



Valmont Reports Third Quarter 2024 Results

October 22, 2024

Net Sales and Operating Income Aligned with Expectations Generated Strong Operating Cash Flows of \$225 Million

OMAHA, Neb.--(BUSINESS WIRE)-- Valmont[®] Industries, Inc. (NYSE: VMI), a global leader that provides vital infrastructure and advances agricultural productivity while driving innovation through technology, today reported financial results for the third quarter ended September 28, 2024.

President and Chief Executive Officer Avner M. Applbaum commented, “Our team delivered another solid quarter, expanding operating margins and generating strong operating cash flows despite lower sales. The Infrastructure segment benefited from strong utility market demand and an improving telecommunications market in North America. Pricing discipline, a more favorable product mix, and a leaner cost structure contributed to margin improvement. In Agriculture, while North American and Brazilian markets remain muted, I’m proud of our swift response in supplying replacement equipment to support our dealers following the Midwest U.S. storms earlier this year. I want to thank the Valmont team for their hard work and execution in delivering higher operating margins and cash flows. Overall, I’m pleased with our continued progress towards our strategic priorities and creating long-term value for our stakeholders.”

Third Quarter 2024 Highlights *(all metrics compared to Third Quarter 2023 unless otherwise noted)*

- Net sales of \$1.0 billion decreased 2.9%, as strong growth in Transmission, Distribution, and Substation (“Utility”) and Telecommunications was offset by lower sales in Solar and international Agriculture, specifically Brazil
- Operating income increased to \$125.7 million or 12.3% of net sales compared to an operating loss of (\$24.2) million [adjusted¹ operating income of \$120.8 million or 11.5% of net sales]
- Diluted earnings per share (“EPS”) of \$4.11 compared to diluted loss per share of (\$2.34) [\$4.12 EPS adjusted¹]
- Generated operating cash flows of \$225.1 million; cash and cash equivalents at the end of the third quarter were \$200.5 million
- Returned \$52.2 million to shareholders through share repurchases and dividends
- Reduced revolving credit facility borrowings by approximately \$120.0 million
- Reaffirming 2024 full-year financial outlook

Key Financial Metrics

| Third Quarter 2024 (In thousands, except per-share amounts) | GAAP | | | Adjusted ¹ | | |
|--|--------------|--------------|-------------|-----------------------|--------------|-------------|
| | 9/28/2024 | 9/30/2023 | | 9/28/2024 | 9/30/2023 | |
| | Q3 2024 | Q3 2023 | vs. Q3 2023 | Q3 2024 | Q3 2023 | vs. Q3 2023 |
| Net Sales | \$ 1,020,175 | \$ 1,050,295 | (2.9)% | \$ 1,020,175 | \$ 1,050,295 | (2.9)% |
| Gross Profit | 301,693 | 315,111 | (4.3)% | 301,693 | 315,111 | (4.3)% |
| <i>Gross Profit as a % of Net Sales</i> | 29.6% | 30.0% | | 29.6% | 30.0% | |
| Operating Income (Loss) | 125,735 | (24,190) | NM | 125,735 | 120,834 | 4.1% |
| <i>Operating Inc. (Loss) as a % of Net Sales</i> | 12.3% | (2.3)% | | 12.3% | 11.5% | |
| Net Earnings (Loss) Attrib. to VMI | 83,068 | (49,028) | NM | 83,068 | 86,976 | (4.5)% |
| Diluted Earnings (Loss) per Share | 4.11 | (2.34) | NM | 4.11 | 4.12 | (0.2)% |
| Weighted Average Shares Outstanding | 20,234 | 20,951 | | 20,234 | 21,131 | |

| Year-to-Date 2024 (In thousands, except per-share amounts) | GAAP | | | Adjusted ¹ | | |
|---|--------------|--------------|-------------|-----------------------|--------------|-------------|
| | 9/28/2024 | 9/30/2023 | | 9/28/2024 | 9/30/2023 | |
| | FY 2024 | FY 2023 | vs. FY 2023 | FY 2024 | FY 2023 | vs. FY 2023 |
| Net Sales | \$ 3,037,740 | \$ 3,159,072 | (3.8)% | \$ 3,037,740 | \$ 3,159,072 | (3.8)% |
| Gross Profit | 928,191 | 953,093 | (2.6)% | 928,191 | 953,093 | (2.6)% |

