Issuer") and a wholly-owned subsidiary of the Company (i) completed a private offering of \$375.0 million in aggregate principal amount of its 6.000% senior secured second lien notes due 2026 (the "Senior Notes") issued pursuant to an indenture, among the Issuer, the Company, the other Guarantors (as defined below), Deutsche Bank Trust Company Americas, as trustee and as collateral agent (the "Indenture") and (ii) entered into an amended and restated ABL Facility (as subsequently amended, the "ABL Facility") by and among the Company, certain subsidiaries of the Company, Wells Fargo Bank, National Association, as agent, sole lead arranger and sole bookrunner, the other lenders party thereto, which originally provided up to \$125.0 million of asset-based revolving loan commitments to the Company and the other borrowers under the ABL Facility. The Senior Notes are jointly and severally guaranteed on a senior secured basis by the Company, Concrete Pumping Intermediate Acquisition Corp. and each of the Issuer's domestic, wholly-owned subsidiaries that is a borrower or a guarantor under the ABL Facility (collectively, the "Guarantors").

On June 1, 2023, the ABL Facility was amended to, among other changes, (1) increase the maximum revolver borrowings available to be drawn thereunder to \$225.0 million, (2) increase the letter of credit sublimit to \$22.5 million and (3) extend the maturity of the ABL Facility to the earlier of (a) June 1, 2028 or (b) the date that is 180 days prior to (i) the final stated maturity date of the Senior Notes or (ii) the date the Senior Notes become due and payable. The ABL Facility also provides for an uncommitted accordion feature under which the borrowers under the ABL Facility can, subject to specified conditions, increase the ABL Facility by up to an additional \$75.0 million. The amended ABL Facility was treated as a debt modification. The Company capitalized an additional \$0.5 million of debt issuance costs related to the June 1, 2023, ABL Facility amendment. The preexisting unamortized deferred costs of \$1.4 million and the additional costs of \$0.5 million will be amortized from June 1, 2023 through June 1, 2028.

The outstanding principal amount of the Senior Notes as of April 30, July 31, 2024 was \$375.0 million and as of that date, the Company was in compliance with all covenants under the Indenture.

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The There was no outstanding balance under the ABL Facility as of April 30, July 31, 2024 was \$16.4 million and as of that date, the Company was in compliance with all debt covenants. Borrowings are generally in the form of short-term fixed rate loans that can be extended to mature on the earlier of (a) June 1, 2028 or (b) the date that is 180 days prior to (i) the final stated maturity date of the Senior Notes or (ii) the date the Senior Notes become due and payable. Amounts borrowed may be repaid at any time, subject to the terms and conditions of the agreement.

The Company utilizes the ABL Facility to support its working capital arrangement.

In addition, as of April 30, July 31, 2024 the Company had \$1.1 million in credit line reserves and a letter of credit balance of \$8.5 \$13.9 million.

As of April 30, July 31, 2024 we had \$198.9 \$210.0 million of available borrowing capacity under the ABL Facility. Debt issuance costs related to revolving credit facilities are capitalized and reflected as an asset in deferred financing costs in the accompanying condensed consolidated balance sheets. The Company had debt issuance costs related to the revolving credit facilities of \$1.6 \$1.5 million as of April 30, July 31, 2024.

As There was no outstanding balance under the ABL Facility as of April 30, July 31, 2024 and as of October 31, 2023, the weighted average interest rate for borrowings under the ABL Facility was 8.9% and 7.9% respectively.

Note 9. Accrued Payroll and Payroll Expenses

The following table summarizes accrued payroll and expenses as of April 30, July 31, 2024 and October 31, 2023:

| | As of April 30, | | As of October 31, | |
|--------------------------------|-----------------|----------|---------------------|------------------------|
| | 2024 | 2023 | As of July 31, 2024 | As of October 31, 2023 |
| (in thousands) | | | | |
| Accrued vacation | \$ 3,224 | \$ 2,982 | \$ 3,153 | \$ 2,982 |
| Accrued payroll | 3,910 | 3,960 | 5,105 | 3,960 |
| Accrued bonus | 4,302 | 5,368 | 4,912 | 5,368 |
| Accrued employee-related taxes | 1,333 | 1,892 | 1,481 | 1,892 |
| Other accrued | 35 | 322 | 144 | 322 |

| | | | | |
|--|-----------|-----------|-----------|-----------|
| Total accrued payroll and payroll expenses | \$ 12,804 | \$ 14,524 | \$ 14,795 | \$ 14,524 |
|--|-----------|-----------|-----------|-----------|

Note 10. Accrued Expenses and Other Current Liabilities

The following table summarizes accrued expenses and other current liabilities as of April 30, July 31, 2024 and October 31, 2023:

| | As of April 30, | As of October 31, | As of | As of |
|--|-----------------|-------------------|-----------|-------------|
| | 2024 | 2023 | July 31, | October 31, |
| (in thousands) | | | 2024 | 2023 |
| Accrued self-insured commercial liabilities | \$ 18,600 | \$ 11,087 | \$ 16,319 | \$ 11,087 |
| Accrued self-insured health liabilities | 2,526 | 2,269 | 1,393 | 2,269 |
| Accrued interest | 5,764 | 5,775 | 11,268 | 5,775 |
| Accrued equipment purchases | 1,700 | 8,545 | 998 | 8,545 |
| Accrued property, sales and use tax | 2,974 | 1,791 | 3,330 | 1,791 |
| Accrued professional fees | 1,058 | 1,429 | 818 | 1,429 |
| Other | 3,334 | 3,854 | 4,619 | 3,854 |
| Total accrued expenses and other liabilities | \$ 35,956 | \$ 34,750 | \$ 38,745 | \$ 34,750 |

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Note 11. Other Liabilities, Non-Current

The following table summarizes other non-current liabilities as of April 30, July 31, 2024 and October 31, 2023:

| | As of April 30, | As of October 31, | As of | As of |
|-------------------------------------|-----------------|-------------------|----------|-------------|
| | 2024 | 2023 | July 31, | October 31, |
| (in thousands) | | | 2024 | 2023 |
| Self-insured commercial liability | \$ 4,349 | \$ 14,140 | \$ 4,241 | \$ 14,140 |
| Other | 1,218 | 2 | 1,058 | 2 |
| Total other non-current liabilities | \$ 5,567 | \$ 14,142 | \$ 5,299 | \$ 14,142 |

Note 12. Income Taxes

The following table summarizes income before income taxes and income tax expense for the three and six nine months ended April 30, July 31, 2024 and 2023:

| | Three Months Ended April 30, | | Six Months Ended April 30, | | Three Months Ended July 31, | | Nine Months Ended July 31, | |
|----------------------------|------------------------------|----------|----------------------------|-----------|-----------------------------|-----------|----------------------------|-----------|
| | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 |
| (in thousands) | | | | | | | | |
| Income before income taxes | \$ 5,226 | \$ 7,053 | \$ 389 | \$ 14,172 | \$ 10,641 | \$ 13,654 | \$ 11,030 | \$ 27,826 |
| Income tax expense | \$ 2,180 | \$ 1,465 | \$ 1,169 | \$ 2,109 | \$ 3,081 | \$ 3,318 | \$ 4,250 | \$ 5,427 |

The For the three months ended July 31, 2024 and 2023, the Company's effective tax rate for was 29.0% and 24.3%, respectively. The comparability of effective tax rates between both periods was primarily impacted by (1) increases in the UK corporate income tax rate to 25% and (2) the warrants fair value activity in the three and months ended six July 31, 2023, as it is not recognized for tax purposes. For the nine months ended April 30, July 31, 2024 and 2023, the Company's effective tax rate was 38.5% and 19.5%, respectively. The comparability of effective tax rates between both periods was primarily impacted by (1) higher excess tax deficiencies from share-based compensation exercise and vesting activity in the change in nine months ended July 31, 2024, (2) the warrants fair value activity in the nine months ended July 31, 2023, as it is not recognized for tax purposes, (3) increases in the UK corporate income tax rate to 25% and (4) the expiration of warrant liabilities, respectively.

Note 13. Commitments and Contingencies*Insurance*Commercial Self-Insured Losses

The Company retains a significant portion of the risk for workers' compensation, automobile, and general liability losses ("self-insured commercial liability"). Reserves have been recorded that reflect the undiscounted estimated liabilities including claims incurred but not reported. When a recognized liability is covered by third-party insurance, the Company records an insurance claim receivable to reflect the covered liability. Amounts estimated to be paid within one year have been included in accrued expenses and other current liabilities, with the remainder included in other liabilities, non-current on the condensed consolidated balance sheets. Insurance claims receivables that are expected to be received from third-party insurance within one year have been included in prepaid expenses and other current assets, with the remainder included in other non-current assets on the condensed consolidated balance sheets.

The following table summarizes as of April 30, July 31, 2024 and October 31, 2023 for (1) recorded liabilities, related to both asserted as well as unasserted insurance claims and (2) any related insurance claims receivables:

| | | As of April 30, 2024 | As of October 31, 2023 | | As of July 31, 2024 | As of October 31, 2023 |
|---|--|-------------------------|---------------------------|--|---------------------------|------------------------------|
| | Classification on the Condensed Consolidated Balance Sheets | | | Classification on the Condensed Consolidated Balance Sheets | | |
| (in thousands) | | | | | | |
| Self-insured commercial liability, current | Accrued expenses and other current liabilities | \$ 18,600 | \$ 11,087 | Accrued expenses and other current liabilities | \$ 16,319 | \$ 11,087 |
| Self-insured commercial liability, non-current | Other liabilities, non-current | 4,349 | 14,140 | Other liabilities, non-current | 4,241 | 14,140 |
| Total self-insured commercial liabilities | Total self-insured commercial liabilities | \$ 22,949 | \$ 25,227 | Total self-insured commercial liabilities | \$ 20,560 | \$ 25,227 |
| Expected recoveries related to self-insured commercial liabilities, current | Prepaid expenses and other current assets | \$ 11,150 | \$ 3,802 | Prepaid expenses and other current assets | \$ 8,463 | \$ 3,802 |
| Expected recoveries related to self-insured commercial liabilities, non-current | Other non-current assets | 4,124 | 13,822 | Other non-current assets | 4,040 | 13,822 |

| | | | | | | | | |
|--|--|----|--------|----|--------|--|-----------|--|
| Total expected recoveries related to self-insured commercial liabilities | Total expected recoveries related to self-insured commercial liabilities | \$ | 15,274 | \$ | 17,625 | Total expected recoveries related to self-insured commercial liabilities | | |
| | | | | | | \$ 12,503 | \$ 17,625 | |
| Total self-insured commercial liability, net of expected recoveries | Total self-insured commercial liability, net of expected recoveries | \$ | 7,675 | \$ | 7,602 | Total self-insured commercial liability, net of expected recoveries | | |
| | | | | | | \$ 8,057 | \$ 7,602 | |

Medical Self-Insured Losses

The Company offers employee health benefits via a partially self-insured medical benefit plan. Participant claims exceeding certain limits are covered by a stop-loss insurance policy. The Company contracts with a third-party administrator for tasks including, but not limited to, processing claims and remitting benefits. As of April 30, July 31, 2024 and October 31, 2023, the Company had accrued \$1.5 \$1.4 million and \$1.2 million, \$1.2 million, respectively, for estimated health claims incurred but not reported based on historical claims amounts and average lag time. These accruals are included in accrued expenses and other current liabilities in the accompanying condensed consolidated balance sheets. The Company contracts with a third-party administrator to process claims and remit benefits. The third-party administrator requires the Company to maintain a bank account to facilitate the administration of claims.

Litigation

The Company is currently involved in certain legal proceedings and other disputes with third parties that have arisen in the ordinary course of business. Management believes that the outcomes of these matters will not have a material impact on the Company's financial statements and does not believe that any amounts need to be recorded for contingent liabilities in the Company's condensed consolidated balance sheet.

