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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 January 31, 2022

OR

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

Commission File No. 001-38166

CONCRETE PUMPING HOLDINGS, INC.

(Exact name of Registrant as specified in its charter)

Delaware	**83-1779605**
(State or other jurisdiction of incorporation or organization)	(I.R.S. employer identification no.)

500 E. 84th Avenue, Suite A-5
Thornton, Colorado 80229
(Address of principal executive offices, including zip code)

(303) 289-7497
(Registrant's telephone number, including area code)
None
(Former name, former address and former fiscal year, if changes 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	BBCP	The Nasdaq Capital Market

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	☐	Smaller reporting company	☒
Emerging growth 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 March 8, 2022, the registrant had 56,740,516 shares of common stock outstanding.

CONCRETE PUMPING HOLDINGS, INC.
FORM 10-Q
FOR THE QUARTER ENDED JANUARY 31, 2022

PART I

ITEM 1. Unaudited Consolidated Financial Statements

Concrete Pumping Holdings, Inc.
Consolidated Balance Sheets

(in thousands except per share amounts)	(Unaudited) January 31, 2022	October 31, 2021
Current assets:		
Cash and cash equivalents	$ 2,787	$ 9,298
Trade receivables, net	48,203	49,034
Inventory	5,142	4,902
Income taxes receivable	314	275
Prepaid expenses and other current assets	10,420	4,110
Total current assets	66,866	67,619
Property, plant and equipment, net	357,671	337,771
Intangible assets, net	153,572	158,539
Goodwill	224,193	224,700
Other non-current assets	2,056	2,168
Deferred financing costs	1,758	1,868
Total assets	$ 806,116	$ 792,665
Current liabilities:		
Revolving loan	$ 16,208	$ 990
Current portion of capital lease obligations	104	103
Accounts payable	7,462	10,706
Accrued payroll and payroll expenses	8,768	12,226
Accrued expenses and other current liabilities	28,094	23,940
Income taxes payable	393	274
Total current liabilities	61,029	48,239
Long term debt, net of discount for deferred financing costs	369,432	369,084
Capital lease obligations, less current portion	251	278
Deferred income taxes	70,215	70,566
Warrant liability	16,923	16,923
Total liabilities	517,850	505,090
Zero-dividend convertible perpetual preferred stock, $0.0001 par value, 2,450,980 shares issued and outstanding as of January 31, 2022 and October 31, 2021	25,000	25,000
Stockholders' equity		
Common stock, $0.0001 par value, 500,000,000 shares authorized, 56,700,148 and 56,564,642 issued and outstanding as of January 31, 2022 and October 31, 2021, respectively	6	6
Additional paid-in capital	375,754	374,272
Treasury stock	(995)	(461)
Accumulated other comprehensive income	2,231	3,671
Accumulated deficit	(113,730)	(114,913)
Total stockholders' equity	263,266	262,575
Total liabilities and stockholders' equity	$ 806,116	$ 792,665

The accompanying Notes are an integral part of these Unaudited Consolidated Financial Statements

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

(in thousands, except share and per share amounts)	Three Months Ended January 31, 2022	2021
Revenue	$ 85,448	$ 70,421
Cost of operations	51,321	40,558
Gross profit	34,127	29,863
General and administrative expenses	26,721	22,388
Transaction costs	21	29
Income from operations	7,385	7,446
Other income (expense):		
Interest expense, net	(6,261)	(6,900)
Loss on extinguishment of debt	-	(15,510)
Change in fair value of warrant liabilities	-	-
Other income, net	37	26
Total other expense	(6,224)	(22,384)
Income (loss) before income taxes	1,161	(14,938)
Income tax benefit	(22)	(2,648)
Net income (loss)	1,183	(12,290)
Less accretion of liquidation preference on preferred stock	(441)	(507)
Income (loss) available to common shareholders	$ 742	$ (12,797)
Weighted average common shares outstanding		
Basic	53,667,290	53,146,103
Diluted	54,712,478	53,146,103
Net income (loss) per common share		
Basic	$ 0.01	$ (0.24)
Diluted	$ 0.01	$ (0.24)

The accompanying Notes are an integral part of these Unaudited Consolidated Financial Statements

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

(in thousands)	Three Months Ended January 31, 2022	2021
Net income (loss)	$ 1,183	$ (12,290)
Other comprehensive income (loss):		
Foreign currency translation adjustment	(1,440)	4,501
Total comprehensive loss	$ (257)	$ (7,789)

The accompanying Notes are an integral part of these Unaudited Consolidated Financial Statements

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

(in thousands)	Common Stock **Shares**	**Amount**	Additional Paid-In Capital	Treasury Stock	Accumulated Other Comprehensive Income (loss)	Accumulated Deficit	Total
Balance at October 31, 2020	56,463,992	$ 6	$ 367,681	$ (131)	$ (606)	$ (99,840)	$ 267,110
Stock-based compensation expense	-	-	672	-	-	-	672
Shares issued under stock-based program, net of treasury shares purchased for tax withholding	6,707	-	-	(330)	-	-	(330)
Net loss	-	-	-	-	-	(12,290)	(12,290)
Foreign currency translation adjustment	-	-	-	-	4,501	-	4,501
Balance at January 31, 2021	56,470,699	$ 6	$ 368,353	$ (461)	$ 3,895	$ (112,130)	$ 259,663

	Common Stock		**Additional Paid-In Capital**	**Treasury Stock**	**Accumulated Other Comprehensive Income (loss)**	**Accumulated Deficit**	**Total**
(in thousands)	**Shares**	**Amount**					
Balance at October 31, 2021	56,564,642	$ 6	$ 374,272	$ (461)	$ 3,671	$ (114,913)	$ 262,575
Stock-based compensation expense	-	-	1,480	-	-	-	1,480
Shares issued under stock-based program, net of treasury shares purchased for tax withholding	135,506	-	2	(534)	-	-	(532)
Net income	-	-	-	-	-	1,183	1,183
Foreign currency translation adjustment	-	-	-	-	(1,440)	-	(1,440)
Balance at January 31, 2022	56,700,148	$ 6	$ 375,754	$ (995)	$ 2,231	$ (113,730)	$ 263,266

The accompanying Notes are an integral part of these Unaudited Consolidated Financial Statements

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

(in thousands)	For the Three Months Ended January 31, 2022	2021
Net income (loss)	$ 1,183	$ (12,290)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Depreciation	8,341	6,925
Deferred income taxes	(175)	(2,855)
Amortization of deferred financing costs	458	961
Amortization of intangible assets	5,739	6,913
Stock-based compensation expense	1,480	672
Change in fair value of warrant liabilities	-	-
Loss on extinguishment of debt	-	15,510
Net gain on the sale of property, plant and equipment	(444)	(593)
Net changes in operating assets and liabilities:		
Trade receivables, net	676	5,656
Inventory	(265)	(10)
Prepaid expenses and other current assets	(6,232)	(4,287)
Income taxes payable, net	80	(512)
Accounts payable	(3,460)	(1,157)
Accrued payroll, accrued expenses and other current liabilities	5,807	(2,353)
Net cash provided by operating activities	13,188	12,580
Cash flows from investing activities:		
Purchases of property, plant and equipment	(35,431)	(9,434)
Proceeds from sale of property, plant and equipment	1,950	1,894
Purchases of intangible assets	(1,050)	-
Net cash used in investing activities	(34,531)	(7,540)
Cash flows from financing activities:		
Proceeds on long term debt	-	375,000
Payments on long term debt	-	(381,206)
Proceeds on revolving loan	92,164	80,945
Payments on revolving loan	(76,928)	(75,122)
Payment of debt issuance costs	-	(8,464)
Payments on capital lease obligations	(25)	(23)
Purchase of treasury stock	(534)	(330)
Net cash provided by (used in) financing activities	14,677	(9,200)
Effect of foreign currency exchange rate on cash	155	(304)
Net decrease in cash and cash equivalents	(6,511)	(4,463)
Cash and cash equivalents:		
Beginning of period	9,298	6,736
End of period	$ 2,787	$ 2,273

The accompanying Notes are an integral part of these Unaudited Consolidated Financial Statements

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

	Three Months Ended January 31,	
(in thousands)	**2022**	**2021**
Supplemental cash flow information:		
Cash paid for interest	$ 118	$ 5,890
Cash paid for income taxes	$ 50	$ 614
Non-cash investing and financing activities:		
Equipment purchases included in accrued expenses and accounts payable	$ 2,326	$ 781

The accompanying Notes are an integral part of these Unaudited Consolidated Financial Statements

Note 1. Organization and Description of Business

Organization

Concrete Pumping Holdings, Inc. (the “Company”) is a Delaware corporation headquartered in Denver, Colorado. The Consolidated Financial Statements include the accounts of Concrete Pumping Holdings, Inc. and its wholly owned subsidiaries including Brundage-Bone Concrete Pumping, Inc. (“Brundage-Bone”), Capital Pumping (“Capital”), Camfaud Group Limited (“Camfaud”), and Eco-Pan, Inc. (“Eco-Pan”).

Nature of business

Brundage-Bone and Capital are concrete pumping service providers 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 companies do not contract to purchase, mix, or deliver concrete. Brundage-Bone and Capital collectively have approximately 95 branch locations across 19 states, with its corporate headquarters in Denver, 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 17 operating locations across the U.S. with its corporate headquarters in Denver, 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.

Impacts of COVID-19

In March 2020, the World Health Organization declared the outbreak of COVID-19 to be a global pandemic and recommended containment and mitigation measures worldwide. The COVID-19 pandemic has rapidly changed market and economic conditions globally and may continue to create significant uncertainty in the macroeconomic environment. As of the first quarter of fiscal 2022, revenue volumes have largely recovered in a number of our markets; however, the lingering impact from COVID-19 remains an issue for qulified labor resources in certain markets.

Despite recent progress in the administration of vaccines, both the outbreak, and impact from various variants, including Delta and Omicron and the containment and mitigation measures have had and are likely to continue to have a serious adverse impact on the global economy, the severity and duration of which are uncertain. To date, the COVID-19 pandemic has negatively impacted revenue volumes primarily in the U.K. and certain markets in the U.S.

The full extent to which the COVID-19 pandemic will impact the Company’s business, financial condition, and results of operations in the future is highly uncertain and will be affected by a number of factors. These include the duration and extent of the pandemic; the duration and extent of imposed or recommended containment and mitigation measures; the extent, duration, and effective execution of government stabilization and recovery efforts, including those from the successful distribution of an effective vaccine; the impact of the pandemic on economic activity, including on construction projects and the Company’s customers’ demand for its services; the Company’s ability to effectively operate, including as a result of travel restrictions and mandatory business and facility closures; the ability of the Company’s customers to pay for services rendered; any further closures of the Company’s and the Company’s customers’ offices and facilities; and any additional project delays or shutdowns. Customers have and may continue to slow down decision-making, delay planned work or seek to terminate existing agreements. Any of these events may have a material adverse effect on the Company’s business, financial condition, and/or results of operations, including further impairment to our goodwill and intangible assets. The Company will continue to evaluate the effect of COVID-19 on its business.

No impairments were identified through January 31, 2022. The Company will continue to evaluate its goodwill and intangible assets in future quarters. Additional impairments may be recorded in the future based on events and circumstances, including those related to COVID-19 discussed above.

Note 2. Summary of Significant Accounting Policies

Basis of presentation

The accompanying Unaudited Consolidated Financial Statements have been prepared, without audit, in accordance with generally accepted accounting principles 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 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 fairly the financial position, results of operations and cash flows of the Company at January 31, 2022 and for all periods presented.

Principles of consolidation

The Consolidated Financial Statements include all amounts of the Company and its subsidiaries. All intercompany balances and transactions have been eliminated.

Use of estimates

The preparation of financial statements in conformity with U.S. 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 consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Significant estimates include the liability for incurred but unreported claims under various partially self-insured polices, allowance for doubtful accounts, goodwill impairment analysis, valuation of share-based compensation and accounting for business combinations. Actual results may differ from those estimates, and such differences may be material to the Company's consolidated financial statements.

Trade receivables

Trade 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 trade 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 charge interest on past-due trade receivables.

