



# FIRST QUARTER 2025 EARNINGS CONFERENCE CALL

MOVING INFRASTRUCTURE FORWARD | MAY 7, 2025

**ARCOSA**



## FORWARD LOOKING STATEMENTS

Some statements in this release, which are not historical facts, are “forward-looking statements” as defined by the Private Securities Litigation Reform Act of 1995. Forward-looking statements include statements about Arcosa’s estimates, expectations, beliefs, intentions or strategies for the future. Arcosa uses the words “anticipates,” “assumes,” “believes,” “estimates,” “expects,” “intends,” “forecasts,” “may,” “will,” “should,” “guidance,” “outlook,” “strategy,” “plans,” “goal,” and similar expressions to identify these forward-looking statements. Forward-looking statements speak only as of the date of this release, and Arcosa expressly disclaims any obligation or undertaking to disseminate any updates or revisions to any forward-looking statement contained herein, except as required by federal securities laws. Forward-looking statements are based on management’s current views and assumptions and involve risks and uncertainties that could cause actual results to differ materially from historical experience or our present expectations, including but not limited to assumptions, risks and uncertainties regarding the failure to successfully complete or integrate acquisitions, including Ameron and Stavola, or divest any business, or failure to achieve the expected benefits of acquisitions or divestitures; market conditions and customer demand for Arcosa’s business products and services; the impact of Arcosa’s level of indebtedness; the cyclical nature of, and seasonal or weather impact on, the industries in which Arcosa competes; competition and other competitive factors; governmental and regulatory factors; changing technologies; availability of growth opportunities; market recovery; ability to improve margins; the impact of inflation and costs of materials; assumptions regarding achievements of the expected benefits from the Inflation Reduction Act; the delivery or satisfaction of any backlog or firm orders; the impact of pandemics on Arcosa’s business; the impact of tariffs; and Arcosa’s ability to execute its long-term strategy, and such forward-looking statements are not guarantees of future performance. For further discussion of such risks and uncertainties, see “Risk Factors” and the “Forward-Looking Statements” section of “Management’s Discussion and Analysis of Financial Condition and Results of Operations” in Arcosa’s Form 10-K for the year ended December 31, 2024 and as may be revised and updated by Arcosa’s Quarterly Reports on Form 10-Q and Current Reports on Form 8-K.

## NON-GAAP FINANCIAL MEASURES

This presentation contains financial measures that have not been prepared in accordance with U.S. generally accepted accounting principles (“GAAP”). Reconciliations of non-GAAP financial measures to the closest GAAP measure are provided in the Appendix.



## HOW TO FIND US

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### OUR WEBSITE

[www.arcosa.com](http://www.arcosa.com)

### NYSE TICKER

ACA

### HEADQUARTERS

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Dallas, TX 75201

### INVESTOR CONTACT

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### SOLID FIRST QUARTER RESULTS

- Adjusted EBITDA growth of 26%<sup>(1)</sup> outpaced revenue growth of 12%<sup>(1)</sup>
- Consolidated Adjusted EBITDA Margin increase of 190 basis points<sup>(1)</sup>, led by Engineered Structures
- Strong organic growth with ~275 basis points<sup>(1)</sup> of organic margin expansion
- Integration of Stavola acquisition progressing well; results dilutive to first quarter, reflecting seasonality and in-line with expectations

### TRACKING IN-LINE WITH LEVERAGE REDUCTION GOAL

- Maintained Net Debt to Adjusted EBITDA of 2.9x, despite first quarter seasonality in Construction Products
- Remain committed to returning to long-term net leverage target of 2.0-2.5x over the next twelve months
- Liquidity remains strong at \$868M, including full availability under our revolver

### REAFFIRMED 2025 REVENUE & ADJUSTED EBITDA GUIDANCE

- Mid-point of full year 2025 guidance range<sup>(1)</sup> anticipates:
  - Revenues up 17%
  - Adjusted EBITDA up 30%
  - Adjusted EBITDA Margin expansion of 200 basis points
- Adjusted EBITDA growth expected to be roughly 60% inorganic and 40% organic
- Includes direct tariff impacts, as currently outlined, which are expected to be immaterial

<sup>(1)</sup> Excludes the impact of the divested Steel Components business from 2024





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# STRATEGIC UPDATE

# ARCOSA'S LONG-TERM VISION



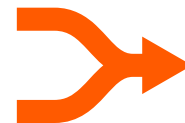
**Grow** in attractive markets where we can achieve sustainable competitive advantages



**Reduce** the complexity and cyclical of the overall business



**Improve** long-term returns on invested capital



**Integrate** sustainability initiatives into our long-term strategy



**Maintain** a healthy balance sheet through prudent deleveraging

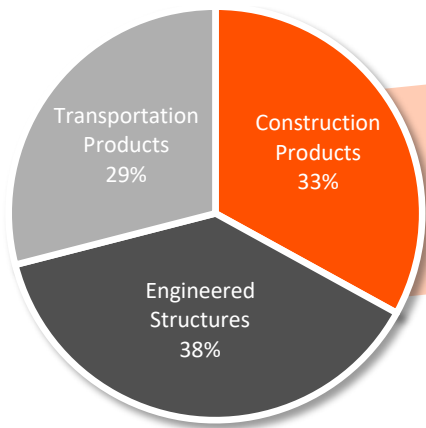


# STRATEGIC TRANSFORMATION

We have made significant progress advancing our long-term vision

% Adjusted EBITDA, excluding corporate costs

2018



\$219M

## Acquisitions

### Construction Products



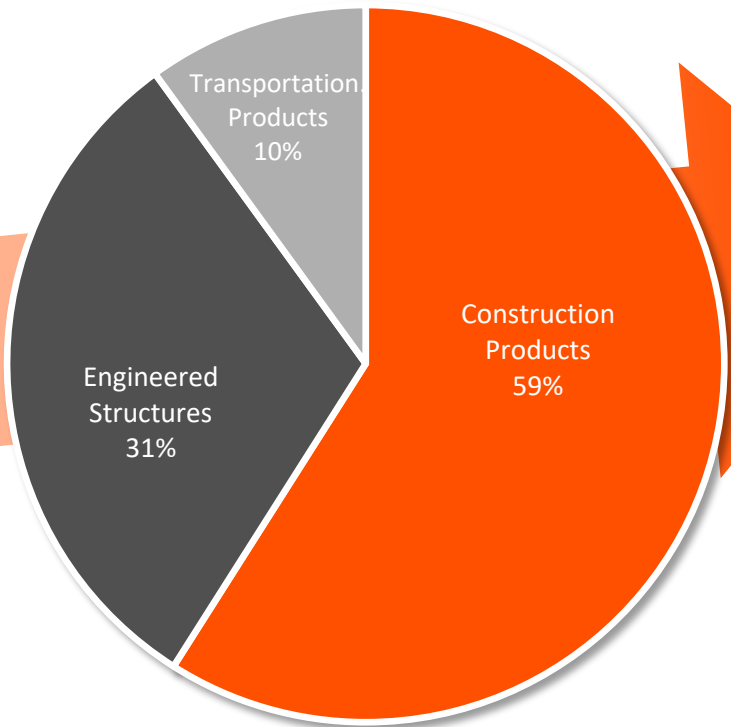
### Engineered Structures



## Divestitures



2025 PF<sup>(1)</sup>



\$589M

<sup>(1)</sup>Pro Forma as of 03/31/2025 for the acquisition of Stavola and the divestiture of Steel Components as if the transactions had occurred on 1/1/2024. See Adjusted Segment EBITDA reconciliations in the Appendix







