

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

Form 10-Q

(Mark One)

**QUARTERLY REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934**

For the quarterly period ended **June 25, 2022**

or

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

For the transition period from _____ to _____
Commission file number 1-31429

Valmont Industries, Inc.

Delaware

(State or Other Jurisdiction of
Incorporation or Organization)

15000 Valmont Plaza,

Omaha, Nebraska

(Address of Principal Executive Offices)

47-0351813

(I.R.S. Employer
Identification No.)

68154

(Zip Code)

(Exact name of registrant as specified in its charter)

(402) 963-1000

(Registrant's telephone number, including area code)

(Former name, former address and former fiscal year, if changed since last report)

	<u>Title of each class</u>	<u>Trading Symbol(s)</u>	<u>Name of each exchange on which registered</u>
Securities registered pursuant to Section 12(b) of the Act:	Common Stock \$1.00 par value	VMI	New York Stock Exchange
Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Sections 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 <input checked="" type="checkbox"/> No <input type="checkbox"/>			
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 <input checked="" type="checkbox"/> No <input type="checkbox"/>			
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 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	<input checked="" type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
Emerging growth company	<input type="checkbox"/>		

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

21,350,725

Outstanding shares of common stock as of July 21, 2022

VALMONT INDUSTRIES, INC

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VALMONT INDUSTRIES, INC. AND SUBSIDIARIES
PART I. FINANCIAL INFORMATION
CONDENSED CONSOLIDATED STATEMENTS OF EARNINGS
(Dollars in thousands, except per share amounts)
(Unaudited)

	Thirteen weeks ended		Twenty-six weeks ended	
	June 25, 2022	June 26, 2021	June 25, 2022	June 26, 2021
Product sales	\$ 1,036,289	\$ 805,801	\$ 1,927,159	\$ 1,500,766
Services sales	99,243	88,828	189,193	168,749
Net sales	1,135,532	894,629	2,116,352	1,669,515
Product cost of sales	781,323	608,101	1,454,493	1,126,735
Services cost of sales	61,608	56,881	120,072	108,579
Total cost of sales	842,931	664,982	1,574,565	1,235,314
Gross profit	292,601	229,647	541,787	434,201
Selling, general and administrative expenses	173,882	147,022	328,226	274,365
Operating income	118,719	82,625	213,561	159,836
Other income (expenses):				
Interest expense	(11,386)	(10,436)	(22,649)	(20,435)
Interest income	285	186	512	497
Gain (loss) on investments - unrealized	(2,342)	1,177	(3,405)	1,068
Other	2,073	4,204	5,715	7,653
	(11,370)	(4,869)	(19,827)	(11,217)
Earnings before income taxes	107,349	77,756	193,734	148,619
Income tax expense:				
Current	27,620	25,413	50,033	33,960
Deferred	1,967	(10,673)	2,675	(3,718)
	29,587	14,740	52,708	30,242
Earnings before equity in earnings of nonconsolidated subsidiaries	77,762	63,016	141,026	118,377
Equity in loss of nonconsolidated subsidiaries	(555)	(359)	(913)	(719)
Net earnings	77,207	62,657	140,113	117,658
Less: earnings attributable to noncontrolling interests	(1,099)	(547)	(1,694)	(534)
Net earnings attributable to Valmont Industries, Inc.	\$ 76,108	\$ 62,110	\$ 138,419	\$ 117,124
Earnings per share:				
Basic	\$ 3.57	\$ 2.93	\$ 6.50	\$ 5.53
Diluted	\$ 3.53	\$ 2.89	\$ 6.43	\$ 5.46

See accompanying notes to condensed consolidated financial statements.

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

	Thirteen Weeks Ended		Twenty-six weeks ended	
	June 25, 2022	June 26, 2021	June 25, 2022	June 26, 2021
Net earnings	\$ 77,207	\$ 62,657	\$ 140,113	\$ 117,658
Other comprehensive income (loss), net of tax:				
Foreign currency translation adjustments:				
Unrealized translation gain (loss)	(43,666)	10,690	(32,050)	(1,943)
Gain (loss) on hedging activities:				
Cash flow hedges	—	(313)	—	(291)
Amortization cost included in interest expense	(16)	(16)	(32)	(32)
Commodity hedges	(19,512)	16,308	1,048	26,254
Realized (gain) loss on commodity hedges recorded in earnings	1,545	(270)	(498)	(270)
Cross currency swaps	3,470	(2,095)	5,281	1,511
Defined Benefit Pension Plan:				
Actuarial gain on defined benefit pension plan	124	843	256	1,675
Other comprehensive income (loss)	(58,055)	25,147	(25,995)	26,904
Comprehensive income	19,152	87,804	114,118	144,562
Comprehensive (income) loss attributable to noncontrolling interests	932	(1,573)	(756)	(1,087)
Comprehensive income attributable to Valmont Industries, Inc.	\$ 20,084	\$ 86,231	\$ 113,362	\$ 143,475

See accompanying notes to condensed consolidated financial statements.

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

	June 25, 2022	December 25, 2021
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 154,579	\$ 177,232
Receivables, net	627,876	571,593
Inventories	786,600	728,834
Contract assets	200,522	142,643
Prepaid expenses and other assets	87,070	83,646
Refundable income taxes	—	8,815
Total current assets	<u>1,856,647</u>	<u>1,712,763</u>
Property, plant and equipment, at cost	1,452,413	1,422,101
Less accumulated depreciation and amortization	844,850	823,496
Net property, plant and equipment	607,563	598,605
Goodwill	741,743	708,566
Other intangible assets, net	192,333	175,364
Other assets	276,466	251,951
Total assets	<u>\$ 3,674,752</u>	<u>\$ 3,447,249</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Current installments of long-term debt	\$ 3,018	\$ 4,884
Notes payable to banks	4,428	13,439
Accounts payable	388,498	347,841
Accrued employee compensation and benefits	107,108	144,559
Contract liabilities	175,814	135,746
Other accrued expenses	130,114	108,771
Income taxes payable	10,036	—
Dividends payable	11,743	10,616
Total current liabilities	<u>830,759</u>	<u>765,856</u>
Deferred income taxes	55,641	47,849
Long-term debt, excluding current installments	995,647	947,072
Defined benefit pension liability	—	536
Operating lease liabilities	154,799	147,759
Deferred compensation	33,778	35,373
Other noncurrent liabilities	50,978	89,207
Shareholders' equity:		
Common stock of \$1 par value -		
Authorized 75,000,000 shares; 27,900,000 issued	27,900	27,900
Additional paid in capital	4,321	1,479
Retained earnings	2,509,262	2,394,307
Accumulated other comprehensive loss	(288,184)	(263,127)
Treasury stock	(764,917)	(773,712)
Total Valmont Industries, Inc. shareholders' equity	<u>1,488,382</u>	<u>1,386,847</u>
Noncontrolling interest in consolidated subsidiaries	64,768	26,750
Total shareholders' equity	<u>1,553,150</u>	<u>1,413,597</u>
Total liabilities and shareholders' equity	<u>\$ 3,674,752</u>	<u>\$ 3,447,249</u>

See accompanying notes to condensed consolidated financial statements.