Management determines the allowance for doubtful accounts by identifying troubled accounts and by using historical experience applied to an aging of accounts. The allowance for doubtful accounts was $0.7 million as of January 31, 2022 and October 31, 2021. Trade receivables are written off when deemed uncollectible. Recoveries of trade receivables previously written off are recorded when received.

Inventory

Inventory consists primarily of replacement parts for concrete pumping equipment. Inventories are stated at the lower of cost (first-in, first-out method) or net realizable value. The Company evaluates inventory and records an allowance for obsolete and slow- moving inventory to account for cost adjustments to market. Based on management's analysis, no allowance for obsolete and slow-moving inventory was required as of January 31, 2022 and October 31, 2021.

Fair Value Measurements

The Financial Accounting Standard Board's (the "FASB") standard on fair value measurements establishes a fair value hierarchy that requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. A financial instrument's categorization within the fair value hierarchy is based upon the lowest level of input that is significant to the fair value measurement. This standard establishes three levels of inputs that may be used to measure fair value:

Level 1 – Quoted prices in active markets for identical assets or liabilities.

Level 2 – Observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities.

Level 3 – Unobservable inputs to the valuation methodology that are significant to the measurement of fair value of assets or liabilities.

Deferred financing costs

Deferred financing costs representing third-party, non-lender debt issuance costs are deferred and amortized using the effective interest rate method over the term of the related long-term-debt agreement, and the straight-line method for the revolving credit agreement.

Debt issuance costs, including any original issue discounts, related to term loans or senior notes are reflected as a direct deduction from the carrying amount of the long-term debt liability that is included in long term debt, net of discount for deferred financing costs in the accompanying consolidated balance sheets. Debt issuance costs related to revolving credit facilities are capitalized and reflected in deferred financing in the accompanying consolidated balance sheets. Amortization of debt issuance costs are recorded in interest expense

Goodwill

In accordance with Accounting Standards Codification ("ASC") Topic 350, Intangibles–Goodwill and Other ("ASC 350"), the Company evaluates goodwill for possible impairment annually or more frequently if events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable. The Company uses a two-step process to assess the realizability of goodwill. The first step is a qualitative assessment that analyzes current economic indicators associated with a particular reporting unit. For example, the Company analyzes changes in economic, market and industry conditions, business strategy, cost factors, and financial performance, among others, to determine if there are indicators of a significant decline in the fair value of a particular reporting unit. If the qualitative assessment indicates a stable or improved fair value, no further testing is required. If a qualitative assessment indicates it is more likely than not that the fair value of a reporting unit is less than its carrying amount, the Company will proceed to the quantitative second step where the fair value of a reporting unit is calculated based on weighted income and market-based approaches. If the fair value of a reporting unit is lower than its carrying value, an impairment to goodwill is recorded, not to exceed the carrying amount of goodwill in the reporting unit. As of January 31, 2022, no indicators of impairment have been identified.

Property, plant and equipment

Property, plant and equipment are recorded at cost. Expenditures for additions and betterments are capitalized. Expenditures for maintenance and repairs are charged to expense as incurred; however, maintenance and repairs that improve or extend the life of existing assets are capitalized. The carrying amount of assets disposed of and the related accumulated depreciation are eliminated from the accounts in the year of disposal. Gains or losses from property and equipment disposals are recognized in the year of disposal. Property, plant and equipment is depreciated using the straight-line method over the following estimated useful lives:

	In Years
Buildings and improvements	15 to 40
Capital lease assets—buildings	40
Furniture and office equipment	2 to 7
Machinery and equipment	3 to 25
Transportation equipment	3 to 7

Capital lease assets are amortized over the estimated useful life of the asset.

Intangible assets

Intangible assets are recorded at cost or their estimated fair value (when acquired through a business combination or asset acquisition) less accumulated amortization (if finite-lived).

Intangible assets with finite lives, except for customer relationships, are amortized on a straight-line basis over their estimated useful lives. Customer relationships are amortized on an accelerated basis over their estimated useful lives. Intangible assets with indefinite lives are not amortized but are subject to annual reviews for impairment.

Impairment of long-lived assets

ASC 360, *Property, Plant and Equipment* (ASC 360) requires other long-lived assets to be evaluated for impairment when indicators of impairment are present. If indicators are present, assets are grouped to the lowest level for which identifiable cash flows are largely independent of other asset groups and cash flows are estimated for each asset group over the remaining estimated life of each asset group. If the undiscounted cash flows estimated to be generated by those assets are less than the asset's carrying amount, impairment is recognized in the amount of the excess of the carrying value over the fair value. No indicators of impairment were identified as of January 31, 2022.

Derivatives

The Company has public warrants outstanding and due to certain provisions in the warrant agreement, coupled with the Company's capital structure, which includes preferred stock with voting rights, the public warrants do *not* meet the criteria to be classified in stockholders' equity and instead meet the definition of a liability-classified derivative under ASC Topic *815,* Derivatives and Hedging ("ASC *815"*). As such, the Company recognizes these warrants within long-term liabilities on the consolidated balance sheet at fair value, with subsequent changes in fair value recognized in the consolidated statements of operations at each reporting date.

Revenue recognition

The Company adopted ASC 606, *Revenue Recognition* ("ASC 606") on October 31, 2021, effective as of November 1, 2020, using the modified retrospective method. Results for reporting periods beginning October 31, 2021 are presented under ASC 606, while prior period amounts are not adjusted and continue to be reported in accordance with our legacy accounting under ASC 605: *Revenue Recognition* ("ASC 605"). The adoption of the guidance did not have a material impact on the amount or timing of revenue recognized.

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.

Concrete Pumping Services

The vast majority of all revenue from concrete pumping services comes from the Company's daily service, where the Company sends a single operator with a conventional concrete pump truck (an articulating boom attached to a large truck) to deliver concrete (or other construction material such as aggregate) from one point to another as directed by the customer. Customers are billed on either (1) a solely time basis or (2) a time and volume pumped basis. Additional charges (such as a fuel surcharge and travel costs) are frequently added based on specific project requirements. The Company's performance obligations related to these jobs are satisfied daily and invoiced accordingly and as such, there are no unsatisfied performance obligations at the end of any day.

A much smaller component of the total concrete pumping services revenue comes from placing boom services. Placing booms have become an essential tool in the efficient construction of high-rise buildings. A placing boom is the articulating boom component of a conventional concrete pump truck, positioned on the uppermost floor of a building construction project. Concrete is then supplied through a pipeline from the pump that remains at ground level. Due to the long term nature of high-rise jobs, these contracts are generally longer term but typically not in excess of one year. Customers are generally invoiced (1) at month end for a fixed monthly placing boom usage fee, (2) daily for time worked and volume of concrete pumped and (3) at the beginning of the job for certain set-up costs and at the end of the job for tear-down costs. As it pertains to the fixed monthly usage fee and daily fees related to time worked and volume of concrete pumped, which collectively make up a significant portion of the total consideration in the contract, the Company recognizes revenue as invoiced in accordance with ASC 606. For the consideration allocated to set-up and tear-down fees, the Company recognizes revenue on a straight-line basis over the estimated term of the contract. The aggregate asset or liability from these services is not significant. As invoices are issued with terms of net 30 and substantially all of the contracts are completed within a year, we do not disclose the value of unsatisfied performance obligations, which would include the value of future usage of the Company's placing boom asset, hours to be worked or cubic yards to be pumped.

Concrete Waste Services

The Company's concrete waste services business consists of service fees charged to customers for the delivery and usage over time of its pans or containers and the disposal of the concrete waste material. For these services, the Company has identified two performance obligations: (1) the daily usage of the pans or containers and (2) the pickup and disposal of the waste material. The fees allocable to these obligations are based on their standalone selling prices based on observable prices and expected cost plus margin approach. The Company recognizes revenue monthly for the daily usage fees and recognizes the revenue attributable to the disposal services when the disposal is completed. The aggregate asset or liability from these services is not significant. As invoices are issued with terms of net 30 and substantially all of the contracts are completed within a year, we do not disclose the value of unsatisfied performance obligations, which would include the remaining days the pans will be utilized or the future pickup and disposal of the waste material.

Practical Expedients Applied

The Company collects sales taxes when required from customers as part of the purchase price, which are then subsequently remitted to the appropriate authorities. The Company has elected to apply the practical expedient provided by ASC 606, which allows entities to make an accounting policy election to exclude sales taxes and other similar taxes from the measurement.

At contract inception, the Company does not expect the period between customer payment and transfer of control of the promised services to the customer to exceed one year as customers are invoiced with terms of 30 days. As such, the Company has used the practical expedient in ASC 606 which states that no adjustment for a significant financing component is necessary.

In addition, the Company incurs limited costs in order to obtain contracts. However, as the amortization period for these assets would be one year or less, the Company has elected the practical expedient permitted by ASC 606 and recognized those incremental costs of obtaining a contract as an expense when incurred. Upon transition to the new the standard, the Company did not restate contracts that begin and are completed within the same annual reporting period. As discussed above, contracts of the Company are typically completed within the year.

Disaggregation of Revenue

Revenue disaggregated by reportable segment and geographic area where the work was performed for the periods ended January 31, 2022 and October 31, 2021 is presented in Note 17.

Stock-based compensation

The Company follows ASC 718, *Compensation—Stock Compensation* ("ASC 718"), which requires the measurement and recognition of compensation expense, based on estimated fair values, for all share-based awards made to employees and directors. The fair value of time-based only restricted stock awards and time-based only stock options with a $.01 exercise price are valued at the closing price of the Company's stock as of the date of the grant of these awards. The Company expenses the grant date fair value of the award in the consolidated statements of operations over the requisite service periods on a straight-line basis. For stock awards that include a market-based vesting condition, such as the trading price of the Company's common stock exceeding certain price targets, the Company uses a Monte Carlo Simulation in estimating the fair value at grant date and recognizes compensation expense over the implied service period (median time to vest). Shares exercised are issued out of authorized but not outstanding shares. The Company accounts for forfeitures as they occur.

Income taxes

The Company complies with ASC 740, *Income Taxes*, which requires an asset and liability approach to financial reporting for income taxes.

The Company computes deferred income tax assets and liabilities annually for differences between the financial statements and tax basis of assets and liabilities that will result in taxable or deductible amounts in the future based on enacted tax laws and rates applicable to the periods in which the differences are expected to affect taxable income. Valuation allowances are established when necessary to reduce deferred tax assets to the amount expected to be realized. In assessing the realizability of deferred tax assets, management considers whether it is more likely than not that some portion or all of the deferred tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible. Management considers the scheduled reversal of deferred tax liabilities, projected future taxable income, carryback opportunities, and tax planning strategies in making the assessment. Income tax expense includes both the current income taxes payable or refundable and the change during the period in the deferred tax assets and liabilities. The tax benefit from an uncertain tax position is only recognized in the consolidated balance sheet if the tax position is more likely than not to be sustained upon an examination. The Company recognizes interest and penalties related to underpayment of income taxes in general and administrative expense in the consolidated statements of operations.

Camfaud files income tax returns in the U.K. Camfaud's national statutes are generally open for one year following the statutory filing period.

Foreign currency translation

The functional currency of Camfaud is the Pound Sterling (GBP). The assets and liabilities of the Company's foreign subsidiaries are translated into U.S. Dollars using the period end exchange rates for the periods presented, and the consolidated statements of operations are translated at the average exchange rate for the periods presented. The resulting translation adjustments are recorded as a component of comprehensive income on the consolidated statements of comprehensive income and is the only component of accumulated other comprehensive income. The functional currency of our other subsidiaries is the United States Dollar.

Earnings per share

The Company calculates earnings per share in accordance with ASC 260, *Earnings per Share*. The two-class method of computing earnings per share is required for entities that have participating securities. The two-class method is an earnings allocation formula that determines earnings per share for participating securities according to dividends declared (or accumulated) and participation rights in undistributed earnings. For purposes of ASC 260, the two-class method is computed based on the following participating stock: (1) Common Stock and (2) Restricted Stock Awards.