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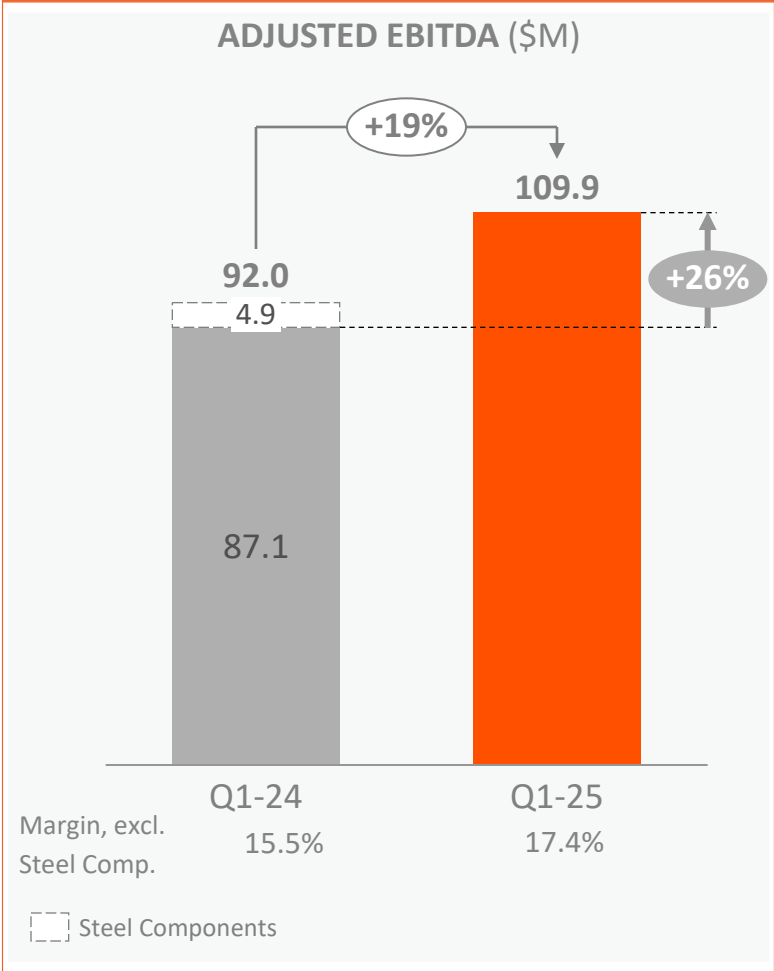
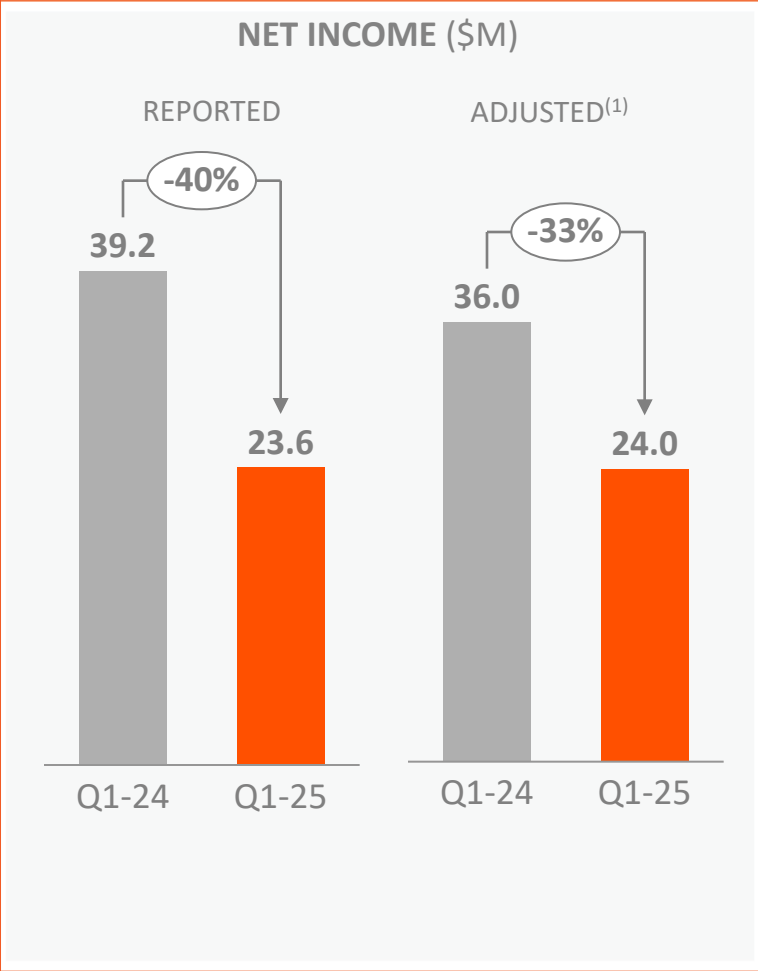
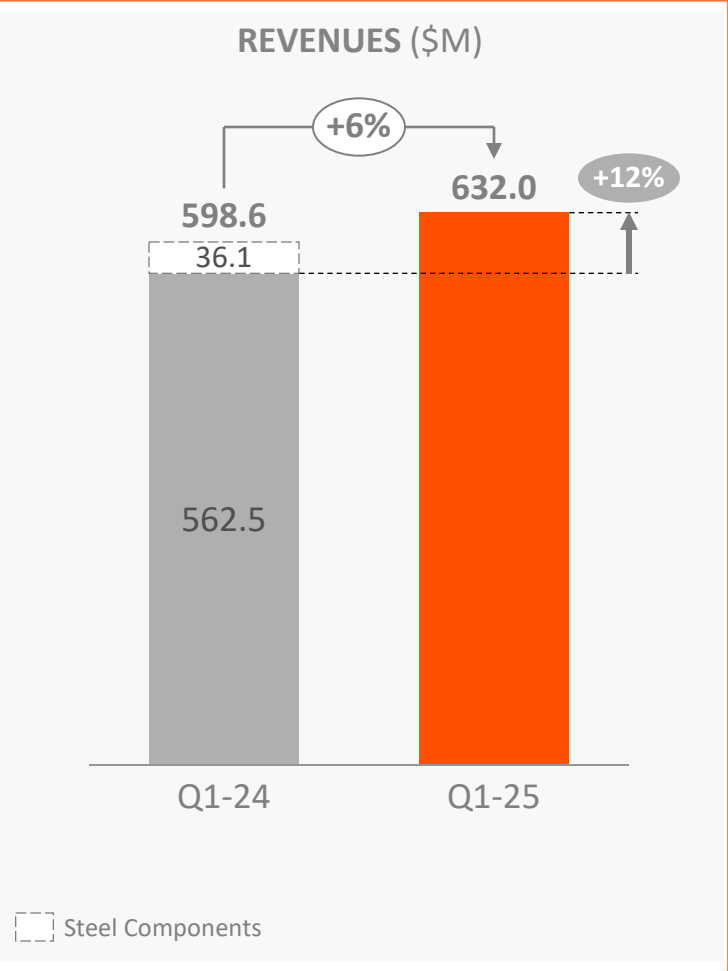
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Q1 2025  
RESULTS



# Q1 2025 CONSOLIDATED RESULTS

Adjusted EBITDA growth outpaced revenue growth resulting in significant margin expansion, led by Engineered Structures