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

	Twenty-six weeks ended	
	June 25, 2022	June 26, 2021
Cash flows from operating activities:		
Net earnings	\$ 140,113	\$ 117,658
Adjustments to reconcile net earnings to net cash flows from operations:		
Depreciation and amortization	48,012	44,063
Stock-based compensation	19,583	8,948
Defined benefit pension plan benefit	(5,242)	(7,400)
Contribution to defined benefit pension plan	(17,155)	(970)
Loss (gain) on sale of property, plant and equipment	737	(1,330)
Equity in loss in nonconsolidated subsidiaries	913	719
Deferred income taxes	2,675	(3,718)
Changes in assets and liabilities:		
Receivables	(53,809)	(45,398)
Inventories	(56,625)	(142,218)
Prepaid expenses and other assets (current and non-current)	5,369	(19,680)
Contract assets	(59,536)	(17,165)
Accounts payable	39,875	55,445
Accrued expenses	(16,034)	(18,119)
Contract liabilities	4,798	24,963
Other noncurrent liabilities	(6,447)	52,229
Income taxes payable/refundable	20,792	22,158
Net cash flows from operating activities	<u>68,019</u>	<u>70,185</u>
Cash flows from investing activities:		
Purchase of property, plant and equipment	(49,676)	(48,824)
Proceeds from sale of assets	45	1,595
Acquisitions, net of cash acquired	(39,297)	(312,500)
Other, net	1,117	(1,669)
Net cash flows from investing activities	<u>(87,811)</u>	<u>(361,398)</u>
Cash flows from financing activities:		
Proceeds from short-term borrowings	—	11,972
Payments on short-term borrowings	(9,155)	(17,021)
Proceeds from long-term borrowings	201,462	149,342
Principal payments on long-term borrowings	(156,973)	(15,421)
Dividends paid	(22,337)	(20,181)
Purchase of noncontrolling interest	(4,292)	—
Purchase of treasury shares	(9,776)	(21,600)
Proceeds from exercises under stock plans	5,846	19,891
Purchase of common treasury shares—stock plan exercises	(4,205)	(16,922)
Net cash flows from financing activities	<u>570</u>	<u>90,060</u>
Effect of exchange rate changes on cash and cash equivalents	<u>(3,431)</u>	<u>(288)</u>
Net change in cash and cash equivalents	(22,653)	(201,441)
Cash and cash equivalents—beginning of year	177,232	400,726
Cash and cash equivalents—end of period	<u>\$ 154,579</u>	<u>\$ 199,285</u>

See accompanying notes to condensed consolidated financial statements

VALMONT INDUSTRIES, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
(Dollars in thousands)
(Unaudited)

	Common stock	Additional paid-in capital	Retained earnings	Accumulated other comprehensive income (loss)	Treasury stock	Noncontrolling interest in consolidated subsidiaries	Total shareholders' equity
Balance at March 27, 2021	\$ 27,900	\$ —	\$ 2,282,355	\$ (307,556)	\$ (777,885)	\$ 25,288	\$ 1,250,102
Net earnings	—	—	62,110	—	—	547	62,657
Other comprehensive income (loss)	—	—	—	24,121	—	1,026	25,147
Cash dividends declared (\$0.5 per share)	—	—	(10,606)	—	—	—	(10,606)
Purchase of treasury shares; 42,150 shares acquired	—	—	—	—	(10,469)	—	(10,469)
Stock plan exercises; 63,783 shares acquired	—	—	—	—	(197)	—	(197)
Stock options exercised; 1,245 shares issued	—	(3,500)	3,156	—	917	—	573
Stock option expense	—	619	—	—	—	—	619
Stock awards; 6,351 shares issued	—	2,881	—	—	777	—	3,658
Balance at June 26, 2021	<u>\$ 27,900</u>	<u>\$ —</u>	<u>\$ 2,337,015</u>	<u>\$ (283,435)</u>	<u>\$ (786,857)</u>	<u>\$ 26,861</u>	<u>\$ 1,321,484</u>
Balance at March 26, 2022	<u>\$ 27,900</u>	<u>\$ 5,251</u>	<u>\$ 2,444,897</u>	<u>\$ (232,160)</u>	<u>\$ (769,835)</u>	<u>\$ 28,438</u>	<u>\$ 1,504,491</u>
Net earnings	—	—	76,108	—	—	1,099	77,207
Other comprehensive income (loss)	—	—	—	(56,024)	—	(2,031)	(58,055)
Cash dividends declared (\$0.55 per share)	—	—	(11,743)	—	—	—	(11,743)
Purchase of noncontrolling interest	—	189	—	—	—	(4,481)	(4,292)
Addition of noncontrolling interest due to acquisition	—	—	—	—	—	41,743	41,743
Purchase of treasury shares; 38,804 shares acquired	—	—	—	—	(9,776)	—	(9,776)
Stock plan exercises; 7,080 shares acquired	—	—	—	—	(1,678)	—	(1,678)
Stock options exercised; 42,961 shares issued	—	(1,551)	—	—	6,684	—	5,133
Stock option expense	—	836	—	—	—	—	836
Stock awards; 42,145 shares issued	—	(404)	—	—	9,688	—	9,284
Balance at June 25, 2022	<u>\$ 27,900</u>	<u>\$ 4,321</u>	<u>\$ 2,509,262</u>	<u>\$ (288,184)</u>	<u>\$ (764,917)</u>	<u>\$ 64,768</u>	<u>\$ 1,553,150</u>

See accompanying notes to the condensed consolidated financial statements.

	Common stock	Additional paid-in capital	Retained earnings	Accumulated other comprehensive income (loss)	Treasury stock	Noncontrolling interest in consolidated subsidiaries	Total shareholders' equity
Balance at December 26, 2020	\$ 27,900	\$ 335	\$ 2,245,035	\$ (309,786)	\$ (781,422)	\$ 25,774	\$ 1,207,836
Net earnings	—	—	117,124	—	—	534	117,658
Other comprehensive income (loss)	—	—	—	26,351	—	553	26,904
Cash dividends declared (\$1.00 per share)	—	—	(21,231)	—	—	—	(21,231)
Purchase of treasury shares; 92,297 shares acquired	—	—	—	—	(21,600)	—	(21,600)
Stock plan exercises; 71,268 shares acquired	—	—	—	—	(16,922)	—	(16,922)
Stock options exercised; 144,123 shares issued	—	(8,100)	(3,913)	—	31,904	—	19,891
Stock option expense	—	1,267	—	—	—	—	1,267
Stock awards; 9,060 shares issued	—	6,498	—	—	1,183	—	7,681
Balance at June 26, 2021	<u>\$ 27,900</u>	<u>\$ —</u>	<u>\$ 2,337,015</u>	<u>\$ (283,435)</u>	<u>\$ (786,857)</u>	<u>\$ 26,861</u>	<u>\$ 1,321,484</u>
Balance at December 25, 2021	<u>\$ 27,900</u>	<u>\$ 1,479</u>	<u>\$ 2,394,307</u>	<u>\$ (263,127)</u>	<u>\$ (773,712)</u>	<u>\$ 26,750</u>	<u>\$ 1,413,597</u>
Net earnings	—	—	138,419	—	—	1,694	140,113
Other comprehensive income (loss)	—	—	—	(25,057)	—	(938)	(25,995)
Cash dividends declared (\$1.10 per share)	—	—	(23,464)	—	—	—	(23,464)
Purchase of noncontrolling interest	—	189	—	—	—	(4,481)	(4,292)
Addition of noncontrolling interest due to acquisition	—	—	—	—	—	41,743	41,743
Purchase of treasury shares; 38,804 shares acquired	—	—	—	—	(9,776)	—	(9,776)
Stock plan exercises; 18,775 shares acquired	—	—	—	—	(4,205)	—	(4,205)
Stock options exercised; 48,577 shares issued	—	(2,087)	—	—	7,933	—	5,846
Stock option expense	—	1,552	—	—	—	—	1,552
Stock awards; 79,893 shares issued	—	3,188	—	—	14,843	—	18,031
Balance at June 25, 2022	<u>\$ 27,900</u>	<u>\$ 4,321</u>	<u>\$ 2,509,262</u>	<u>\$ (288,184)</u>	<u>\$ (764,917)</u>	<u>\$ 64,768</u>	<u>\$ 1,553,150</u>

See accompanying notes to the condensed consolidated financial statements.

VALMONT INDUSTRIES, INC. AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Dollars in thousands, except per share amounts)

(Unaudited)

(1) BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Condensed Consolidated Financial Statements

The Condensed Consolidated Balance Sheet as of June 25, 2022, the Condensed Consolidated Statements of Earnings, Comprehensive Income, and Shareholders' Equity for the thirteen and twenty-six weeks ended June 25, 2022 and June 26, 2021, and the Condensed Consolidated Statement of Cash Flows for the twenty-six weeks then ended have been prepared by Valmont Industries Inc. (the Company), without audit. In the opinion of management, all necessary adjustments (which include normal recurring adjustments) have been made to present fairly the financial statements as of June 25, 2022 and for all periods presented.

Certain information and footnote disclosures normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States of America have been condensed or omitted. These Condensed Consolidated Financial Statements should be read in conjunction with the financial statements and notes thereto included in the Company's Annual Report on Form 10-K for the fiscal year ended December 25, 2021. The results of operations for the period ended June 25, 2022 are not necessarily indicative of the operating results for the full year.