Basic earnings (loss) per common share is calculated by dividing net income (loss) attributable to common shareholders by the weighted average number of shares of Common Stock outstanding each period. Diluted earnings (loss) per common share is based on the weighted average number of shares outstanding during the period plus the common stock equivalents which would arise from the exercise of stock options outstanding using the treasury stock method and the average market price per share during the period. Common stock equivalents are not included in the diluted earnings (loss) per share calculation when their effect is antidilutive.

An anti-dilutive impact is an increase in earnings per share or a reduction in net loss per share resulting from the conversion, exercise, or contingent issuance of certain securities.

Business combinations and asset acquisitions

The Company applies the principles provided in ASC 805, *Business Combinations* ("ASC 805"), to determine whether a transaction involves an asset or a business.

If it is determined an acquisition is a business combination, tangible and intangible assets acquired and liabilities assumed are recorded at fair value and goodwill is recognized for any differences between the fair value of consideration transferred and the fair value of net assets acquired. Transaction costs for business combinations are expensed as incurred in accordance with ASC 805.

If it is determined an acquisition is an asset acquisition, the purchase consideration (which will include certain transaction costs) is allocated to the acquired assets and liabilities based on their relative fair values.

Concentrations

As of January 31, 2022 and October 31, 2021 there were three primary vendors that the Company relied upon to purchase concrete pumping boom equipment. However, should the need arise, there are alternate vendors who can provide concrete pumping boom equipment.

Cash balances held at financial institutions may, at times, be in excess of federally insured limits. The Company places its temporary cash balances in high-credit quality financial institutions.

The Company's customer base is dispersed across the U.S. and U.K. The Company performs ongoing evaluations of its customers' financial condition and requires no collateral to support credit sales. During the periods described above, no customer represented 10 percent or more of sales or trade receivables.

Note 3. New Accounting Pronouncements

We have opted to take advantage of the extended transition period available to emerging growth companies pursuant to the Jumpstart Our Business Startups Act of *2012* (the "JOBS Act") for new accounting standards.

Recently issued accounting pronouncements not yet effective

ASU 2016-02, Leases ("ASU 2016-02") - In February 2016, the FASB issued ASU 2016-02, which is codified in ASC 842, Leases ("ASC 842") and supersedes current lease guidance in ASC 840, Leases. ASC 842 requires a lessee to recognize a right-of-use asset and a corresponding lease liability for substantially all leases. The lease liability will be equal to the present value of the remaining lease payments while the right-of-use asset will be similarly calculated and then adjusted for initial direct costs. In addition, ASC 842 expands the disclosure requirements to increase the transparency and comparability of the amount, timing and uncertainty of cash flows arising from leases. In July 2018, the FASB issued ASU 2018-11, Leases ASC 842: Targeted Improvements, which allows entities to initially apply the new leases standard at the adoption date and recognize a cumulative-effect adjustment to the opening balance of retained earnings in the period of adoption. The new standard is effective for emerging growth companies that have elected to use private company adoption dates for fiscal years beginning after December 15, 2021, and interim periods within fiscal years beginning after December 15, 2022. The Company plans to adopt the guidance during the fourth quarter of the fiscal year ending October 31, 2022. The Company is currently evaluating the impact of the pending adoption of the new standard on the consolidated financial statements.

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. This ASU is effective for emerging growth companies that have elected to use private company adoption dates with annual and interim periods beginning after December 15, 2022, with early adoption permitted. The Company plans to adopt the guidance during the fourth quarter of the fiscal year ending October 31, 2022. The amendments of this ASU should be applied on a modified retrospective basis to all periods presented. The Company is currently evaluating the effects adoption of this guidance will have on the consolidated financial statements.

ASU 2020-04, Reference Rate Reform (Topic 848): Facilitation of the Effects of Reference Rate Reform on Financial Reporting ("ASU 2020-04") - In March 2020, the FASB issued ASU 2020-04, which provides optional guidance for a limited period of time to ease the potential burden in accounting for (or recognizing the effects of) reference rate reform on financial reporting for contracts, hedging relationships, and other transactions that reference the London Interbank Offered Rate ("LIBOR"). Specifically, to the extent the Company's debt agreements are modified to replace LIBOR with another interest rate index, ASU 2020-04 will permit the Company to account for the modification as a continuation of the existing contract without additional analysis. Companies may generally elect to apply the guidance for periods that include March 12, 2020 through December 31, 2022. The Company is evaluating the anticipated impact of this standard on its consolidated financial statements as well as timing of adoption.

Note 4. Business Combinations and Asset Acquisitions

The Company completed one acquisition during the first quarter of fiscal 2022 and three acquisitions in fiscal 2021, all of which qualified as asset acquisitions. Except for the acquisition of Pioneer and Hi-Tech, these acquisitions are not significant to our results of operations. The consideration for the acquisitions in both fiscal 2022 and fiscal 2021 consisted of cash and was allocated to identified long-lived tangible and intangible assets.

November 2022 Pioneer Acquisition

In November 2021, the Company acquired the assets of Pioneer Concrete Pumping Services ("Pioneer") for total purchase consideration of $20.2 million. This transaction was treated as an asset acquisition. The Company allocated $19.1 million to the purchase of Pioneer's equipment. The remaining $1.1 million was allocated to definite lived assembled workforce and customer relationships intangible assets. All assets were valued using level 3 inputs. The equipment was valued using a market approach while the intangible assets were valued using an income approach based on management's projections. The intangible assets will be amortized over 3 to 5 years.

September 2021 Hi-Tech Acquisition

In September 2021, the Company acquired the assets of Hi-Tech Concrete Pumping Services ("Hi-Tech") for total purchase consideration of $12.3 million. This transaction was treated as an asset acquisition. The Company allocated $11.5 million to the purchase of Hi-Tech's equipment. The remaining $0.8 million was allocated to definite lived assembled workforce and customer relationships intangible assets. All assets were valued using level 3 inputs. The equipment was valued using a market approach while the intangible assets were valued using an income approach based on management's projections. The intangible assets will be amortized over 3 to 5 years.

Note 5. 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 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. The Company believes the carrying values of its capital lease obligations represent fair value.

Long-term debt instruments

The Company's long-term debt instruments are recorded at their carrying values in the 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 at January 31, 2022 and at October 31, 2021 is presented in the table below based on the prevailing interest rates and trading activity of the Senior Notes.

	January 31, 2022		October 31, 2021	
(in thousands)	**Carrying Value**	**Fair Value**	**Carrying Value**	**Fair Value**
Senior notes	$ 375,000	$ 375,000	$ 375,000	$ 390,938
Capital lease obligations	$ 355	$ 355	$ 381	$ 381

Warrants

At both January 31, 2022 and October 31, 2021, there were 13,017,677 public warrants and no private warrants outstanding. Each warrant entitles its holder to purchase one share of Class A common stock at an exercise price of $11.50 per share. The warrants expire on December 6, 2023, or earlier upon redemption or liquidation. The Company may call the outstanding public warrants for redemption at a price of $0.01 per warrant, if the last sale price of the Company's common stock equals or exceeds $18.00 per share for any 20 trading days within a 30-trading day period ending on the third business day before the Company sends the notice of redemption to the warrant holders.

The Company accounts for the public warrants issued in connection with its IPO in accordance with ASC 815, under which certain provisions in the public warrant agreements do not meet the criteria for equity classification and therefore these warrants must be recorded as liabilities. The fair value of each public warrant is based on the public trading price of the warrant (Level 1 fair value measurement). Gains and losses related to the warrants are reflected in the change in fair value of warrant liabilities in the consolidated statements of operations.

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.

Note 6. Prepaid Expenses and Other Current Assets

The significant components of prepaid expenses and other current assets at January 31, 2022 and at October 31, 2021 are comprised of the following:

(in thousands)	January 31, 2022	October 31, 2021
Prepaid insurance	$ 5,718	$ 949
Prepaid licenses and deposits	1,118	360
Prepaid rent	544	331
Other current assets and prepaids	3,040	2,470
Total prepaid expenses and other current assets	$ 10,420	$ 4,110

Note 7. Property, Plant and Equipment

The significant components of property, plant and equipment at January 31, 2022 and at October 31, 2021 are comprised of the following:

(in thousands)	January 31, 2022	October 31, 2021
Land, building and improvements	$ 27,082	$ 27,062
Capital leases—land and buildings	828	828
Machinery and equipment	400,143	374,034
Transportation equipment	3,945	2,935
Furniture and office equipment	3,018	2,880
Property, plant and equipment, gross	435,016	407,739
Less accumulated depreciation	(77,345)	(69,968)
Property, plant and equipment, net	$ 357,671	$ 337,771

Depreciation expense for the three-month periods ended January 31, 2022 and 2021 was $8.3 million and $6.9 million, respectively. Depreciation expense related to revenue producing machinery and equipment is recorded in cost of operations and an immaterial amount of depreciation expense related to the Company's capital leases and furniture and fixtures is included in general and administrative expenses in the consolidated statements of operations.

Note 8. 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 three-month period ended January 31, 2022. The Company will continue to evaluate its goodwill and intangible assets in future quarters. Additional impairments may be recorded based on events and circumstances, including those related to COVID-19 discussed in Note 1.

The following table summarizes the composition of intangible assets at January 31, 2022 and at October 31, 2021:

	January 31, 2022					October 31, 2021				
(in thousands)	Gross Carrying Value	Impairment	Accumulated Amortization	Foreign Currency Translation Adjustment	Net Carrying Amount	Gross Carrying Value	Impairment	Accumulated Amortization	Foreign Currency Translation Adjustment	Net Carrying Amount
Customer relationship	$ 195,015	$ -	$ (96,657)	$ (338)	$ 98,020	$ 195,220	$ -	$ (91,169)	$ (539)	$ 103,512
Trade name	5,644	-	(1,739)	(41)	3,864	5,748	-	(1,598)	(71)	4,079
Trade name (indefinite life)	55,500	(5,000)	-	-	50,500	55,500	(5,000)	-	-	50,500
Assembled workforce	1,200	-	(100)	-	1,100	350	-	-	-	350
Noncompete agreements	200	-	(112)	-	88	200	-	(102)	-	98
Total intangibles	$ 257,559	$ (5,000)	$ (98,608)	$ (379)	$ 153,572	$ 257,018	$ (5,000)	$ (92,869)	$ (610)	$ 158,539

Amortization expense for the three-month periods ended January 31, 2022 and 2021 was $5.7 million and $6.9 million, respectively. The estimated aggregate amortization expense for intangible assets over the next five fiscal years ending October 31 and thereafter is as follows:

(in thousands)	
2022 (excluding the period from November 1, 2021 to January 31, 2022)	$ 16,711
2023	17,831
2024	14,344
2025	11,304
2026	9,249
Thereafter	33,633
Total	$ 103,072

The changes in the carrying value of goodwill by reportable segment for the three-month periods ended January 31, 2022 and 2021 are as follows:

(in thousands)	U.S. Concrete Pumping	U.K. Operations	U.S. Concrete Waste Management Services	Total
Balance at October 31, 2020	$ 147,482	$ 26,539	$ 49,133	$ 223,154
Foreign currency translation	-	1,622	-	1,622
Balance at January 31, 2021	$ 147,482	$ 28,161	$ 49,133	$ 224,776
Balance at October 31, 2021	$ 147,482	$ 28,085	$ 49,133	$ 224,700
Foreign currency translation	-	(507)	-	$ (507)
Balance at January 31, 2022	$ 147,482	$ 27,578	$ 49,133	$ 224,193

Note 9. Long Term Debt and Revolving Lines of Credit

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 (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 provided up to $125.0 million of asset-based revolving loan commitments to the Company and the other borrowers under the ABL Facility. The proceeds from the Senior Notes, along with certain borrowings under the ABL Facility, were used to repay all outstanding indebtedness under the Company’s then existing Term Loan Agreement (see discussion below), dated December 6, 2018, and pay related fees and expenses. Summarized terms of these facilities are included below.