Washington Department of Revenue Sales Tax Issue

Historically, the Company has not charged sales tax to its Washington State customers that provide a reseller certificate, treating this as a wholesale transaction rather than as a retail sale. Effective April 1, 2020, the state of Washington Department of Revenue ("DOR") published a rule which amended Washington Administrative Code 458-20-211, otherwise known as Rule 211, by designating sales of stand-alone concrete pumping services as solely retail transactions. The Company sought to strongly defend its position that no sales tax should be charged for customers that provide a reseller certificate. As such, for the period from April 1, 2020 through January 31, 2024, the Company did not charge sales tax where its customers provide a reseller certificate and petitioned for declaratory relief from the amended rule.

In February 2023, the Company received an adverse ruling from the Thurston County superior court in Washington State regarding its position, which it appealed. In February 2024, oral arguments were heard in the Court of Appeals in Tacoma, Washington and the Company received an unfavorable judgement during the same month. As of October 31, 2023, no liability had been recorded in connection with this contingency as a loss was not deemed probable at that time. However, as a result of the unfavorable judgment in February 2024, the Company concluded loss is probable and therefore recorded a loss of \$3.5 million in the quarter ended January 31, 2024. The loss is included in general and administrative expenses in the Company's condensed consolidated financial statements for the six nine months ended April 30, July 31, 2024. During the quarter ended January 31, 2024, the Company made a payment of \$1.8 million to the DOR. Beginning with the second quarter of fiscal year 2024, the Company started assessing sales tax related to its customers in the state of Washington.

Letters of credit

The ABL Facility provides for up to \$22.5 million of standby letters of credit. As of April 30, July 31, 2024, total outstanding letters of credit totaled \$8.5 \$13.9 million, the vast majority of which had been committed to the Company's general liability insurance provider.

Note 14. Stockholders' Equity

Share Repurchase Program

In March 2024, the board of directors of the Company approved a \$15.0 million increase to the Company's share repurchase program. This authorization will expire on March 31, 2025 and is in addition to the repurchase authorization of up to \$10.0 million to expire March 31, 2025 that was previously approved in January 2023. In January 2023, the board of directors of the Company approved a \$10.0 million increase to the Company's share repurchase program that was set to expire on March 31, 2024. On January 4, 2024, the board of directors approved an extension of this authorization through March 31, 2025.

The repurchase program permits shares to be repurchased in the open market, by block purchase, in privately negotiated transactions, in one or more transactions from time to time, or pursuant to any trading plan adopted in accordance with Rule 10b5-1 of the Securities Exchange Act of 1934, as amended, (the "Exchange Act"). Open market purchases will be conducted in accordance with the limitations set forth in Rule 10b-18 of the Exchange Act and other applicable legal and regulatory requirements. The repurchase program may be suspended, terminated, extended or otherwise modified by the Board without notice at any time for any reason, including, without limitation, market conditions, the cost of repurchasing shares, the availability of alternative investment opportunities, capital and liquidity objectives, and other factors deemed appropriate by the Company's management.

The following table summarizes the shares repurchased, total cost of shares repurchased and average price per share for the three and **six** **nine** months ended **April 30, July 31, 2024** and 2023:

| (in thousands, except price per share) | Three Months Ended April 30, | | Six Months Ended April 30, | | Three Months Ended July 31, | | Nine Months Ended July 31, | |
|--|------------------------------|----------|----------------------------|----------|-----------------------------|----------|----------------------------|----------|
| | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 |
| | | | | | | | | |
| Shares repurchased | 171 | 340 | 207 | 1,100 | 371 | 199 | 578 | 1,299 |
| Total cost of shares repurchased | \$ 1,269 | \$ 2,322 | \$ 1,517 | \$ 7,245 | \$ 2,460 | \$ 1,394 | \$ 3,977 | \$ 8,642 |
| Average price per share | \$ 7.42 | \$ 6.84 | \$ 7.33 | \$ 6.59 | \$ 6.64 | \$ 7.01 | \$ 6.89 | \$ 6.65 |

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Note 15. Stock-Based Compensation

Pursuant to the Concrete Pumping Holdings, Inc. 2018 Omnibus Incentive Plan, the Company **has** granted stock-based awards to certain employees in the U.S. and U.K.

The following table summarizes realized compensation expense related to stock options and restricted stock awards in the accompanying condensed consolidated statements of operations:

| (in thousands) | Three Months Ended April 30, | | Six Months Ended April 30, | | Three Months Ended July 31, | | Nine Months Ended July 31, | |
|--|------------------------------|----------|----------------------------|----------|-----------------------------|--------|----------------------------|----------|
| | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 |
| | | | | | | | | |
| Compensation expense – stock options | \$ 83 | \$ 123 | \$ 143 | \$ 255 | \$ 64 | \$ 116 | \$ 207 | \$ 371 |
| Compensation expense – restricted stock awards | 654 | 941 | 1,130 | 1,949 | | | | |
| Compensation expense – restricted stock | | | | | 580 | 818 | 1,710 | 2,767 |
| Total | \$ 737 | \$ 1,064 | \$ 1,273 | \$ 2,204 | \$ 644 | \$ 934 | \$ 1,917 | \$ 3,138 |

Note 16. Earnings Per Share

The table below shows our basic and diluted EPS calculations for the three and **six** **nine** months ended **April 30, July 31, 2024** and 2023:

| (in thousands, except per share amounts) | Three Months Ended April 30, | | Six Months Ended April 30, | | Three Months Ended July 31, | | Nine Months Ended July 31, | |
|--|------------------------------|------|----------------------------|------|-----------------------------|------|----------------------------|------|
| | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 |
| | | | | | | | | |

| | | | | | | | | | |
|--|----|--------|----|--------|----|---------|----|--------|---------------------------------------|
| Net income (loss) (numerator): | | | | | | | | | |
| Net income (numerator): | | | | | | | | | |
| Net income attributable to Concrete Pumping Holdings, Inc. | \$ | 3,046 | \$ | 5,588 | \$ | (780) | \$ | 12,063 | \$ 7,560 \$ 10,336 \$ 6,780 \$ 22,399 |
| Less: Accretion of liquidation preference on preferred stock | | (430) | | (427) | | (870) | | (868) | (440) (441) (1,310) (1,309) |
| Less: Undistributed earnings allocated to participating securities | | (38) | | (184) | | - | | (418) | (31) (323) (41) (751) |
| Net income (loss) attributable to common stockholders (numerator for basic earnings per share) | \$ | 2,578 | \$ | 4,977 | \$ | (1,650) | \$ | 10,777 | |
| Net income attributable to common stockholders (numerator for basic earnings per share) | | | | | | | | | \$ 7,089 \$ 9,572 \$ 5,429 \$ 20,339 |
| Add back: Undistributed earning allocated to participating securities | | 38 | | 184 | | - | | 418 | 31 323 41 751 |
| Less: Undistributed earnings reallocated to participating securities | | (37) | | (181) | | - | | (412) | (31) (318) (41) (739) |
| Numerator for diluted earnings (loss) per share | \$ | 2,579 | \$ | 4,980 | \$ | (1,650) | \$ | 10,783 | |
| Numerator for diluted earnings per share | | | | | | | | | \$ 7,089 \$ 9,577 \$ 5,429 \$ 20,351 |
| Weighted average shares (denominator): | | | | | | | | | |
| Weighted average shares - basic | | 53,430 | | 53,330 | | 53,501 | | 53,468 | 53,699 53,199 53,556 53,377 |
| Weighted average shares - diluted | | 54,380 | | 54,225 | | 53,501 | | 54,343 | 53,775 54,105 54,191 54,263 |
| Basic earnings (loss) per share | \$ | 0.05 | \$ | 0.09 | \$ | (0.03) | \$ | 0.20 | |
| Diluted earnings (loss) per share | \$ | 0.05 | \$ | 0.09 | \$ | (0.03) | \$ | 0.20 | |
| Basic earnings per share | | | | | | | | | \$ 0.13 \$ 0.18 \$ 0.10 \$ 0.38 |
| Diluted earnings per share | | | | | | | | | \$ 0.13 \$ 0.18 \$ 0.10 \$ 0.38 |

Certain outstanding stock awards and options, preferred stock and warrants were excluded from the diluted earnings per share calculation for the periods presented because they were anti-dilutive.

For the three months ended April 30, July 31, 2024, 0.5 0.6 million of outstanding stock awards and options, and 2.5 million shares of Series A Preferred Stock were excluded.

For the six nine months ended April 30, July 31, 2024, 1.9 0.4 million of outstanding stock awards and options, and 2.5 million shares of Series A Preferred Stock were excluded.

For the three and six nine months ended April 30, July 31, 2023, 13.0 million warrants to purchase shares of common stock at an exercise price of \$11.50, 1.2 million 1.1 million in outstanding stock awards and 2.5 million shares of Series A Preferred Stock were excluded.

Note 17. Supplemental Cash Flow Information

The table below shows supplemental cash flow information for the six nine months ended April 30, July 31, 2024 and 2023:

| (in thousands) | Six Months Ended April 30, | | Nine Months Ended July 31, | |
|---|----------------------------|-----------|----------------------------|-----------|
| | 2024 | 2023 | 2024 | 2023 |
| Supplemental cash flow information: | | | | |
| Cash payments related to operating lease liabilities | \$ 2,561 | \$ 3,017 | \$ 3,811 | \$ 3,340 |
| Cash paid for interest | \$ 12,244 | \$ 13,000 | \$ 12,614 | \$ 14,155 |
| Cash paid (refunded) for income taxes | \$ 1,787 | \$ (182) | | |
| Cash paid for income taxes | | | \$ 2,571 | \$ 258 |
| Non-cash investing and financing activities: | | | | |
| Operating lease assets obtained in exchange for new operating lease liabilities | \$ 5,362 | \$ 3,658 | \$ 6,109 | \$ 3,873 |

The table below shows property, plant and equipment acquired but not yet paid for as of April 30, July 31, 2024 and 2023:

| (in thousands) | As of April 30, | | As of July 31, | |
|--------------------------------|-----------------|----------|----------------|----------|
| | 2024 | 2023 | 2024 | 2023 |
| Beginning of period: | | | | |
| PP&E acquired but not yet paid | \$ 9,484 | \$ 8,882 | \$ 9,484 | \$ 8,882 |
| End of period: | | | | |
| PP&E acquired but not yet paid | \$ 2,325 | \$ 2,566 | \$ 1,453 | \$ 3,737 |

Note 18. Segment Reporting

The Company's revenues are derived from three reportable segments: U.S. Concrete Pumping, U.K. Operations and U.S. Concrete Waste Management Services. Any differences between segment reporting and consolidated results are reflected in Intersegment or Other below. All Other non-segmented assets primarily include cash and cash equivalents and intercompany eliminations. The Company evaluates the performance of each segment based on revenue, and measures segment performance based upon EBITDA (earnings before interest, taxes, depreciation and amortization).

During the first quarter of fiscal year 2024, the Company moved certain assets and associated revenues and expenses previously part of the Company's Other activities into the U.S. Concrete Pumping segment based on the way our chief operating decision maker ("CODM") allocates resources and measures performance. As a result, segment results for prior periods have been reclassified to conform to the current period presentation.