Change in Reportable Segments

During the first quarter of 2022, the Company's Chief Executive Officer, as the chief operating decision maker ("CODM"), made changes to the Company's management structure and began to manage the business, allocate resources, and evaluate performance under the new structure. As a result, the Company has realigned its reportable segment structure. All prior period segment information has been recast to reflect this change in reportable segments. Refer to Note 7 for additional information.

Inventories

Inventory is valued at the lower of cost, determined on the first-in, first-out (FIFO) method or market. Finished goods and manufactured goods inventories include the costs of acquired raw materials and related factory labor and overhead charges required to convert raw materials to manufactured and finished goods.

Inventories consisted of the following:

	June 25, 2022	December 25, 2021
Raw materials and purchased parts	\$ 309,372	\$ 278,107
Work-in-process	72,632	63,628
Finished goods and manufactured goods	404,596	387,099
Total Inventory	<u>\$ 786,600</u>	<u>\$ 728,834</u>

Income Taxes

Earnings before income taxes for the thirteen and twenty-six weeks ended June 25, 2022 and June 26, 2021, were as follows:

	Thirteen weeks ended		Twenty-six weeks ended	
	2022	2021	2022	2021
United States	\$ 62,214	\$ 57,090	\$ 123,031	\$ 108,245
Foreign	45,135	20,666	70,703	40,374
	<u>\$ 107,349</u>	<u>\$ 77,756</u>	<u>\$ 193,734</u>	<u>\$ 148,619</u>

VALMONT INDUSTRIES, INC. AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Dollars in thousands, except per share amounts)

(Unaudited)

Pension Benefits

The Company incurs expenses in connection with the Delta Pension Plan ("DPP"). The DPP was acquired as part of the Delta plc acquisition in fiscal 2010 and has no members that are active employees. In order to measure expense and the related benefit obligation, various assumptions are made including discount rates used to value the obligation, expected return on plan assets used to fund these expenses and estimated future inflation rates. These assumptions are based on historical experience as well as current facts and circumstances. An actuarial analysis is used to measure the expense and liability associated with pension benefits.

The components of the net periodic pension (benefit) expense for the thirteen and twenty-six weeks ended June 25, 2022 and June 26, 2021 were as follows:

	Thirteen weeks ended		Twenty-six weeks ended	
	2022	2021	2022	2021
Net periodic (benefit) expense:				
Interest cost	\$ 3,157	\$ 2,530	\$ 6,522	\$ 5,027
Expected return on plan assets	(5,818)	(7,097)	(12,020)	(14,102)
Amortization of actuarial loss	124	843	256	1,675
Net periodic benefit	\$ (2,537)	\$ (3,724)	\$ (5,242)	\$ (7,400)

Stock Plans

The Company maintains stock-based compensation plans approved by the shareholders, which provide that the Human Resource Committee of the Board of Directors may grant incentive stock options, nonqualified stock options, stock appreciation rights, restricted stock awards, restricted stock units, and bonuses of common stock. At June 25, 2022, 1,892,141 shares of common stock remained available for issuance under the plans.

Under the plans, the exercise price of each option equals the closing market price at the date of the grant. Options vest beginning on the first anniversary of the grant in equal amounts over three years or on the grant's fifth anniversary. Expiration of grants is seven years to ten years from the date of grant. Restricted stock units and awards generally vest in equal installments over three or four years beginning on the first anniversary of the grant.

The Company's compensation expense (included in selling, general and administrative expenses) and associated income tax benefits related to stock options and restricted stock for the thirteen and twenty-six weeks ended June 25, 2022 and June 26, 2021, respectively, were as follows:

	Thirteen weeks ended		Twenty-six weeks ended	
	2022	2021	2022	2021
Compensation expense	\$ 10,120	\$ 4,277	\$ 19,583	\$ 8,948
Income tax benefits	2,530	1,069	4,896	2,237

Fair Value

The Company applies the provisions of Accounting Standards Codification 820, *Fair Value Measurements* ("ASC 820") which defines fair value, establishes a framework for measuring fair value, and expands disclosures about fair value measurements. The provisions of ASC 820 apply to other accounting pronouncements that require or permit fair value measurements. As defined in ASC 820, fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

VALMONT INDUSTRIES, INC. AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Dollars in thousands, except per share amounts)

(Unaudited)

ASC 820 establishes a three-level hierarchy for fair value measurements based upon the transparency of inputs to the valuation of an asset or liability as of the measurement date. Inputs refer broadly to the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk. Financial assets and liabilities carried at fair value will be classified and disclosed in one of the following three categories:

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

Level 2: Observable market based inputs or unobservable inputs that are corroborated by market data.

Level 3: Unobservable inputs that are not corroborated by market data.

The categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement. Following is a description of the valuation methodologies used for assets and liabilities measured at fair value.

Trading Securities: The assets and liabilities recorded for the investments held in the Valmont Deferred Compensation Plan at June 25, 2022 of \$28,383 (\$29,982 at December 25, 2021) represent mutual funds, invested in debt and equity securities, classified as trading securities in accordance with Accounting Standards Codification ("ASC") 320, *Accounting for Certain Investments in Debt and Equity Securities*, considering the employee's ability to change investment allocation of their deferred compensation at any time. The Company's ownership of shares in Delta EMD Pty. Ltd. (JSE:DTA) is also classified as trading securities. The shares are valued at \$93 and \$94 as of June 25, 2022 and December 25, 2021, respectively, which is the estimated fair value. Quoted market prices are available for these securities in an active market and therefore categorized as a Level 1 input.

Derivative Financial Instruments: The fair value of foreign currency and commodity forward contracts, and cross currency contracts is based on a valuation model that discounts cash flows resulting from the differential between the contract price and the market-based forward rate.

	Carrying Value June 25, 2022	Fair Value Measurement Using:		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets:				
Trading Securities	\$ 28,476	\$ 28,476	\$ —	\$ —
Derivative financial instruments, net	3,432	—	3,432	—

	Carrying Value December 25, 2021	Fair Value Measurement Using:		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets (Liabilities):				
Trading Securities	\$ 30,076	\$ 30,076	\$ —	\$ —
Derivative financial instruments, net	(4,007)	—	(4,007)	—

Long-Lived Assets

The Company's other non-financial assets include goodwill and other intangible assets, which are classified as Level 3 items. These assets are measured at fair value on a non-recurring basis as part of annual impairment testing.

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Leases

The Company's operating leases are included in other assets and operating lease liabilities.

Comprehensive Income (Loss)

Comprehensive income (loss) includes net earnings, currency translation adjustments, certain derivative-related activity and changes in net actuarial gains/losses from a pension plan. Results of operations for foreign subsidiaries are translated using the average exchange rates during the period. Assets and liabilities are translated at the exchange rates in effect on the balance sheet dates. Accumulated other comprehensive income (loss) consisted of the following at June 25, 2022 and December 25, 2021:

	Foreign Currency Translation Adjustments	Gain on Hedging Activities	Defined Benefit Pension Plan	Accumulated Other Comprehensive Loss
Balance at December 25, 2021	\$ (243,350)	\$ 15,777	\$ (35,554)	\$ (263,127)
Current-period comprehensive income (loss)	(31,112)	5,799	256	(25,057)
Balance at June 25, 2022	<u>\$ (274,462)</u>	<u>\$ 21,576</u>	<u>\$ (35,298)</u>	<u>\$ (288,184)</u>

Revenue Recognition

The Company determines the appropriate revenue recognition for our contracts by analyzing the type, terms and conditions of each contract or arrangement with a customer. Contracts with customers for all businesses are fixed-price with sales tax excluded from revenue, and do not include variable consideration. Discounts included in contracts with customers, typically early pay discounts, are recorded as a reduction of net sales in the period in which the sale is recognized. Contract revenues are classified as product when the performance obligation is related to the manufacturing of goods. Contract revenues are classified as service when the performance obligation is the performance of a service. Service revenue is primarily related to the Coatings and Technology Products and Services product lines.

Customer acceptance provisions exist only in the design stage of our products and acceptance of the design by the customer is required before the project is manufactured and delivered to the customer. The Company is not entitled to any compensation solely based on design of the product and does not recognize this service as a separate performance obligation and, therefore, no revenue is recognized with the design stage. No general rights of return exist for customers once the product has been delivered and the Company establishes provisions for estimated warranties. The Company does not sell extended warranties for any of its products.