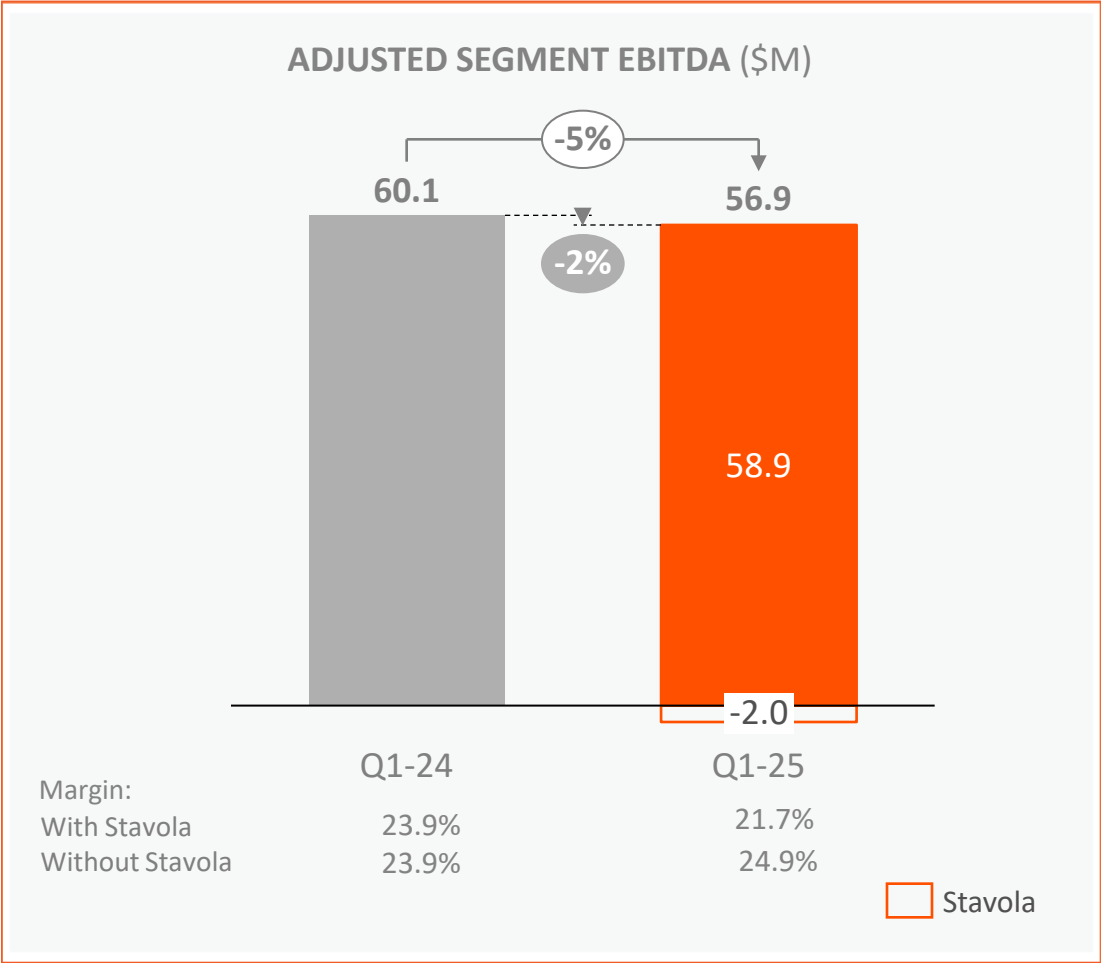
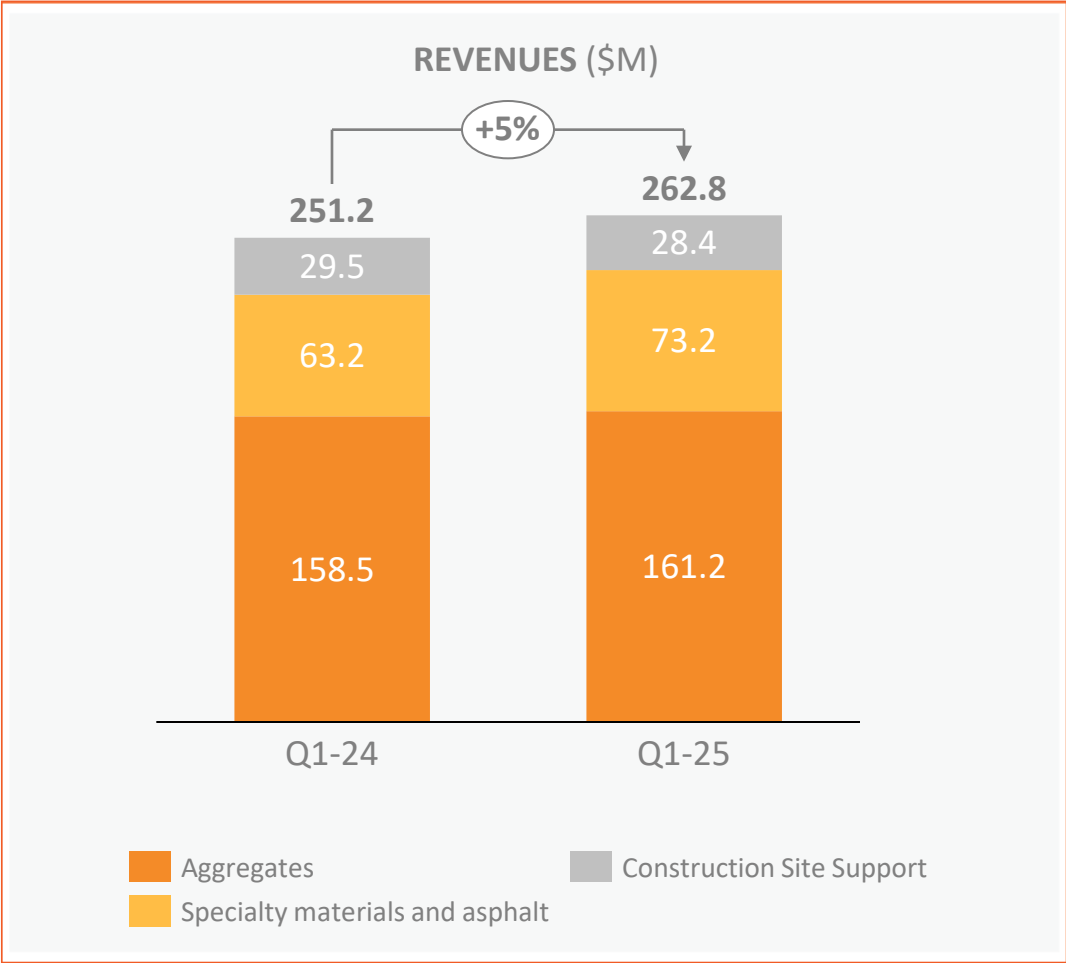


See Adjusted Net Income and Adjusted EBITDA reconciliations in Appendix. Steel Components business was divested on August 16, 2024 and included in continuing operations until the date of sale.  
<sup>(1)</sup>The reduction in first quarter of 2025 Adjusted Net Income was primarily due to planned higher interest expense and depreciation, depletion, and amortization expense resulting from the acquisition of Stavola.



# Q1 2025 SEGMENT RESULTS: CONSTRUCTION PRODUCTS

Dilutive impact from Stavola in-line with expectations. Organic margin expansion despite weather related volume decline.