| | | | | | | |
|---|---------|---------|----|---------|---------|-------|
| <i>Gross Profit as a % of Net Sales</i> | 30.6% | 30.2% | | 30.6% | 30.2% | |
| Operating Income | 404,596 | 228,009 | NM | 404,596 | 380,601 | 6.3% |
| <i>Operating Income as a % of Net Sales</i> | 13.3% | 7.2% | | 13.3% | 12.0% | |
| Net Earnings Attributable to VMI ² | 270,606 | 114,888 | NM | 270,606 | 257,368 | 5.1% |
| Diluted Earnings per Share ² | 13.34 | 5.40 | NM | 13.34 | 12.09 | 10.3% |
| Weighted Average Shares Outstanding | 20,283 | 21,290 | | 20,283 | 21,290 | |

² Q2 2024 included a tax benefit of approximately \$3.0 million or \$0.15 per share due to the reduction of a valuation allowance on a tax loss carryforward in a foreign subsidiary

NM = not meaningful

Third Quarter 2024 Segment Review

Infrastructure (74.1% of Net Sales)

Products and solutions to serve the infrastructure markets of utility, solar, lighting and transportation, and telecommunications, along with coatings services to protect metal products

Sales of \$758.6 million increased slightly year over year. Strong sales growth in Utility and Telecommunications was offset by lower Lighting and Transportation (“L&T”) and Solar sales.

Utility sales grew nearly 15.0%, primarily due to a favorable project mix and higher volumes of distribution and substation products. Telecommunications volumes were higher, driven by increased carrier spending amid a stabilizing North American market environment. Lower L&T volumes were driven by lighting market softness, the strategic exit from select lower-margin products, and transportation project timing. Solar volumes were significantly lower due to the non-recurrence of a large international utility-scale project in the third quarter 2023, and last quarter’s strategic decision to exit certain low-margin projects.

Pricing improved across the segment, as a favorable mix and pricing discipline more than offset the impact of steel index deflation.

Operating income increased to \$123.7 million or 16.3% of net sales compared to \$103.4 million or 13.7% of net sales [adjusted ¹ operating income of \$108.0 million or 14.3% of net sales] in the third quarter of 2023. This improvement was driven by pricing discipline, lower SG&A expenses, and a reduction in cost of goods sold, primarily due to lower steel costs.

Agriculture (25.9% of Net Sales)

Center pivot and linear irrigation equipment components for agricultural markets, including aftermarket parts and tubular products, and advanced technology solutions for precision agriculture

Sales of \$265.3 million decreased 11.1% year over year. In North America, irrigation equipment volumes were slightly lower. An increase in replacement sales driven by severe weather events earlier in 2024 was offset by continued agriculture market softness amid lower grain prices. Average irrigation selling prices were similar to last year.

International sales decreased year over year, with significantly lower sales in Brazil due to normalizing backlog levels and lower grain prices, which impacted growers’ buying behavior. This decline was partially offset by sales growth in the Europe, Middle East, and Africa (“EMEA”) region and the contribution from the HR Products acquisition.

Operating income was \$28.9 million or 11.0% of net sales compared to an operating loss of (\$99.7) million [adjusted ¹ operating income of \$38.5 million or 13.0% of net sales] in the third quarter of 2023. The benefit of reduced SG&A expenses was offset by the impact of lower volumes and a higher mix of project sales.

Balance Sheet, Liquidity, and Capital Allocation

The Company generated strong operating cash flows of \$225.1 million. Cash and cash equivalents at the end of the third quarter were \$200.5 million. Valmont paid \$12.1 million in dividends and repurchased \$40.1 million of Company stock, with \$81.0 million remaining on the authorized share repurchase program. Additionally, the Company reduced borrowings on its revolving credit facility by approximately \$120.0 million this quarter, bringing the total year-to-date net reduction to approximately \$210.0 million.

Reaffirming 2024 Full-Year Financial Outlook and Providing Key Assumptions

The Company is reaffirming its full-year 2024 net sales and diluted earnings per share outlook that was provided in the second quarter.