Shipping and handling costs associated with sales are recorded as cost of goods sold. The Company elected to use the practical expedient of treating freight as a fulfillment obligation instead of a separate performance obligation and ratably recognize freight expense as the structure is being manufactured, when the revenue from the associated customer contract is being recognized over time. With the exception of the transmission, distribution, and substation structures ("TD&S") product line, the renewable energy product lines, and the telecommunication structures product line, the Company's inventory is interchangeable for a variety of each segment's customers. The Company has elected to not disclose the partially satisfied performance obligation at the end of the period when the contract has an original expected duration of one year or less. In addition, the Company does not adjust the amount of consideration to be received in a contract for any significant financing component if payment is expected within twelve months of transfer of control of goods or services.

The Company's contract asset as of June 25, 2022 and December 25, 2021 was \$200,522 and \$142,643, respectively. While most of the Infrastructure segment customers are generally invoiced upon shipment or delivery of the goods to the customer's specified location, certain customers are also invoiced by advanced billings or progress billings.

At June 25, 2022 and December 25, 2021, total contract liabilities were \$217,698 and \$213,203, respectively. At June 25, 2022, \$175,814 was recorded as contract liabilities and \$41,884 was recorded as other noncurrent liabilities on the condensed consolidated balance sheets. Additional details are as follows:

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- During the thirteen and twenty-six weeks ended June 25, 2022, the Company recognized \$31,149 and \$59,171 of revenue that was included in the total contract liability as of December 25, 2021. The revenue recognized was due to applying advance payments received for performance obligations completed during the period;
- In the thirteen and twenty-six weeks ended June 26, 2021, the Company recognized \$31,267 and \$69,369 of revenue that was included in the total contract liability as of December 26, 2020. The revenue recognized was due to applying advance payments received for performance obligations completed during the period; and
- At June 25, 2022, the Company had \$83,681 of remaining performance obligations on contracts with an original expected duration of one year or more and expects to complete the remaining performance obligations on these contracts within the next 12 to 24 months.

Segment and Product Line Revenue Recognition

Infrastructure Segment

Steel and concrete utility structures within the TD&S product line are engineered to customer specifications resulting in limited ability to sell the structure to a different customer if an order is canceled after production commences. The continuous transfer of control to the customer is evidenced either by contractual termination clauses or by our rights to payment for work performed to-date plus a reasonable profit as the products do not have an alternative use to the Company. Since control is transferring over time, revenue is recognized based on the extent of progress towards completion of the performance obligation. The selection of the method to measure progress towards completion requires judgment. For our TD&S and telecommunication structure product lines, we generally recognize revenue on an inputs basis, using total production hours incurred to-date for each order as a percentage of total hours estimated to produce the order. The completion percentage is applied to the order's total revenue and total estimated costs to determine reported revenue, cost of goods sold and gross profit. Production of an order, once started, is typically completed within three months. Depending on the product sold, revenue from renewable energy is recognized both upon shipment or delivery of goods to the customer depending on contract terms, or by using an inputs method, based on the ratio of costs incurred to-date to the total estimated costs at completion of the performance obligation. External sales agents are used in certain TD&S sales and the Company has chosen to expense estimated commissions owed to third parties by recognizing them proportionately as the goods are manufactured.

For the structures sold for lighting and transportation and for the majority of telecommunication products, revenue is recognized upon shipment or delivery of goods to the customer depending on contract terms, which is the same point in time that the customer is billed. There are also large regional customers who have unique product specifications for telecommunication structures. When the customer contract includes a cancellation clause that would require them to pay for work completed plus a reasonable margin if an order was canceled, revenue is recognized over time based on hours worked as a percent of total estimated hours to complete production.

The Coatings product line revenues are derived by providing coating services to customers' products, which include galvanizing, anodizing, and powder coating. Revenue is recognized once the coating service has been performed and the goods are ready to be picked up or delivered to the customer which is the same time that the customer is billed.

Agriculture Segment

Revenue recognition from the manufacture of irrigation equipment and related parts and services (including tubular products for industrial customers) is generally upon shipment of the goods to the customer which is the same point in time that the customer is billed. The remote monitoring subscription services recognized as part of technology services product line are primarily billed annually and revenue is recognized on a straight-line basis over the subsequent twelve months.

Disaggregation of revenue by product line is disclosed in the Business Segments and Related Revenue Information footnote (see note 7).

Recently Issued Accounting Pronouncements (not yet adopted)

In March 2020, the FASB issued Accounting Standards Update No. 2020-04 (ASU 2020-04), *Reference Rate Reform (Topic 848): Facilitation of the Effects of Reference Rate Reform on Financial Reporting*, which provides optional expedients and exceptions for applying GAAP principles to contracts, hedging relationships, and other transactions that

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reference London Interbank Offered Rate (LIBOR) or another reference rate expected to be discontinued due to reference rate reform. . In January 2021, the FASB issued ASU No. 2021-01, *Reference Rate Reform (Topic 848): Scope*, which clarified that certain optional expedients and exceptions in Topic 848 apply to derivative instruments that are affected by the discounting transition due to reference rate reform. The Company has not used any of the accommodations to date, but may use them up until December 31, 2022.

(2) ACQUISITIONS

Acquisitions of Businesses

On June 1, 2022, the Company acquired approximately 51% of ConcealFab for \$39,297 in cash (net of cash acquired) and subject to working capital adjustments. Approximately \$1,850 of the purchase price is contingent on seller representations and warranties that will be settled within 18 months of the acquisition date. ConcealFab is located in Colorado Springs, Colorado and its operations are reported in the Infrastructure segment. The acquisition was made to allow the Company to incorporate innovative 5G infrastructure and passive intermodulation mitigation solutions into our advanced infrastructure portfolio. Goodwill is not deductible for tax purposes. The amount allocated to goodwill was primarily attributable to anticipated synergies and other intangibles that do not qualify for separate recognition. The Company expects to finalize the purchase price allocation in the second quarter of 2023.

The following table summarizes the preliminary fair values of the assets acquired and liabilities assumed of ConcealFab as of the date of acquisition:

	<u>As of June 1, 2022</u>
Current assets	\$ 21,133
Customer relationships	26,200
Trade name	5,000
Property, plant & equipment	3,813
Other assets	8,804
Goodwill	42,640
Total fair value of assets acquired	<u>\$ 107,590</u>
Current liabilities	6,426
Long-term debt	2,038
Operating lease liabilities	7,812
Deferred taxes	5,464
Other noncurrent liabilities	12
Total fair value of liabilities assumed	<u>\$ 21,752</u>
Non-controlling interest in consolidated subsidiaries	41,743
Net assets acquired	<u>\$ 44,095</u>

On May 12, 2021, the Company acquired the outstanding shares of Prospera, an artificial intelligence company focused on machine learning and computer vision in agriculture, for \$300,000 in cash (net of cash acquired). The acquisition of Prospera, located in Tel Aviv, Israel, was made to allow the Company to accelerate innovation with machine learning for agronomy and is reported in the Agriculture segment. Goodwill is not deductible for tax purposes, the trade name will be amortized over 7 years, and the developed technology asset will be amortized over 5 years. The amount allocated to goodwill was primarily attributable to anticipated synergies and other intangibles that do not qualify for separate recognition. The Company finalized the purchase price allocation in the fourth quarter of 2021.

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The following table summarizes the fair values of the assets acquired and liabilities assumed of Prospera as of the date of acquisition:

	<u>As of May 12, 2021</u>
Current assets	\$ 647
Developed technology	32,900
Trade name	2,850
Property, plant & equipment	1,063
Goodwill	273,453
Total fair value of assets acquired	<u>\$ 310,913</u>
Current liabilities	2,690
Deferred taxes	8,223
Total fair value of liabilities assumed	<u>\$ 10,913</u>
Net assets acquired	<u>\$ 300,000</u>

On April 20, 2021 the Company acquired the assets of PivoTrac for \$12,500 in cash. The agreed upon purchase price was \$14,000, with \$1,500 being held back for seller representations and warranties. The acquisition of PivoTrac, located in Texas, was made to allow the Company to advance its technology strategy and increase its number of connected agricultural devices and will be reported in the Agriculture segment. The fair values assigned were \$10,800 for goodwill, \$2,627 for customer relationships, and the remainder is net working capital. Goodwill is not deductible for tax purposes and the customer relationship will be amortized over 8 years. The Company finalized the purchase price allocation in the second quarter of 2022.