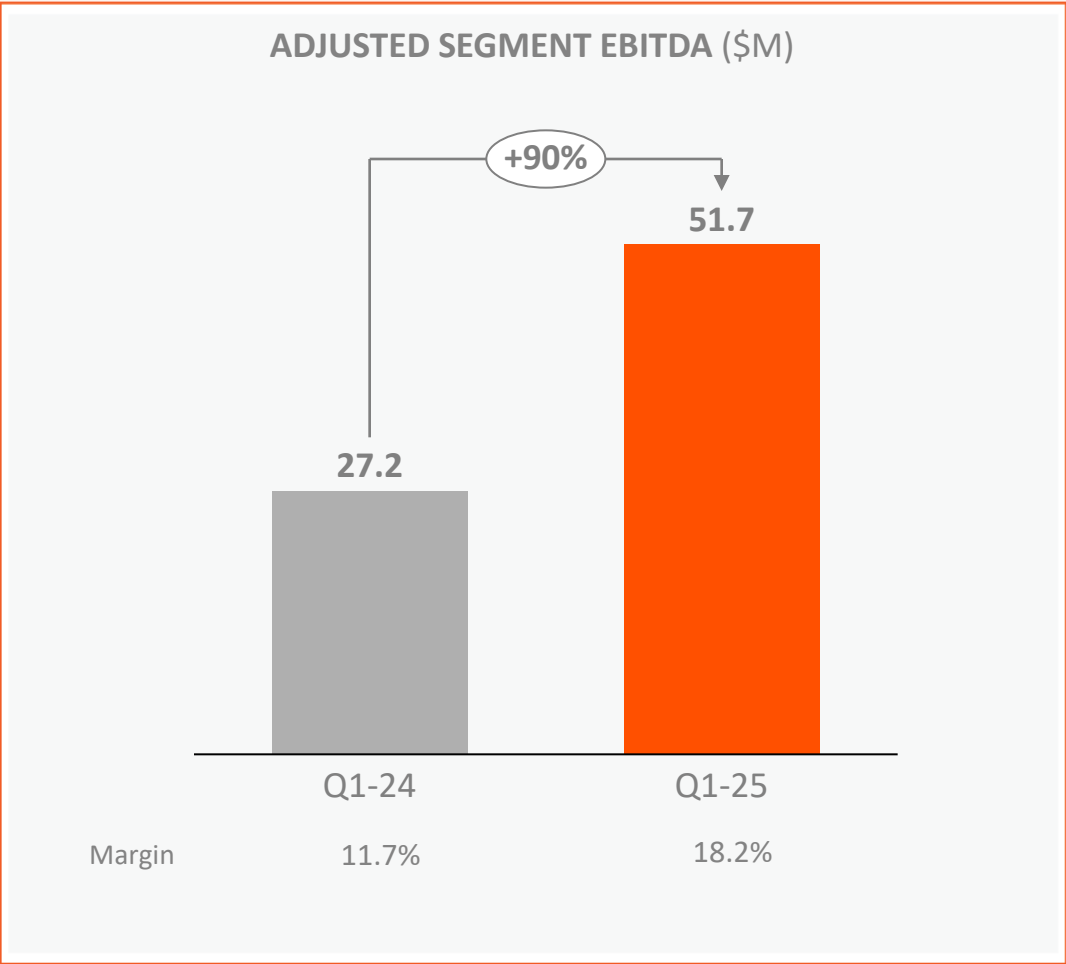
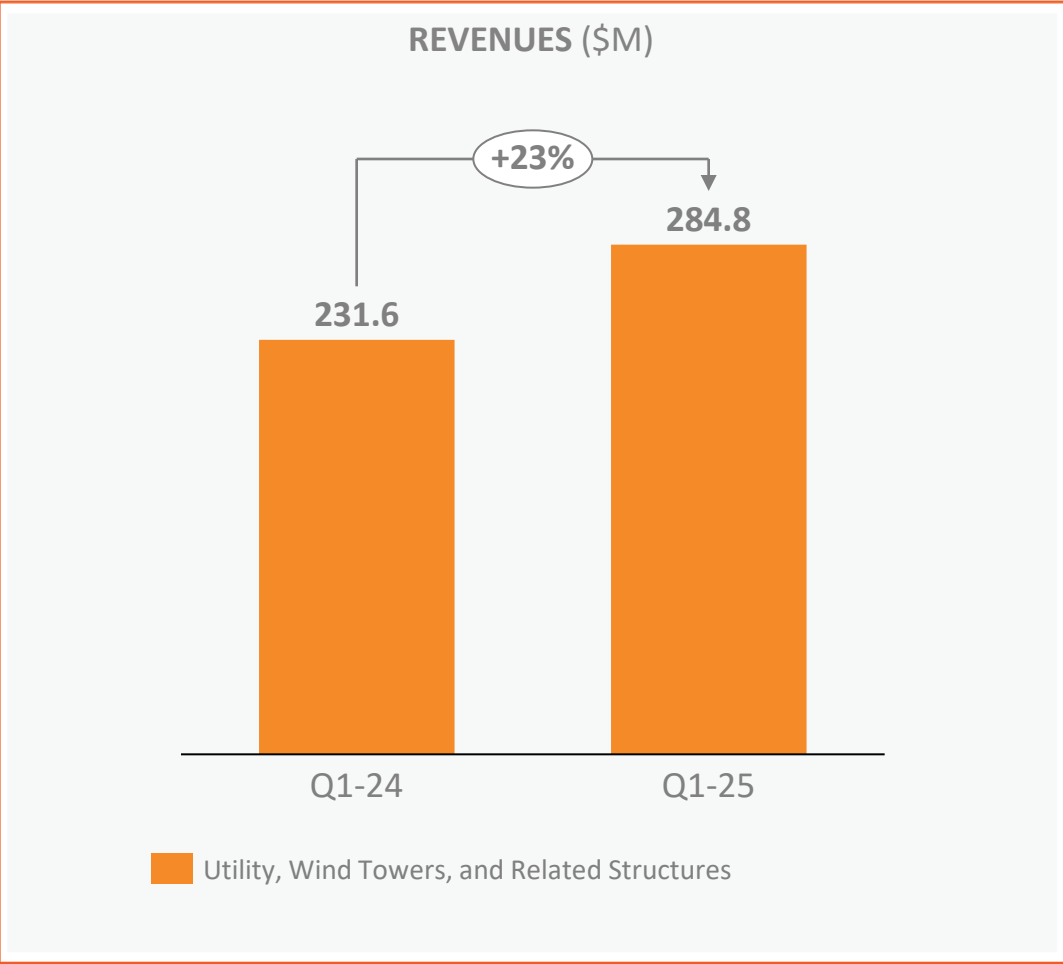
See Adjusted Segment EBITDA and Freight-Adjusted Segment EBITDA Margin reconciliations in Appendix. For the first quarter 2025, Stavola contributed \$26.4 million in revenues





# Q1 2025 SEGMENT RESULTS: ENGINEERED STRUCTURES

Segment growth driven by higher wind tower volumes, improvements in utility structures, and the accretive impact of Ameron, which closed in April 2024

