



MOVING
INFRASTRUCTURE
FORWARD

Overview of ACG Materials Acquisition

November 2018



Forward-Looking Statements

Some statements in this presentation, 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,” 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 achievement of the expected benefits of Arcosa’s spin-off from Trinity; tax treatment of the spin-off; inability to consummate the ACG Materials acquisition within the expected time periods or at all, failure to successfully integrate ACG Materials, or failure to achieve the expected benefits of the acquisition; market conditions and customer demand for Arcosa’s business products and services; 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; improving margins; 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 “Information Statement Summary”, “Risk Factors” and “Forward-Looking Statements” in the information statement filed as an exhibit to Arcosa’s Registration Statement on Form 10, as amended.

How to Find Us

OUR WEBSITE

www.arcosa.com

NYSE TICKER

ACA

HEADQUARTERS

Arcosa, Inc.
500 North Akard Street
Dallas, TX 75201

INVESTOR CONTACT

InvestorResources@arcosa.com

ACG Materials highlights

\$152M
LTM Revenue¹

\$32M
LTM Adjusted
EBITDA¹

24
Active Mines

5
Production Facilities

Adds complementary,
scaled specialty materials
and aggregates platforms

Diversifies customer base
across attractive end
markets

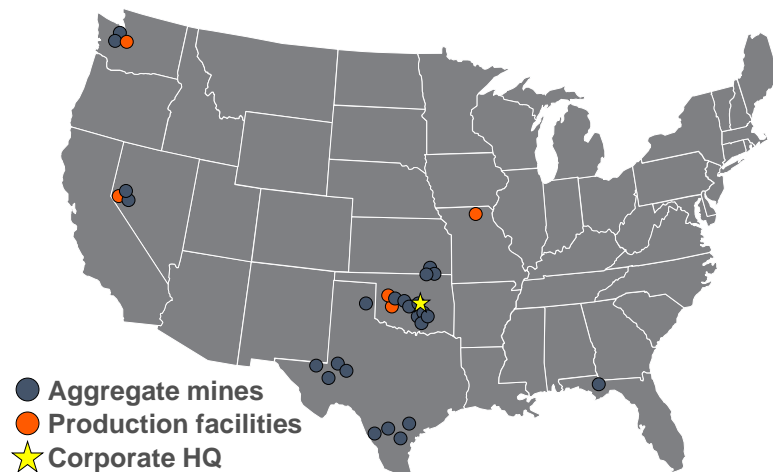
Accelerates growth into
specialty materials and
aggregates

Adds expertise in
developing specialty
materials applications

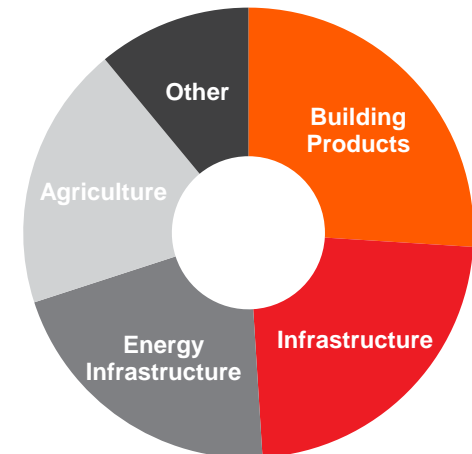
Strengthens pipeline of
acquisitions and organic
growth opportunities

Brings top tier
management team to
Arcosa

Multi-State Platform



Diverse End Markets



¹ Estimated LTM for 12 months ended 08/31/2018. See Adjusted EBITDA reconciliation in Appendix