Proforma disclosures were omitted for these acquisitions as they do not have a significant impact on the Company's financial results.

Acquisition of Noncontrolling Interests

On May 10, 2022, the Company acquired the remaining 20% of Valmont West Coast Engineering Ltd. for \$4,292. As this transaction was for the acquisition of all of the remaining shares of consolidated subsidiary with no change in control, it was recorded within shareholders' equity and as a financing cash flow in the Consolidated Statements of Cash Flows.

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(3) GOODWILL AND INTANGIBLE ASSETS

Amortized Intangible Assets

The components of amortized intangible assets at June 25, 2022 and December 25, 2021 were as follows:

	June 25, 2022		
	Gross Carrying Amount	Accumulated Amortization	Weighted Average Life
Customer Relationships	\$ 246,965	\$ 163,494	13 years
Patents & Proprietary Technology	58,188	17,861	9 years
Trade Name	2,850	441	7 years
Other	4,476	4,113	6 years
	<u>\$ 312,479</u>	<u>\$ 185,909</u>	

	December 25, 2021		
	Gross Carrying Amount	Accumulated Amortization	Weighted Average Life
Customer Relationships	\$ 224,597	\$ 160,626	13 years
Patents & Proprietary Technology	58,699	13,955	9 years
Trade Name	2,850	183	7 years
Other	4,534	3,959	6 years
	<u>\$ 290,680</u>	<u>\$ 178,723</u>	

Amortization expense for intangible assets for the thirteen and twenty-six weeks ended June 25, 2022 and June 26, 2021, respectively was as follows:

	Thirteen weeks ended		Twenty-six weeks ended	
	2022	2021	2022	2021
Amortization expense	\$ 5,531	\$ 5,182	\$ 11,380	\$ 9,414

Estimated annual amortization expense related to finite-lived intangible assets is as follows:

	Estimated Amortization Expense
2022	\$ 21,425
2023	19,588
2024	17,675
2025	16,241
2026	15,823

The useful lives assigned to finite-lived intangible assets included consideration of factors such as the Company's past and expected experience related to customer retention rates, the remaining legal or contractual life of the underlying arrangement that resulted in the recognition of the intangible asset and the Company's expected use of the intangible asset.

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Non-amortized intangible assets

Intangible assets with indefinite lives are not amortized and consist solely of trade names. The carrying value of trade names at June 25, 2022 and December 25, 2021 are as follows:

	June 25, 2022	December 25, 2021	Year Acquired
Newmark	\$ 11,111	\$ 11,111	2004
Convert Italia S.p.A	7,916	8,479	2018
Webforge	7,215	7,877	2010
Ingal EPS/Ingal Civil Products	6,996	7,637	2010
Valmont SM	5,673	6,082	2014
ConcealFab	5,000	—	2022
Shakespeare	4,000	4,000	2014
Walpar	3,500	3,500	2018
Other	14,352	14,721	Various
	<u>\$ 65,763</u>	<u>\$ 63,407</u>	

In its determination of these intangible assets as indefinite-lived, the Company considered such factors as its expected future use of the intangible asset, legal, regulatory, technological and competitive factors that may impact the useful life or value of the intangible asset and the expected costs to maintain the value of the intangible asset. The Company expects that these intangible assets will maintain their value indefinitely. Accordingly, these assets are not amortized.

The Company's trade names were tested for impairment as of August 28, 2021. The values of each trade name were determined using the relief-from-royalty method. Based on this evaluation, no trade names were determined to be impaired.

Goodwill

The carrying amount of goodwill by segment as of June 25, 2022 and December 25, 2021 was as follows:

	Infrastructure Segment	Agriculture Segment	Total
Gross Balance December 25, 2021	\$ 456,876	\$ 313,512	\$ 770,388
Accumulated impairment losses	(61,822)	—	(61,822)
Balance at December 25, 2021	395,054	313,512	708,566
Acquisitions	42,640	—	42,640
Foreign currency translation	(9,759)	296	(9,463)
Balance at June 25, 2022	<u>\$ 427,935</u>	<u>\$ 313,808</u>	<u>\$ 741,743</u>

	Infrastructure Segment	Agriculture Segment	Total
Gross Balance June 25, 2022	\$ 489,757	\$ 313,808	\$ 803,565
Accumulated impairment losses	(61,822)	—	(61,822)
Balance at June 25, 2022	<u>\$ 427,935</u>	<u>\$ 313,808</u>	<u>\$ 741,743</u>

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The Company's annual impairment test of goodwill was performed as of August 28, 2021, using primarily the discounted cash flow method. The estimated fair value of all our reporting units exceeded their respective carrying value, so no goodwill impairments were recorded. During fiscal 2022, no goodwill impairments have been recorded.

(4) CASH FLOW SUPPLEMENTARY INFORMATION

The Company considers all highly liquid temporary cash investments purchased with an original maturity of three months or less at the time of purchase to be cash equivalents. Cash payments for interest and income taxes (net of refunds) for the thirteen weeks ended June 25, 2022 and June 26, 2021 were as follows:

	2022	2021
Interest	\$ 22,221	\$ 19,657
Income taxes	29,921	11,317

(5) EARNINGS PER SHARE

The following table provides a reconciliation between Basic and Diluted earnings per share (EPS):

	Basic EPS	Dilutive Effect of Stock Options	Diluted EPS
Thirteen weeks ended June 25, 2022:			
Net earnings attributable to Valmont Industries, Inc.	\$ 76,108	\$ —	\$ 76,108
Weighted average shares outstanding (000's)	21,313	228	21,541
Per share amount	\$ 3.57	\$ (0.04)	\$ 3.53
Thirteen weeks ended June 26, 2021:			
Net earnings attributable to Valmont Industries, Inc.	\$ 62,110	\$ —	\$ 62,110
Weighted average shares outstanding (000's)	21,193	276	21,469
Per share amount	\$ 2.93	\$ (0.04)	\$ 2.89
Twenty-six weeks ended June 25, 2022:			
Net earnings attributable to Valmont Industries, Inc.	\$ 138,419	\$ —	\$ 138,419
Weighted average shares outstanding (000's)	21,296	220	21,516
Per share amount	\$ 6.50	\$ (0.07)	\$ 6.43
Twenty-six weeks ended June 26, 2021:			
Net earnings attributable to Valmont Industries, Inc.	\$ 117,124	\$ —	\$ 117,124
Weighted average shares outstanding (000's)	21,186	263	21,449
Per share amount	\$ 5.53	\$ (0.07)	\$ 5.46

At June 25, 2022 and June 26, 2021, there were 47,223 and 0 outstanding stock options with exercise prices exceeding the market price of common stock that were excluded from the computation of diluted earnings per share, respectively.

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(6) DERIVATIVE FINANCIAL INSTRUMENTS

The Company manages interest rate risk, commodity price risk, and foreign currency risk related to foreign currency denominated transactions and investments in foreign subsidiaries. Depending on the circumstances, the Company may manage these risks by utilizing derivative financial instruments. Some derivative financial instruments are marked to market and recorded in the Company's consolidated statements of earnings, while others may be accounted for as fair value, cash flow, or net investment hedges. Derivative financial instruments have credit and market risk. The Company manages these risks of derivative instruments by monitoring limits as to the types and degree of risk that can be taken, and by entering into transactions with counterparties who are recognized, stable multinational banks. Any gains or losses from net investment hedge activities remain in other comprehensive income ("OCI") until either the sale or substantially complete liquidation of the related subsidiaries.