Senior Notes

Summarized terms of the Senior Notes are as follows:

- Provides for an original aggregate principal amount of $375.0 million;
- The Senior Notes will mature and be due and payable in full on February 1, 2026;
- The Senior Notes bear interest at a rate of 6.000% per annum, payable on February 1 and August 1 of each year;
- 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"). The Senior Notes and the guarantees are secured on a second-priority basis by all the assets of the Issuer and the Guarantors that secure the obligations under the ABL Facility, subject to certain exceptions. The Senior Notes and the guarantees will be the Issuer’s and the Guarantors’ senior secured obligations, will rank equally with all of the Issuer’s and the Guarantors’ existing and future senior indebtedness and will rank senior to all of the Issuer’s and the Guarantors’ existing and future subordinated indebtedness. The Senior Notes are structurally subordinated to all existing and future indebtedness and liabilities of the Company’s subsidiaries that do not guarantee the Senior Notes;
- The Indenture includes certain covenants that limit, among other things, the Issuer’s ability and the ability of its restricted subsidiaries to: incur additional indebtedness and issue certain preferred stock; make certain investments, distributions and other restricted payments; create or incur certain liens; merge, consolidate or transfer all or substantially all assets; enter into certain transactions with affiliates; and sell or otherwise dispose of certain assets.

The outstanding principal amount of the Senior Notes as of January 31, 2022 was $375.0 million and as of that date, the Company was in compliance with all covenants under the Indenture.

ABL Facility

Summarized terms of the ABL Facility, as amended, are as follows:

- Borrowing availability in U.S. Dollars and GBP up to a maximum aggregate principal amount of $125.0 million and an accordion feature under which the Company can increase the ABL Facility by up to an additional $75.0 million;
- Borrowing capacity available for standby letters of credit of up to $7.5 million and for swing loan borrowings of up to $7.5 million. Any issuance of letters of credit or making of a swing loan will reduce the amount available under the ABL Facility;
- All loans advanced will mature and be due and payable in full on January 28, 2026;
- Amounts borrowed may be repaid at any time, subject to the terms and conditions of the agreement;
- Borrowings in U.S. Dollars and GBP (through September 30, 2021 for GBP borrowings) bear interest at either (1) an adjusted LIBOR rate or (2) a base rate, in each case plus an applicable margin currently set at 2.25% and 1.25%, respectively. After September 30, 2021, borrowings in GBP bear interest at the SONIA rate plus an applicable margin currently set at 2.0326%. The ABL Facility is subject to a step down of 0.25% based on excess availability levels;
- The unused line fee percentage is 25 basis points if the quarterly average amount drawn is greater than 50% of the borrowing availability; 50 basis points if the quarterly average amount drawn is less than 50% of borrowing availability;
- US ABL Facility obligations will be secured by a first-priority perfected security interest in substantially all the assets of the Issuer, together with Brundage-Bone Concrete Pumping, Inc., Eco-Pan, Inc., Capital Pumping LP (collectively, the "US ABL Borrowers") and each of the Company's wholly-owned domestic subsidiaries (the "US ABL Guarantors"), subject to certain exceptions;
- UK ABL Facility obligations will be secured by a first priority perfected security interest in substantially all assets of Camfaud Concrete Pumps Limited and Premier Concrete Pumping Limited, each of the Company's wholly-owned UK subsidiaries, and by each of the US ABL Borrowers and the US ABL Guarantors, subject to certain exceptions;
- The ABL Facility also includes (i) a springing financial covenant (fixed charges coverage ratio) based on excess availability levels that the Company must comply with on a quarterly basis during required compliance periods and (ii) certain non-financial covenants.

The outstanding balance under the ABL Facility as of January 31, 2022 was $16.2 million and as of that date, the Company was in compliance with all debt covenants.

As of January 31, 2022, we had $105.2 million of available borrowing capacity under the ABL Facility.

Term Loan Agreement

Summarized terms of the Term Loan Agreement are as follows:

- Provides for an original aggregate principal amount of $357.0 million. This amount was increased in May 2019 by $60.0 million in connection with the acquisition of Capital;
- The initial term loans advanced will mature and be due and payable in full seven years after the Closing Date, with principal amortization payments in an annual amount equal to 5.00% of the original principal amount;
- Borrowings under the Term Loan Agreement, will bear interest at either (1) an adjusted LIBOR rate or (2) an alternate base rate, plus an applicable margin of 6.00% or 5.00%, respectively;
- The Term Loan Agreement is secured by (i) a first priority perfected lien on substantially all of the assets of the Company and certain of its subsidiaries that are loan parties thereunder to the extent not constituting ABL Facility priority collateral and (ii) a second priority perfected lien on substantially all ABL Facility priority collateral, in each case subject to customary exceptions and limitations;
- The Term Loan Agreement includes certain non-financial covenants.

As discussed above, all outstanding borrowings under the Term Loan Agreement were repaid on January 28, 2021. The pay-off of the term loan were treated as a debt extinguishment while the amended ABL facility was treated as a debt modification. In accordance with debt extinguishment accounting rules, the Company recorded $15.5 million in debt extinguishment costs related to the write-off of all unamortized deferred debt issuance costs that were related to the term loan and capitalized $7.0 million of debt issuance costs related to the Senior Notes. For the amendments to the ABL Facility, the Company capitalized $1.5 million of debt issuance costs.

The table below is a summary of the composition of the Company's debt balances at January 31, 2022 and at October 31, 2021.

(in thousands)	January 31, 2022	October 31, 2021
Revolving loan (short term)	$ 16,208	$ 990
Senior notes - all long term	375,000	375,000
Total debt, gross	391,208	375,990
Less unamortized deferred financing costs offsetting long term debt	(5,568)	(5,916)
Total debt, net of unamortized deferred financing costs	$ 385,640	$ 370,074

Note 10. Accrued Payroll and Payroll Expenses

The following table summarizes accrued payroll and expenses at January 31, 2022 and at October 31, 2021:

(in thousands)	January 31, 2022	October 31, 2021
Accrued vacation	$ 2,099	$ 1,967
Accrued payroll	2,240	1,727
Accrued bonus	1,369	3,593
Accrued employee-related taxes	2,729	4,606
Other accrued	331	333
Total accrued payroll and payroll expenses	$ 8,768	$ 12,226

Note 11. Accrued Expenses and Other Current Liabilities

The following table summarizes accrued expenses and other current liabilities at January 31, 2022 and at October 31, 2021:

(in thousands)	January 31, 2022	October 31, 2021
Accrued insurance	$ 7,016	$ 7,473
Accrued interest	11,307	5,627
Accrued equipment purchases	2,603	4,955
Accrued sales and use tax	715	690
Accrued property taxes	500	917
Accrued professional fees	1,143	1,134
Other	4,810	3,144
Total accrued expenses and other liabilities	$ 28,094	$ 23,940

Note 12. Income Taxes

For the first fiscal quarter ended January 31, 2022, the Company recorded an income tax benefit of $0.0 million on pretax income of $1.2 million. For the same quarter a year ago, the Company recorded income tax benefit of $2.6 million on a pretax loss of $14.9 million. The effective tax rate for the three-month period ended January 31, 2022 was impacted by (1) the excess tax benefit from vestings and exercises of stock-based awards of $0.1 million and (2) a change in unremitted earnings deferred tax liability due to foreign rate fluctuations of $0.2 million.

At January 31, 2022 and October 31, 2021, the Company had deferred tax liabilities, net of deferred tax assets, of $70.2 million and $70.6 million, respectively. Included in deferred tax assets at January 31, 2022 and October 31, 2021 were net operating loss carryforwards of $17.8 million. The Company has a valuation allowance of $0.1 million as of both January 31, 2022 and October 31, 2021 related to foreign tax credit carryforwards where realization is more uncertain at this time due to the limited carryforward periods that exist.

Note 13. Commitments and Contingencies

Insurance

As of January 31, 2022 and October 31, 2021, the Company was partially insured for automobile, general and worker's compensation liability. The Company has accrued $5.2 million and $4.5 million, as of January 31, 2022 and October 31, 2021, respectively, for claims incurred but not reported and estimated losses reported, which is included in accrued expenses and other current liabilities in the accompanying consolidated balance sheets.

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. As of January 31, 2022 and October 31, 2021, the Company had accrued $1.8 million and $1.6 million, respectively, for 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 consolidated balance sheets. The Company contracts with a third party administrator to process claims, remit benefits, etc.

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 consolidated balance sheet.

Letters of credit

The ABL Facility provides for up to $7.5 million of standby letters of credit. As of January 31, 2022, total outstanding letters of credit totaled $3.0 million, the vast majority of which had been committed to the Company's general liability insurance provider.

Note 14. Stockholders' Equity

The Company's amended and restated certificate of incorporation authorizes the issuance of 500,000,000 shares of common stock, par value $0.0001, and 10,000,000 shares of preferred stock, par value $0.0001. Immediately following December 6, 2018, there were:

- 28,847,707 shares of common stock issued and outstanding;
- 34,100,000 warrants outstanding, each exercisable for one share of common stock at an exercise price of $11.50 per share; and
- 2,450,980 shares of zero-dividend convertible perpetual preferred stock ("Series A Preferred Stock") outstanding, as further discussed below

Grants of new restricted stock awards and exercises of stock options are issued out of outstanding and available common stock.

As discussed below, on April 29, 2019, 2,101,213 shares of common stock were issued in exchange for the Company's public warrants and 1,707,175 shares of common stock were issued in exchange for the Company's private warrants. After the completion of the warrant exchange and as of January 31, 2022, there were 13,017,677 public warrants outstanding.

On May 14, 2019, in order to finance a portion of the purchase price for the acquisition of Capital, the Company completed a public offering of 18,098,166 of its common stock at a price of $4.50 per share, receiving net proceeds of approximately $77.4 million, after deducting underwriting discounts, commissions, and other offering expenses. In connection with the offering, certain of the Company's directors, officers and significant stockholders, and certain other related investors purchased an aggregate of 3,980,166 shares of its common stock from the underwriters at the public offering price of $4.50, representing approximately 25% of the total shares issued (without giving effect to the underwriters' option to purchase additional shares).

The Company's Series A Preferred Stock does not pay dividends and is convertible (effective June 6, 2019) into shares of the Company's common stock at a 1:1 ratio (subject to customary adjustments). The Company has the right to elect to redeem all or a portion of the Series A Preferred Stock at its election after December 6, 2022 for cash at a redemption price equal to the amount of the principal investment ($25,000,000) plus an additional cumulative amount that will accrue at an annual rate of 7.0% thereon. As of January 31, 2022, the additional cumulative amount totaled $5.7 million which would be recognized when redemption is probable. The Series A Preferred Stock will rank senior in priority and will have a senior liquidation preference to the Common Stock. In addition, if the volume weighted average price of shares of the Company's common stock equals or exceeds $13.00 for 30 consecutive days, then the Company will have the right to require the holder of the Series A Preferred Stock to convert its Series A Preferred Stock into Company common stock, at a ratio of 1:1 (subject to customary adjustments such as adjustments for anti-dilution events for instance stock splits or reverse stock split).

Conditionally redeemable preferred shares (including preferred shares that feature redemption rights that are either within the control of the holder or subject to redemption upon the occurrence of uncertain events not solely within the Company's control) are classified as temporary equity. The preferred stock contains a redemption feature contingent upon a change in control which is not solely within the control of the Company, and as such, the preferred stock is presented outside of permanent equity.

Warrant Exchange

On April 1, 2019, the Company commenced an offer to each holder of its publicly traded warrants (the “public warrants”) and private placement warrants that were issued in connection with Industrea’s initial public offering on April 17, 2017 (the “private warrants”) to receive 0.2105 shares of common stock in exchange for each outstanding public warrant tendered and 0.1538 shares of common stock in exchange for each private warrant tendered pursuant to the offer (the “Offer” or “Warrant Exchange”).

On April 26, 2019, a total of 9,982,123 public warrants and 11,100,000 private warrants were tendered for exchange pursuant to the Offer. On April 29, 2019, 2,101,213 shares of common stock were issued in exchange for the tendered public warrants and 1,707,175 shares of common stock were issued in exchange for the tendered private warrants. A negligible amount of cash was paid for fractional shares. The fair value of common stock issued in exchange for the warrants, totaling $26.3 million, was recognized in additional paid in capital.