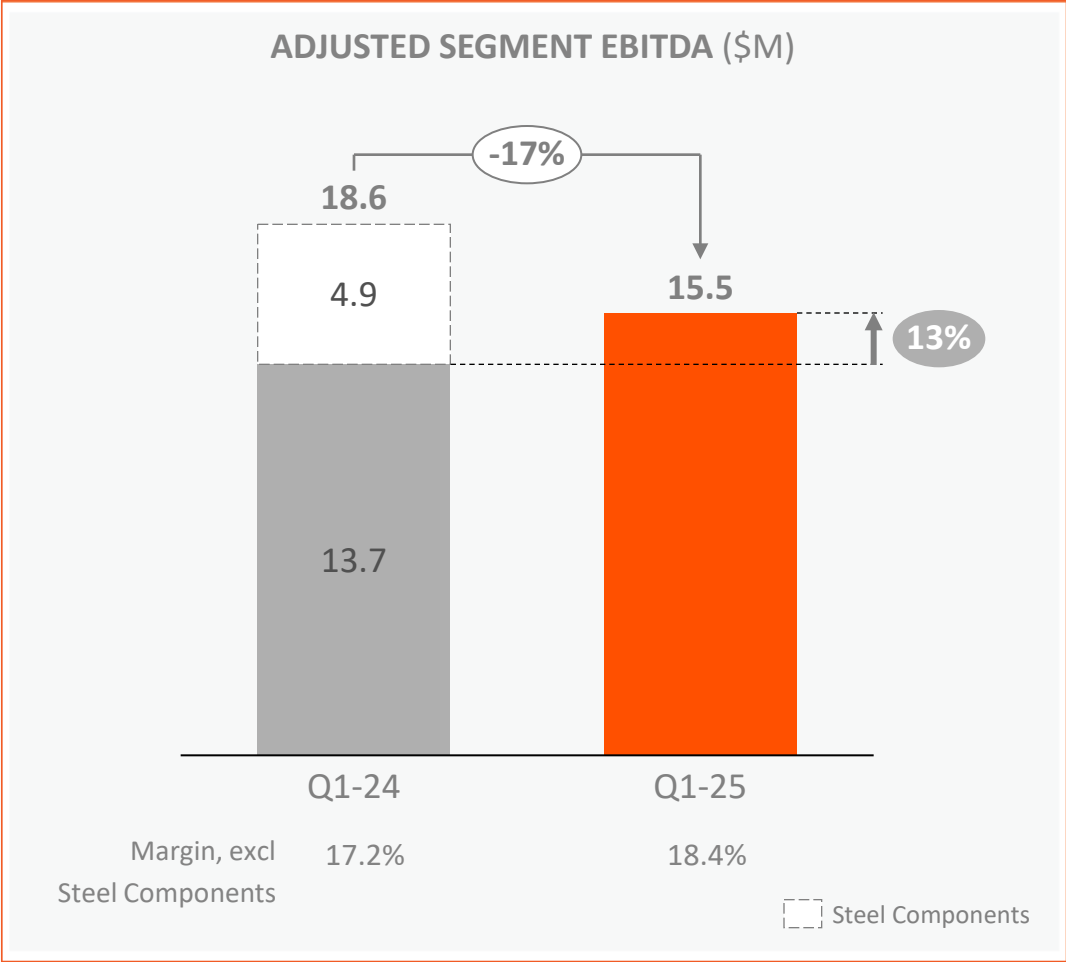
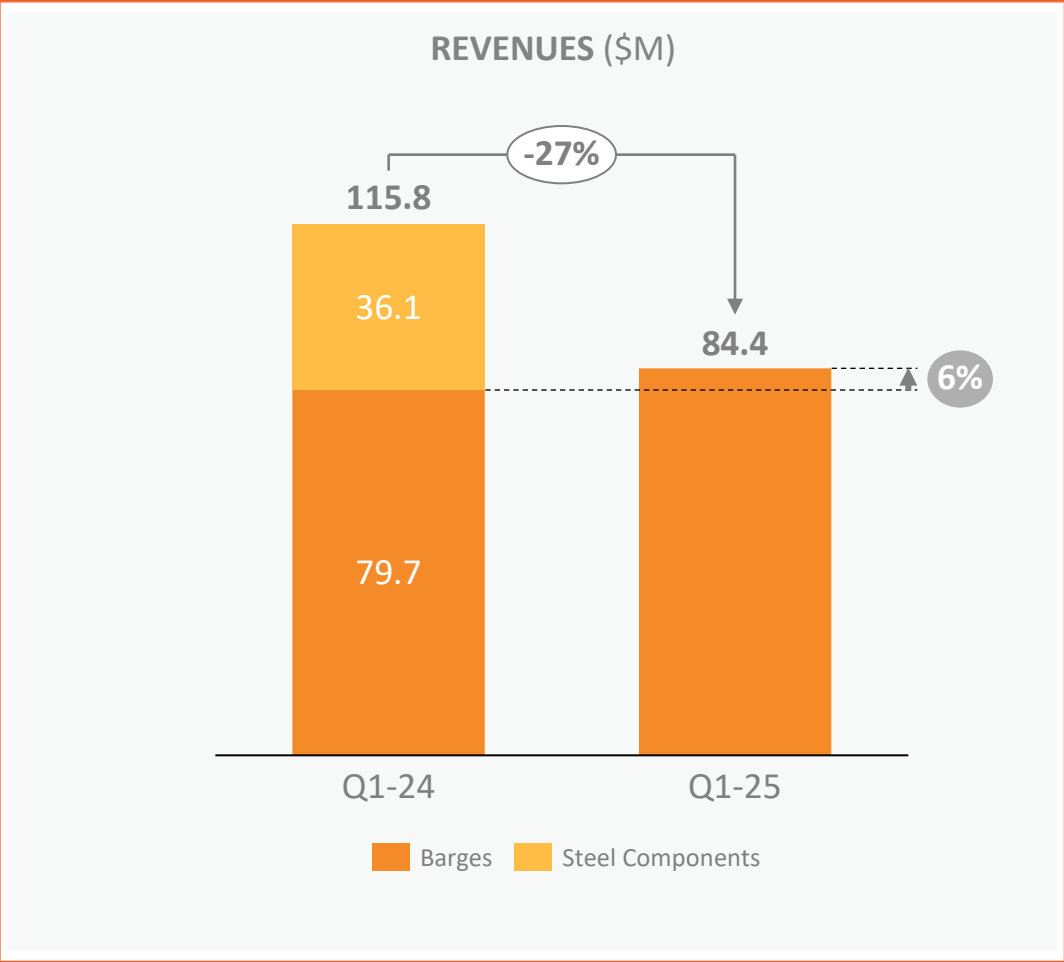


See Adjusted Segment EBITDA reconciliation in Appendix.



# Q1 2025 SEGMENT RESULTS: TRANSPORTATION PRODUCTS

13% earnings growth in the barge business due to higher tank barge deliveries and increased operating leverage



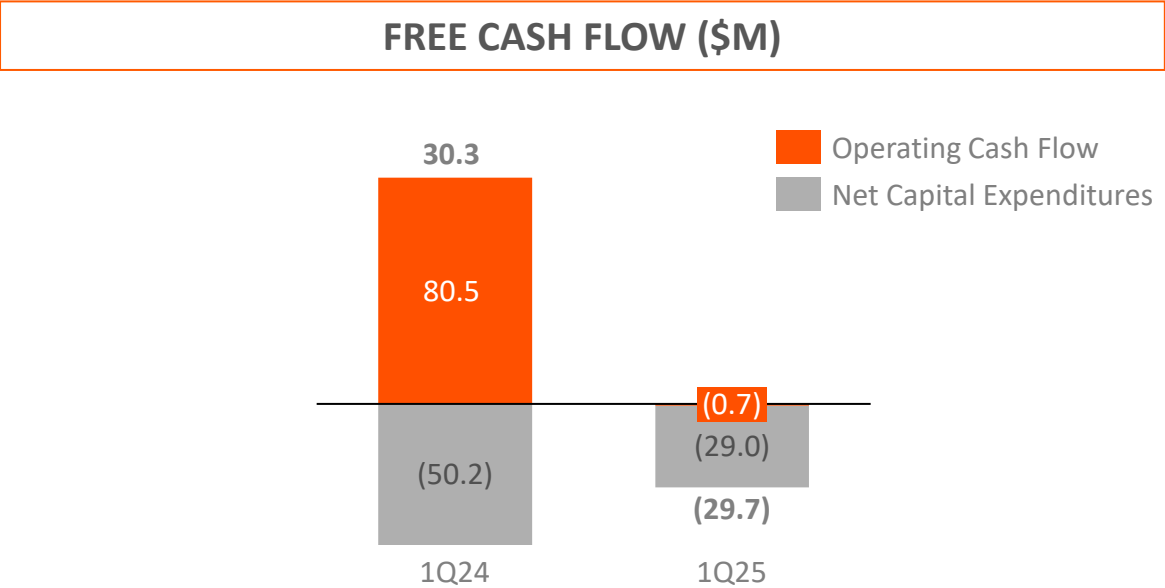
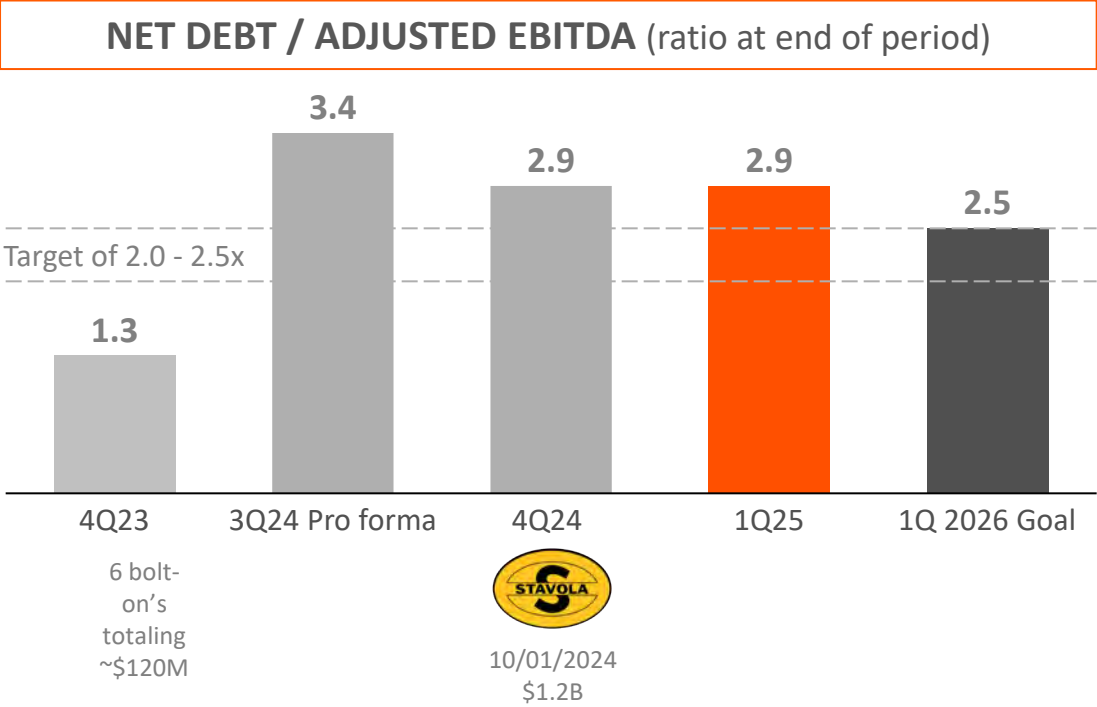
See Adjusted Segment EBITDA reconciliation in Appendix. Steel Components business was divested on August 16, 2024 and included in continuing operations until the date of sale.