Fair value of derivative instruments at June 25, 2022 and December 25, 2021 are as follows:

Derivatives designated as hedging instruments:	Balance sheet location	June 25, 2022		December 25, 2021	
Commodity forward contracts	Accrued expenses	\$	(5,252)	\$	(5,802)
Foreign currency forward contracts	Prepaid expenses and other assets		64		149
Foreign currency forward contracts	Accrued expenses		—		(118)
Cross currency swap contracts	Prepaid expenses and other assets		8,724		1,764
Cross currency swap contracts	Accrued expenses		(104)		—
		\$	3,432	\$	(4,007)

Gains (losses) on derivatives recognized in the condensed consolidated statements of earnings for the thirteen and twenty-six weeks ended June 25, 2022 and June 26, 2021 are as follows:

	Statements of earnings location	Thirteen weeks ended		Twenty-six weeks ended					
		June 25, 2022	June 26, 2021	June 25, 2022	June 26, 2021				
Commodity forward contracts	Product cost of sales	\$	(1,545)	\$	270	\$	498	\$	270
Foreign currency forward contracts	Other income		(234)		154		(85)		(64)
Interest rate hedge amortization	Interest expense		(16)		(16)		(32)		(32)
Cross currency swap contracts	Interest expense		733		658		1,507		1,368
		\$	(1,062)	\$	1,066	\$	1,888	\$	1,542

Cash Flow Hedges

During 2021, the Company entered into steel hot rolled coil (HRC) forward contracts that qualify as a cash flow hedge of the variability in cash flows attributable to future steel purchases. The forward contracts had a notional amount of \$93,498 for the total purchase of 86,100 short tons. During the second quarter of 2022, the Company entered into additional steel HRC forward contracts that qualify as a cash flow hedge of the variability in cash flows attributable to future steel purchases. The forward contracts had a notional amount of \$14,010 for the total purchase of 15,000 short tons. As of June 25, 2022, the forward contracts had a notional amount of \$43,589 for the total purchase of 42,400 short tons from July 2022 to March 2023. The gain/(loss) realized upon settlement will be recorded in product cost of sales in the condensed consolidated statements of earnings over average inventory turns.

During the first quarter of 2022, a subsidiary with a Euro functional currency entered into a foreign currency forward contract to mitigate foreign currency risk related to a large customer order denominated in U.S. dollars. The forward

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contract, which qualifies as a fair value hedge, matures in August 2022 and has a notional amount to sell \$1,800 in exchange for a stated amount of Euros.

Net Investment Hedges

In 2019, the Company entered into two fixed-for-fixed cross currency swaps (“CCS”), swapping U.S. dollar principal and interest payments on a portion of its 5.00% senior unsecured notes due 2044 for Danish krone (DKK) and Euro denominated payments. The CCS were entered into in order to mitigate foreign currency risk on the Company’s Euro and DKK investments and to reduce interest expense. Interest is exchanged twice per year on April 1 and October 1.

Key terms of the two CCS are as follows:

<u>Currency</u>	<u>Notional Amount</u>	<u>Termination Date</u>	<u>Swapped Interest Rate</u>	<u>Settlement Amount</u>
Danish Krone (DKK)	\$ 50,000	April 1, 2024	2.68%	DKK 333,625
Euro	\$ 80,000	April 1, 2024	2.825%	€71,550

The Company designated the full notional amount of the two CCS (\$130,000) as a hedge of the net investment in certain Danish and European subsidiaries under the spot method, with all changes in the fair value of the CCS that are included in the assessment of effectiveness (changes due to spot foreign exchange rates) are recorded as cumulative foreign currency translation within OCI. Net interest receipts will be recorded as a reduction of interest expense over the life of the CCS.

(7) BUSINESS SEGMENTS & RELATED REVENUE INFORMATION

During the first quarter of 2022, the Company’s CODM changed the Company’s management structure and began to manage the business, allocate resources and evaluate performance based on the new structure. As a result, the Company has realigned to a two reportable segment structure organized by market dynamics (Infrastructure and Agriculture). Three operating segments resulted from the new management structure and two are aggregated into the Agriculture reportable segment. The Company considers gross profit margins, nature of products sold, nature of the production processes, type and class of customer, and methods used to distribute products when assessing aggregation of operating segments. The Infrastructure segment includes the previous reportable segments of Utility Structures, Engineered Support Structures, and Coatings. All prior period segment information has been recast to reflect this change in reportable segments.

Both reportable segments are global in nature with a manager responsible for segment operational performance and the allocation of capital within the segment. Net corporate expense is net of certain service-related expenses that are allocated to business units generally on the basis of employee headcounts.

Reportable segments are as follows:

INFRASTRUCTURE: This segment consists of the manufacture and distribution of products and solutions to serve the infrastructure markets of utility, renewable energy, lighting, transportation, and telecommunications, and coatings services to preserve and protect metal products.

AGRICULTURE: This segment consists of the manufacture of center pivot and linear irrigation equipment for agricultural markets, including parts and tubular products, and advanced technology solutions for precision agriculture.

The Company evaluates the performance of its reportable segments based upon operating income and invested capital. The Company does not allocate interest expense, non-operating income (expense), or income taxes to its reportable segments.

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Summary by Business

	Thirteen weeks ended		Twenty-six weeks ended	
	June 25, 2022	June 26, 2021	June 25, 2022	June 26, 2021
SALES:				
Infrastructure	\$ 764,950	\$ 617,604	\$ 1,445,676	\$ 1,167,250
Agriculture	377,765	281,965	684,345	511,629
Total	1,142,715	899,569	2,130,021	1,678,879
INTERSEGMENT SALES:				
Infrastructure	(4,200)	(2,796)	(7,301)	(5,997)
Agriculture	(2,983)	(2,144)	(6,368)	(3,367)
Total	(7,183)	(4,940)	(13,669)	(9,364)
NET SALES:				
Infrastructure	760,750	614,808	1,438,375	1,161,253
Agriculture	374,782	279,821	677,977	508,262
Total	\$ 1,135,532	\$ 894,629	\$ 2,116,352	\$ 1,669,515
OPERATING INCOME:				
Infrastructure	\$ 84,643	\$ 61,550	\$ 162,150	\$ 115,999
Agriculture	58,046	41,984	95,521	80,732
Corporate	(23,970)	(20,909)	(44,110)	(36,895)
Total	\$ 118,719	\$ 82,625	\$ 213,561	\$ 159,836

	Thirteen weeks ended June 25, 2022			
	Infrastructure	Agriculture	Intersegment Sales	Consolidated
Geographical market:				
North America	\$ 559,864	\$ 203,488	\$ (6,716)	\$ 756,636
International	205,086	174,277	(467)	378,896
Total	\$ 764,950	\$ 377,765	\$ (7,183)	\$ 1,135,532
Product line:				
Transmission, Distribution and Substation	\$ 295,835	\$ —	\$ —	\$ 295,835
Lighting and Transportation	246,652	—	—	246,652
Coatings	90,321	—	(4,200)	86,121
Telecommunications	78,539	—	—	78,539
Renewable Energy	53,603	—	—	53,603
Irrigation Equipment and Parts, excluding Technology	—	347,585	(2,983)	344,602
Technology Products and Services	—	30,180	—	30,180
Total	\$ 764,950	\$ 377,765	\$ (7,183)	\$ 1,135,532

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	Twenty-six weeks ended June 25, 2022			
	<i>Infrastructure</i>	<i>Agriculture</i>	<i>Intersegment Sales</i>	<i>Consolidated</i>
Geographical market:				
North America	\$ 1,065,844	\$ 385,743	\$ (13,202)	\$ 1,438,385
International	379,832	298,602	(467)	677,967
Total	<u>\$ 1,445,676</u>	<u>\$ 684,345</u>	<u>\$ (13,669)</u>	<u>\$ 2,116,352</u>
Product line:				
Transmission, Distribution and Substation	\$ 577,435	\$ —	\$ —	\$ 577,435
Lighting and Transportation	459,419	—	—	459,419
Coatings	172,297	—	(7,301)	164,996
Telecommunications	139,935	—	—	139,935
Renewable Energy	96,590	—	—	96,590
Irrigation Equipment and Parts, excluding Technology	—	625,619	(6,368)	619,251
Technology Products and Services	—	58,726	—	58,726
Total	<u>\$ 1,445,676</u>	<u>\$ 684,345</u>	<u>\$ (13,669)</u>	<u>\$ 2,116,352</u>

	Thirteen weeks ended June 26, 2021			
	<i>Infrastructure</i>	<i>Agriculture</i>	<i>Intersegment Sales</i>	<i>Consolidated</i>
Geographical market:				
North America	\$ 421,168	\$ 156,037	\$ (4,940)	\$ 572,265
International	196,436	125,928	—	322,364
Total	<u>\$ 617,604</u>	<u>\$ 281,965</u>	<u>\$ (4,940)</u>	<u>\$ 894,629</u>
Product line:				
Transmission, Distribution and Substation	\$ 220,458	\$ —	\$ —	\$ 220,458
Lighting and Transportation	215,247	—	—	215,247
Coatings	80,346	—	(2,796)	77,550
Telecommunications	54,102	—	—	54,102
Renewable Energy	47,451	—	—	47,451
Irrigation Equipment and Parts, excluding Technology	—	253,450	(2,144)	251,306
Technology Products and Services	—	28,515	—	28,515
Total	<u>\$ 617,604</u>	<u>\$ 281,965</u>	<u>\$ (4,940)</u>	<u>\$ 894,629</u>