Note 15. Stock-Based Compensation

Pursuant to the Concrete Pumping Holdings, Inc. 2018 Omnibus Incentive Plan, the Company granted stock-based awards to certain employees in the U.S. and U.K. All awards in the U.S. are restricted stock awards while awards granted to employees in the U.K. are stock options with exercise prices of $0.01. Regardless of where the awards were granted, the awards generally vest pursuant to one of the following four conditions:

(1) Time-based only – Awards vest in equal installments over a specified period.

(2) $6 market-based and time-based vesting – Awards will vest as to first condition once the Company’s stock reaches a closing price of $6.00 for 30 consecutive trading days. Once the first vesting condition is achieved, the stock award will then vest 1/3 annually over a three-year period.

(3) $8 market-based and time-based vesting – Awards will vest as to first condition once the Company’s stock reaches a closing price of $8.00 for 30 consecutive trading days. Once the first vesting condition is achieved, the stock award will then vest 1/3 annually over a three-year period.

(4) $10 market-based and time-based vesting – Awards will vest as to first condition once the Company’s stock reaches a closing price of $10.00 for 30 consecutive trading days. Once the first vesting condition is achieved, the stock award will then vest 1/3 annually over a three-year period.

Included in the table below is a summary of the unvested awards outstanding at January 31, 2022, including the location, type of award, shares outstanding, unrecognized compensation expense, and the date that expense will be recognized through. The total stock compensation expense recognized for restricted stock awards for the three-month periods ended January 31, 2022 and 2021 was $1.3 million and $0.6 million, respectively. The total stock compensation expense recognized for stock options for the three-month periods ended January 31, 2022 and 2021 was $0.2 million and $0.1 million, respectively. In addition, while the table below provides a date through which expense will be recognized on a straight-line basis, if at such time the market-based stock awards, vest earlier than the Monte Carlo simulation derived service period, expense recognition will be accelerated.

During the first quarter of fiscal 2022, the Company granted 69,491 stock awards that have a market-based vesting condition. The assumptions used in the Monte Carlo Simulation for these grants were stock price on date of grant, a price target expiration date of December 6, 2023, expected volatility of 73% and a risk-free interest rate of 0.5%.

Location	Type of Award	Shares Unvested at January 31, 2022	Weighted Average Fair Value	Unrecognized Compensation Expense at January 31, 2022	Date Expense will be Recognized Through (Straight-Line Basis)
U.S.	Time Based Only	655,646	$ 5.98	$ 3,347,782	12/6/2023
U.S.	$6 Market/Time- Based	150,697	$ 3.86	$ -	10/29/2020
U.S.	$6 Market/Time- Based	191,902	$ 8.65	$ 104,425	3/29/2022 *
U.S.	$6 Market/Time- Based	191,902	$ 8.65	$ 518,030	3/29/2023 *
U.S.	$6 Market/Time- Based	191,913	$ 8.65	$ 747,066	3/29/2024 *
U.S.	$8 Market/Time- Based	150,697	$ 3.46	$ -	10/29/2020
U.S.	$8 Market/Time- Based	191,903	$ 7.45	$ 291,941	8/23/2022 **
U.S.	$8 Market/Time- Based	191,903	$ 7.45	$ 552,343	8/23/2023 **
U.S.	$8 Market/Time- Based	191,912	$ 7.45	$ 710,583	8/23/2024 **
U.S.	$10 Market/Time- Based	150,706	$ 3.15	$ -	10/29/2020
U.S.	$10 Market/Time- Based	191,471	$ 6.46	$ 378,258	7/9/2023
U.S.	$10 Market/Time- Based	191,467	$ 6.46	$ 543,516	7/9/2024
U.S.	$10 Market/Time- Based	191,482	$ 6.46	$ 657,257	7/9/2025
U.S.	$13 Market/Time- Based	433	$ 4.47	$ 161	5/4/2022
U.S.	$13 Market/Time- Based	433	$ 4.47	$ 597	5/4/2023
U.S.	$13 Market/Time- Based	434	$ 4.47	$ 864	5/4/2024
U.S.	$16 Market/Time- Based	433	$ 3.85	$ 281	8/27/2022
U.S.	$16 Market/Time- Based	433	$ 3.85	$ 597	8/27/2023
U.S.	$16 Market/Time- Based	434	$ 3.85	$ 798	8/27/2024
U.S.	$19 Market/Time- Based	433	$ 3.34	$ 320	11/19/2022
U.S.	$19 Market/Time- Based	433	$ 3.34	$ 563	11/19/2023
U.S.	$19 Market/Time- Based	434	$ 3.34	$ 722	11/19/2024
U.S.	$10 Market/Time- Based	4,635	$ 7.28	$ 23,564	1/31/2023
U.S.	$10 Market/Time- Based	4,635	$ 7.28	$ 27,744	1/31/2024
U.S.	$10 Market/Time- Based	4,634	$ 7.28	$ 29,485	1/31/2025
U.S.	$10 Market/Time- Based	22,408	$ 6.83	$ 137,796	6/30/2023
U.S.	$10 Market/Time- Based	22,415	$ 6.83	$ 143,791	6/30/2024
U.S.	$10 Market/Time- Based	22,418	$ 6.83	$ 146,417	6/30/2025
U.K.	Time Based Only	90,431	$ 5.75	$ 408,123	12/6/2023
U.K.	$6 Market/Time- Based	28,885	$ 3.85	$ -	10/29/2020
U.K.	$6 Market/Time- Based	27,892	$ 8.36	$ 15,007	3/29/2022 *
U.K.	$6 Market/Time- Based	27,892	$ 8.36	$ 73,847	3/29/2023 *
U.K.	$6 Market/Time- Based	27,901	$ 8.36	$ 106,167	3/29/2024 *
U.K.	$8 Market/Time- Based	28,885	$ 3.45	$ -	10/29/2020
U.K.	$8 Market/Time- Based	27,892	$ 7.20	$ 41,784	8/23/2022 **
U.K.	$8 Market/Time- Based	27,892	$ 7.20	$ 78,591	8/23/2023 **
U.K.	$8 Market/Time- Based	27,901	$ 7.20	$ 100,863	8/23/2024 **
U.K.	$10 Market/Time- Based	28,886	$ 3.14	$ -	10/29/2020
U.K.	$10 Market/Time- Based	27,902	$ 6.24	$ 54,060	7/9/2023
U.K.	$10 Market/Time- Based	27,892	$ 6.24	$ 77,256	7/9/2024
U.K.	$10 Market/Time- Based	27,901	$ 6.24	$ 93,232	7/9/2025
U.K.	$10 Market/Time- Based	750	$ 6.83	$ 4,612	6/30/2023
U.K.	$10 Market/Time- Based	750	$ 6.83	$ 4,811	6/30/2024
U.K.	$10 Market/Time- Based	750	$ 6.83	$ 4,898	6/30/2025
Total		**3,349,048**		**$ 9,428,151**	

Note: The $13/$16/$19 Market/Time Based shares noted above relate to the shares not exchanged in the October 29, 2020 modification discussed above.

* *The $6.00 market condition price target was achieved on March 29, 2021, and on such date, the remaining unrecognized expense for these awards will be accelerated over the new requisite service period.*

** *The $8.00 market condition price target was achieved on August 23, 2021, and on such date, the remaining unrecognized expense for these awards will be accelerated over the new requisite service period.*

Note 16. Earnings Per Share

The Company calculates earnings per share in accordance with ASC 260, *Earnings Per Share*. For purposes of calculating earnings (loss) per share ("EPS"), a company that has participating security holders (for example, holders of unvested restricted stock that have non-forfeitable dividend rights and the Company's Series A Preferred Stock) is required to utilize the two-class method for calculating EPS unless the treasury stock method results in lower EPS. The two-class method is an allocation of earnings/(loss) between the holders of common stock and a company's participating security holders. Under the two-class method, earnings/(loss) for the reporting period is calculated by taking the net income (loss) for the period, less both the dividends declared in the period on participating securities (whether or not paid) and the dividends accumulated for the period on cumulative preferred stock (whether or not earned) for the period. Our common shares outstanding are comprised of shareholder owned common stock and shares of unvested restricted stock held by participating security holders. Basic EPS is calculated by dividing income or loss attributable to common stockholders by the weighted average number of shares of common stock outstanding, excluding participating shares. To calculate diluted EPS, basic EPS is further adjusted to include the effect of potentially dilutive stock options outstanding and Series A Preferred Stock outstanding as of the beginning of the period.

At January 31, 2022, the Company had outstanding (1) 13.0 million warrants to purchase shares of common stock at an exercise price of $11.50, (2) 2.9 million outstanding unvested restricted stock awards, (3) 1.2 million outstanding unexercised incentive stock options, (4) 0.4 million outstanding unexercised non-qualified stock options, and (5) 2.5 million shares of Series A Preferred Stock, all of which could potentially be dilutive. The dilutive effects of the 2.5 million shares of preferred stock and 13.0 million warrants were excluded from the calculation of diluted net income per share for the three-month periods ended January 31, 2022 and 2021, as their impact would have been anti-dilutive. For the three-month period ending January 31, 2021, the Company realized a net loss and as such, the weighted-average dilutive impact of any shares was excluded from the calculation of diluted EPS because they were antidilutive.

The table below shows our basic and diluted EPS calculations for the three-month periods ended January 31, 2022 and 2021:

	Three Months Ended January 31,	
(in thousands, except share and per share amounts)	2022	2021
Net income (loss) (numerator):		
Net income (loss) attributable to Concrete Pumping Holdings, Inc.	$ 1,183	$ (12,290)
Less: Accretion of liquidation preference on preferred stock	(441)	(507)
Less: Undistributed earnings allocated to participating securities	(40)	-
Net income (loss) attributable to common stockholders (numerator for basic earnings per share)	$ 702	$ (12,797)
Add back: Undistributed earning allocated to participating securities	40	-
Less: Undistributed earnings reallocated to participating securities	(39)	-
Numerator for diluted earnings (loss) per share	$ 703	$ (12,797)
Weighted average shares (denominator):		
Weighted average shares - basic	53,667,290	53,146,103
Weighted average shares - diluted	54,712,478	53,146,103
Basic earnings (loss) per share	$ 0.01	$ (0.24)
Diluted earnings (loss) per share	$ 0.01	$ (0.24)

Note 17. Segment Reporting

The Company conducts business through the following reportable segments based on geography and the nature of services sold:

- U.S. Concrete Pumping – Consists of concrete pumping services sold to customers in the U.S. Business in this segment is primarily performed under the Brundage-Bone and Capital tradenames.
- U.K. Operations – Consists of concrete pumping services and leasing of concrete pumping equipment to customers in the U.K. Business in this segment is primarily performed under the Camfaud Concrete Pumps and Premier Concrete Pumping tradenames. In addition to concrete pumping, we recently started operations of waste management services in the U.K. under the Eco-Pan tradename and the results of this business are included in this segment. This represents the Company's foreign operations.
- U.S. Concrete Waste Management Services – Consists of pans and containers rented to customers in the U.S. and the disposal of the concrete waste material services sold to customers in the U.S. Business in this segment is performed under the Eco-Pan tradename.
- Corporate - Is primarily related to the intercompany leasing of real estate to certain of the U.S Concrete Pumping branches.

Any differences between segment reporting and consolidated results are reflected in Intersegment below.