- Net sales change (vs. prior year) of (3.5%) to (1.5%)
 - Infrastructure net sales growth of Flat to 1.5% vs. prior year
 - Agriculture net sales expected to decrease (15.0%) to (10.0%) vs. prior year

- Diluted earnings per share of \$16.50 to \$17.30
- Effective tax rate expected to be slightly below 26%
- Minimal expected foreign currency translation impact on net sales
- For cash flow purposes, capital expenditures now expected to be in the range of \$85.0 to \$95.0 million to support strategic growth initiatives (vs. prior expectation of \$95.0 to \$110.0 million)

Mr. Applbaum added, “We’ve performed well during the first three quarters of the year, reinforcing our confidence in achieving our full-year outlook. Our diverse exposure to infrastructure and agriculture markets helps us navigate market cycles effectively, and our focus on operational excellence and growth investments positions us to meet rising demand. In addition, we remain disciplined in driving margin expansion through pricing and expense management. Combined with a balanced capital allocation framework, this positions us to deliver lasting and meaningful shareholder returns.”

A live audio discussion with Avner M. Applbaum, President and Chief Executive Officer, and Thomas Liguori, Executive Vice President and Chief Financial Officer, will be accessible by telephone on Wednesday, October 23, 2024 at 8:00 a.m. CT by dialing +1 877.407.6184 or +1 201.389.0877 (no Conference ID needed), or via webcast by pointing browsers to this link: [Valmont Industries 3Q 2024 Earnings Conference Call](#). A slide presentation will simultaneously be available for download on the [Investors](#) page of [valmont.com](#). A replay of the event can be accessed three hours after the call at the above link or by telephone at +1 877.660.6853 or +1 201.612.7415. Please use access code 13742907. The replay will be available through 10:59 p.m. CT on Wednesday, October 30, 2024.

About Valmont Industries, Inc.

For nearly 80 years, Valmont has been a global leader in creating vital infrastructure and advancing agricultural productivity. Today, we remain committed to doing more with less by innovating through technology. Learn more about how we’re *Conserving Resources. Improving Life.*® at [valmont.com](#).

Concerning Forward-Looking Statements

This release contains forward-looking statements, within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements are based on assumptions that management has made in light of experience in the industries in which Valmont operates, as well as management’s perceptions of historical trends, current conditions, expected future developments, and other factors believed to be appropriate under the circumstances. As you read and consider this release, you should understand that these statements are not guarantees of performance or results. They involve risks, uncertainties (some of which are beyond Valmont’s control), and assumptions. Although management believes that these forward-looking statements are based on reasonable assumptions, you should be aware that many factors could affect Valmont’s actual financial results and cause them to differ materially from those anticipated in the forward-looking statements. These factors include, among other things, risk factors described from time to time in Valmont’s reports to the Securities and Exchange Commission, as well as future economic and market circumstances, industry conditions, company performance and financial results, operating efficiencies, availability and price of raw materials, availability and market acceptance of new products, product pricing, domestic and international competitive environments, geopolitical risks, and actions and policy changes of domestic and foreign governments. The Company cautions that any forward-looking statement included in this press release is made as of the date of this press release and the Company does not undertake to update any forward-looking statement.

Website and Social Media Disclosure

The Company uses its website and social media channels identified on its website as channels of distribution of Company information. The information that the Company posts through these channels may be deemed material. Accordingly, investors should monitor these channels, in addition to following the Company’s press releases, Securities and Exchange Commission filings, and public conference calls and webcasts. The contents of the Company’s website and social media channels are not part of this press release.

¹ Please see Reg G reconciliation to GAAP measures at end of document

VALMONT INDUSTRIES, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(Dollars and shares in thousands, except per-share amounts)
(Unaudited)

| | Thirteen weeks ended | | Thirty-nine weeks ended | |
|---|-----------------------|-----------------------|-------------------------|-----------------------|
| | September 28, 2024 | September 30, 2023 | September 28, 2024 | September 30, 2023 |
| Net sales | \$ 1,020,175 | \$ 1,050,295 | \$ 3,037,740 | \$ 3,159,072 |
| Cost of sales | 718,482 | 735,184 | 2,109,549 | 2,205,979 |
| Gross profit | 301,693 | 315,111 | 928,191 | 953,093 |
| Selling, general, and administrative expenses | 175,958 | 194,277 | 523,595 | 580,060 |