VALMONT INDUSTRIES, INC. AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Dollars in thousands, except per share amounts)

(Unaudited)

	Twenty-six weeks ended June 26, 2021			
	<i>Infrastructure</i>	<i>Agriculture</i>	<i>Intersegment Sales</i>	<i>Consolidated</i>
Geographical market:				
North America	\$ 806,902	\$ 278,788	\$ (9,364)	\$ 1,076,326
International	360,348	232,841	—	593,189
Total	<u>\$ 1,167,250</u>	<u>\$ 511,629</u>	<u>\$ (9,364)</u>	<u>\$ 1,669,515</u>
Product line:				
Transmission, Distribution and Substation	\$ 428,902	\$ —	\$ —	\$ 428,902
Lighting and Transportation	391,763	—	—	391,763
Coatings	155,139	—	(5,997)	149,142
Telecommunications	99,742	—	—	99,742
Renewable Energy	91,704	—	—	91,704
Irrigation Equipment and Parts, excluding Technology	—	460,708	(3,367)	457,341
Technology Products and Services	—	50,921	—	50,921
Total	<u>\$ 1,167,250</u>	<u>\$ 511,629</u>	<u>\$ (9,364)</u>	<u>\$ 1,669,515</u>

A breakdown by segment of revenue recognized over time and at a point in time for the thirteen and twenty-six weeks ended June 25, 2022 and June 26, 2021 is as follows:

	<i>Point in Time</i>	<i>Over Time</i>	<i>Total</i>
	Thirteen weeks ended June 25, 2022	Thirteen weeks ended June 25, 2022	Thirteen weeks ended June 25, 2022
Infrastructure	\$ 429,291	\$ 331,459	\$ 760,750
Agriculture	368,175	6,607	374,782
Total	<u>\$ 797,466</u>	<u>\$ 338,066</u>	<u>\$ 1,135,532</u>

	<i>Point in Time</i>	<i>Over Time</i>	<i>Total</i>
	Twenty-six weeks ended June 25, 2022	Twenty-six weeks ended June 25, 2022	Twenty-six weeks ended June 25, 2022
Infrastructure	\$ 798,481	\$ 639,894	\$ 1,438,375
Agriculture	665,781	12,196	677,977
Total	<u>\$ 1,464,262</u>	<u>\$ 652,090</u>	<u>\$ 2,116,352</u>

VALMONT INDUSTRIES, INC. AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Dollars in thousands, except per share amounts)

(Unaudited)

	<i>Point in Time</i>	<i>Over Time</i>	<i>Total</i>
	Thirteen weeks ended June 26, 2021	Thirteen weeks ended June 26, 2021	Thirteen weeks ended June 26, 2021
Infrastructure	\$ 346,733	\$ 268,075	\$ 614,808
Agriculture	274,903	4,918	279,821
Total	<u>\$ 621,636</u>	<u>\$ 272,993</u>	<u>\$ 894,629</u>

	<i>Point in Time</i>	<i>Over Time</i>	<i>Total</i>
	Twenty-six weeks ended June 26, 2021	Twenty-six weeks ended June 26, 2021	Twenty-six weeks ended June 26, 2021
Infrastructure	\$ 638,464	\$ 522,789	\$ 1,161,253
Agriculture	499,540	8,722	508,262
Total	<u>\$ 1,138,004</u>	<u>\$ 531,511</u>	<u>\$ 1,669,515</u>

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Management's discussion and analysis 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 the Company 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. These statements are not guarantees of performance or results. They involve risks, uncertainties (some of which are beyond the Company's control) and assumptions. Management believes that these forward-looking statements are based on reasonable assumptions. Many factors could affect the Company's actual financial results and cause them to differ materially from those anticipated in the forward-looking statements. These factors include, among other things, the continuing and developing effects of COVID-19 including the effects of the outbreak on the general economy and the specific effects on the Company's business and that of its customers and suppliers, risk factors described from time to time in the Company'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.

This discussion should be read in conjunction with the financial statements and notes thereto, and the management's discussion and analysis included in the Company's Annual Report on Form 10-K for the fiscal year ended December 25, 2021. Segment net sales in the table below and elsewhere are presented net of intersegment sales. See Note 7 of our condensed consolidated financial statements for additional information on segment realignment, segment sales, and intersegment sales.

Results of Operations (Dollars in millions, except per share amounts)

	Thirteen weeks ended			Twenty-six weeks ended		
	June 25, 2022	June 26, 2021	% Incr. (Decr.)	June 25, 2022	June 26, 2021	% Incr. (Decr.)
Consolidated						
Net sales	\$ 1,135.5	\$ 894.6	26.9 %	\$ 2,116.4	\$ 1,669.5	26.8 %
Gross profit	292.6	229.6	27.4 %	541.8	434.2	24.8 %
<i>as a percent of sales</i>	25.8 %	25.7 %		25.6 %	26.0 %	
SG&A expense	173.9	147.0	18.3 %	328.2	\$ 274.4	19.6 %
<i>as a percent of sales</i>	15.3 %	16.4 %		15.5 %	16.4 %	
Operating income	118.7	82.6	43.7 %	213.6	159.8	33.7 %
<i>as a percent of sales</i>	10.5 %	9.2 %		10.1 %	9.6 %	
Net interest expense	11.1	10.3	7.8 %	22.1	19.9	11.1 %
Effective tax rate	27.4 %	19.0 %		27.1 %	20.3 %	
Net earnings	\$ 76.1	\$ 62.1	22.5 %	\$ 138.4	\$ 117.1	18.2 %
Diluted earnings per share	\$ 3.53	\$ 2.89	22.1 %	\$ 6.43	\$ 5.46	17.8 %
Infrastructure						
Net sales	\$ 760.8	\$ 614.8	23.7 %	\$ 1,438.4	\$ 1,161.3	23.9 %
Gross profit	182.1	148.1	23.0 %	349.0	283.7	23.0 %
SG&A expense	97.5	86.5	12.7 %	186.8	167.7	11.4 %
Operating income	84.6	61.6	37.3 %	162.2	116.0	39.8 %
Agriculture						
Net sales	\$ 374.8	\$ 279.8	34.0 %	\$ 678.0	\$ 508.3	33.4 %
Gross profit	110.5	81.3	35.9 %	192.8	150.2	28.4 %
SG&A expense	52.4	39.3	33.3 %	97.3	69.5	40.0 %
Operating income	58.0	42.0	38.1 %	95.5	80.7	18.3 %
Net corporate expense						
Gross profit	\$ —	0.3	NM	\$ —	\$ 0.3	NM
SG&A	24.0	21.2	13.2 %	44.1	37.2	18.5 %
Operating loss	(24.0)	(20.9)	(14.8)%	(44.1)	(36.9)	(19.5)%

Overview, Including Items Impacting Comparability

On a consolidated basis, net sales were higher in the second quarter and first half of 2022, as compared to the same periods of 2021, with higher sales in both reporting segments.

Average steel prices for both hot rolled coil and plate were higher, especially in North America, and have stayed at elevated levels resulting in higher cost of sales and net sales as customer pricing mechanisms and product selling price practices allowed for the recovery of that inflation for both reportable segments.

The Company acquired the following businesses:

- ConcealFab in the second quarter of 2022, a telecommunications technology company that offers 5G infrastructure and passive intermodulation mitigation solutions (Infrastructure).
- PivoTrac in the second quarter of 2021, an agricultural technology company that offers solutions focused on remote monitoring of center pivot irrigation machines (Agriculture).
- Prospera in the second quarter of 2021, a privately-held Israeli-based artificial intelligence company, focused on machine learning and computer vision in agriculture (Agriculture).