The table below shows changes from the recast of segment results for the three and six nine months ended April 30, July 31, 2023:

| (in thousands) | Three Months Ended April 30, 2023 | | | | Six Months Ended April 30, 2023 | | | | Three Months Ended July 31, 2023 | | Nine Months Ended July 31, 2023 | |
|-----------------------------------|-----------------------------------|----------|-----------------------|------------|---------------------------------|----------|-----------------------|------------|----------------------------------|-------|---------------------------------|-------|
| | U.S. Concrete Pumping | Other | U.S. Concrete Pumping | Other | U.S. Concrete Pumping | Other | U.S. Concrete Pumping | Other | U.S. Concrete Pumping | Other | U.S. Concrete Pumping | Other |
| As Previously Reported | | | | | | | | | | | | |
| Depreciation and amortization | \$ 10,592 | \$ 215 | \$ 20,966 | \$ 428 | \$ 10,498 | \$ 216 | \$ 31,464 | \$ 644 | | | | |
| Segment EBITDA | \$ 17,787 | \$ 1,797 | \$ 32,850 | \$ 6,978 | \$ 21,670 | \$ 1,536 | \$ 54,520 | \$ 8,514 | | | | |
| Recast Adjustment | | | | | | | | | | | | |
| Depreciation and amortization | \$ 215 | \$ (215) | \$ 428 | \$ (428) | \$ 216 | \$ (216) | \$ 644 | \$ (644) | | | | |
| Segment EBITDA | \$ 625 | \$ (625) | \$ 1,250 | \$ (1,250) | \$ 625 | \$ (625) | \$ 1,875 | \$ (1,875) | | | | |
| Current Report As Adjusted | | | | | | | | | | | | |
| Depreciation and amortization | \$ 10,807 | \$ - | \$ 21,394 | \$ - | \$ 10,714 | \$ - | \$ 32,108 | \$ - | | | | |
| Segment EBITDA | \$ 18,412 | \$ 1,172 | \$ 34,100 | \$ 5,728 | \$ 22,295 | \$ 911 | \$ 56,395 | \$ 6,639 | | | | |

The U.S. and U.K. regions each individually accounted for more than 10% of the Company's revenue for the periods presented.

The following provides operating information about the Company's reportable segments and geographic locations for the periods presented:

| (in thousands) | Three Months Ended April 30, | | Six Months Ended April 30, | | Three Months Ended July 31, | | Nine Months Ended July 31, | |
|----------------|------------------------------|------|----------------------------|------|-----------------------------|------|----------------------------|------|
| | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 |
| Revenue | | | | | | | | |

| | | | | | | | | |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| U.S. Concrete Pumping | \$ 74,617 | \$ 78,386 | \$ 141,300 | \$ 145,573 | \$ 75,213 | \$ 87,323 | \$ 216,514 | \$ 232,896 |
| U.K. Operations | 15,547 | 15,239 | 30,955 | 27,947 | 15,859 | 17,260 | 46,813 | 45,207 |
| U.S. Concrete Waste Management Services - Third parties | 16,898 | 14,166 | 32,518 | 27,846 | 18,545 | 16,088 | 51,063 | 43,934 |
| U.S. Concrete Waste Management Services - Intersegment | 144 | 2 | 244 | 94 | 87 | 417 | 331 | 511 |
| Intersegment eliminations | (144) | (2) | (244) | (94) | (87) | (417) | (331) | (511) |
| Reportable segment revenue | <u>\$ 107,062</u> | <u>\$ 107,791</u> | <u>204,773</u> | <u>201,366</u> | <u>\$ 109,617</u> | <u>\$ 120,671</u> | <u>314,390</u> | <u>322,037</u> |
| EBITDA | | | | | | | | |
| U.S. Concrete Pumping | \$ 15,979 | \$ 18,412 | \$ 23,016 | \$ 34,100 | \$ 20,156 | \$ 22,295 | \$ 43,216 | \$ 56,395 |
| U.K. Operations | 4,171 | 3,808 | 7,348 | 6,188 | 3,981 | 4,769 | 11,374 | 10,957 |
| U.S. Concrete Waste Management Services | 6,188 | 5,730 | 11,568 | 11,545 | 7,313 | 7,452 | 18,881 | 18,997 |
| Reportable segment EBITDA | <u>26,338</u> | <u>27,950</u> | <u>41,932</u> | <u>51,833</u> | <u>31,450</u> | <u>34,516</u> | <u>73,471</u> | <u>86,349</u> |
| Interest expense and amortization of deferred financing costs | (6,873) | (7,348) | (13,336) | (14,219) | (6,318) | (7,066) | (19,744) | (21,285) |
| Reportable depreciation and amortization | (14,239) | (14,721) | (28,337) | (29,170) | (14,491) | (14,707) | (42,827) | (43,877) |
| Other | - | 1,172 | 130 | 5,728 | - | 911 | 130 | 6,639 |
| Total income (loss) before income taxes | <u>\$ 5,226</u> | <u>\$ 7,053</u> | <u>\$ 389</u> | <u>\$ 14,172</u> | | | | |
| Total income before income taxes | | | | | <u>\$ 10,641</u> | <u>\$ 13,654</u> | <u>\$ 11,030</u> | <u>\$ 27,826</u> |
| Depreciation and amortization | | | | | | | | |
| U.S. Concrete Pumping | \$ 10,270 | \$ 10,807 | \$ 20,500 | \$ 21,394 | \$ 9,874 | \$ 10,714 | \$ 30,374 | \$ 32,108 |
| U.K. Operations | 1,849 | 1,849 | 3,657 | 3,676 | 1,907 | 1,879 | 5,564 | 5,555 |
| U.S. Concrete Waste Management Services | 2,120 | 2,065 | 4,180 | 4,100 | 2,710 | 2,114 | 6,889 | 6,214 |
| Total depreciation and amortization | <u>\$ 14,239</u> | <u>\$ 14,721</u> | <u>\$ 28,337</u> | <u>\$ 29,170</u> | <u>\$ 14,491</u> | <u>\$ 14,707</u> | <u>\$ 42,827</u> | <u>\$ 43,877</u> |
| Interest expense and amortization of deferred financing costs | | | | | | | | |
| U.S. Concrete Pumping | \$ 6,193 | \$ 6,648 | \$ 11,947 | \$ 12,826 | \$ 5,585 | \$ 6,337 | \$ 17,577 | \$ 19,163 |
| U.K. Operations | 680 | 700 | 1,389 | 1,393 | 733 | 729 | 2,167 | 2,122 |
| Total interest expense and amortization of deferred financing costs | <u>\$ 6,873</u> | <u>\$ 7,348</u> | <u>\$ 13,336</u> | <u>\$ 14,219</u> | <u>\$ 6,318</u> | <u>\$ 7,066</u> | <u>\$ 19,744</u> | <u>\$ 21,285</u> |
| Revenue by geography | | | | | | | | |
| U.S. | \$ 91,515 | \$ 92,552 | \$ 173,818 | \$ 173,419 | \$ 93,758 | \$ 103,411 | \$ 267,577 | \$ 276,830 |
| U.K. | 15,547 | 15,239 | 30,955 | 27,947 | 15,859 | 17,260 | 46,813 | 45,207 |
| Total revenue | <u>\$ 107,062</u> | <u>\$ 107,791</u> | <u>\$ 204,773</u> | <u>\$ 201,366</u> | <u>\$ 109,617</u> | <u>\$ 120,671</u> | <u>\$ 314,390</u> | <u>\$ 322,037</u> |
| Total capital expenditures | | | | | | | | |
| U.S. Concrete Pumping | \$ 5,759 | \$ 14,034 | \$ 13,691 | \$ 20,675 | \$ 818 | \$ 3,359 | \$ 14,509 | \$ 24,034 |
| U.K. Operations | 2,157 | \$ 1,732 | 6,384 | 8,901 | 4,004 | \$ 1,434 | 10,388 | 10,335 |
| U.S. Concrete Waste Management Services | 3,052 | \$ 1,838 | 6,099 | 5,129 | 3,845 | \$ 3,559 | 9,944 | 8,688 |
| Reportable segment capital expenditures | <u>10,968</u> | <u>17,604</u> | <u>26,174</u> | <u>34,705</u> | <u>8,667</u> | <u>8,352</u> | <u>34,841</u> | <u>43,057</u> |
| Other | 83 | 21 | 2,643 | 40 | - | 69 | 2,643 | 109 |
| Total capital expenditures | <u>\$ 11,051</u> | <u>\$ 17,625</u> | <u>\$ 28,817</u> | <u>\$ 34,745</u> | <u>\$ 8,667</u> | <u>\$ 8,421</u> | <u>\$ 37,484</u> | <u>\$ 43,166</u> |

The Company does not disclose total assets by segment as such information is not provided to the CODM. The total assets by geographic location is provided to the CODM and is presented below. Total assets and property, plant and equipment, net by geographic location for the periods presented are as follows:

| | As of April 30, 2024 | As of October 31, 2023 | As of July 31, 2024 | As of October 31, 2023 |
|---|----------------------------|------------------------------|---------------------------|---------------------------------|
| (in thousands) | | | | |
| Total Assets | | | | |
| U.S. | \$ 764,375 | \$ 785,402 | \$ 754,933 | \$ 785,402 |
| U.K. | 130,338 | 119,123 | 135,857 | 119,123 |
| Total Assets | <u>\$ 894,713</u> | <u>\$ 904,525</u> | <u>\$ 890,790</u> | <u>\$ 904,525</u> |
| Property, plant and equipment, net | | | | |
| U.S. | \$ 366,069 | \$ 371,689 | \$ 359,998 | \$ 371,689 |
| U.K. | 60,815 | 55,959 | 63,488 | 55,959 |
| Property, plant and equipment, net | <u>\$ 426,884</u> | <u>\$ 427,648</u> | <u>\$ 423,486</u> | <u>\$ 427,648</u> |

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Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

You should read the following management's discussion and analysis together with Concrete Pumping Holdings, Inc.'s (the "Company", "we", "us" or "our") condensed consolidated financial statements and related notes included elsewhere in this Quarterly Report. All references to "Notes" in this Item 2 of Part I refer to the notes to condensed consolidated financial statements included in Item 1 of Part I of this report. All references to "Annual Report" refers to our [Form 10-K for the year ended October 31, 2023](#) filed with the SEC on January 16, 2024.

Cautionary Statement Concerning Forward-Looking Statements and Risk Factors Summary

Certain statements in this Quarterly Report on Form 10-Q ("Report") constitute "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements include, among other things, statements regarding our business, financial condition, results of operations, cash flows, strategies and prospects. These forward-looking statements may be identified by terminology such as "likely," "may," "will," "should," "expects," "plans," "anticipates," "believes," "estimates," "predicts," "potential," "continue," or "views" or the negative of such terms and other comparable terminology. Although we believe that the expectations reflected in the forward-looking statements contained in this Report are reasonable, we cannot guarantee future results.

The forward-looking statements contained in this Report are based on our current expectations and beliefs concerning future developments and their potential effects. These statements involve known and unknown risks, uncertainties (some of which are beyond our control) and other factors that may cause the actual results, performance or achievements of the Company to be materially different from those expressed or implied by the forward-looking statements. These risks and uncertainties include, but are not limited to, the items in the following:

- the adverse impact of recent inflationary pressures, including significant increases in fuel costs, global economic conditions and events related to these conditions
- general economic and business conditions, which may affect demand for commercial, infrastructure, and residential construction and adverse effects of major endemics or pandemics on our business;
- our ability to successfully implement our operating strategy;
- our ability to successfully identify, manage and integrate acquisitions;
- our ability to maintain effective internal controls necessary to provide reliable financial reports;
- governmental requirements and initiatives, including those related to mortgage lending, financing or deductions, funding for public or infrastructure construction, land usage, and environmental, health, and safety matters;
- seasonal and inclement weather conditions, which impede the installation of ready-mixed concrete;
- the cyclical nature of, and changes in, the real estate and construction markets, including pricing changes by our competitors;
- our ability to maintain favorable relationships with third parties who supply us with equipment and essential supplies;
- our ability to retain key personnel and maintain satisfactory labor relations;

- disruptions, uncertainties or volatility in the credit markets that may limit our, our suppliers' and our customers' access to capital;
- personal injury, property damage, results of litigation, and proceedings, adverse rulings, other claims and insurance coverage issues;
- our substantial indebtedness and the restrictions imposed on us by the terms of our indebtedness;
- the effects of currency fluctuations on our results of operations and financial condition; and
- other factors as described in the section entitled "Risk Factors" in our Annual Report.