| | | | | |
|--|-----------|-------------|------------|------------|
| Impairment of goodwill and other intangible assets | — | 140,844 | — | 140,844 |
| Realignment charges | — | 4,180 | — | 4,180 |
| Operating income (loss) | 125,735 | (24,190) | 404,596 | 228,009 |
| Other income (expenses): | | | | |
| Interest expense | (14,313) | (13,472) | (46,380) | (41,494) |
| Interest income | 2,080 | 3,186 | 5,358 | 4,579 |
| Gain (loss) on deferred compensation investments | 1,160 | (344) | 3,116 | 1,791 |
| Gain on divestiture | — | — | — | 2,994 |
| Other | (2,307) | 165 | (3,662) | (4,593) |
| Total other income (expenses) | (13,380) | (10,465) | (41,568) | (36,723) |
| Earnings (loss) before income taxes and equity in loss of nonconsolidated subsidiaries | 112,355 | (34,655) | 363,028 | 191,286 |
| Income tax expense | 29,724 | 15,461 | 90,779 | 79,239 |
| Equity in loss of nonconsolidated subsidiaries | (21) | (199) | (60) | (1,219) |
| Net earnings (loss) | 82,610 | (50,315) | 272,189 | 110,828 |
| Loss (earnings) attributable to redeemable noncontrolling interests | 458 | 1,287 | (1,583) | 4,060 |
| Net earnings (loss) attributable to Valmont Industries, Inc. | \$ 83,068 | \$ (49,028) | \$ 270,606 | \$ 114,888 |
| Weighted average shares outstanding - Basic | 20,092 | 20,951 | 20,152 | 21,083 |
| Earnings (loss) per share - Basic | \$ 4.13 | \$ (2.34) | \$ 13.43 | \$ 5.45 |
| Weighted average shares outstanding - Diluted | 20,234 | 20,951 | 20,283 | 21,290 |
| Earnings (loss) per share - Diluted | \$ 4.11 | \$ (2.34) | \$ 13.34 | \$ 5.40 |
| Cash dividends per share | \$ 0.60 | \$ 0.60 | \$ 1.80 | \$ 1.80 |

VALMONT INDUSTRIES, INC. AND SUBSIDIARIES
SUMMARY OPERATING RESULTS
(Dollars in thousands)
(Unaudited)

| | Thirteen weeks ended | | Thirty-nine weeks ended | |
|--|-----------------------|-----------------------|-------------------------|-----------------------|
| | September 28, 2024 | September 30, 2023 | September 28, 2024 | September 30, 2023 |
| Infrastructure | | | | |
| Net sales | \$ 756,370 | \$ 753,626 | \$ 2,237,533 | \$ 2,253,924 |
| Gross profit | 223,333 | 214,841 | 673,353 | 640,113 |
| as a percentage of net sales | 29.5% | 28.5% | 30.1% | 28.4% |
| Selling, general, and administrative expenses | 99,676 | 106,800 | 298,251 | 321,770 |
| as a percentage of net sales | 13.2% | 14.2% | 13.3% | 14.3% |
| Impairment of goodwill and other intangible assets | — | 3,571 | — | 3,571 |
| Realignment charges | — | 1,069 | — | 1,069 |
| Operating income | 123,657 | 103,401 | 375,102 | 313,703 |
| as a percentage of net sales | 16.3% | 13.7% | 16.8% | 13.9% |
| Agriculture | | | | |
| Net sales | \$ 263,805 | \$ 296,669 | \$ 800,207 | \$ 905,148 |
| Gross profit | 78,360 | 100,270 | 254,838 | 312,980 |
| as a percentage of net sales | 29.7% | 33.8% | 31.8% | 34.6% |
| Selling, general, and administrative expenses | 49,467 | 61,760 | 145,001 | 171,896 |
| as a percentage of net sales | 18.8% | 20.8% | 18.1% | 19.0% |
| Impairment of goodwill and other intangible assets | — | 137,273 | — | 137,273 |
| Realignment charges | — | 907 | — | 907 |
| Operating income (loss) | 28,893 | (99,670) | 109,837 | 2,904 |
| as a percentage of net sales | 11.0% | (33.6)% | 13.7% | 0.3% |

| | | | | | | | | |
|---|----|----------|----|----------|----|----------|----|----------|
| Corporate | | | | | | | | |
| Selling, general, and administrative expenses | \$ | 26,815 | \$ | 25,717 | \$ | 80,343 | \$ | 86,394 |
| Realignment charges | | — | | 2,204 | | — | | 2,204 |
| Operating loss | | (26,815) | | (27,921) | | (80,343) | | (88,598) |