# BALANCE SHEET AND CASH FLOW

Maintained leverage ratio consistent with the start of the year, despite first quarter seasonality



- Negative Free Cash Flow in 1Q25 in-line with expectations. Expect cash flow to accelerate in the back half of the year
- On track to meet goal to return to long-term net leverage target of 2.0-2.5x within 18 months of the October 1, 2024 completion of the Stavola acquisition
- Near-term capital allocation focused on debt reduction, maintenance capex, and small strategic growth projects
- Permanent acquisition financing provides ample prepayment flexibility

See Net Debt to Adjusted EBITDA and Free Cash Flow reconciliations in Appendix.





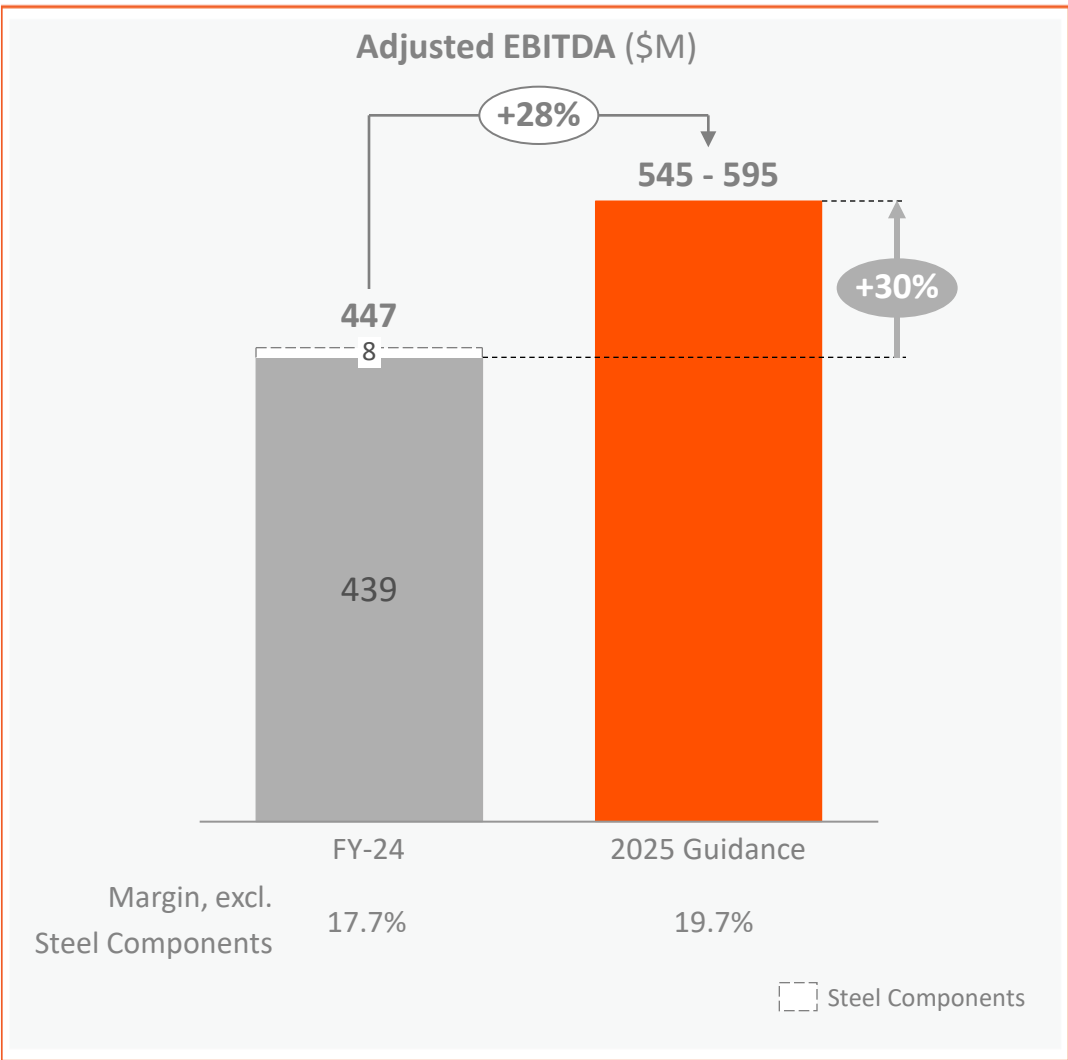
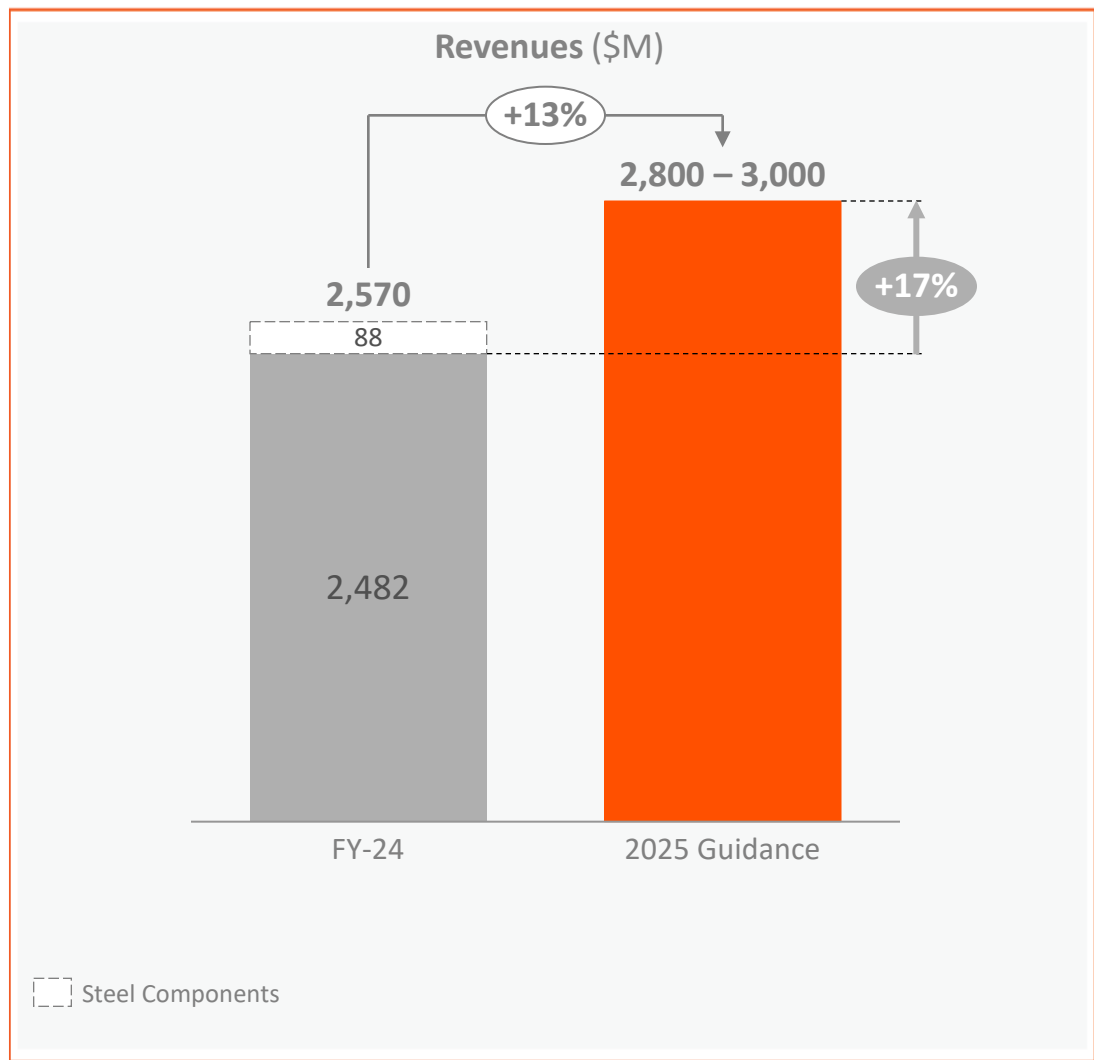
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# 2025 OUTLOOK