Our forward-looking statements speak only as of the date of this report or as of the date they are made, and we undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise. However, any further disclosures made on related subjects in subsequent reports on Forms 10-K, 10-Q and 8-K should be considered.

Business Overview

The Company is a Delaware corporation headquartered in Thornton, Colorado. The unaudited condensed consolidated financial statements included herein include the accounts of Concrete Pumping Holdings, Inc. and its wholly owned subsidiaries including Brundage-Bone Concrete Pumping, Inc. ("Brundage-Bone"), Camfaud Group Limited ("Camfaud") and Eco-Pan, Inc. ("Eco-Pan").

As part of the Company's business growth and capital allocation strategy, the Company views strategic acquisitions as opportunities to enhance our value proposition through differentiation and competitiveness. Depending on the deal size and characteristics of the M&A opportunities available, we expect to allocate capital for opportunistic M&A utilizing cash on the balance sheet and the Company's revolving line of credit. In recent years, we have successfully executed on this strategy.

U.S. Concrete Pumping

All branches operating within our U.S. Concrete Pumping segment are concrete pumping service providers in the United States ("U.S."). Our U.S. Concrete Pumping core business is the provision of concrete pumping services to general contractors and concrete finishing companies in the commercial, infrastructure and residential sectors. Equipment generally returns to a "home base" nightly and these branches do not contract to purchase, mix, or deliver concrete. This segment collectively has approximately 100 branch locations across approximately 21 states with their corporate headquarters in Thornton, Colorado.

U.S. Concrete Waste Management Services

Our U.S. Concrete Waste Management Services segment consists of our U.S. based Eco-Pan business. Eco-Pan provides industrial cleanup and containment services, primarily to customers in the construction industry. Eco-Pan uses containment pans specifically designed to hold waste products from concrete and other industrial cleanup operations. Eco-Pan has 20 operating locations across the U.S. with its corporate headquarters in Thornton, Colorado.

U.K. Operations

Our U.K. Operations segment consists of our Camfaud, Premier and U.K. based Eco-Pan businesses. Camfaud is a concrete pumping service provider in the U.K. Our U.K. core business is primarily the provision of concrete pumping services to general contractors and concrete finishing companies in the commercial, infrastructure and residential sectors. Equipment generally returns to a "home base" nightly and does not contract to purchase, mix, or deliver concrete. Camfaud has approximately 30 branch locations throughout the U.K., with its corporate headquarters in Epping (near London), England. In addition, we have concrete waste management operations under our Eco-Pan brand name in the U.K. and currently operate from a shared Camfaud location.

Results of Operations

The tables included in the period-to-period comparisons below provide summaries of our revenues and gross profits for our business segments for the three and six nine months ended April 30, 2024 July 31, 2024 and 2023.

Three Months Ended April 30, 2024 July 31, 2024 Compared to the Three Months Ended April 30, 2023 July 31, 2023

The tables included in the period-to-period comparisons below provide summaries of our revenue, gross profit and net income for our business segments for the three months ended April 30, 2024 July 31, 2024 and 2023.

Revenue

| | Three Months Ended April 30, | | Change | | Three Months Ended July 31, | | Change | |
|---|------------------------------|-------------------|-----------------|---------------|-----------------------------|-------------------|--------------------|---------------|
| | 2024 | 2023 | \$ | % | 2024 | 2023 | \$ | % |
| (in thousands) | | | | | | | | |
| (in thousands, unless otherwise stated) | | | | | | | | |
| Revenue | | | | | | | | |
| U.S. Concrete Pumping | \$ 74,617 | \$ 78,386 | \$ (3,769) | (4.8)% | \$ 75,213 | \$ 87,323 | \$ (12,110) | (13.9)% |
| U.K. Operations | 15,547 | 15,239 | 308 | 2.0% | 15,859 | 17,260 | (1,401) | (8.1)% |
| U.S. Concrete Waste Management Services - Third parties | 16,898 | 14,166 | 2,732 | 19.3% | 18,545 | 16,088 | 2,457 | 15.3% |
| U.S. Concrete Waste Management Services - Intersegment | 144 | 2 | 142 | * | 87 | 417 | (330) | * |
| Intersegment eliminations | (144) | (2) | (142) | * | (87) | (417) | 330 | * |
| Reportable segment revenue | <u>\$ 107,062</u> | <u>\$ 107,791</u> | <u>\$ (729)</u> | <u>(0.7)%</u> | <u>\$ 109,617</u> | <u>\$ 120,671</u> | <u>\$ (11,054)</u> | <u>(9.2)%</u> |

*Change is not meaningful

Total revenue. Total revenues were \$107.1 \$109.6 million for the three months ended April 30, 2024 July 31, 2024 compared to \$107.8 million \$120.7 million for the three months ended April 30, 2023 July 31, 2023. Revenue by segment is further discussed below.

U.S. Concrete Pumping. Revenue for our U.S. Concrete Pumping segment decreased by 4.8% 13.9%, or \$3.8 \$12.1 million, from \$78.4 million \$87.3 million in the second third quarter of fiscal 2023 to \$74.6 \$75.2 million for the second third quarter of fiscal 2024 primarily attributable to a decrease in volumes driven by (1) a general slowdown in commercial construction work, mostly due to the price sensitive impact on project starts from rising high interest rates, (2) oversaturation of concrete pumps in certain markets and (3) higher than normal precipitation throughout the quarter, specifically rainfall in the Company's Texas, Arizona, Nevada, California southeast regions and Colorado historically high rainfall in the Company's Texas markets.

U.K. Operations. Revenue for our U.K. Operations segment increased decreased by 2.0% 8.1%, or \$0.3 \$1.4 million, from \$15.2 \$17.3 million in the second third quarter of fiscal 2023 to \$15.5 \$15.9 million for the second third quarter of fiscal 2024. Excluding the impact from foreign currency translation, revenue was down 1% year-over-year. 9% year-over-year, due to lower volumes caused by a general slowdown in commercial construction work, mostly due to the impact from high interest rates.

U.S. Concrete Waste Management Services. Third-party revenue for the U.S. Concrete Waste Management Services segment improved by 19.3% 15.3%, or \$2.7 \$2.4 million, from \$16.1 million from \$14.2 million in the second third quarter of fiscal 2023 to \$16.9 \$18.5 million for the second third quarter of fiscal 2024. The increase in revenue was driven by robust organic growth and pricing improvements.

Gross Profit and Gross Margin

| | Three Months Ended April 30, | | Change | | Three Months Ended July 31, | | Change | |
|---|------------------------------|-----------|------------|--------|-----------------------------|-----------|------------|---------|
| | 2024 | 2023 | \$ | % | 2024 | 2023 | \$ | % |
| (in thousands, unless otherwise stated) | | | | | | | | |
| Gross Profit and Gross Margin | | | | | | | | |
| Gross Profit | \$ 41,767 | \$ 43,474 | \$ (1,707) | (3.9)% | \$ 44,505 | \$ 49,484 | \$ (4,979) | (10.1)% |
| Gross Margin | 39.0% | 40.3% | | | 40.6% | 41.0% | | |

Gross margin. Our gross margin for the second third quarter of fiscal 2024 was 39.0% 40.6% compared to 40.3% 41.0% in the second third quarter of fiscal 2023. The slight decrease in our gross margin was primarily related to lower revenue in our U.S. Concrete Pumping segment decreased labor utilization driven by the reduced revenue and an increase in our U.S. Concrete Pumping segment and inflationary increases in commercial insurance premium costs. These amounts were partially depreciation expense offset by improved labor, fuel and repair and maintenance costs.

General and administrative expenses

General and administrative expenses ("G&A"). G&A expenses for the second third quarter of fiscal 2024 were \$29.7 \$27.9 million, a decrease of \$0.5 \$2.0 million from \$30.2 million \$29.9 million in the second third quarter of fiscal 2023. G&A expenses as a percent of revenue were 27.7% 25.5% for the second third quarter of fiscal 2024 compared to 28.0% 24.8% for the same period a year ago. The decrease in G&A expenses was largely due to (1) non-cash decreases in amortization expense of \$0.9 million \$1.0 million and

stock-based compensation of \$0.3 million, and (2) higher gain on sales of assets of \$0.7 million. These decreases were mostly offset by higher lower labor costs of approximately \$1.1 million as a result of wage inflation in the United States, \$0.8 million.

For the second third quarter of fiscal 2024, excluding amortization of intangible assets of \$3.9 \$3.7 million, depreciation expense of \$0.6 million, and stock-based compensation expense of \$0.7 \$0.6 million, G&A expenses were \$24.5 million (22.9%) \$23.0 million (20.9% of revenue). For the second third quarter of fiscal 2023, excluding amortization of intangible assets of \$4.9 million, \$4.7 million, depreciation expense of \$0.6 million \$0.6 million and stock-based compensation expense of \$1.1 million \$0.9 million G&A expenses were \$23.7 million (22.0%) (19.6% of revenue). This increase decrease of \$0.8 \$0.7 million is primarily due to the increases decreases in labor costs, as discussed above.

Total other income (expense)

Interest expense and amortization of deferred financing costs. Interest expense and amortization of deferred financing costs for the second third quarter of fiscal 2024 was \$6.9 \$6.3 million, down \$0.4 \$0.8 million from \$7.3 \$7.1 million in the second third quarter of fiscal 2023. The decrease was primarily attributable to a lower average ABL revolver draw during the fiscal 2024 second third quarter as compared to the same quarter a year ago.

Change in fair value of warrant liabilities. During the three months ended April 30, 2024 July 31, 2024 the Company did not recognize a gain or loss on the any warrant fair value remeasurement of our liability-classified warrants, as no warrants were outstanding during the period. During the three months ended April 30, 2023 July 31, 2023 the Company recognized a \$1.2 \$0.9 million gain on the fair value measurement of our liability-classified warrants. The decline in the fair value remeasurement of the public warrants is due to the Company's share price trading below the exercise price as the warrants were closer to expiring in December 2023. On December 6, 2023, we announced the expiration of the Company's 13,017,677 warrants, as such they are no longer recognized as a liability on the condensed consolidated balance sheet as of April 30, 2024 July 31, 2024.

Income tax expense

Income tax expense. For the second fiscal quarter three months ended April 30, 2024 July 31, 2024 and 2023, the Company recorded income Company's effective tax expense of \$2.2 million on pretax income of \$5.2 million. For the same quarter a year ago, the Company recorded an income tax expense of \$1.5 million on pretax income of \$7.1 million, rate was 29.0% and 24.3%, respectively. The comparability of effective tax rates between both periods was primarily impacted by (1) excess tax deficiencies from share-based compensation increases in the three months ended April 30, 2024 UK corporate income tax rate to 25% and (2) the warrants fair value activity in the three months ended April 30, 2023 July 31, 2023, as it is not recognized for tax purposes.

Six Nine Months Ended April 30, 2024 July 31, 2024 Compared to the Six Nine Months Ended April 30, 2023 July 31, 2023

The tables included in the period-to-period comparisons below provide summaries of our revenue and gross profit for our business segments for the six nine months ended April 30, 2024 July 31, 2024 and 2023.