VALMONT INDUSTRIES, INC. AND SUBSIDIARIES
SUMMARY OPERATING RESULTS
(Dollars in thousands)
(Unaudited)

| | Thirteen weeks ended September 28, 2024 | | | |
|--|--|---------------------------|----------------------------|----------------------------|
| | <u>Infrastructure</u> | <u>Agriculture</u> | <u>Intersegment</u> | <u>Consolidated</u> |
| Geographical Market: | | | | |
| North America | \$ 599,705 | \$ 119,973 | \$ (3,684) | \$ 715,994 |
| International | 158,874 | 145,313 | (6) | 304,181 |
| Total sales | <u>\$ 758,579</u> | <u>\$ 265,286</u> | <u>\$ (3,690)</u> | <u>\$ 1,020,175</u> |
| Product Line: | | | | |
| Transmission, Distribution, and Substation | \$ 342,401 | \$ — | \$ — | \$ 342,401 |
| Lighting and Transportation | 229,219 | — | — | 229,219 |
| Coatings | 88,046 | — | (2,201) | 85,845 |
| Telecommunications | 64,288 | — | — | 64,288 |
| Solar | 34,625 | — | (8) | 34,617 |
| Irrigation Equipment and Parts | — | 243,368 | (1,481) | 241,887 |
| Technology Products and Services | — | 21,918 | — | 21,918 |
| Total sales | <u>\$ 758,579</u> | <u>\$ 265,286</u> | <u>\$ (3,690)</u> | <u>\$ 1,020,175</u> |

| | Thirteen weeks ended September 30, 2023 | | | |
|--|--|---------------------------|----------------------------|----------------------------|
| | <u>Infrastructure</u> | <u>Agriculture</u> | <u>Intersegment</u> | <u>Consolidated</u> |
| Geographical Market: | | | | |
| North America | \$ 572,239 | \$ 126,828 | \$ (3,055) | \$ 696,012 |
| International | 182,837 | 171,655 | (209) | 354,283 |
| Total sales | <u>\$ 755,076</u> | <u>\$ 298,483</u> | <u>\$ (3,264)</u> | <u>\$ 1,050,295</u> |
| Product Line: | | | | |
| Transmission, Distribution, and Substation | \$ 297,967 | \$ — | \$ — | \$ 297,967 |
| Lighting and Transportation | 252,603 | — | — | 252,603 |
| Coatings | 88,967 | — | (1,241) | 87,726 |
| Telecommunications | 59,630 | — | — | 59,630 |
| Solar | 55,909 | — | (209) | 55,700 |
| Irrigation Equipment and Parts | — | 273,639 | (1,814) | 271,825 |
| Technology Products and Services | — | 24,844 | — | 24,844 |
| Total sales | <u>\$ 755,076</u> | <u>\$ 298,483</u> | <u>\$ (3,264)</u> | <u>\$ 1,050,295</u> |

VALMONT INDUSTRIES, INC. AND SUBSIDIARIES
SUMMARY OPERATING RESULTS
(Dollars in thousands)
(Unaudited)

| | Thirty-nine weeks ended September 28, 2024 | | | |
|----------------------|---|---------------------------|----------------------------|----------------------------|
| | <u>Infrastructure</u> | <u>Agriculture</u> | <u>Intersegment</u> | <u>Consolidated</u> |
| Geographical Market: | | | | |
| North America | \$ 1,750,420 | \$ 441,198 | \$ (12,836) | \$ 2,178,782 |
| International | 494,515 | 364,526 | (83) | 858,958 |
| Total sales | <u>\$ 2,244,935</u> | <u>\$ 805,724</u> | <u>\$ (12,919)</u> | <u>\$ 3,037,740</u> |