# REAFFIRM 2025 GUIDANCE

We expect double-digit revenue and Adjusted EBITDA growth in 2025, inclusive of direct tariff impacts, as currently outlined, which are expected to be immaterial



See Adjusted EBITDA reconciliation in Appendix.



CONSTRUCTION PRODUCTS

- **Strong pricing gains** in 2024 support continued price momentum for 2025
- Stavola will contribute to **revenue growth and margin expansion**
- **Infrastructure spending supported** by federal funding from IIJA and healthy state DOT budgets
- \$350B of IIJA funds for highways and bridges through 2026 – **~34% has been spent**<sup>(1)</sup>
- Macro uncertainty may slow recovery in residential and commercial end-markets

ENGINEERED STRUCTURES

- **Strong backlog visibility** for utility and related structures, driven by grid-hardening and the need to replace existing infrastructure
- **Future demand catalysts** from the electrification of vehicles and connecting renewable energy to the grid
- The direct impact of tariffs, as currently outlined, are **expected to be immaterial** to 2025 financial results
- **Solid wind towers backlog** for 2025 as we await clarity on renewable energy policy for 2026 and beyond

TRANSPORTATION PRODUCTS

- **Good backlog visibility** as tank barge capacity is booked well into 2026 and hopper barge orders extend into 4Q25
- Aging fleet and underinvestment in replacement support **positive outlook for new barge construction**
- ~40% of the hopper fleet and ~30% of tank fleet are **more than 20 years old**<sup>(2)</sup>
- Uncertainty related to agriculture tariffs and high steel prices impacting current hopper barge customer sentiment

<sup>(1)</sup> Wallstreet research; <sup>(2)</sup> The Waterways Journal: Mississippi River System Barge Fleet Survey 2023



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# APPENDIX

# GUIDANCE SUMMARY FOR 2025



## COMMENTARY

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### REVENUE

- \$2.8B to \$3.0B range for full year 2025
- 2024 full year revenue was \$2.48B, excluding \$88M from the divested steel components business

### ADJUSTED EBITDA

- \$545M to \$595M range for full year 2025
- 2024 full year Adjusted EBITDA was \$439M, excluding \$8M from the divested steel components business

### TAX RATE

- Full year 2025 effective tax rate of ~19-20%

### CAPITAL EXPENDITURES

- Full year 2025 capex of \$145M to \$165M

### OTHER

- Full year 2025 depreciation, depletion, and amortization expense of \$230M to \$235M
- Full year 2025 corporate costs of ~\$60M
- Guidance includes direct impacts of tariffs, as currently outlined, which are expected to be immaterial





## NON-GAAP MEASURES

Refer to slides that follow for accompanying reconciliations

**“EBITDA”** is defined as net income plus interest, taxes, depreciation, depletion, and amortization. **“Adjusted EBITDA”** is defined as EBITDA adjusted for certain items that are not reflective of the normal earnings of our business. GAAP does not define EBITDA or Adjusted EBITDA and they should not be considered as alternatives to earnings measures defined by GAAP, including net income. We use Adjusted EBITDA to assess the operating performance of our consolidated business, as a metric for incentive-based compensation, as a measure within our lending arrangements, and as a basis for strategic planning and forecasting as we believe that it closely correlates to long-term shareholder value. As a widely used metric by analysts, investors, and competitors in our industry, we believe Adjusted EBITDA also assists investors in comparing a company's performance on a consistent basis without regard to depreciation, depletion, amortization, and other items which can vary significantly depending on many factors. **“Adjusted EBITDA Margin”** is defined as Adjusted EBITDA divided by Revenues.

GAAP does not define **“Adjusted Net Income”** and it should not be considered as an alternative to earnings measures defined by GAAP, including net income. We use this metric to assess the operating performance of our consolidated business. We adjust net income for certain items that are not reflective of the normal operations of our business to provide investors with what we believe is a more consistent comparison of earnings performance from period to period.

**“Segment EBITDA”** is defined as segment operating profit plus depreciation, depletion, and amortization. **“Adjusted Segment EBITDA”** is defined as Segment EBITDA adjusted for certain items that are not reflective of the normal earnings of our business. GAAP does not define Segment EBITDA or Adjusted Segment EBITDA and they should not be considered as alternatives to earnings measures defined by GAAP, including segment operating profit. We use Adjusted Segment EBITDA to assess the operating performance of our businesses, as a metric for incentive-based compensation, and as a basis for strategic planning and forecasting as we believe that it closely correlates to long-term shareholder value. As a widely used metric by analysts, investors, and competitors in our industry we believe Adjusted Segment EBITDA also assists investors in comparing a company's performance on a consistent basis without regard to depreciation, depletion, amortization, and other items, which can vary significantly depending on many factors. **“Adjusted Segment EBITDA Margin”** is defined as Adjusted Segment EBITDA divided by Revenues.

GAAP does not define **“Net Debt”** and it should not be considered as an alternative to cash flow or liquidity measures defined by GAAP. The Company uses Net Debt, which it defines as total debt minus cash and cash equivalents to determine the extent to which the Company's outstanding debt obligations would be satisfied by its cash and cash equivalents on hand. The Company also uses **“Net Debt to Adjusted EBITDA”**, which it defines as Net Debt divided by Adjusted EBITDA for the trailing twelve months as a metric of its current leverage position. We present this metric for the convenience of investors who use such metrics in their analysis and for shareholders who need to understand the metrics we use to assess performance and monitor our cash and liquidity positions.

GAAP does not define **“Free Cash Flow”** and it should not be considered as an alternative to cash flow measures defined by GAAP, including cash flow from operating activities. We define Free Cash Flow as cash provided by operating activities less capital expenditures net of the proceeds from the disposition of property, plant, equipment, and other assets. We use this metric to assess the liquidity of our consolidated business. We present this metric for the convenience of investors who use such metrics in their analysis and for shareholders who need to understand the metrics we use to assess performance and monitor our cash and liquidity positions.



