

SMITH-MIDLAND[®]
EXCELLENCE IN PRECAST CONCRETE

Investor Presentation

November 2020

NASDAQ: SMID

SAFE HARBOR STATEMENT

These slides and the accompanying oral presentation contain forward-looking statements. All statements other than statements of historical fact contained in this presentation, including statements regarding the future financial position of Smith-Midland Corporation (“SMID” or the “Company”), including financial targets, business strategy, and plans and objectives for future operations, are forward-looking statements. SMID has based these forward-looking statements on its estimates and assumptions and its current expectations and projections about future events. These forward-looking statements are subject to a number of risks, uncertainties and assumptions, including those that may be described in greater detail in the Company’s publicly filed documents, including its Annual Report on Form 10-K for the fiscal year ended December 31, 2019. In light of these risks, uncertainties and assumptions, the forward-looking statements discussed in this presentation are inherently uncertain and may not occur, and actual results could differ materially and adversely from those anticipated or implied in the forward-looking statements. Accordingly, you should not rely upon forward-looking statements as predictions of future events. SMID undertakes no obligation to update publicly or revise any forward-looking statements for any reason after the date of this presentation, to conform these statements to actual results or to changes in SMID’s expectations.

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COMPANY OVERVIEW

- Innovative precast concrete manufacturer
- Founded 1960, headquartered in Midland, Virginia
- Leader in highway & infrastructure products
- Innovative commercial construction building products
- 3 Production facilities servicing NY to FL



- Shares Outstanding 5.1 million
- Market Cap \$37 million
- 232 Employees
- Backlog at November 2, 2020 of \$20.6 million



PROPRIETARY PRODUCTS



JJ-Hook Highway Barriers



SlenderWall Cladding System



Easi-Set Concrete Buildings



SoftSound Absorptive Noise Wall

CUSTOMIZED PRODUCTS



Decorative • Security • Military Training

STRATEGICALLY LOCATED MANUFACTURING PLANTS



Virginia

45 acres, 59K sf
reaches NY to
NC/WV

North Carolina
46 acres, 15K sf
reaches NC to TN/KY
(New in 2020)



