

## **Forterra Announces Strategic Exchange of Assets Within Existing Sale-Leaseback Arrangement**

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IRVING, Texas, June 11, 2018 (GLOBE NEWSWIRE) -- Forterra, Inc. ("Forterra" or the "Company") (NASDAQ:FRTA), a leading manufacturer of water and drainage infrastructure pipe and products in the United States and Eastern Canada, today announced that it has amended and restated its existing sale-leaseback arrangement (the "SLB"). The transaction removed a total of 24 U.S. drainage facilities and U.S. and Canadian concrete pressure pipe facilities from the SLB, in exchange for Forterra's contribution of two ductile iron pipe facilities in Bessemer, Alabama to the SLB. The transaction is expected to provide Forterra with increased flexibility to evaluate portfolio enhancement initiatives for the 24 facilities removed from the agreement.

In connection with the transaction, certain modifications to the SLB, including an increase in the lease term, will change the accounting treatment of the SLB. The SLB will now be accounted for as a finance lease, rather than an operating lease, which Forterra expects will increase EBITDA and Adjusted EBITDA and increase financing obligations on the balance sheet. The increase in the financing obligation on the balance sheet is expected to result in a slight initial increase in Forterra's financial leverage after adjusting for the associated increase in EBITDA and Adjusted EBITDA. Prior to this transaction, Forterra expected to incur approximately \$19 million in SLB operating expenses in 2018.

The Company expects to make a cash tax payment of approximately \$17 million in 2018 as a result of a tax basis gain on the transaction. The exchange will also increase Forterra's annual SLB cash payments by approximately \$200,000. The Company expects to more than offset the 2018 cash impact by executing on portfolio enhancement initiatives related to the re-acquired properties over the remainder of 2018 and beyond.

### **About Forterra**

Forterra is a leading manufacturer of water and drainage pipe and products in the U.S. and Eastern Canada for a variety of water-related infrastructure applications, including water transmission, distribution, drainage and stormwater management. Based in Irving, Texas, Forterra's product breadth and significant scale help make it a one-stop shop for water related pipe and products and a preferred supplier to a wide variety of customers, including contractors, distributors and municipalities. For more information on Forterra, visit <http://forterrabp.com>.

### **Forward-Looking Statements**

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

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