The acquisition is aligned with Arcosa's long term vision and Stage 1 Priorities

Long Term Vision

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

✓
Reduce the complexity and cyclicality of the overall business

✓
Improve long term returns on invested capital

Stage 1 Priorities

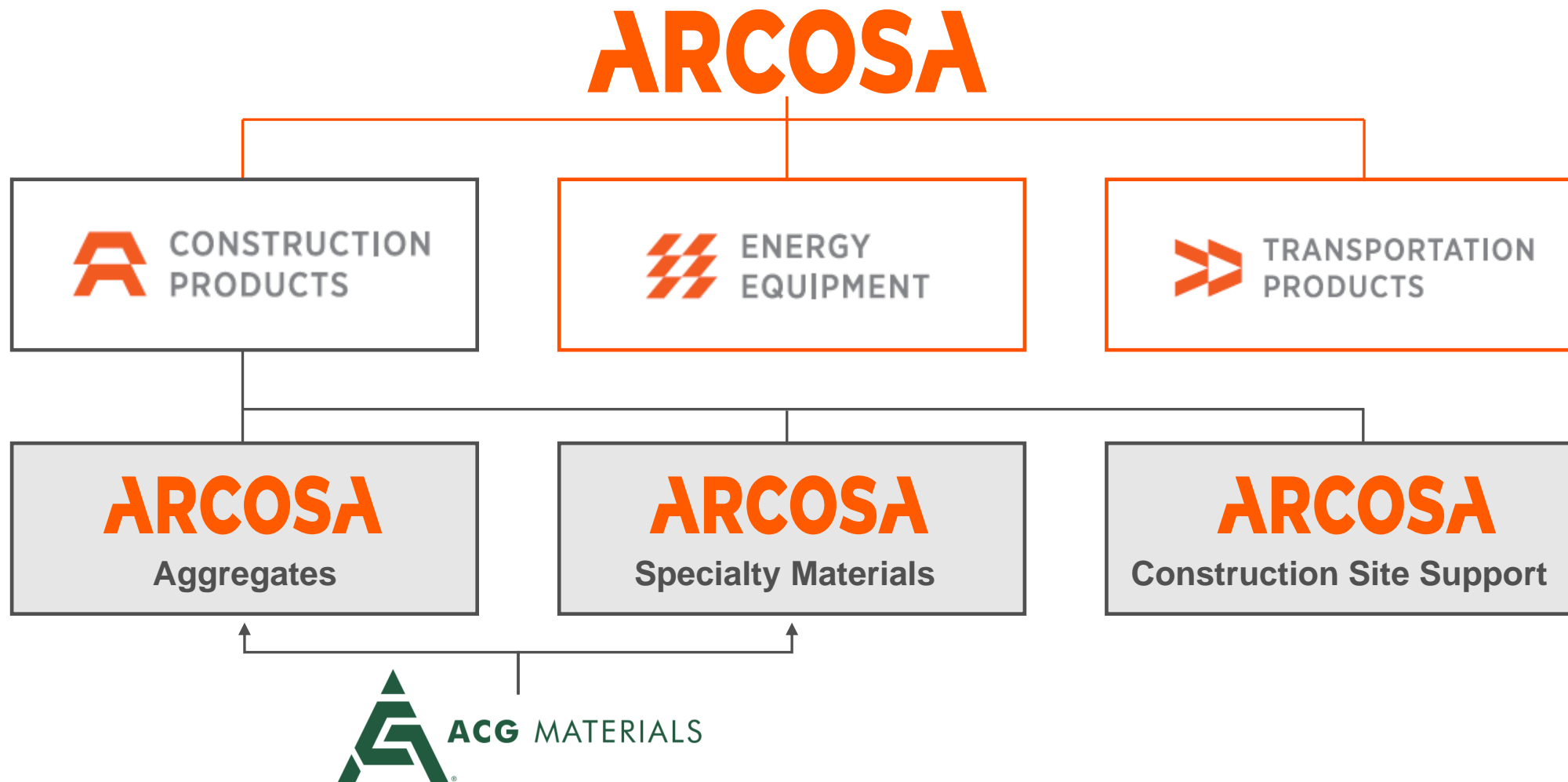
✓
Grow Construction Products organically and through acquisitions

Improve Energy Equipment's operational performance while pursuing disciplined growth


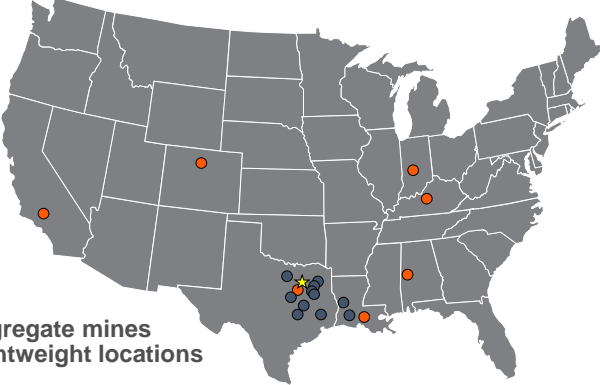

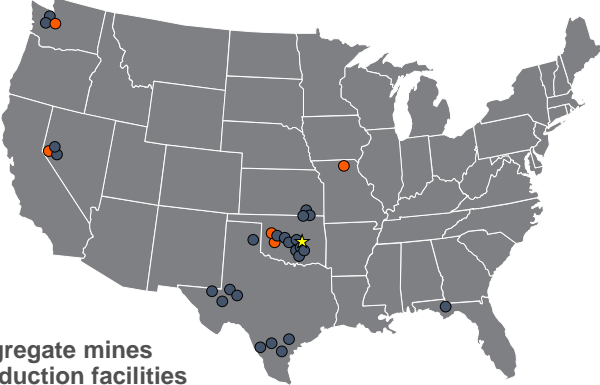
Expand Transportation Products organically as barge and rail markets recover

Operate a flat and responsive corporate structure

ACG Materials is a strategic acquisition for Arcosa's Construction Products Group