South Carolina

39 acres, 29K sf
reaches NC to
FL/AL

CONCRETE SAFETY BARRIER RENTAL DIVISION

- Construction
- Highway
- Event Security
- 250K linear foot rental fleet



2022 Buy-Back
Agreement for 200K
linear feet of MASH
TL3 barrier

LICENSING



60+ Licenses • Award-Winning Products • 6% Royalty

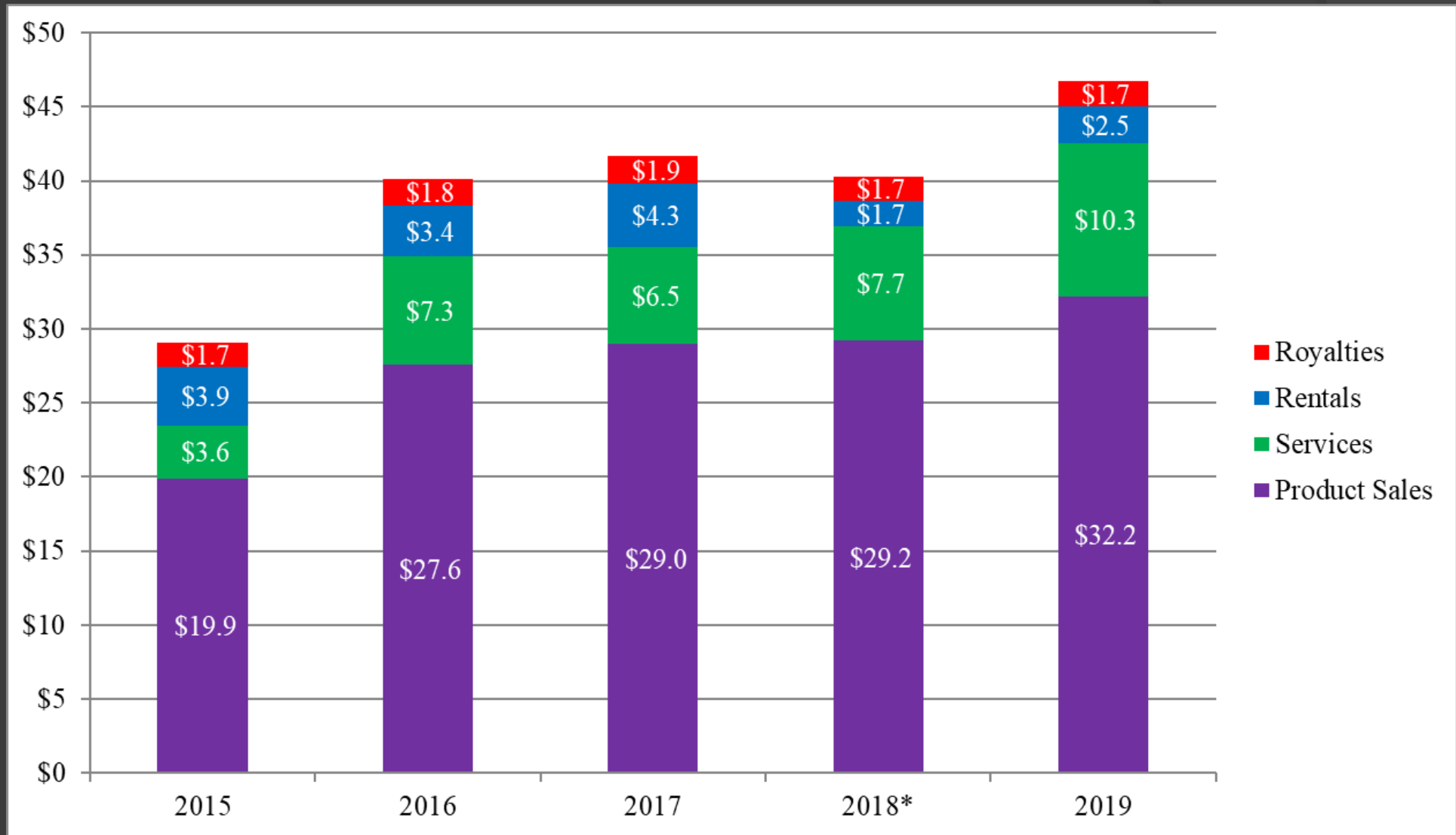
MARKET DRIVERS

Off-Site Modular Construction



Increased Infrastructure Spending

REVENUES BY TYPE



(in millions)

*2018 – Excludes \$6.6M in Product Sales Deferred due to Buy-Back Obligation

BALANCE SHEET

	<u>12/31/2015</u>	<u>12/31/2016</u>	<u>12/31/2017</u>	<u>12/31/2018</u>	<u>12/31/2019</u>
Current Assets	\$ 13,508	\$ 15,872	\$ 19,032	\$ 21,596	\$ 19,031
Total Assets	\$ 18,850	\$ 24,052	\$ 29,225	\$ 41,369	\$ 42,115
Current Liabilities	\$ 4,528	\$ 5,060	\$ 7,834	\$ 11,860	\$ 9,602
Total Debt	\$ 2,513	\$ 3,933	\$ 3,533	\$ 4,503	\$ 5,011
Total Liabilities	\$ 7,460	\$ 9,809	\$ 12,020	\$ 22,522	\$ 21,294
Shareholders Equity	\$ 11,390	\$ 14,243	\$ 17,205	\$ 18,847	\$ 20,821
Capital Expenditures	\$ 1,635	\$ 3,745	\$ 2,741	\$ 5,234	\$ 4,513
Dividends Paid per Share	\$ 0.04	\$ 0.01	\$ 0.05	\$ 0.055	\$ 0.055

- 2016 Dividend decreased for capital reinvestment

(in thousands, except dividend information)

INCOME STATEMENT

	<u>12/31/2015</u>	<u>12/31/2016</u>	<u>12/31/2017</u>	<u>12/31/2018</u>	<u>12/31/2019</u>
Revenue	\$ 29,204	\$ 40,050	\$ 41,717	\$ 40,220	\$ 46,691
COGS	22,094	29,701	30,253	29,730	36,722
Gross Profit	7,110	10,349	11,464	10,490	9,969
Operating Expenses	5,533	6,013	7,749	8,274	7,423
Operating Income (Loss)	1,577	4,336	3,715	2,216	2,546
Other Expenses (Income)	(24)	39	(26)	(43)	38
Pre-Tax Income (Loss)	1,601	4,297	3,741	2,259	2,508
Tax Expense (Benefit)	557	1,462	1,057	572	549
Net Income (Loss)	\$ 1,044	\$ 2,835	\$ 2,684	\$ 1,687	\$ 1,959
EPS	\$ 0.21	\$ 0.57	\$ 0.53	\$ 0.33	\$ 0.38

(in thousands, except EPS)

NINE MONTH 2020 HIGHLIGHTS

INCOME STATEMENT					
Nine Months Ended September 30,					
	<u>2020</u>		<u>2019</u>		
Product Sales	\$	20,036	\$	23,420	
Barrier Rentals		4,820		1,787	
Royalty Income		1,165		1,162	
Shipping & Installation		6,768		7,880	
Total Revenue		32,789		34,249	
COGS		24,971		27,278	
Gross Profit		7,818	24%	6,971	20%
Operating Expenses		5,237		5,398	
Operating Income		2,581	8%	1,573	5%
Other Income (Expense)		(41)		(2)	
Pre-Tax Income		2,540		1,571	
Tax		588		364	
Net Income	\$	1,952	6%	\$ 1,207	4%
EPS	\$	0.38		\$ 0.24	

Cash &
Investments
Totaling \$8.7M

74% Increase
in Barrier Rentals
25-35% Margin

*2020 Product Sales impacted by COVID-19
(Income Statement in thousands, except EPS)

RETURN ON INVESTED CAPITAL



New North Carolina Facility

- \$3.3 million investment
- 2X production capacity
- 10-15% anticipated ROIC

Barrier Rental Fleet

- \$2.2 million investment
- 67% increase in rental fleet
- Added 75 crash cushions
- 15-20% anticipated ROIC



MANAGEMENT TEAM



Ashley Smith
President & CEO



AJ Krick, CPA
Chief Financial Officer



Arthur Miles
President Easi-Set



Matthew Smith
VP Sales & Marketing



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