Revenue

| | Six Months Ended April 30, | | Change | | Nine Months Ended July 31, | | Change | |
|---|----------------------------|-------------------|-----------------|-------------|----------------------------|-------------------|-------------------|---------------|
| (in thousands) | 2024 | 2023 | \$ | % | | | \$ | % |
| (in thousands, unless otherwise stated) | | | | | 2024 | 2023 | \$ | % |
| Revenue | | | | | | | | |
| U.S. Concrete Pumping | \$ 141,300 | \$ 145,573 | \$ (4,273) | (2.9)% | \$ 216,514 | \$ 232,896 | \$ (16,382) | (7.0)% |
| U.K. Operations | 30,955 | 27,947 | 3,008 | 10.8% | 46,813 | 45,207 | 1,606 | 3.6% |
| U.S. Concrete Waste Management Services - Third parties | 32,518 | 27,846 | 4,672 | 16.8% | 51,063 | 43,934 | 7,129 | 16.2% |
| U.S. Concrete Waste Management Services - Intersegment | 244 | 94 | 150 | * | 331 | 511 | (180) | * |
| Intersegment eliminations | (244) | (94) | (150) | * | (331) | (511) | 180 | * |
| Reportable segment revenue | <u>\$ 204,773</u> | <u>\$ 201,366</u> | <u>\$ 3,407</u> | <u>1.7%</u> | <u>\$ 314,390</u> | <u>\$ 322,037</u> | <u>\$ (7,647)</u> | <u>(2.4)%</u> |

*Change is not meaningful

Total revenue. Total revenues were \$204.8 million \$314.4 million for the six nine months ended April 30, 2024 July 31, 2024 compared to \$201.4 million \$322.0 million for the six nine months ended April 30, 2023 July 31, 2023. Revenue by segment is further discussed below.

U.S. Concrete Pumping. Revenue for our U.S. Concrete Pumping segment decreased by 2.9% 7.0%, or \$4.3 million, \$16.4 million, from \$145.6 \$232.9 million for the six nine months ended April 30, 2023 July 31, 2023 to \$141.3 \$216.5 million for the six nine months ended April 30, 2024 July 31, 2024 primarily attributable to (1) a general slowdown in commercial construction work, mostly due to the impact from rising high interest rates, (2) oversaturation of concrete pumps in certain markets, and (3) much higher than normal precipitation rainfall in the Company's Texas markets for the six nine months ended April 30, 2024 July 31, 2024.

U.K. Operations. Revenue for our U.K. Operations segment increased by 10.8% 3.6%, or \$3.0 million, \$1.6 million, from \$27.9 \$45.2 million for the six nine months ended April 30, 2023 July 31, 2023 to \$30.9 million \$46.8 million for the six nine months ended April 30, 2024 July 31, 2024. Excluding the impact from foreign currency translation, revenue was up 6.6% 1% year-over-year. The increase in revenue was primarily attributable to pricing improvements, improvements that more than offset the volume declines as a result of continued delays on project start dates and awards.

U.S. Concrete Waste Management Services. Third-party revenue for the U.S. Concrete Waste Management Services segment increased by 16.8% 16.2%, or \$4.7 million, \$7.2 million, from \$27.8 \$43.9 million for the six nine months ended April 30, 2023 July 31, 2023 to \$32.5 \$51.1 million for the six nine months ended April 30, 2024 July 31, 2024. The increase in revenue was driven by robust organic growth and pricing improvements against a backdrop of adverse weather, despite higher than normal rainfall.

Gross Profit and Gross Margin

| (in thousands, unless otherwise stated) | Six Months Ended April 30, | | Change | | Nine Months Ended July 31, | | Change | |
|---|----------------------------|-----------|------------|--------|----------------------------|------------|------------|--------|
| | 2024 | 2023 | \$ | % | 2024 | 2023 | \$ | % |
| | | | | | | | | |
| Gross Profit and Gross Margin | | | | | | | | |
| Gross Profit | \$ 75,081 | \$ 79,928 | \$ (4,847) | (6.1)% | \$ 119,586 | \$ 129,412 | \$ (9,826) | (7.6)% |
| Gross Margin | 36.7 % | 39.7 % | | | 38.0 % | 40.2 % | | |

Gross margin. Our gross margin for the six nine months ended April 30, 2024 July 31, 2024 was 36.7% 38.0% compared to 39.7% 40.2% in the six nine months ended April 30, 2023 July 31, 2023. The decrease in our gross margin was primarily related to lower revenue in our U.S. Concrete Pumping segment, decreased labor utilization efficiencies driven by the reduced revenue in our U.S. Concrete Pumping segment and inflationary increases in commercial insurance premium costs. These amounts were partially offset by improved fuel expense and lower repair and maintenance costs.

General and administrative expenses

General and administrative expenses ("G&A"). G&A expenses for the six nine months ended April 30, 2024 July 31, 2024 were \$61.6 million, \$89.5 million, an increase of \$4.3 million \$2.3 million from \$57.3 \$87.2 million for the six nine months ended April 30, 2023 July 31, 2023. G&A expenses as a percent of revenue were 30.1% 28.5% for the six nine months ended April 30, 2024 July 31, 2024 compared to 28.4% 27.1% for the same period a year ago. The increase in G&A expenses was largely due to (1) a non-recurring charge of \$3.5 million in the first quarter of 2024 as a result of a recent adverse court ruling related to sales tax in Washington State, as further described in Note 13 in Part I, Item 1 of this report, for more information, and (2) higher labor and health insurance costs of approximately \$3.6 million \$2.7 million as a result of wage inflation coupled with limited headcount growth, inflation. These increases were partially offset by non-cash decreases in amortization expense of \$1.9 \$2.8 million and stock-based compensation expense of \$0.9 million, \$1.2 million.

For the six nine months ended April 30, 2024 July 31, 2024, excluding amortization of intangible assets of \$7.8 million, \$11.5 million, depreciation expense of \$1.1 \$1.7 million, stock-based compensation expense of \$1.3 \$1.9 million and the non-recurring \$3.5 million charges of \$4.1 million which include \$3.5 million related to the sales tax litigation-related charge, court ruling, G&A expenses were \$47.9 \$70.3 million (23.4% (22.4% of revenue). For the six nine months ended April 30, 2023 July 31, 2023, excluding amortization of intangible assets of \$9.6 million, \$14.3 million, depreciation expense of \$1.2 million \$1.8 million and stock-based compensation expense of \$2.2 million, \$3.1 million, G&A expenses were \$44.3 \$68.0 million (22.0% (21.1% of revenue). The increase of \$3.6 \$2.3 million was primarily due to the higher labor and increased health insurance costs as discussed above.

Total other income (expense)

Interest expense and amortization of deferred financing costs. Interest expense and amortization of deferred financing costs for the six nine months ended April 30, 2024 July 31, 2024 was \$13.3 million, \$19.7 million, down \$0.9 million \$1.6 million from \$14.2 \$21.3 million for the six nine months ended April 30, 2023 July 31, 2023. The decrease was primarily attributable to a lower average ABL revolver draw during the first, second and second quarter third quarters of fiscal 2024 as compared to the same quarters a year ago.

Change in fair value of warrant liabilities. During the **six nine** months ended **April 30, 2024** **July 31, 2024**, the Company recognized a **\$0.1 million** **\$0.1 million** gain on the fair value remeasurement of our liability-classified warrants. During the **six nine** months ended **April 30, 2023** **July 31, 2023** the Company recognized a **\$5.7** **\$6.6** million gain on the fair value measurement of our liability-classified warrants. The decline in the fair value remeasurement of the public warrants is due to the Company's share price trading below the exercise price as the warrants were closer to expiring in December 2023. On December 6, 2023, we announced the expiration of the Company's 13,017,677 warrants. As such they were no longer recognized as a liability on the condensed consolidated balance sheet as of **April 30, 2024** **July 31, 2024**.

Income tax expense

Income tax expense. For the **six nine** months ended **April 30, 2024** **July 31, 2024** and 2023, the Company's effective tax rate was 38.5% and 19.5%, the Company recorded income tax expense of \$1.2 million on pretax income of \$0.4 million. For the same period a year ago, the Company recorded income tax expense of \$2.1 million on pretax income of \$14.2 million, respectively. The comparability of effective tax rates between both periods was primarily impacted by (1) higher excess tax deficiencies from share-based compensation exercise and vesting activity in the **six nine** months ended **April 30, 2024** and **July 31, 2024**, (2) the warrants fair value activity in the **six nine** months ended **April 30, 2023** **July 31, 2023**, as it is not recognized for tax purposes.

The effective purposes, (3) increases in the UK corporate income tax rate for to 25% and (4) the three and six months ended April 30, 2024 and 2023 was primarily impacted by excess tax deficiencies from share-based compensation and expiration of the change capital allowances super deduction in fair value of warrant liabilities, respectively, the UK in fiscal 2024.

Adjusted EBITDA and Net Income/(Loss)

During the first quarter of fiscal year 2024, the Company moved certain assets and associated revenues and expenses, which were previously categorized in the Company's Other activities, into the U.S. Concrete Pumping segment in order to better align its placement with the manner in which the Company allocates its resources and measures performance. As a result, segment results for prior periods have been reclassified to conform to the current period presentation. For further discussion, see [Note 18](#) in Part I, Item 1 of this report for more information. In addition, in order to appropriately distribute the use of corporate resources and better align measures with segment performance, beginning in the first quarter of fiscal year 2024, the Company is no longer adding back intercompany allocations to segment Adjusted EBITDA. Refer to [Non-GAAP Measures](#) below for details on adjustments. The Company recast segment results for the three and **six nine** months ended **April 30, 2023** **July 31, 2023** are below:

| (in thousands) | Three Months Ended April 30, 2023 | | | |
|-------------------------------|-----------------------------------|-----------------|---|----------|
| | U.S. Concrete Pumping | U.K. Operations | U.S. Concrete Waste Management Services | Other |
| As Previously Reported | | | | |
| Net income (loss) | \$ 450 | \$ 933 | \$ 2,728 | \$ 1,477 |
| Net income | | | | |
| Income tax expense | 97 | 326 | 937 | 105 |
| Depreciation and amortization | 10,592 | 1,849 | 2,065 | 211 |
| EBITDA | 17,787 | 3,808 | 5,730 | 1,797 |
| Other Adjustments | (1,729) | 800 | 737 | |
| Adjusted EBITDA | 17,140 | 4,597 | 6,471 | 622 |
| Recast Adjustment | | | | |
| Net income (loss) | \$ 305 | \$ - | \$ - | \$ (305) |
| Income tax expense (benefit) | 105 | - | - | (105) |

| | | | | |
|-----------------------------------|--------|--------|----------|----------|
| Depreciation and amortization | 215 | - | - | (215) |
| EBITDA | 625 | - | - | (625) |
| Other Adjustments | 1,511 | (774) | (737) | |
| Adjusted EBITDA | 2,136 | (774) | (737) | (625) |
| Current Report As Adjusted | | | | |
| Net income | \$ 755 | \$ 933 | \$ 2,728 | \$ 1,172 |
| Income tax expense | 202 | 326 | 937 | |
| Depreciation and amortization | 10,807 | 1,849 | 2,065 | |
| EBITDA | 18,412 | 3,808 | 5,730 | 1,172 |
| Other Adjustments | (218) | 26 | - | |
| Adjusted EBITDA | 19,276 | 3,823 | 5,734 | |

| | Net Income (Loss) | | | | A |
|---|------------------------------|----------|------------------------------|-----------|---|
| | Three Months Ended April 30, | | Three Months Ended April 30, | | |
| (in thousands, except percentages) | 2024 | 2023 | 2024 | 2023 | |
| (in thousands, unless otherwise stated) | | | | | |
| U.S. Concrete Pumping | \$ (999) | \$ 755 | \$ 17,223 | \$ 19,276 | |
| U.K. Operations | 1,044 | 933 | 4,137 | 3,823 | |
| U.S. Concrete Waste Management Services | 3,001 | 2,728 | 6,188 | 5,734 | |
| Other | - | 1,172 | - | - | |
| Total | \$ 3,046 | \$ 5,588 | \$ 27,548 | \$ 28,833 | |

| | Net Income (Loss) | | | |
|----------------|----------------------------|------|----------------------------|------|
| | Six Months Ended April 30, | | Six Months Ended April 30, | |
| | 2024 | 2023 | 2024 | 2023 |
| (in thousands) | | | | |

| | | | | |
|---|-------------|-----------|-----------|-----------|
| (in thousands, unless otherwise stated) | | | | |
| U.S. | | | | |
| Concrete Pumping | \$ (7,843) | \$ (38) | \$ 27,930 | \$ 36,100 |
| U.K. | | | | |
| Operations | 1,527 | 833 | 7,339 | 6,235 |
| U.S. | | | | |
| Concrete Waste Management Services | 5,406 | 5,540 | 11,561 | 11,544 |
| Other | 130 | 5,728 | - | - |
| Total | \$ (780) | \$ 12,063 | \$ 46,830 | \$ 53,879 |

U.S. Concrete Pumping. Net **loss** income for our U.S. Concrete Pumping segment was **\$1.0** **\$3.5** million for the **second third** quarter of fiscal 2024, versus net income of **\$0.8** **\$3.8** million for the **second third** quarter of fiscal 2023. Adjusted EBITDA for our U.S. Concrete Pumping segment was **\$17.2** **\$20.1** million for the **second third** quarter of fiscal 2024, down **10.7%** **\$2.6** million from **\$19.3** **\$22.7** million for the same period in fiscal 2023. The decrease in net income and Adjusted EBITDA were primarily attributable to lower revenue volumes due to factors described above in Results of Operations three months ended July 31, 2024.