Adds complementary, scaled aggregates and specialty materials businesses to Arcosa's current platforms

	Operations	Products	Geographic Footprint
	<ul style="list-style-type: none"> • 18 active Construction Materials locations <ul style="list-style-type: none"> • 11 aggregate mines • 7 lightweight locations 	<ul style="list-style-type: none"> • Aggregates (sand, gravel, and limestone base) • Lightweight aggregates 	 <p>● Aggregate mines ● Lightweight locations</p>
	<ul style="list-style-type: none"> • 29 active locations <ul style="list-style-type: none"> • 24 aggregate mines • 5 production facilities 	<ul style="list-style-type: none"> • Mined and crushed rock (aggregates, cement / retarder rock, fines) • Specialty milled (building products, fertilizers) • Specialty processed (plasters, agricultural prills, food/pharma) 	 <p>● Aggregate mines ● Production facilities</p>

Diversifies customer base across attractive end markets and accelerates growth in specialty materials

	Mined and Crushed Rock	Specialty Milled	Specialty Processed
Products	 <p>Aggregate Rock</p>  <p>Retarder Rock</p>  <p>Fines</p>	 <p>Filler</p>  <p>Coarse</p>	 <p>Food Grade</p>  <p>Plasters</p>  <p>Prills</p>
Applications	<ul style="list-style-type: none"> • Road construction • Well pads • Access roads • Cement / retarder rock • Fertilizer, soil conditioner 	<ul style="list-style-type: none"> • Bathtubs, caulk, paint, joint compounds • Roofing tiles • Glass packaging • Animal feed additive • Fertilizer, soil conditioner • Plastics and coatings 	<ul style="list-style-type: none"> • Flooring, ceramics • Golf turf, fertilizer • Micronutrients • Baking, brewing
End Markets	<ul style="list-style-type: none"> • Energy • Infrastructure • Building products • Agriculture 	<ul style="list-style-type: none"> • Building products • Agriculture 	<ul style="list-style-type: none"> • Building products • Agriculture • Food and pharmaceutical

Source: Company provided information; Management estimates.

Brings top tier management team and strengthens pipeline of organic projects and bolt-on acquisition opportunities

Top tier management team

- Strong leadership team with deep industry experience in infrastructure and building products
- Track record of operating excellence and growth
- Expertise in developing specialty materials applications in attractive markets

Pipeline of organic projects and bolt-on acquisition opportunities

- ACG team has completed 9 bolt-on acquisitions since 2013, within aggregates and specialty materials
- Current pipeline of opportunities to grow organically and through additional bolt-on acquisitions

Transaction and Financing Summary

Financing	<ul style="list-style-type: none">• Purchase price of approximately \$315 million• Arcosa expects to fund the transaction with a combination of cash on-hand and advances under our \$400 million five year, credit facility
Expected Close	<ul style="list-style-type: none">• Q4 2018 – Q1 2019• Subject to customary closing conditions and regulatory provisions under the Hart-Scott-Rodino Act
Accretion	<ul style="list-style-type: none">• Expected to be slightly accretive to earnings in year one following transaction completion• Arcosa expects to revisit its revenue and EBITDA guidance for fiscal year 2019, following the closing and additional clarity on purchase price accounting

Investment Highlights

Adds complementary, scaled aggregates and specialty materials platforms

Diversifies customer base across attractive end markets

Accelerates growth into specialty materials and aggregates

Adds expertise in developing specialty materials applications

Strengthens pipeline of acquisitions and organic growth opportunities

Brings top tier management team to Arcosa

ARCOSA

MOVING
INFRASTRUCTURE
FORWARD

Appendix



Adjusted EBITDA reconciliation (unaudited)

\$ Millions (For the Trailing Twelve Months Ended August 31, 2018)

Net income	(1.8)
Add:	
Interest expense	16.6
Provision/(benefit) for income taxes	(3.9)
Depreciation & amortization expense	15.4
Other adjustments	5.7
Adjusted EBITDA	<u>32.0</u>

“Adjusted EBITDA” is defined as ACG’s net income plus interest expense, income taxes, depreciation and amortization, and other one-time or non-recurring expenses, including management fees, debt refinancing fees, and non-recurring professional fees. Adjusted EBITDA is not a calculation based on generally accepted accounting principles. The amounts included in the Adjusted EBITDA calculation, however, are derived from amounts included in the historical statements of operations data. In addition, Adjusted EBITDA should not be considered as an alternative to net income or operating income as an indicator of ACG’s operating performance, or as an alternative to operating cash flows as a measure of liquidity. We believe Adjusted EBITDA assists investors in comparing a company’s performance on a consistent basis without regard to depreciation and amortization and other expenses, which can vary significantly depending upon many factors.