The accounting policies of the reportable segments are the same as those described in Note 2. The Company's Chief Operating Decision Maker ("CODM") evaluates the performance of each segment based on revenue, and measures segment performance based upon EBITDA (earnings before interest, taxes, depreciation and amortization). Non-allocated interest expense and various other administrative costs are reflected in Corporate. Corporate assets primarily include cash and cash equivalents, prepaid expenses and other current assets, and real property. The following provides operating information about the Company's reportable segments for the periods presented:

	Three Months Ended January 31,	
(in thousands)	**2022**	**2021**
Revenue		
U.S. Concrete Pumping	$ 63,069	$ 52,316
U.K. Operations	12,022	9,780
U.S. Concrete Waste Management Services	10,457	8,422
Corporate	625	625
Intersegment	(725)	(722)
Total revenue	$ 85,448	$ 70,421
Income (loss) before income taxes		
U.S. Concrete Pumping	$ (1,340)	$ (15,498)
U.K. Operations	(254)	(709)
U.S. Concrete Waste Management Services	2,343	852
Corporate	412	417
Total income (loss) before income taxes	$ 1,161	$ (14,938)

(in thousands)	Three Months Ended January 31, 2022	2021
EBITDA		
U.S. Concrete Pumping	$ 13,951	$ (104)
U.K. Operations	2,509	2,079
U.S. Concrete Waste Management Services	4,417	3,200
Corporate	625	625
Total EBITDA	$ 21,502	$ 5,800
Consolidated EBITDA reconciliation		
Net income (loss)	$ 1,183	$ (12,290)
Interest expense, net	6,261	6,900
Income tax benefit	(22)	(2,648)
Depreciation and amortization	14,080	13,838
Total EBITDA	$ 21,502	$ 5,800

(in thousands)	Three Months Ended January 31, 2022	2021
Depreciation and amortization		
U.S. Concrete Pumping	$ 9,808	$ 9,271
U.K. Operations	1,985	2,011
U.S. Concrete Waste Management Services	2,074	2,348
Corporate	213	208
Total depreciation and amortization	$ 14,080	$ 13,838
Interest expense, net		
U.S. Concrete Pumping	$ (5,483)	$ (6,123)
U.K. Operations	(778)	(777)
Total interest expense, net	$ (6,261)	$ (6,900)
Transaction costs and debt extinguishment costs		
U.S. Concrete Pumping	$ 21	$ (15,481)
Total transaction costs including transaction-related debt extinguishment	$ 21	$ (15,481)

Total assets by segment for the periods presented are as follows:

(in thousands)	January 31, 2022	October 31, 2021
Total Assets		
U.S. Concrete Pumping	$ 607,949	$ 591,820
U.K. Operations	107,862	109,631
U.S. Concrete Waste Management Services	147,342	145,199
Corporate	27,062	26,648
Intersegment	(84,099)	(80,633)
Total assets	$ 806,116	$ 792,665

The U.S. and U.K. were the only regions that accounted for more than 10% of the Company's revenue for the periods presented. There was no single customer that accounted for more than 10% of revenue for the periods presented. Revenue for the periods presented and long lived assets at January 31, 2022 and October 31, 2021 are as follows:

	Three Months Ended January 31,	
(in thousands)	2022	2021
Revenue by Geography		
U.S.	$ 73,426	$ 60,641
U.K.	12,022	9,780
Total revenue	$ 85,448	$ 70,421

(in thousands)	January 31, 2022	October 31, 2021
Long Lived Tangible Assets		
U.S.	$ 304,740	$ 285,307
U.K.	52,931	52,464
Total long lived assets	$ 357,671	$ 337,771

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", "our" or "Successor") Unaudited Consolidated Financial Statements and related notes included elsewhere in this Quarterly Report.

Cautionary Statement Concerning Forward-Looking Statements

Certain statements in this Quarterly Report on Form 10-Q 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, and the potential impact of the COVID-19 pandemic on our business. These forward-looking statements may be identified by terminology such as "likely," "may," "will," "should," "expects," "plans," "anticipates," "believes," "estimates," "predicts," "potential" or "continue," 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 effects of the coronavirus ("COVID-19") pandemic on our business, the economy and the markets we serve;
- the length and severity of, and the pace of recovery following, the COVID-19 pandemic;
- general economic and business conditions, which may affect demand for commercial, infrastructure, and residential construction;
- the adverse impact of recent inflationary pressures, global economic conditions and events related to these conditions, such as military hostilities commenced by Russia in Ukraine and the COVID-19 pandemic, on our business, including fluctuations in fuel costs;
- our ability to successfully implement our operating strategy;
- our ability to successfully identify, manage and integrate acquisitions;
- 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 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;
- other factors as described in the section entitled "Risk Factors" in our Form 10-K filed with the SEC on January 12, 2022.

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 Denver, Colorado. The unaudited 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”), Capital Pumping, LP (“Capital”), and Camfaud Group Limited (“Camfaud”), and Eco-Pan, Inc. (“Eco-Pan”).

As part of the Company’s business growth strategy and capital allocation policy, strategic acquisitions are considered 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 revolving line of credit. In recent years and as further described below, we have successfully executed on this strategy, including our 2018 acquisition of Richard O’Brien Companies and its affiliates, which solidified our presence in the Colorado and Phoenix, Arizona markets and our 2019 acquisition of Capital and its affiliates, which provided us with complementary assets and operations and significantly expanded our geographic footprint and business in Texas.

U.S. Concrete Pumping

All businesses operating within our U.S Concrete Pumping segment are concrete pumping service providers in the United States ("U.S."). Their 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 companies do not contract to purchase, mix, or deliver concrete. This segment collectively has approximately 95 branch locations across 19 states with their corporate headquarters in Denver, Colorado.

In November 2021, the Company acquired the assets of Pioneer Concrete Pumping Service, Inc. (“Pioneer”) for the purchase consideration of $20.1 million, which added complementary assets in our Georgia and Texas markets. In September 2021, the Company acquired assets from Hi-Tech Concrete Pumping Services (“Hi-Tech”) for the total purchase consideration of $12.3 million. This acquisition added complementary assets in our Texas market. In addition, the Company completed its greenfield expansion into Las Vegas during fiscal 2021.

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 17 operating locations across the U.S. with its corporate headquarters in Denver, 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. Their 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.

Corporate

Our Corporate segment is primarily related to the intercompany leasing of real estate to certain of our U.S Concrete Pumping branches.

Impacts of COVID-19

In March 2020, the World Health Organization declared the outbreak of COVID-19 to be a global pandemic and recommended containment and mitigation measures worldwide. The COVID-19 pandemic has rapidly changed market and economic conditions globally and may continue to create significant uncertainty in the macroeconomic environment. As of the first quarter of fiscal 2022, revenue volumes have largely recovered in a number of our markets; however, the lingering impact from COVID-19 remains an issue for qualified labor resources in certain markets.

Despite recent progress in the administration of vaccines, both the outbreak, and impact from various variants, including Delta and Omicron and the containment and mitigation measures have had and are likely to continue to have a serious adverse impact on the global economy, the severity and duration of which are uncertain. To date, the COVID-19 pandemic has negatively impacted revenue volumes primarily in the U.K. and certain markets in the U.S.

The full extent to which the COVID-19 pandemic will impact the Company's business, financial condition, and results of operations in the future is highly uncertain and will be affected by a number of factors. These include the duration and extent of the pandemic; the duration and extent of imposed or recommended containment and mitigation measures; the extent, duration, and effective execution of government stabilization and recovery efforts, including those from the successful distribution of an effective vaccine; the impact of the pandemic on economic activity, including on construction projects and the Company's customers' demand for its services; the Company's ability to effectively operate, including as a result of travel restrictions and mandatory business and facility closures; the ability of the Company's customers to pay for services rendered; any further closures of the Company's and the Company's customers' offices and facilities; and any additional project delays or shutdowns. Customers have and may continue to slow down decision-making, delay planned work or seek to terminate existing agreements. Any of these events may have a material adverse effect on the Company's business, financial condition, and/or results of operations, including further impairment to our goodwill and intangible assets. The Company will continue to evaluate the effect of COVID-19 on its business.

No impairments were identified through January 31, 2022. The Company will continue to evaluate its goodwill and intangible assets in future quarters. Additional impairments may be recorded in the future based on events and circumstances, including those related to COVID-19 discussed above.

Notes Offering

In January 2021, Brundage-Bone, closed its private offering of $375.0 million in aggregate principal amount of senior secured second lien notes due 2026 (the "Senior Notes"). The Senior Notes were issued at par and bear interest at a fixed rate of 6.000% per annum. In addition, we amended and restated our existing ABL credit agreement (the "ABL Facility") to provide up to $125.0 million (previously $60.0 million) of commitments. The offering proceeds, along with approximately $15.0 million of borrowings under the ABL Facility, were used to repay all outstanding indebtedness under our existing Term Loan Agreement, dated December 6, 2018, and pay related fees and expenses.

Results of Operations

(dollars in thousands)	Three Months Ended January 31, 2022	2021
Revenue	$ 85,448	$ 70,421
Cost of operations	51,321	40,558
Gross profit	34,127	29,863
Gross margin	39.9%	42.4%
General and administrative expenses	26,721	22,388
Transaction costs	21	29
Income from operations	7,385	7,446
Other income (expense):		
Interest expense, net	(6,261)	(6,900)
Loss on extinguishment of debt	-	(15,510)
Change in fair value of warrant liabilities	-	-
Other income, net	37	26
Total other expense	(6,224)	(22,384)
Income (loss) before income taxes	1,161	(14,938)
Income tax expense (benefit)	(22)	(2,648)
Net income (loss)	1,183	(12,290)
Less accretion of liquidation preference on preferred stock	(441)	(507)
Income (loss) available to common shareholders	$ 742	$ (12,797)

Three Months Ended January 31, 2022

For the three months ended January 31, 2022, our net income was $1.2 million, as compared to a net loss of $12.3 million in same period a year ago. The improvement was due to (1) a 21.3% year-over-year increase in revenue and (2) a $15.5 million loss on extinguishment of debt recorded in the fiscal 2021 first quarter. These amounts were offset by a $4.3 million increase in general and administrative expenses ("G&A expense") and a lower income tax benefit of $2.6 million.

Total Assets

Total assets increased from $792.7 million as of October 31, 2021 to $806.1 million as of January 31, 2022. The increase was primarily due to the acquisition of Pioneer.

(in thousands)	January 31, 2022	October 31, 2021
Total Assets		
U.S. Concrete Pumping	$ 607,949	$ 591,820
U.K. Operations	107,862	109,631
U.S. Concrete Waste Management Services	147,342	145,199
Corporate	27,062	26,648
Intersegment	(84,099)	(80,633)
	$ 806,116	$ 792,665

Revenue

	Three Months Ended January 31,		Change	
(in thousands)	2022	2021	$	%
Revenue				
U.S. Concrete Pumping	$ 63,069	$ 52,316	$ 10,753	20.6%
U.K. Operations	12,022	9,780	2,242	22.9%
U.S. Concrete Waste Management Services	10,457	8,422	2,035	24.2%
Corporate	625	625	-	0.0%
Intersegment	(725)	(722)	(3)	0.4%
Total revenue	$ 85,448	$ 70,421	$ 15,027	21.3%

U.S. Concrete Pumping

Revenue for our U.S. Concrete Pumping segment increased by 20.6%, or $10.8 million, from the fiscal 2021 first quarter to the fiscal 2022 first quarter. The increase in revenue was primarily attributable to the acquisitions of Hi-Tech and Pioneer, which contributed $6.7 million of the increase, as well as, organic improvements in most of our other markets as a result of higher volumes and rate per hour increases in a number of markets.

U.K. Operations

Revenue for our U.K. Operations segment increased by 22.9%, or $2.2 million, from the fiscal 2021 first quarter to the fiscal 2022 first quarter. Excluding the impact from foreign currency translation, revenue was up 22.8% year over year. The increase in revenue was attributable to the recovery from the impact from COVID-19 on the fiscal 2021 first quarter and rate per job increases across the U.K. region.

U.S. Concrete Waste Management Services

Revenue for the U.S. Concrete Waste Management Services segment increased by 24.2%, or $2.0 million, from the fiscal 2021 first quarter to the fiscal 2022 first quarter. The increase in revenue was primarily due to organic growth, pricing improvements and further recovery from the impacts of the pandemic.

Corporate

There was no change in revenue for our Corporate segment for the periods presented. All activity in our Corporate segment is related to the intercompany leasing of real estate to certain of our U.S Concrete Pumping branches. This revenue is eliminated in consolidation through the Intersegment line included above.

Gross Margin

Gross margin for the fiscal 2022 first quarter declined 250 basis points from 42.4% in the fiscal 2021 first quarter to 39.9% in the fiscal 2022 first quarter. While we have seen improvements in pricing per hour, inflationary pressures seen throughout the US and UK, specifically around labor and fuel costs, drove the decline in gross margin.