Net loss for our U.S. Concrete Pumping segment was **\$7.8** **\$4.3** million for the **six nine** months ended **April 30, 2024** **July 31, 2024**, versus net **loss** income of **\$0.0** **\$3.8** million for the **six nine** months ended **April 30, 2023** **July 31, 2023**. Adjusted EBITDA for our U.S. Concrete Pumping segment was **\$27.9** **\$48.0** million for the **six nine** months ended **April 30, 2024** **July 31, 2024**, down **22.6%** **\$10.8** million from **\$36.1** **\$58.8** million for the same period in fiscal 2023.

The **decreases** **decrease** in net income and Adjusted EBITDA **for both periods** were primarily attributable to lower revenue volumes, decreased labor **utilization** **efficiencies** driven by the reduced revenue, and inflationary increases in commercial insurance.

U.K. Operations. Net income for our U.K. Operations segment was **\$1.0** **\$0.9** million for the **second third** quarter of fiscal 2024, versus net income of **\$0.9** **\$1.6** million for the **second third** quarter of fiscal 2023. Adjusted EBITDA for our U.K. Operations segment was **\$4.1** **\$4.2** million for the **second third** quarter of fiscal 2024, **up** **8.2%** **down** **\$0.6** million from **\$3.8** **\$4.8** million from the same period in fiscal 2023. The **increases** **were** **decrease** in net income was primarily attributable to lower volumes caused by a general slowdown in commercial construction work, mostly due to the **year-over-year improvement in revenue** impact from high interest rates and **non-recurring charges** of **\$0.3** million that were partially offset by reductions in **fuel** **and** **repair costs**. Apart from the non-recurring charges, the change in adjusted EBITDA was impacted by the same items.

Net income for our U.K. Operations segment was **\$1.5** **\$2.4** million for the **six nine** months ended **April 30, 2024** **July 31, 2024**, versus net income of **\$0.8** **\$2.4** million for the **six nine** months ended **April 30, 2023** **July 31, 2023**. Adjusted EBITDA for our U.K. Operations segment was **\$7.3** **\$11.6** million for the **six nine** months ended **April 30, 2024** **July 31, 2024**, **up** **17.7%** **\$0.6** million from **\$6.2** **\$11.0** million for the **six nine** months ended **April 30, 2023** **July 31, 2023**. The increases were primarily attributable to the year-over-year improvement in revenue **improved labor utilization** and reductions in fuel and repair costs.

U.S. Concrete Waste Management Services. Net income for our U.S. Concrete Waste Management Services segment was **\$3.0** **\$3.1** million for the **second third** quarter of fiscal 2024, versus net income of **\$2.7** **\$4.0** million for the **second third** quarter of fiscal 2023. Adjusted EBITDA for our U.S. Concrete Waste Management Services segment was **\$6.2** **\$7.3** million for the **second third** quarter of fiscal 2024, **up** **7.9%** **down** **\$0.2** million from **\$5.7** **\$7.5** million for the same period in fiscal 2023. The **increases** **were** **decrease** in net income was attributable to the **significant increase in revenue that was partially offset by** inflationary increases in labor, **and commercial insurance costs and** higher corporate **allocations**. **allocations** and slightly higher depreciation, partially offset by the increase in revenue as described above. Apart from the slight increase in depreciation, the change in adjusted EBITDA was impacted by the same items.

Net income for our U.S. Concrete Waste Management Services segment was **\$5.4** **\$8.5** million for the **six nine** months ended **April 30, 2024** **July 31, 2024**, versus net income of **\$5.5** **\$9.5** million for the **six nine** months ended **April 30, 2023** **July 31, 2023**. Adjusted EBITDA for our U.S. Concrete Waste Management Services segment was **\$11.6** **\$11.6** million for the six months ended April 30, 2024, **up** **0.1%** **from** **\$11.5** **\$18.9** million for the **six nine** months ended **April 30, 2023** **July 31, 2024**, **down** **\$0.1** from **\$19.0** million for the **nine months ended July 31, 2023**. The **slight increase** **decrease** in **Adjusted EBITDA** **net income** was primarily driven **by the increase in revenue that was mostly offset** by adverse weather impacts in the first quarter on labor **utilization**, **efficiencies**, coupled with **inflationary increases in commercial insurance** **cost** **inflation** and **labor costs**, higher corporate **allocations**, **allocations** and slightly higher depreciation, partially offset by an increase in revenue as described above. Apart from the slight increase in depreciation, the change in adjusted EBITDA was impacted by the same items.

Other. There was no net income for Other activities for the **second third** quarter of fiscal 2024, compared to a net income of **\$1.2 million** **\$0.9 million** for the **second third** quarter of fiscal 2023. The change in net income is related to the change in warrant liability, as discussed above.

Net income for Other activities was \$0.1 million for the **six nine** months ended **April 30, 2024** **July 31, 2024**, compared to a net income of **\$5.7 million** **\$6.6 million** for the **six nine** months ended **April 30, 2023** **July 31, 2023**. The change in net income is related to the change in warrant liability, as discussed above.

Liquidity and Capital Resources

Overview

Our capital structure is primarily a combination of (1) permanent financing, represented by stockholders' equity; (2) zero-dividend convertible perpetual preferred stock; (3) long-term financing represented by our Senior Notes (as defined below) and (4) short-term financing under our ABL Facility (as defined below). Our primary sources of liquidity are cash generated from operations, available cash and cash equivalents and access to our revolving credit facility under our ABL Facility (as defined below), which provides for aggregate borrowings of up to \$225.0 million, subject to a borrowing base limitation. We use our liquidity and capital resources to: (1) finance working capital requirements; (2) service our indebtedness; (3) purchase property, plant and equipment; and (4) finance strategic acquisitions. As of **April 30, 2024** **July 31, 2024**, we had **\$18.0** **\$26.3** million of cash and cash equivalents and **\$198.9** **\$210.0** million of available borrowing capacity under the ABL Facility (as defined below), providing total available liquidity of **\$216.9** **\$236.3** million.

We may from time to time seek to retire or pay down borrowings on the outstanding balance of our ABL Facility or Senior Notes using cash on hand. Such repayments, if any, will depend on prevailing market conditions, our liquidity requirements, contractual restrictions and other factors.

We believe our existing cash and cash equivalent balances, cash flow from operations and borrowing capacity under our ABL Facility will be sufficient to meet our working capital and capital expenditure needs for at least the next 12 months. Our future capital requirements may vary materially from those currently planned and will depend on many factors, including our rate of revenue growth, potential acquisitions and overall economic conditions. To the extent that current and anticipated future sources of liquidity are insufficient to fund our future business activities and requirements, we may be required to seek additional equity or debt financing. The sale of additional equity could result in dilution to our stockholders and the incurrence of additional debt could restrict our operations.

Material Cash Requirements

Our principal uses of cash historically have been to fund operating activities and working capital, purchases of property and equipment, strategic acquisitions, fund payments due under facility operating and finance leases, share repurchases and to meet debt service requirements.

Our working capital surplus as of **April 30, 2024** **July 31, 2024** was **\$19.5** **\$35.9** million. We are in compliance with our debt covenants and believe that we have sufficient working capital to meet our material cash requirements.

The amount of our future capital expenditures will depend on a number of factors including general economic conditions and growth prospects. In response to changing economic conditions, we believe we have the flexibility to modify our capital expenditures by adjusting them (either up or down) to match our actual performance. Our capital expenditures for the **six nine** months ended **April 30, 2024** **July 31, 2024** and 2023 were approximately **\$28.8** **\$37.5** million and **\$34.7 million**, **\$43.2 million**, respectively. See "Cash Flow" discussion below for more information.

To service our debt, we require a significant amount of cash. Our ability to pay interest and principal on our indebtedness will depend upon our future operating performance and the availability of borrowings under the ABL Facility and/or other debt and equity financing alternatives available to us, which will be affected by prevailing economic conditions and conditions in the global credit and capital markets, as well as financial, business and other factors, some of which are beyond our control. Based on our current level of operations and given the current state of the capital markets, we believe our cash flow from operations, available cash and available borrowings under the ABL Facility will be adequate to service our debt and meet our future liquidity needs for the foreseeable future. See "Senior Notes and ABL Facility" discussion below for more information.

Future Contractual Obligations

For information regarding our future contractual obligations, see the MD&A discussion included in Item 7 of Part II of our [Annual Report](#).

Senior Notes and ABL Facility

The table below is a summary of the composition of the Company's debt balances as of **April 30, 2024**, **July 31, 2024** and October 31, 2023:

| (in thousands) | Interest Rates | Maturities | April 30, | October 31, | Interest Rates | Maturities | July 31, | October 31, |
|--|----------------|---------------|------------|-------------|----------------|---------------|------------|-------------|
| | | | 2024 | 2023 | | | 2024 | 2023 |
| ABL Facility - short term | Varies | June 2028 | \$ 16,428 | \$ 18,954 | Varies | June 2028 | \$ - | \$ 18,954 |
| Senior notes - all long term | 6.0000% | February 2026 | 375,000 | 375,000 | 6.00% | February 2026 | 375,000 | 375,000 |
| Total debt, gross | | | 391,428 | 393,954 | | | 375,000 | 393,954 |
| Less: Unamortized deferred financing costs offsetting long term debt | | | (2,436) | (3,132) | | | (2,088) | (3,132) |
| Less: Current portion | | | (16,428) | (18,954) | | | - | (18,954) |
| Long term debt, net of unamortized deferred financing costs | | | \$ 372,564 | \$ 371,868 | | | \$ 372,912 | \$ 371,868 |

On January 28, 2021, Brundage-Bone Concrete Pumping Holdings Inc., a Delaware corporation (the "Issuer") and a wholly-owned subsidiary of the Company (i) completed a private offering of \$375.0 million in aggregate principal amount of its 6.000% senior secured second lien notes due 2026 (the "Senior Notes") issued pursuant to an indenture, among the Issuer, the Company, the other Guarantors (as defined below), Deutsche Bank Trust Company Americas, as trustee and as collateral agent (the "Indenture") and (ii) entered into an amended and restated ABL Facility (as subsequently amended, the "ABL Facility") by and among the Company, certain subsidiaries of the Company, Wells Fargo Bank, National Association, as agent, sole lead arranger and sole bookrunner, the other lenders party thereto, which originally provided up to \$125.0 million of asset-based revolving loan commitments to the Company and the other borrowers under the ABL Facility. The Senior Notes are jointly and severally guaranteed on a senior secured basis by the Company, Concrete Pumping Intermediate Acquisition Corp. and each of the Issuer's domestic, wholly-owned subsidiaries that is a borrower or a guarantor under the ABL Facility (collectively, the "Guarantors").