## Reconciliation of Adjusted EBITDA and Adjusted Net Income

(\$'s in millions)

(unaudited)

	Three Months Ended March 31,		Full Year 2025 Guidance	
	2025	2024	Low	High
<b>Net income</b>	\$ 23.6	\$ 39.2	\$ 170.4	\$ 201.9
Add:				
Interest expense, net	26.5	6.6	104.0	107.0
Provision for income taxes	5.6	8.1	40.0	50.5
Depreciation, depletion, and amortization expense <sup>(1)</sup>	53.6	42.8	230.0	235.0
<b>EBITDA</b>	<b>109.3</b>	<b>96.7</b>	<b>544.4</b>	<b>594.4</b>
Add (less):				
Gain on sale of businesses	(0.3)	(7.0)	(0.3)	(0.3)
Impact of acquisition and divestiture-related expenses <sup>(2)</sup>	0.8	2.8	0.8	0.8
Other, net (income) expense	0.1	(0.5)	0.1	0.1
<b>Adjusted EBITDA</b>	<b>\$ 109.9</b>	<b>\$ 92.0</b>	<b>\$ 545.0</b>	<b>\$ 595.0</b>
<b>Adjusted EBITDA Margin</b>	<b>17.4 %</b>	<b>15.4 %</b>	<b>19.5 %</b>	<b>19.8 %</b>

	Three Months Ended March 31,	
	2025	2024
<b>Net income</b>	\$ 23.6	\$ 39.2
Gain on sale of businesses, net of tax	(0.2)	(5.3)
Impact of acquisition and divestiture-related expenses, net of tax <sup>(2)</sup>	0.6	2.1
<b>Adjusted Net Income</b>	<b>\$ 24.0</b>	<b>\$ 36.0</b>

<sup>(1)</sup> Includes the impact of the fair value markup of acquired long-lived assets, subject to final purchase price adjustments.

<sup>(2)</sup> Expenses associated with acquisitions and divestitures, including the cost impact of the fair value markup of acquired inventory, advisory and professional fees, integration, separation, and other transaction costs.

## Reconciliation of Adjusted Segment EBITDA

(\$'s in millions)

(unaudited)

	Three Months Ended March 31,		Year Ended December 31,		Twelve Months Ended March 31,
	2025	2024	2018	2024	2025
<b>Construction Products</b>					
Operating Profit	\$ 18.3	\$ 28.8	\$ 50.4	\$ 133.9	\$ 123.4
Add: Depreciation, depletion, and amortization expense <sup>(1)</sup>	38.6	30.1	21.9	134.7	143.2
<b>Segment EBITDA</b>	<b>56.9</b>	<b>58.9</b>	<b>72.3</b>	<b>268.6</b>	<b>266.6</b>
Less: Gain on sale of businesses	—	—	—	(5.0)	(5.0)
Add: Impact of acquisition and divestiture-related expenses <sup>(2)</sup>	—	1.2	0.8	12.2	11.0
Add: Impairment charge	—	—	—	5.8	5.8
<b>Adjusted Segment EBITDA</b>	<b>\$ 56.9</b>	<b>\$ 60.1</b>	<b>\$ 73.1</b>	<b>\$ 281.6</b>	<b>\$ 278.4</b>
<b>Adjusted Segment EBITDA Margin</b>	<b>21.7 %</b>	<b>23.9 %</b>	<b>25.0 %</b>	<b>25.5 %</b>	<b>24.9 %</b>
<b>Engineered Structures</b>					
Operating Profit	\$ 39.0	\$ 26.3	\$ 28.6	\$ 126.4	\$ 139.1
Add: Depreciation and amortization expense <sup>(1)</sup>	12.7	7.9	29.7	45.4	50.2
<b>Segment EBITDA</b>	<b>51.7</b>	<b>34.2</b>	<b>58.3</b>	<b>171.8</b>	<b>189.3</b>
Add: Impact of acquisition and divestiture-related expenses <sup>(2)</sup>	—	—	—	1.6	1.6
Add: Impairment charge	—	—	23.2	—	—
Less: Gain on sale of businesses	—	(7.0)	—	(14.5)	(7.5)
<b>Adjusted Segment EBITDA</b>	<b>\$ 51.7</b>	<b>\$ 27.2</b>	<b>\$ 81.5</b>	<b>\$ 158.9</b>	<b>\$ 183.4</b>
<b>Adjusted Segment EBITDA Margin</b>	<b>18.2 %</b>	<b>11.7 %</b>	<b>10.4 %</b>	<b>15.2 %</b>	<b>16.7 %</b>
<b>Transportation Products</b>					
Operating Profit	\$ 13.9	\$ 14.6	\$ 48.4	\$ 30.2	\$ 29.5
Add: Depreciation and amortization expense	1.9	4.0	15.5	12.6	10.5
<b>Segment EBITDA</b>	<b>15.8</b>	<b>18.6</b>	<b>63.9</b>	<b>42.8</b>	<b>40.0</b>
Add: (Gain) Loss on sale of business	(0.3)	—	—	21.6	21.3
<b>Adjusted Segment EBITDA</b>	<b>\$ 15.5</b>	<b>\$ 18.6</b>	<b>\$ 63.9</b>	<b>\$ 64.4</b>	<b>\$ 61.3</b>
<b>Adjusted Segment EBITDA Margin</b>	<b>18.4 %</b>	<b>16.1 %</b>	<b>16.3 %</b>	<b>15.4 %</b>	<b>15.9 %</b>
Operating Loss - Corporate	\$ (15.4)	\$ (16.3)	\$ (32.5)	\$ (92.9)	\$ (92.0)
Add: Impact of acquisition and divestiture-related expenses - Corporate <sup>(2)</sup>	0.8	1.6	—	32.7	31.9
Add: Corporate depreciation expense	0.4	0.8	0.5	2.3	1.9
<b>Adjusted EBITDA</b>	<b>\$ 109.9</b>	<b>\$ 92.0</b>	<b>\$ 186.5</b>	<b>\$ 447.0</b>	<b>\$ 464.9</b>

<sup>(1)</sup> Includes the impact of the fair value markup of acquired long-lived assets, subject to final purchase price adjustments.

<sup>(2)</sup> Expenses associated with acquisitions and divestitures, including the cost impact of the fair value markup of acquired inventory, advisory and professional fees, integration, separation, and other transaction costs.



## Reconciliation of Net Debt to Adjusted EBITDA and Free Cash Flow

(\$'s in millions)

(unaudited)

	As of			
	December 31, 2023	September 30, 2024 Pro Forma	December 31, 2024	March 31, 2025
Total debt excluding debt issuance costs	\$ 573.1	\$ 1,848.7	\$ 1,707.1	\$ 1,703.7
Cash and cash equivalents	104.8	129.1	187.3	167.9
<b>Net Debt</b>	<b>\$ 468.3</b>	<b>\$ 1,719.6</b>	<b>\$ 1,519.8</b>	<b>\$ 1,535.8</b>
Adjusted EBITDA (trailing twelve months) <sup>(1)</sup>	\$ 367.6	\$ 500.1	\$ 515.2	\$ 531.0
<b>Net Debt to Adjusted EBITDA</b>	<b>1.3</b>	<b>3.4</b>	<b>2.9</b>	<b>2.9</b>

	Three Months Ended March 31,	
	2025	2024
Cash provided (required) by operating activities	\$ (0.7)	\$ 80.5
Capital expenditures	(34.0)	(54.4)
Proceeds from disposition of property and other assets	5.0	4.2
<b>Free Cash Flow</b>	<b>\$ (29.7)</b>	<b>\$ 30.3</b>

<sup>(1)</sup> Adjusted EBITDA includes an upward pro forma adjustment for Stavola, acquired on October 1, 2024, of \$69.2 million, which was Stavola's Adjusted EBITDA for the six months ended September 31, 2024, to reflect the six-month pro forma impact on our Adjusted EBITDA as if the acquisition had occurred on December 31, 2023. Also included is a \$3.1 million downward pro forma adjustment to exclude Adjusted EBITDA from the Steel Components business during the period, which was divested on August 16, 2024.



Reconciliation of Adjusted EBITDA for Steel Components and Stavola

(in millions)  
(unaudited)

	Three Months Ended March 31,	
	2024	
Steel components:		
Operating Profit	\$	2.5
Add: Depreciation and amortization expense		2.4
Steel components EBITDA		4.9
Steel components Adjusted EBITDA	\$	4.9

	Three Months Ended March 31,	
	2025	
Stavola business:		
Operating Profit	\$	(11.0)
Add: Depreciation, depletion, and amortization expense		9.0
Stavola EBITDA		(2.0)
Stavola Adjusted EBITDA	\$	(2.0)