General and Administrative Expenses

G&A expenses for the fiscal 2022 first quarter were $26.7 million, up 19.4% from $22.4 million in the fiscal 2021 first quarter. As a percent of revenue, G&A expenses were 31.3% for the fiscal 2022 first quarter compared to 31.8% in the fiscal 2021 first quarter. The primary drivers of the increase in our G&A expenses were increased labor expense of $2.2 million and stock-based compensation expense of $0.8 million. The higher labor expense is the result of additional headcount following recent acquisitions in addition to inflationary pressures on wages. The increase in stock-based compensation expense was due to additional stock awards granted over the past twelve months. Excluding non-cash G&A expenses related to depreciation expense, amortization of intangible assets and stock-based compensation expense, G&A expenses were $18.9 million for the fiscal 2022 first quarter (22.2% of revenue), versus $14.3 million for the fiscal 2021 first quarter (20.4% of revenue).

Change in Fair Value of Warrant Liabilities

There was no change in the fair value remeasurement of our liability-classified warrants during the first quarters of fiscal 2022 and 2021.

Transaction Costs & Debt Extinguishment Costs

Transaction costs include expenses for legal, accounting, and other professionals that were engaged in connection with an acquisition. There were no significant transaction costs incurred during the first quarters of fiscal 2022 and 2021.

On January 28, 2021, we (1) closed on our private offering of $375.0 million in aggregate principal amount of senior secured second lien notes due 2026, (2) amended and restated our existing ABL Facility to provide up to $125.0 million (previously $60.0 million) of commitments and (3) repaid all outstanding indebtedness under our then-existing term loan agreement, dated December 6, 2018. The $15.5 million in debt extinguishment costs incurred relate to the write-off of all unamortized deferred debt issuance costs that were related to the term loan.

Interest Expense, Net

Interest expense, net for the three-month period ended January 31, 2022 was $6.3 million, down $0.6 million from $6.9 million in the fiscal 2021 first quarter as a result of the refinance of our term debt discussed in Note 9.

Income Tax (Benefit) Provision

For the first fiscal quarter ended January 31, 2022, the Company recorded an income tax benefit of $ 0.0 million on pretax income of $ 1.2 million. For the same quarter a year ago, the Company recorded an income tax benefit of $ 2.6 million on a pretax loss of $ 14.9 million. The effective tax rate for the three-month period ended January 31, 2022, was impacted by (1) the excess tax benefit from vestings and exercises of stock-based awards of $0.1 million and (2) a change in unremitted earnings deferred tax liability due to foreign rate fluctuations of $0.2 million.

Adjusted EBITDA(1) and Net Income (Loss)

	Net Income (Loss)		Adjusted EBITDA			
	Three Months Ended January 31,		Three Months Ended January 31,		Change	
(in thousands, except percentages)	2022	2021	2022	2021	$	%
U.S. Concrete Pumping	$ (701)	$ (12,676)	$ 15,156	$ 15,287	$ (131)	-0.9%
U.K. Operations	(172)	(532)	3,287	2,746	541	19.7%
U.S. Concrete Waste Management Services	1,749	616	4,911	3,700	1,211	32.7%
Corporate	307	302	625	625	-	0.0%
Total	$ 1,183	$ (12,290)	$ 23,979	$ 22,358	$ 1,621	7.3%

(1) Please see "*Non-GAAP Measures (EBITDA and Adjusted EBITDA)*" *below*

U.S. Concrete Pumping

Adjusted EBITDA for our U.S. Concrete Pumping segment was $15.2 million for the three-month period ended January 31, 2022 and $15.3 for the first quarter of fiscal 2021. The year-over-year decline seen for the three-month period, despite revenue increasing by 20.6% over the same period, was primarily attributable to the higher fuel and labor costs due to inflation.

U.K. Operations

Adjusted EBITDA for our U.K. Operations segment was $3.3 million for the three-month period ended January 31, 2022 as compared to $2.7 million for the same period in fiscal 2021. The year-over-year improvement was primarily attributable to the year-over-year improvement in revenue discussed previously.

U.S. Concrete Waste Management Services

Adjusted EBITDA for our U.S. Concrete Waste Management Services segment was $4.9 million for the three-month period ended January 31, 2022, up 32.7% as compared to $3.7 million for the same period in fiscal 2021. The year-over-year increase was primarily attributable to the strong year-over-year revenue growth.

Corporate

There was no movement in Adjusted EBITDA for our Corporate segment for both periods presented. Any year-over-year changes for our Corporate segment is primarily related to the allocation of overhead costs.

Liquidity and Capital Resources

Overview

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, such as the acquisition of Capital. 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, which provides for aggregate borrowings of up to $125.0 million, subject to a borrowing base limitation. As of January 31, 2022, we had $2.8 million of cash and cash equivalents and $105.2 million of available borrowing capacity under the ABL Facility, providing total available liquidity of 108.0 million.

Capital Resources

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 and (4) short-term financing under our ABL Facility. 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. The incurrence of debt financing would result in debt service obligations and the instruments governing such debt could provide for operating and financing covenants that would restrict our operations.

Senior Notes and ABL Facility

Senior Notes

Summarized terms of the senior secured notes are as follows:

- Provides for an original aggregate principal amount of $375.0 million;
- The Senior Notes will mature and be due and payable in full on February 1, 2026;
- The Senior Notes bear interest at a rate of 6.000% per annum, payable on February 1st and August 1st each year;
- 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"). The Senior Notes and the guarantees are secured on a second-priority basis by all the assets of the Issuer and the Guarantors that secure the obligations under the ABL Facility, subject to certain exceptions. The Senior Notes and the guarantees will be the Issuer's and the Guarantors' senior secured obligations, will rank equally with all of the Issuer's and the Guarantors' existing and future senior indebtedness and will rank senior to all of the Issuer's and the Guarantors' existing and future subordinated indebtedness. The Senior Notes are structurally subordinated to all existing and future indebtedness and liabilities of the Company's subsidiaries that do not guarantee the Senior Notes;
- The Indenture includes certain covenants that limit, among other things, the Issuer's ability and the ability of its restricted subsidiaries to: incur additional indebtedness and issue certain preferred stock; make certain investments, distributions and other restricted payments; create or incur certain liens; merge, consolidate or transfer all or substantially all assets; enter into certain transactions with affiliates; and sell or otherwise dispose of certain assets.

The outstanding principal amount of Senior Notes as of January 31, 2022 was $375.0 million and as of that date, the Company was in compliance with all covenants under the Indenture.

Asset Based Revolving Lending Credit Agreement

Summarized terms of the ABL Facility, as amended, are as follows:

- Borrowing availability in U.S. Dollars and GBP up to a maximum aggregate principal amount of $125.0 million and an accordion feature under which the Company can increase the ABL Facility by up to an additional $75.0 million;
- Borrowing capacity available for standby letters of credit of up to $7.5 million and for swing loan borrowings of up to $7.5 million. Any issuance of letters of credit or making of a swing loan will reduce the amount available under the ABL Facility;
- All loans advanced will mature and be due and payable in full on January 28, 2026;
- Amounts borrowed may be repaid at any time, subject to the terms and conditions of the agreement;
- Borrowings in U.S. Dollars and GBP (through September 30, 2021 for GBP borrowings) bear interest at either (1) an adjusted LIBOR rate or (2) a base rate, in each case plus an applicable margin currently set at 2.25% and 1.25%, respectively. After September 30, 2021, borrowings in GBP bear interest at the SONIA rate plus an applicable margin currently set at 2.0326%. The ABL Facility is subject to a step down of 0.25% based on excess availability levels;
- The unused line fee percentage is 25 basis points if the quarterly average amount drawn is greater than 50% of the borrowing availability; 50 basis points if the quarterly average amount drawn is less than 50% of borrowing availability;
- US ABL Facility obligations will be secured by a first-priority perfected security interest in substantially all the assets of the Issuer, together with Brundage-Bone Concrete Pumping, Inc., Eco-Pan, Inc., Capital Pumping LP (collectively, the "US ABL Borrowers") and each of the Company's wholly-owned domestic subsidiaries (the "US ABL Guarantors"), subject to certain exceptions;
- UK ABL Facility obligations will be secured by a first priority perfected security interest in substantially all assets of Camfaud Concrete Pumps Limited and Premier Concrete Pumping Limited, each of the Company's wholly-owned UK subsidiaries, and by each of the US ABL Borrowers and the US ABL Guarantors, subject to certain exceptions;
- The ABL Facility also includes (i) a springing financial covenant (fixed charges coverage ratio) based on excess availability levels that the Company must comply with on a quarterly basis during required compliance periods and (ii) certain non-financial covenants.

The outstanding balance under the ABL Facility as of January 31, 2022 was $16.2 million and the Company was in compliance with all debt covenants thereunder.

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 customers paying the Company as invoices are submitted daily for many of our services.

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 three-month period ended January 31, 2022 was $13.2 million. The Company had a net income of $1.2 million that included a decrease of $0.2 million in our net deferred income taxes, a gain on sale of assets of $0.4 million, and non-cash charges totaling $16.0 million as follows: (1) depreciation of $8.3 million, (2) amortization of intangible assets of $5.7 million, (3) amortization of deferred financing costs of $0.5 million and (4) stock-based compensation expense of $1.5 million. In addition, we had cash inflows primarily related to the following activity: (1) a decrease of $0.7 million in trade receivables and (2) an increase of $4.4 million in accrued payroll, accrued expenses and other current liabilities. These amounts were partially offset by net cash outflows primarily related to (1) a $4.8 million increase in prepaid expenses and other current assets and (2) a decrease of $3.5 million in accounts payable.

We used $34.5 million to fund investing activities during the three-month period ended January 31, 2022. The Company used $35.4 million for the purchase of property, plant and equipment and $1.1 million for the purchase of intangible assets, which was partially offset by proceeds from the sale of property, plant and equipment of $2.0 million.

Net cash provided by financing activities was $14.7 million for the three-month period ended January 31, 2022. Financing activities during this period primarily included $15.2 million in net borrowings under the Company's ABL Facility that were partially offset by $0.5 million in outflows from the purchase of shares into treasury stock in order to fund the employee tax obligations for certain stock award vestings.

Net cash provided by operating activities during the first quarter of fiscal 2021 was $12.6 million. The Company had a net loss of $12.3 million that included an increase of $2.9 million in our net deferred income taxes, a gain on sale of assets of $0.6 million, and significant non-cash charges totaling $31.0 million as follows: (1) depreciation of $6.9 million, (2) amortization of intangible assets of $6.9 million, (3) amortization of deferred financing costs of $1.0 million, (4) loss on extinguishment of debt expense of $15.5 million and (5) stock-based compensation expense of $0.7 million. In addition, we had cash inflows from a decrease of $5.7 million in trade receivables. These amounts were partially offset by net cash outflows related to the following activity: (1) a decrease of $2.4 million in accrued payroll, accrued expenses and other current liabilities, (2) a $4.3 million increase in prepaid expenses and other current assets, (3) a decrease of $1.2 million in accounts payable and (4) a decrease in income taxes payable of $0.5 million.

We used $7.5 million to fund investing activities during the first quarter of fiscal 2021. The Company used $9.4 million for the purchase of property, plant and equipment, which was partially offset by proceeds from the sale of property, plant and equipment of $1.9 million.

Net cash used in financing activities was $9.2 million for the first quarter of 2021. Financing activities during this period included $5.8 million in net borrowings under the Company's ABL Facility, $375.0 million in proceeds from the issuance of Senior Notes, $381.2 million in payments made to extinguish the Term Loan Agreement and $8.5 million in debt issuance costs.

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, other income, net, goodwill and intangibles impairment and other adjustments. We believe these non-GAAP measures of financial results provide useful information to management and investors regarding certain financial and business trends related to our financial condition and results of operations, and as a 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 prepared for management and our board of directors 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. 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 reversal of intercompany allocations (in consolidation these net to zero), severance expenses, director fees, expenses related to being a publicly-traded company and other non-recurring costs.