On June 1, 2023, the ABL Facility was amended to, among other changes, (1) increase the maximum revolver borrowings available to be drawn thereunder to \$225.0 million, (2) increase the letter of credit sublimit to \$22.5 million and (3) extend the maturity of the ABL Facility to the earlier of (a) June 1, 2028 or (b) the date that is 180 days prior to (i) the final stated maturity date of the Senior Notes or (ii) the date the Senior Notes become due and payable. The ABL Facility also provides for an uncommitted accordion feature under which the borrowers under the ABL Facility can, subject to specified conditions, increase the ABL Facility by up to an additional \$75.0 million. The amended ABL Facility was treated as a debt modification. The Company capitalized an additional \$0.5 million of debt issuance costs related to the June 1, 2023, ABL Facility amendment. The preexisting unamortized deferred costs of \$1.4 million and the additional costs of \$0.5 million will be amortized from June 1, 2023 through June 1, 2028.

~~The~~ There was no outstanding balance under the ABL Facility as of **April 30, 2024** was \$16.4 million **July 31, 2024** and as of that date, the Company was in compliance with all debt covenants. In addition, as of **April 30, 2024** **July 31, 2024**, the Company had \$1.1 million in credit line reserves and a letter of credit balance of **\$8.5** **\$13.9** million. As of **April 30, 2024** **July 31, 2024**, we had **\$198.9** **\$210.0** million of available borrowing capacity under the ABL Facility. Debt issuance costs related to revolving credit facilities are capitalized and reflected as an asset in deferred financing costs in the accompanying condensed balance sheets. The Company had debt issuance costs related to the revolving credit facilities of **\$1.6** **\$1.5** million as of **April 30, 2024** **July 31, 2024**. See [Note 8](#) of Part I, Item I in this document for more information on the Senior Notes and ABL Facility.

Cash Flows

Cash generated from operating activities typically reflects net income, as adjusted for non-cash expense items such as depreciation, amortization and stock-based compensation, and changes in our operating assets and liabilities. Generally, we believe our business requires a relatively low level of working capital investment due to low inventory requirements and timely customer payments due to daily billings for most of our services.

Cash flow provided by operating activities. Net cash provided by operating activities generally reflects the cash effects of transactions and other events used in the determination of net income or loss.

Net cash provided by operating activities during the ~~six~~ **nine** months ended **April 30, 2024** **July 31, 2024** was **\$29.4** **\$64.5** million. The Company had a net ~~loss~~ **income** of **\$0.8** **\$6.8** million, which included net non-cash expense items of **\$30.8** **\$50.3** million. In addition, we had cash ~~outflows~~ **inflows** related to ~~an increase~~ **a decrease** in our working capital of **\$0.6** **\$7.4** million. Cash ~~outflows~~ **inflows** related to working capital activity include a decrease in **receivables** of **\$7.2** million, **an increase** in other operating liabilities

of \$3.8 million and a decrease in inventory of \$0.3 million. These were offset by a decrease of \$1.7 million in accounts payable and an increase in other operating assets of \$2.4 million, and a decrease of \$1.2 million in accounts payable. These were offset by a decrease in receivables of \$6.3 million and a decrease in inventory of \$0.6 million. The decrease in operating liabilities receivables is due to payments on operating leases of \$2.6 million and a decrease decreases in sales and use tax. The increase to other operating assets is primarily due to timing of prepaid insurance. volumes during the nine months ended July 31, 2024. The decrease in accounts payable is driven by the timing of vendor payments. The decrease a change in receivables is due to seasonal collection of receivables and decrease in sales volumes during the six months ended April 30, 2024. timing.

Net cash provided by operating activities during the six nine months ended April 30, 2023 July 31, 2023 was \$31.1 million \$66.2 million. The Company had net income of \$12.1 million \$22.4 million, which included net non-cash expense items of \$28.2 million \$46.5 million. In addition, we had cash outflows related to an increase in our working capital of \$9.2 million \$2.6 million. Cash outflows related to working capital activity primarily include a decrease an increase in other operating liabilities of \$5.1 million \$4.5 million, an increase in trade receivables of \$3.2 million, a decrease of \$2.1 million to accounts payable, an increase in inventory of \$1.0 million and an increase in other operating assets of \$3.2 million, a decrease of \$1.1 million to accounts payable and an increase in inventory of \$0.7 million. These were offset by a decrease in trade receivables of \$0.9 million. The decrease increase in other operating liabilities is primarily related to timing of the payment of accrued interest. The Company makes semi-annual interest payments on operating leases of \$3.1 million in February and a decrease in accrued insurance. August each year. The increase to other operating assets in trade receivables is primarily due to timing of prepaid insurance, which is generally prepaid during first quarter of a fiscal year. stronger revenue growth. The decrease in accounts payable is driven by a change in timing.

Cash flow used in investing activities. Net cash used in operating activities generally reflects the cash outflows for property, plant and equipment.

We used \$23.6 million \$30.0 million to fund investing activities during the six nine months ended April 30, 2024 July 31, 2024. The Company used \$28.8 \$37.5 million for the purchase of property, plant and equipment, which was partially offset by \$5.2 \$7.5 million in proceeds from the sale of property, plant and equipment.

We used \$31.1 million \$35.9 million to fund investing activities during the six nine months ended April 30, 2023 July 31, 2023. The Company used \$34.7 million \$43.2 million for the purchase of property, plant and equipment and \$0.8 million for the purchase of intangible assets, which was partially offset by \$4.4 million \$8.0 million in proceeds from the sale of property, plant and equipment.

The decrease in capital expenditures of \$5.7 million for the nine months ended July 31, 2024 compared to the same period in the prior year is primarily due to the fact that we have sufficient capacity from our current fleet to meet the demand of the business going forward.

Cash flow used in financing activities.

Net cash used in financing activities was \$4.1 \$24.8 million for the six nine months ended April 30, 2024 July 31, 2024. Cash used in financing activities included \$2.5 \$19.0 million in net payments under the Company's ABL Facility and \$3.0 \$7.2 million in purchase of treasury stock, which included \$1.5 \$4.0 million purchased under the share repurchase program and \$1.5 million \$3.2 million in outflows from the purchase of shares into treasury stock in order to fund the employee tax obligations for certain vested stock awards. award vesting and stock option exercise activities.

Net cash used in financing activities was \$1.1 million \$26.7 million for the six nine months ended April 30, 2023 July 31, 2023. Financing Cash used in financing activities during this period included \$8.3 million \$16.4 million in net proceeds under the Company's ABL Facility and \$9.7 million in purchase of treasury stock, which included \$7.2 million \$8.6 million purchased under the share repurchase program and \$1.1 million in outflows from the purchase of shares into treasury stock in order to fund the employee tax obligations for certain vested stock awards. In addition, cash used in financing activities included \$7.3 million in net proceeds under the Company's ABL Facility.

Accounting and Other Reporting Matters

Non-GAAP Measures (EBITDA and Adjusted EBITDA)

We calculate EBITDA by taking GAAP net income and adding back interest expense, income taxes, depreciation and amortization. Adjusted EBITDA is calculated by taking EBITDA and adding back transaction expenses, loss on debt extinguishment, stock-based compensation, changes in the fair value of warrant liabilities, other income, net, goodwill and intangibles impairment and other adjustments. Other adjustments include non-recurring expenses, non-cash currency gains/losses, transaction expenses and interest income. Transaction expenses represent expenses for legal, accounting, and other professionals that were engaged in the completion of various acquisitions. Transaction expenses can be volatile as they are primarily driven by the size of a specific acquisition. As such, we exclude these amounts from Adjusted EBITDA for comparability across periods. Other adjustments include non-recurring expenses and non-cash currency gains/losses.

During the first quarter of fiscal year 2024, the Company moved certain assets and associated revenues and expenses that were previously categorized in the Company's Other activities, into the U.S. Concrete Pumping segment in order to better align its placement with the manner in which the Company allocates its resources and measures performance. As a result, segment results for prior periods have been reclassified to conform to the current period presentation. For further discussion, see [Note 18](#) in Part I, Item 1 of this report for more information. In addition, in order to appropriately distribute the use of corporate resources and better align measures with segment performance, beginning in

the first quarter of fiscal year 2024, the Company is no longer adding back intercompany allocations to segment Adjusted EBITDA. As a result, segment results for prior periods have been reclassified to conform to our current period presentation. See the section "Adjusted EBITDA and Net Income/(Loss)" above for more information.

We believe these non-GAAP measures of financial results provide useful supplemental information to management and investors regarding certain financial and business trends related to our financial condition and results of operations, and as a supplemental tool for investors to use in evaluating our ongoing operating results and trends and in comparing our financial measures with competitors who also present similar non-GAAP financial measures. In addition, these measures (1) are used in quarterly and annual financial reports and presentations prepared for management, our board of directors and investors, and (2) help management to determine incentive compensation. EBITDA and Adjusted EBITDA have limitations and should not be considered in isolation or as a substitute for performance measures calculated under GAAP. These non-GAAP measures exclude certain cash expenses that we are obligated to make. In addition, other companies in our industry may calculate EBITDA and Adjusted EBITDA differently or may not calculate it at all, which limits the usefulness of EBITDA and Adjusted EBITDA as comparative measures.

| | Three Months Ended April 30, | | Six Months Ended April 30, | | Three Months Ended July 31, | | Nine Months Ended July 31, | |
|---|------------------------------|-----------|----------------------------|-----------|-----------------------------|-----------|----------------------------|-----------|
| | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 |
| <i>(in thousands)</i> | | | | | | | | |
| Consolidated | | | | | | | | |
| Net income (loss) | \$ 3,046 | \$ 5,588 | \$ (780) | \$ 12,063 | | | | |
| Net income | | | | | \$ 7,560 | \$ 10,336 | \$ 6,780 | \$ 22,399 |
| Interest expense and amortization of deferred financing costs | 6,873 | 7,348 | 13,336 | 14,219 | 6,318 | 7,066 | 19,744 | 21,285 |
| Income tax expense | 2,180 | 1,465 | 1,169 | 2,109 | 3,081 | 3,318 | 4,250 | 5,427 |
| Depreciation and amortization | 14,239 | 14,721 | 28,337 | 29,170 | 14,491 | 14,707 | 42,827 | 43,877 |
| EBITDA | 26,338 | 29,122 | 42,062 | 57,561 | 31,450 | 35,427 | 73,601 | 92,988 |
| Stock-based compensation | 737 | 1,064 | 1,273 | 2,204 | 644 | 934 | 1,917 | 3,138 |
| Change in fair value of warrant liabilities | - | (1,172) | (130) | (5,728) | - | (911) | (130) | (6,639) |
| Other expense (income), net | (44) | (13) | (84) | (34) | (276) | (262) | (360) | (296) |
| Other adjustments ¹ | 517 | (168) | 3,709 | (124) | | | | |
| Other adjustments(1) | | | | | (180) | (272) | 3,439 | (396) |
| Adjusted EBITDA | \$ 27,548 | \$ 28,833 | \$ 46,830 | \$ 53,879 | \$ 31,638 | \$ 34,916 | \$ 78,467 | \$ 88,795 |
| U.S. Concrete Pumping | | | | | | | | |
| Net income (loss) | \$ (999) | \$ 755 | \$ (7,843) | \$ (38) | \$ 3,535 | \$ 3,823 | \$ (4,309) | \$ 3,785 |
| Interest expense and amortization of deferred financing costs | 6,193 | 6,648 | 11,947 | 12,826 | 5,585 | 6,337 | 17,577 | 19,163 |
| Income tax expense (benefit) | 515 | 202 | (1,588) | (82) | 1,162 | 1,421 | (426) | 1,339 |
| Depreciation and amortization | 10,270 | 10,807 | 20,500 | 21,394 | 9,874 | 10,714 | 30,374 | 32,108 |
| EBITDA | 15,979 | 18,412 | 23,016 | 34,100 | 20,156 | 22,295 | 43,216 | 56,395 |
| Stock-based compensation | 737 | 1,064 | 1,273 | 2,204 | 644 | 934 | 1,917 | 3,138 |
| Other expense (income), net | (7) | (6) | (27) | (16) | (252) | (257) | (279) | (273) |
| Other adjustments ¹ | 514 | (194) | 3,668 | (188) | | | | |
| Other adjustments(1) | | | | | (448) | (301) | 3,175 | (489) |
| Adjusted EBITDA | \$ 17,223 | \$ 19,276 | \$ 27,930 | \$ 36,100 | \$ 20,100 | \$ 22,671 | \$ 48,029 | \$ 58,771 |
| U.K. Operations | | | | | | | | |
| Net income | \$ 1,044 | \$ 933 | \$ 1,527 | \$ 833 | \$ 905 | \$ 1,616 | \$ 2,433 | \$ 2,449 |
| Interest expense and amortization of deferred financing costs | 680 | 700 | 1,389 | 1,393 | 733 | 729 | 2,167 | 2,122 |
| Income tax expense | 598 | 326 | 775 | 286 | 436 | 545 | 1,210 | 831 |
| Depreciation and amortization | 1,849 | 1,849 | 3,657 | 3,676 | 1,907 | 1,879 | 5,564 | 5,555 |
| EBITDA | 4,171 | 3,808 | 7,348 | 6,188 | 3,981 | 4,769 | 11,374 | 10,957 |
| Other expense (income), net | (37) | (11) | (50) | (17) | (21) | (6) | (71) | (23) |
| Other adjustments | 3 | 26 | 41 | 64 | 268 | 29 | 264 | 93 |
| Adjusted EBITDA | \$ 4,137 | \$ 3,823 | \$ 7,339 | \$ 6,235 | \$ 4,228 | \$ 4,792 | \$ 11,567 | \$ 11,027 |