| | | | | |
|--|---------------------|-------------------|--------------------|---------------------|
| Product Line: | | | | |
| Transmission, Distribution, and Substation | \$ 990,744 | \$ — | \$ — | \$ 990,744 |
| Lighting and Transportation | 694,877 | — | — | 694,877 |
| Coatings | 266,710 | — | (7,321) | 259,389 |
| Telecommunications | 176,649 | — | — | 176,649 |
| Solar | 115,955 | — | (81) | 115,874 |
| Irrigation Equipment and Parts | — | 730,798 | (5,517) | 725,281 |
| Technology Products and Services | — | 74,926 | — | 74,926 |
| Total sales | <u>\$ 2,244,935</u> | <u>\$ 805,724</u> | <u>\$ (12,919)</u> | <u>\$ 3,037,740</u> |

Thirty-nine weeks ended September 30, 2023

| | <u>Infrastructure</u> | <u>Agriculture</u> | <u>Intersegment</u> | <u>Consolidated</u> |
|----------------------|-----------------------|--------------------|---------------------|---------------------|
| Geographical Market: | | | | |
| North America | \$ 1,743,635 | \$ 450,678 | \$ (12,042) | \$ 2,182,271 |
| International | 518,142 | 459,901 | (1,242) | 976,801 |
| Total sales | <u>\$ 2,261,777</u> | <u>\$ 910,579</u> | <u>\$ (13,284)</u> | <u>\$ 3,159,072</u> |

| | | | | |
|--|---------------------|-------------------|--------------------|---------------------|
| Product Line: | | | | |
| Transmission, Distribution, and Substation | \$ 927,094 | \$ — | \$ — | \$ 927,094 |
| Lighting and Transportation | 727,862 | — | — | 727,862 |
| Coatings | 270,201 | — | (6,611) | 263,590 |
| Telecommunications | 195,505 | — | — | 195,505 |
| Solar | 141,115 | — | (1,242) | 139,873 |
| Irrigation Equipment and Parts | — | 825,277 | (5,431) | 819,846 |
| Technology Products and Services | — | 85,302 | — | 85,302 |
| Total sales | <u>\$ 2,261,777</u> | <u>\$ 910,579</u> | <u>\$ (13,284)</u> | <u>\$ 3,159,072</u> |

VALMONT INDUSTRIES, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(Dollars in thousands)
(Unaudited)

| | <u>September 28, 2024</u> | <u>December 30, 2023</u> |
|---|-----------------------------------|----------------------------------|
| ASSETS | | |
| Current assets: | | |
| Cash and cash equivalents | \$ 200,477 | \$ 203,041 |
| Receivables, net | 714,010 | 657,960 |
| Inventories | 611,422 | 658,428 |
| Contract assets | 183,085 | 175,721 |
| Prepaid expenses and other current assets | 98,165 | 92,479 |
| Total current assets | <u>1,807,159</u> | <u>1,787,629</u> |
| Property, plant, and equipment, net | 609,001 | 617,394 |
| Goodwill and other non-current assets | 1,080,668 | 1,072,425 |
| Total assets | <u>\$ 3,496,828</u> | <u>\$ 3,477,448</u> |

**LIABILITIES, REDEEMABLE NONCONTROLLING INTERESTS,
AND SHAREHOLDERS' EQUITY**

| | | |
|--|---------|---------|
| Current liabilities: | | |
| Current installments of long-term debt | \$ 531 | \$ 719 |
| Notes payable to banks | 1,309 | 3,205 |
| Accounts payable | 353,883 | 358,311 |
| Accrued expenses | 274,089 | 277,764 |
| Contract liabilities | 100,150 | 70,978 |
| Income taxes payable | 28,066 | — |

| | | |
|--|--------------|--------------|
| Dividends payable | 12,021 | 12,125 |
| Total current liabilities | 770,049 | 723,102 |
| Long-term debt, excluding current installments | 898,201 | 1,107,885 |
| Operating lease liabilities | 149,253 | 162,743 |
| Other non-current liabilities | 91,521 | 66,646 |
| Total liabilities | 1,909,024 | 2,060,376 |
| Redeemable noncontrolling interests | 46,111 | 62,792 |
| Shareholders' equity | 1,541,693 | 1,354,280 |
| Total liabilities, redeemable noncontrolling interests, and shareholders' equity | \$ 3,496,828 | \$ 3,477,448 |