	Three Months Ended January 31,	
(in thousands)	**2022**	**2021**
Consolidated		
Net loss	$ 1,183	$ (12,290)
Interest expense, net	6,261	6,900
Income tax expense (benefit)	(22)	(2,648)
Depreciation and amortization	14,080	13,838
EBITDA	21,502	5,800
Transaction expenses	21	29
Loss on debt extinguishment	-	15,510
Stock-based compensation	1,480	672
Change in fair value of warrant liabilities	-	-
Other income, net	(37)	(26)
Goodwill and intangibles impairment	-	-
Other adjustments	1,013	373
Adjusted EBITDA	$ 23,979	$ 22,358

(in thousands)	Three Months Ended January 31, 2022	2021
U.S. Concrete Pumping		
Net loss	$ (701)	$ (12,676)
Interest expense, net	5,483	6,123
Income tax benefit	(639)	(2,822)
Depreciation and amortization	9,808	9,271
EBITDA	13,951	(104)
Transaction expenses	21	29
Loss on debt extinguishment	-	15,510
Stock-based compensation	1,480	672
Other income, net	(29)	(12)
Other adjustments	(267)	(808)
Adjusted EBITDA	$ 15,156	$ 15,287

(in thousands)	Three Months Ended January 31, 2022	2021
U.K. Operations		
Net loss	$ (172)	$ (532)
Interest expense, net	778	777
Income tax expense	(82)	(177)
Depreciation and amortization	1,985	2,011
EBITDA	2,509	2,079
Transaction expenses	-	-
Loss on debt extinguishment	-	-
Stock-based compensation	-	-
Other income, net	(2)	(14)
Other adjustments	780	681
Adjusted EBITDA	$ 3,287	$ 2,746

(in thousands)	Three Months Ended January 31, 2022	2021
U.S. Concrete Waste Management Services		
Net income	$ 1,749	$ 616
Interest expense, net	-	-
Income tax expense	594	236
Depreciation and amortization	2,074	2,348
EBITDA	4,417	3,200
Transaction expenses	-	-
Loss on debt extinguishment	-	-
Stock-based compensation	-	-
Other income, net	(6)	-
Goodwill and intangibles impairment	-	-
Other adjustments	500	500
Adjusted EBITDA	$ 4,911	$ 3,700

(in thousands)	Three Months Ended January 31, 2022	2021
Corporate		
Net income (loss)	$ 307	$ 302
Interest expense, net	-	-
Income tax expense	105	115
Depreciation and amortization	213	208
EBITDA	625	625
Transaction expenses	-	-
Loss on debt extinguishment	-	-
Stock-based compensation	-	-
Change in fair value of warrant liabilities	-	-
Other income, net	-	-
Goodwill and intangibles impairment	-	-
Other adjustments	-	-
Adjusted EBITDA	$ 625	$ 625

JOBS Act

On April 5, 2012, the JOBS Act was signed into law. The JOBS Act contains provisions that, among other things, relax certain reporting requirements for qualifying public companies. As we are an emerging growth company, we have qualified for and have previously elected to delay the adoption of new or revised accounting standards, and as a result, we may not comply with new or revised accounting standards on the relevant dates on which adoption of such standards is required for non-emerging growth companies. As a result, our financial statements may not be comparable to companies that comply with new or revised accounting pronouncements as of public company effective dates. The Company will no longer be an emerging growth company as of October 31, 2022 and will have to adopt and comply with accounting and legal standards for non-emerging growth companies as of fiscal 2022.

Critical Accounting Policies and Estimates

In presenting our financial statements in conformity with U.S. GAAP, we are required to make estimates and assumptions that affect the amounts reported therein. Several of the estimates and assumptions we are required to make relate to matters that are inherently uncertain as they pertain to future events. However, events that are outside of our control cannot be predicted and, as such, they cannot be contemplated in evaluating such estimates and assumptions. If there is a significant unfavorable change to current conditions, it could result in a material impact to our consolidated and combined results of operations, financial position and liquidity. We believe that the estimates and assumptions we used when preparing our financial statements were the most appropriate at that time. Presented below are those accounting policies that we believe require subjective and complex judgments that could potentially affect reported results. However, the majority of our business activities are in environments where we are paid a fee for a service performed, and therefore the results of the majority of our recurring operations are recorded in our financial statements using accounting policies that are not particularly subjective, nor complex.

Listed below are those estimates that we believe are critical and require the use of complex judgment in their application.

Goodwill and Intangible Assets

In accordance with ASC Topic 350, *Intangibles–Goodwill and Other* (“ASC 350”), the Company evaluates goodwill for possible impairment annually, generally as of August 31st, or more frequently if events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable. The Company uses a two-step process to assess the realizability of goodwill. The first step is a qualitative assessment that analyzes current economic indicators associated with a particular reporting unit. For example, the Company analyzes changes in economic, market and industry conditions, business strategy, cost factors, and financial performance, among others, to determine if there are indicators of a significant decline in the fair value of a particular reporting unit. If the qualitative assessment indicates a stable or improved fair value, no further testing is required. If a qualitative assessment indicates it is more likely than not that the fair value of a reporting unit is less than its carrying amount, the Company will proceed to the quantitative second step where the fair value of a reporting unit is calculated based on weighted income and market-based approaches. If the fair value of a reporting unit is lower than its carrying value, an impairment to goodwill is recorded, not to exceed the carrying amount of goodwill in the reporting unit.

Fair value determinations require considerable judgment and are sensitive to changes in underlying assumptions, estimates and market factors. Estimating fair value of individual reporting units and indefinite-lived intangible assets requires us to make assumptions and estimates regarding out future plans, as well as industry and economic conditions including those relating to the duration and severity of COVID-19. These assumptions and estimates include projected revenue, royalty rate, discount rate, tax amortization benefit and other market factors outside of our control. The Company elects to perform a qualitative assessment for the other quarterly reporting periods throughout the fiscal year.

When we perform any goodwill impairment test, the estimated fair value of our reporting units are determined using an income approach that utilizes a discounted cash flow (“DCF”) model and a market approach that utilizes the guideline public company method (“GPC”), both of which are weighted for each reporting unit and are discussed below in further detail. In accordance with ASC Topic 820, Fair Value Measurement ("ASC 820"), we evaluated the methods for reasonableness and reliability and assigned weightings accordingly. A mathematical weighting is not prescribed by ASC 820, rather it requires judgement. As such, each of the valuation methods were weighted by accounting for the relative merits of each method and considered, among other things, the reliability of the valuation methods and the inputs used in the methods. In addition, in order to assess the reasonableness of the fair value of our reporting units as calculated under both approaches, we also compare the Company’s total fair value to its market capitalization and calculate an implied control premium (the excess sum of the reporting unit’s fair value over its market capitalization). We evaluate the implied control premium by comparing it to control premiums of recent comparable market transactions, as applicable.

Under the income approach, the DCF model is based on expected future after-tax operating cash flows of the reporting unit, discounted to a present value using a risk-adjusted discount rate. Estimates of future cash flows require management to make significant assumptions concerning (i) future operating performance, including future sales, long-term growth rates, operating margins, variations in the amount and timing of cash flows and the probability of achieving the estimated cash flows, (ii) the probability of regulatory approvals, and (iii) future economic conditions, including the extent and duration of the COVID-19 pandemic, all of which may differ from actual future cash flows. These assumptions are based on significant inputs not observable in the market and thus represent Level 3 measurements within the fair value hierarchy. The discount rate, which is intended to reflect the risks inherent in future cash flow projections, used in the DCF model, is based on estimates of the weighted average cost of capital ("WACC") of market participants relative to our reporting unit. Financial and credit market volatility can directly impact certain inputs and assumptions used to develop the WACC. Any changes in these assumptions may affect our fair value estimate and the result of an impairment test. The discount rates and other inputs and assumptions are consistent with those that a market participant would use.

The GPC method provides an estimate of value using multiples derived from the stock prices of publicly traded companies. This method requires a selection of comparable publicly-traded companies on major exchanges and involves a certain degree of judgment, as no two companies are entirely alike. These companies should be engaged in the same or a similar line of business as the reporting units be evaluated. Once comparable companies are selected, the application of the GPC method includes (i) analysis of the guideline public companies' financial and operating performance, growth, intangible asset's value, size, leverage, and risk relative to the respective reporting unit, (ii) calculation of valuation multiples for the selected guideline companies, and (iii) application of the valuation multiples to each reporting unit's selected operating metrics to arrive at an indication of value. Market multiples for the selected guideline public companies are developed by dividing the business enterprise value of each guideline public company by a measure of its financial performance (e.g., earnings). The business enterprise value is calculated taking the market value of equity (share price times fully-diluted shares outstanding) plus total interest bearing debt net of cash, preferred stock and minority interest. The market value of equity is based upon the stock price of equity as of the valuation date, and the debt figures are taken from the most recently available financial statements as of the valuation date. In selecting appropriate multiples to apply to each reporting unit, we perform a comparative analysis between the reporting units and the guideline public companies. In making a selection, we consider the revenue growth, profitability and the size of the reporting unit compared to the guideline public companies, and the overall EBITDA multiples implied from the transaction price. In addition, we consider a control premium for purposes of estimating the fair value of our reporting units as we believe that a market participant buyer would be required to pay a premium for control of our business. The control premium utilized is based on control premiums observed in recent comparable market transactions.

The impairment charges were primarily due to COVID-19, which negatively impacted our market capitalization, drove an increase in the discount rate that is utilized in our DCF models, and negatively impacted near-term cash flow expectations.

Income Taxes

We are subject to income taxes in the U.S., U.K. and other jurisdictions. Significant judgment is required in determining our provision for income tax, including evaluating uncertainties in the application of accounting principles and complex tax laws.

Income taxes include federal, state and foreign taxes currently payable and deferred taxes arising from temporary differences between income for financial reporting and income tax purposes. Deferred tax assets and liabilities are determined based on the differences between the financial statement balances and the tax bases of assets and liabilities using enacted tax rates in effect for the year in which the differences are expected to reverse. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the year that includes the enactment date. Valuation allowances are established when necessary to reduce deferred tax assets to amounts expected to be realized.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

Not applicable.

Item 4. Controls and Procedures.

Conclusion Regarding the Effectiveness of Disclosure Controls and Procedures

As of the end of the period covered by this Report, we conducted an evaluation, under the supervision and with the participation of management, including our Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act")). Based on this evaluation, our Chief Executive Officer and Chief Financial Officer concluded that, as of January 31, 2022, the disclosure controls and procedures were effective to ensure that the information required to be disclosed by us in reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms.

Changes in Internal Control Over Financial Reporting

There was no change in our internal control over financial reporting identified in connection with the evaluation required by Rule 13a-15(d) and 15d-15(d) of the Exchange Act that occurred during the three months ended January 31, 2022 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

Part II

Item 1. Legal Proceedings.

From time to time, we may have been and may again become involved in legal proceedings arising in the ordinary course of our business. We are not presently a party to any litigation that we believe to be material and we are not aware of any pending or threatened litigation against us that we believe could have a material adverse effect on our business, operating results, financial condition, or cash flows.

Item 1A. Risk Factors.

There have been no material changes to the Risk Factors previously disclosed in our Annual Report on Form 10-K for the year ended October 31, 2021 filed with the SEC on January 12, 2022 (the "Form 10-K"). For a detailed discussion of the other risks that affect our business, please refer to the entire section entitled "Risk Factors" in the Form 10-K.

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

None.

Item 3. Defaults Upon Senior Securities.

None

Item 4. Mine Safety Disclosures.

Not Applicable.

Item 5. Other Information.

(a) None
(b) None

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 Rule15d-14(a).
31.2	Certification of the Chief Financial Officer required by Rule 13a-14(a) or Rule15d-14(a).
32.1	Certification of the Chief Executive Officer required by Rule 13a-14(b) or Rule15d-14(b) and 18 U.S.C. Section 1350.
32.2	Certification of the Chief Financial Officer required by Rule 13a-14(b) or Rule15d-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 hereunto duly authorized.

CONCRETE PUMPING HOLDINGS, INC.

By: /s/ Iain Humphries
Name: Iain Humphries
Title: Chief Financial Officer and Secretary
(Authorized Signatory)

Dated: March 10, 2022

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 January 31, 2022 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: March 10, 2022

/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 January 31, 2022 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: March 10, 2022

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

Exhibit 32.1

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 January 31, 2022 (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: March 10, 2022

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

Exhibit 32.2

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 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 January 31, 2022 (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: March 10, 2022	/s/ Iain Humphries
	Iain Humphries, Chief Financial Officer and Director
	(principal financial and accounting officer)