| | | | | | | | | | |
|---|----|-------|----|---------|----|--------|----|---------|---------------------------------------|
| U.S. Concrete Waste Management Services | | | | | | | | | |
| Net income | \$ | 3,001 | \$ | 2,728 | \$ | 5,406 | \$ | 5,540 | \$ 3,120 \$ 3,986 \$ 8,526 \$ 9,526 |
| Income tax expense | | 1,067 | | 937 | | 1,982 | | 1,905 | 1,483 1,352 3,466 3,257 |
| Depreciation and amortization | | 2,120 | | 2,065 | | 4,180 | | 4,100 | 2,710 2,114 6,889 6,214 |
| EBITDA | | 6,188 | | 5,730 | | 11,568 | | 11,545 | 7,313 7,452 18,881 18,997 |
| Other expense (income), net | | - | | 4 | | (7) | | (1) | (3) 1 (10) - |
| Adjusted EBITDA | \$ | 6,188 | \$ | 5,734 | \$ | 11,561 | \$ | 11,544 | \$ 7,310 \$ 7,453 \$ 18,871 \$ 18,997 |
| Other | | | | | | | | | |
| Net income | \$ | - | \$ | 1,172 | \$ | 130 | \$ | 5,728 | \$ - \$ 911 \$ 130 \$ 6,639 |
| EBITDA | | - | | 1,172 | | 130 | | 5,728 | - 911 130 6,639 |
| Change in fair value of warrant liabilities | | - | | (1,172) | | (130) | | (5,728) | - (911) (130) (6,639) |
| Adjusted EBITDA | \$ | - | \$ | - | \$ | - | \$ | - | \$ - \$ - \$ - \$ - |

1 Other adjustments include the adjustment for non-recurring expenses, and non-cash currency gains/losses, losses, transaction expenses and interest income. For the six nine months ended April 30, 2024 July 31, 2024, other adjustments includes include a \$3.5 million non-recurring charge related to sales tax litigation. See [Note 13](#) in Part I, Item 1 of this report for more information.

Critical Accounting Policies and Estimates

Our critical accounting policies and estimates are disclosed in the "Critical Accounting Policies and Estimates" section of our Annual Report. No modifications have been made during the six nine months ended April 30, 2024 July 31, 2024 to these policies or estimates except for those noted in [Note 2](#) to the condensed consolidated financial statements included within Item 1 of this report.

New Accounting Pronouncements

For information regarding recent accounting pronouncements, see [Note 2](#) to the condensed consolidated financial statements included within Item 1 of this report for more information.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

Not applicable.

Item 4. Controls and Procedures.

Evaluation of Disclosure Controls and Procedures

Our management, with the participation of our Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of the design and operation of our disclosure controls and procedures as of April 30, 2024 July 31, 2024 (as such term is defined in Rule 13a-15(e) under the Exchange Act). Our disclosure controls and procedures are designed to provide reasonable assurance that the information required to be disclosed in our reports filed or submitted under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to management, including our Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure. Any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives.

Based upon this evaluation, our Chief Executive Office and Chief Financial Officer concluded that, as of April 30, 2024 July 31, 2024, our disclosure controls and procedures were effective at the reasonable assurance level.

Changes in Internal Control Over Financial Reporting

There have been no changes in our internal control over financial reporting that occurred during the quarter ended April 30, 2024 July 31, 2024 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Part II

Item 1. Legal Proceedings.

The information required with respect to this item can be found under "Commitments and Contingencies—Litigation" in [Note 13](#) of the notes to the condensed consolidated financial statements in this quarterly report and is incorporated by reference into this Item 1.

Item 1A. Risk Factors.

There have been no material changes to the Risk Factors previously disclosed in our Annual Report. For a detailed discussion of the risks that affect our business, please refer to the section entitled "Risk Factors" in the [Annual Report](#).

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

Issuer Purchases of Equity Securities

During the [second third](#) quarter of 2024, under our share repurchase program, we repurchased an aggregate of [171,029 370,419](#) shares of our common stock for a total of [\\$1.3 million \\$2.5 million](#) at an average price of [\\$7.42 \\$6.64](#) per share. The following table reflects issuer purchases of equity securities for the three months ended [April 30, 2024 July 31, 2024](#):

ISSUER PURCHASES OF EQUITY SECURITIES

| Period | Total Number of Shares Purchased (1)(2) | Average Price Paid Per Share | Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs | Approximate Dollar Value of Shares that May Yet be Purchased under the Plans or Programs (3,4) |
|--------------------------------------|---|---------------------------------|--|--|
| February 1, 2024 - February 29, 2024 | - | \$ - | - | \$ 8,179,645 |
| March 1, 2024 - March 31, 2024 | 133,948 | 7.85 | 51,584 | 22,778,626 |
| April 1, 2024 - April 30, 2024 | 119,445 | 7.27 | 119,445 | 21,910,336 |
| Total | <u>253,393</u> ² | <u>\$ 7.58</u> | <u>171,029</u> | <u>\$ 21,910,336</u> |

| Period | Total Number of Shares Purchased (1) | Average Price Paid Per Share | Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs | Approximate Dollar Value of Shares that May Yet be Purchased under the Plans or Programs (2,3) |
|------------------------------|--|---------------------------------|--|--|
| May 1, 2024 - May 31, 2024 | 124,425 | \$ 6.91 | 124,425 | \$ 21,050,680 |
| June 1, 2024 - June 30, 2024 | 111,971 | 6.64 | 111,971 | 20,307,317 |
| July 1, 2024 - July 31, 2024 | 134,023 | 6.40 | 134,023 | 19,450,057 |
| Total | <u>370,419</u> | <u>\$ 6.64</u> | <u>370,419</u> | <u>\$ 19,450,057</u> |

- (1) In January 2023, the board of directors of the Company approved an authorization of \$10.0 million for the Company's share repurchase program, which was announced January 23, 2023. This authorization expires on March 31, 2025. In March 2024, the board of directors of the Company approved a \$15.0 million increase to the Company's share repurchase program, which was announced March 7, 2024. This authorization also expires on March 31, 2025.

- (2) *Of the 253,393 shares included in this column, 171,029 were purchased under the purchase program and the remaining 82,364 shares reflect shares of common stock purchased into treasury stock in order to satisfy employee tax withholding obligations for the vesting of stock awards.*
- (3) *Includes commission cost.*
- (4) (3) *Dollar value of shares that may yet be purchased under the repurchase program is as of the end of the period.*

Item 3. Defaults Upon Senior Securities.

None

Item 4. Mine Safety Disclosures.

Not Applicable.

Item 5. Other Information.

- (a) None
- (b) None
- (c) *The Company's Chief Executive Officer, Bruce Young, had adopted a trading arrangement for the sale of securities of the Company's common stock (a "Rule 10b5-1 Trading Plan") that was intended to satisfy the affirmative defense conditions of Securities Exchange Act Rule 10b5-1(c). Mr. Young's Rule 10b5-1 Trading Plan was adopted on January 15, 2024, provides for the exercise and sale of 736,810 shares of common stock pursuant to the terms of the plan, and was set to expire on February 5, 2025 or upon the earlier exercise of all 736,810 stock options. Mr. Young terminated the Rule 10b5-1 Trading Plan at the close of trading on May 14, 2024 and exercised all outstanding options as of that date.*

Item 6. Exhibits.

The documents set forth below are filed herewith or incorporated herein by reference to the location indicated.

| Exhibit No. | Description |
|-------------|---|
| 31.1 | Certification of the Chief Executive Officer required by Rule 13a-14(a) or Rule 15d-14(a). |
| 31.2 | Certification of the Chief Financial Officer required by Rule 13a-14(a) or Rule 15d-14(a). |
| 32.1 | Certification of the Chief Executive Officer required by Rule 13a-14(b) or Rule 15d-14(b) and 18 U.S.C. Section 1350. |
| 32.2 | Certification of the Chief Financial Officer required by Rule 13a-14(b) or Rule 15d-14(b) and 18 U.S.C. Section 1350. |
| 101.INS | Inline XBRL Instance Document (the Instance Document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document) |
| 101.SCH | Inline XBRL Taxonomy Extension Schema Document |
| 101.CAL | Inline XBRL Taxonomy Extension Calculation Linkbase Document |
| 101.DEF | Inline XBRL Taxonomy Extension Definition Linkbase Document |
| 101.LAB | Inline XBRL Taxonomy Extension Label Linkbase Document |
| 101.PRE | Inline XBRL Taxonomy Extension Presentation Linkbase Document |
| 104 | Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101) |

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

CONCRETE PUMPING HOLDINGS, INC.

By: /s/ Iain Humphries

Name: Iain Humphries

Title: Chief Financial Officer and Secretary
(Authorized Signatory)

Dated: June 6, 2024 September 4, 2024

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Exhibit 31.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Bruce Young, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the quarter ended April 30, July 31, 2024 of Concrete Pumping Holdings, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: June 6, 2024 September 4, 2024

/s/ Bruce Young

Bruce Young, Chief Executive Officer and Director
(principal executive officer)

Exhibit 31.2

CERTIFICATION OF CHIEF FINANCIAL OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Iain Humphries, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the quarter ended April 30, July 31, 2024 of Concrete Pumping Holdings, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: June 6, 2024 September 4, 2024

/s/ Iain Humphries

Iain Humphries, Chief Financial Officer and Director
(principal financial officer)

CERTIFICATION OF CHIEF EXECUTIVE OFFICER
PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, I the undersigned Chief Executive Officer of Concrete Pumping Holdings, Inc. (the "Company") hereby certify that to my knowledge, the Quarterly Report on Form 10-Q of the Company for the quarter ended April 30, July 31, 2024 (the "Report") accompanying this certification, fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and that the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: June 6, 2024 September 4, 2024

/s/ Bruce Young

Bruce Young, Chief Executive Officer and Director
(principal executive officer)

CERTIFICATION OF CHIEF FINANCIAL OFFICER
PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, I the undersigned Chief Financial Officer of Concrete Pumping Holdings, Inc. (the "Company") hereby certify that to my knowledge, the Quarterly Report on Form 10-Q of the Company for the quarter ended April 30, July 31, 2024 (the "Report") accompanying this certification, fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and that the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: June 6, 2024 September 4, 2024

/s/ Iain Humphries

Iain Humphries, Chief Financial Officer and Director
(principal financial officer)

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