VALMONT INDUSTRIES, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Dollars in thousands)
(Unaudited)

| | Thirty-nine weeks ended | |
|---|--------------------------------|-------------------------------|
| | September 28, 2024 | September 30, 2023 |
| Cash flows from operating activities: | | |
| Net earnings | \$ 272,189 | \$ 110,828 |
| Depreciation and amortization | 70,541 | 73,638 |
| Contribution to defined benefit pension plan | (19,539) | (15,259) |
| Impairment of goodwill and other intangible assets | — | 140,844 |
| Gain on divestiture | — | (2,994) |
| Change in working capital | 44,615 | (110,550) |
| Other | 11,458 | (5,639) |
| Net cash flows from operating activities | 379,264 | 190,868 |
| Cash flows from investing activities: | | |
| Purchases of property, plant, and equipment | (53,833) | (71,233) |
| Proceeds from divestiture, net of cash divested | — | 6,369 |
| Proceeds from property damage insurance claims | — | 6,770 |
| Acquisitions, net of cash acquired | — | (31,839) |
| Other | (1,266) | 667 |
| Net cash flows from investing activities | (55,099) | (89,266) |
| Cash flows from financing activities: | | |
| Net repayments on short-term borrowings | (1,899) | (2,641) |
| Proceeds from long-term borrowings | 30,009 | 215,012 |
| Principal repayments on long-term borrowings | (240,522) | (109,335) |
| Dividends paid | (36,337) | (36,983) |
| Purchases of redeemable noncontrolling interests | (17,745) | — |
| Repurchases of common stock | (55,069) | (166,663) |
| Other | (4,314) | (10,881) |
| Net cash flows from financing activities | (325,877) | (111,491) |
| Effect of exchange rates on cash and cash equivalents | (852) | (2,951) |
| Net change in cash and cash equivalents | (2,564) | (12,840) |
| Cash and cash equivalents—beginning of period | 203,041 | 185,406 |
| Cash and cash equivalents—end of period | \$ 200,477 | \$ 172,566 |

VALMONT INDUSTRIES, INC. AND SUBSIDIARIES
SUMMARY OF EFFECT OF SIGNIFICANT NON-RECURRING ITEMS ON REPORTED RESULTS
REGULATION G RECONCILIATION
(Dollars and shares in thousands)
(Unaudited)

The non-GAAP table below discloses the impact of the impairment of goodwill and other intangible assets, realignment charges, intangible asset amortization (Prospera), and stock-based compensation recognized for the Prospera employees on fiscal 2023

results, as well as the impact of non-recurring tax benefit items on net earnings. Amounts may be impacted by rounding. We believe it is useful when considering Company performance for the non-GAAP adjusted net earnings and operating income to be taken into consideration by management and investors with the related reported GAAP measures.

The Company previously presented non-GAAP financial measures adjusted for Prospera intangible asset amortization and stock-based compensation recognized for the Prospera employees for a better investor understanding of Agriculture segment performance related to traditional segment products. The Company conducted its annual impairment testing of intangible asset value as of September 2, 2023 and significantly reduced the Prospera intangible asset value. Additionally, the Company's Board of Directors approved certain realignment plans subsequent to the third quarter of fiscal 2023 that significantly affected the compensation recognized for the Prospera employees. As a result of this, the Company does not consider its historical adjustments related to Prospera to arrive at non-GAAP financial measures to be relevant to investor understanding of third quarter of fiscal 2023 and future segment performance.

| | Thirteen weeks ended September 30, 2023 | Diluted earnings (loss) per share ^{1,2} | Thirty-nine weeks ended September 30, 2023 | Diluted earnings per share ^{1,2} |
|---|--|---|---|---|
| Net earnings (loss) attrib. to Valmont Industries, Inc. - as reported | \$ (49,028) | \$ (2.32) | \$ 114,888 | \$ 5.40 |
| Impairment of goodwill and other intangible assets | 140,844 | 6.67 | 140,844 | 6.62 |
| Realignment charges | 4,180 | 0.20 | 4,180 | 0.20 |
| Prospera intangible asset amortization | — | — | 3,290 | 0.15 |
| Prospera stock-based compensation | — | — | 4,278 | 0.20 |
| Total adjustments, pre-tax | 145,024 | 6.86 | 152,592 | 7.17 |
| Tax effect of adjustments ³ | (5,432) | (0.26) | (6,524) | (0.31) |
| Non-recurring tax benefit items | (3,588) | (0.17) | (3,588) | (0.17) |
| Net earnings attributable to Valmont Industries, Inc. - adjusted | <u>\$ 86,976</u> | <u>\$ 4.12</u> | <u>\$ 257,368</u> | <u>\$ 12.09</u> |
| Average shares outstanding - diluted | | 21,131 | | 21,290 |

¹ In the third quarter of fiscal 2023, the Company reported a GAAP net loss. In periods in which the Company recognizes a net loss, the Company excludes the impact of outstanding stock awards from the diluted loss per share calculation, as its inclusion would have an anti-dilutive effect. The adjusted diluted earnings per share calculation includes the impact of outstanding stock awards.

² Diluted earnings (loss) per share includes rounding.

³ The tax effect of adjustments is calculated based on the income tax rate in each applicable jurisdiction.

VALMONT INDUSTRIES, INC. AND SUBSIDIARIES
SUMMARY OF EFFECT OF SIGNIFICANT NON-RECURRING ITEMS ON REPORTED RESULTS
REGULATION G RECONCILIATION

(Dollars in thousands)

(Unaudited)

The non-GAAP tables below disclose the impacts of the impairment of goodwill and other intangible assets, realignment charges, intangible asset amortization (Prospera), and stock-based compensation recognized for the Prospera employees on fiscal 2023 results. Amounts may be impacted by rounding. We believe it is useful when considering Company performance for the non-GAAP adjusted net earnings and operating income to be taken into consideration by management and investors with the related reported GAAP measures.

| | Thirteen weeks ended September 30, 2023 | | | |
|--|---|--------------------|--------------------|---------------------|
| Operating Income (Loss) Reconciliation | Infrastructure | Agriculture | Corporate | Consolidated |
| Operating income (loss) - as reported | \$ 103,401 | \$ (99,670) | \$ (27,921) | \$ (24,190) |
| Impairment of goodwill and other intangible assets | 3,571 | 137,273 | — | 140,844 |
| Realignment charges | 1,069 | 907 | 2,204 | 4,180 |
| Adjusted operating income (loss) | <u>\$ 108,041</u> | <u>\$ 38,510</u> | <u>\$ (25,717)</u> | <u>\$ 120,834</u> |
| Net sales - as reported | 753,626 | 296,669 | — | 1,050,295 |

| | | | | |
|---|-------|----------|----|--------|
| Operating income (loss) as a % of net sales | 13.7% | (33.6) % | NM | (2.3)% |
|---|-------|----------|----|--------|

| | | | | |
|--|-------|--------|----|-------|
| Adj. operating inc. (loss) as a % of net sales | 14.3% | 13.0 % | NM | 11.5% |
|--|-------|--------|----|-------|

Thirty-nine weeks ended September 30, 2023

| Operating Income (Loss) Reconciliation | Infrastructure | Agriculture | Corporate | Consolidated |
|--|-----------------------|--------------------|--------------------|---------------------|
| Operating income (loss) - as reported | \$ 313,703 | \$ 2,904 | \$ (88,598) | \$ 228,009 |
| Impairment of goodwill and other intangible assets | 3,571 | 137,273 | — | 140,844 |
| Realignment charges | 1,069 | 907 | 2,204 | 4,180 |
| Prospera intangible asset amortization | — | 3,290 | — | 3,290 |
| Prospera stock-based compensation | — | 4,278 | — | 4,278 |
| Adjusted operating income (loss) | <u>\$ 318,343</u> | <u>\$ 148,652</u> | <u>\$ (86,394)</u> | <u>\$ 380,601</u> |
| Net sales - as reported | 2,253,924 | 905,148 | — | 3,159,072 |

| | | | | |
|--|-------|--------|----|-------|
| Operating income (loss) as a % of net sales | 13.9% | 0.3 % | NM | 7.2% |
| Adj. operating inc. (loss) as a % of net sales | 14.1% | 16.4 % | NM | 12.0% |

NM = not meaningful

Renee Campbell
renee.campbell@valmont.com

Source: Valmont Industries, Inc.