Items of note impacting the comparability of results from net earnings in the second quarter of 2022 included amortization of identified intangible assets of \$1.6 million (\$1.2 million after-tax) and stock-based compensation expense of \$2.5 million (\$2.3 million after-tax) for the employees from the Prospera subsidiary acquired in the second quarter of 2021 (recognized within SG&A for the Agriculture segment). Items of note impacting the comparability of results from net earnings in the first half of 2022 included amortization of identified intangible assets of \$3.6 million (\$2.4 million after-tax) and stock-based compensation expense of \$5.0 million (\$4.6 million after-tax) for the employees from the Prospera subsidiary. These items were recognized within SG&A for the Agriculture segment.

Items of note impacting comparability of results from net earnings in the second quarter and first half of 2021 included:

- charges of \$5.5 million (\$4.4 after-tax) related to a write-off of a receivable following arbitration,
- charges of \$1.6 million (\$1.3 after-tax) related to restructuring activities, and
- charges of \$1.1 million (\$0.8 after-tax) related to acquisition costs.

Macroeconomic Impacts on Financial Results and Liquidity

We continue to monitor several macroeconomic and geopolitical trends, that have impacted our business, including changing conditions from the COVID-19 pandemic, the on-going Russia-Ukraine conflict, inflationary cost pressures, supply chain disruptions, and labor shortages. The effects of COVID-19 and the related actions of governments and other authorities to contain COVID-19 affected and continue to affect the company's operations, results, and cash flows. Our significant manufacturing facilities were open and fully operational as of June 25, 2022.

The ultimate magnitude of COVID-19, including the extent of its impact on the Company's financial and operational results, cash balances and available borrowings on our line of credit, will be determined by the length of time the pandemic continues, its effect on the demand for the Company's products and services and supply chain, as well as the effect of governmental regulations imposed in response to the pandemic.

Change in Reportable Segments

On December 26, 2021, the Company's CODM began to manage the business, allocate resources and evaluate performance based on changes made to the Company's management structure. As a result, the Company has realigned its reportable segment structure. The Company reorganized from a four segment structure previously organized by product category (Utility Structures, Engineered Support Structures, Coatings, and Irrigation) to a two segment reporting structure organized by market dynamics (Infrastructure and Agriculture). All prior period information has been recast to reflect this change in reportable segments. See Note 7 to our Condensed Consolidated Financial Statements for additional information.

Backlog

The backlog of unshipped orders at June 25, 2022 was approximately \$2.0 billion compared with approximately \$1.6 billion at December 25, 2021. The increase is primarily attributed to the receipt of a large purchase order of approximately \$200 million for a large project within our renewable energy product line and \$135 million for a large project within our transmission, distribution, and substation product line. Both of these projects are within the Infrastructure reporting segment. We expect approximately \$1.7 billion of the backlog to be fulfilled within the subsequent 12 months.

Currency Translation

In the second quarter and first half of 2022, we realized an increase in operating income, as compared with 2021, with currency translation effects relatively flat. The breakdown of this effect by segment was as follows:

		<u>Total</u>		<u>Infrastructure</u>		<u>Agriculture</u>		<u>Corporate</u>	
Second quarter	\$		(0.2) \$		(2.1) \$		1.7 \$		0.2
Year-to-date	\$		0.1 \$		(2.5) \$		2.4 \$		0.2

Gross Profit, SG&A, and Operating Income

At a consolidated level, gross profit as a percent of sales was relatively flat in the second quarter of 2022 and decreased slightly in the first half of 2022, as compared with the same periods in 2021, but the amount of gross profit increased due to the higher average selling prices across all product lines more than offsetting higher costs of goods sold across the Company. Amounts of gross profit increased for both reportable segments.

The increase in the second quarter and first half of 2022 SG&A expense over the same periods of 2021 was due to the incremental SG&A from the May 2021 acquisition of Prospera (including intangible asset amortization, stock-based compensation, and research and development costs), higher incentives due to improved operations, and salary merit increases.

The increase in consolidated operating income in the second quarter and first half of 2022, as compared to the same periods of 2021, is primarily due to the increase in average selling prices more than offsetting higher costs of goods sold. This was partially offset by the increase in SG&A year over year.

Net Interest Expense

Interest expense increased in the second quarter and first half of 2022, as compared to the same periods in 2021, due to borrowing on the revolving line of credit.

Other Income/Expenses (including Gain (loss) on Investments - Unrealized)

The change in other income/expenses in the second quarter of 2022, as compared to 2021, was primarily due to a lower pension benefit of \$1.2 million and the change in the valuation of deferred compensation assets, shown as "Gain (loss) on investments - unrealized" on the condensed consolidated statements of earnings, which resulted in lower income of \$3.5 million. The change in other income/expenses in the first half of 2022, as compared to 2021, was primarily due to a lower pension benefit of \$2.2 million and the change in the valuation of deferred compensation assets which resulted in lower income of \$4.5 million. The change related to deferred compensation assets are offset by an opposite change of the same amount in SG&A expense.

Income Tax Expense

Our effective income tax rate in the second quarter and first half of 2022 was 27.6% and 27.2% compared to 19.0% and 20.3% in the second quarter and first half of 2021. The increase in the effective tax rate was primarily due to a change in geographical earnings and the finalization of U.S. tax regulations related to foreign tax credits during 2022. In addition, there was an incremental tax benefit in 2021 driven by a change in the United Kingdom tax rate which did not recur in 2022.

Earnings Attributable to Noncontrolling Interests

Earnings attributable to noncontrolling interests were higher in the second quarter and first half of 2022 as compared to 2021 due to higher net earnings of the subsidiaries Valmont does not own 100%.

Cash Flows from Operations

Our cash flows provided by operations were \$68.0 million in the first half of fiscal 2022, as compared with \$70.2 million provided by operations in the first half of 2021. The operating cash flows in the first half of 2022, as compared with 2021, were comparable as a significant increase in the contribution to the defined benefit pension plan of approximately \$17 million and overall working capital changes were offset by the increase in net earnings.

Infrastructure segment

<u>Infrastructure</u>	Thirteen weeks ended			
	Q2 2022	Q2 2021	Dollar Change	% Change
Sales, gross of intercompany eliminations:				
Transmission, Distribution and Substation	295.8	220.5	75.3	34.1 %
Lighting & Transportation	246.7	215.2	31.5	14.6 %
Coatings	90.3	80.3	10.0	12.5 %
Telecommunications	78.5	54.1	24.4	45.1 %
Renewable Energy	53.6	47.5	6.1	12.8 %
Total	\$ 764.9	\$ 617.6	\$ 147.3	23.9 %
Operating Income	\$ 84.6	\$ 61.6	\$ 23.0	37.3 %

<u>Infrastructure</u>	Twenty-six weeks ended			
	Q2 2022	Q2 2021	Dollar Change	% Change
Sales, gross of intercompany eliminations:				
Transmission, Distribution and Substation	577.4	428.9	148.5	34.6 %
Lighting & Transportation	459.4	391.8	67.6	17.3 %
Coatings	172.3	155.1	17.2	11.1 %
Telecommunications	139.9	99.7	40.2	40.3 %
Renewable Energy	96.6	91.7	4.9	5.3 %
Total	\$ 1,445.6	\$ 1,167.2	\$ 278.4	23.9 %
Operating Income	\$ 162.2	\$ 116.0	\$ 46.2	39.8 %

Net sales in the second quarter and first half of 2022, as compared to 2021, increased for this segment across all of the product lines primarily due to higher average selling prices partially offset by \$15.7 million in second quarter of 2022 and \$23.2 million in the first half of 2022 of unfavorable foreign currency translation effects. From a geography perspective, the increase in sales within North America was much higher than within international markets. The lower reported international sales in 2022, versus 2021, is partially attributed to the appreciation of the U.S. dollar.

Transmission, distribution, and substation sales increased in the second quarter and first half of 2022 as compared with 2021, primarily due to substantially higher average selling prices. This increase in average selling prices is due to a number of our sales contracts in North America containing mechanisms that tie the sales price to published steel index

pricing at the time our customer issues their purchase order. Sales volumes increased modestly in the second quarter and first half of 2022, as compared to 2021.

Lighting and transportation sales increased during the second quarter and first half of 2022, as compared to the same period in fiscal 2021, due to meaningfully higher average selling prices, primarily in North America, from the continuation of realized pricing actions. Sales volumes increased in North America for both the second quarter and first half of 2022 while volumes decreased within international markets during the first half of 2022. Reported international sales also decreased in the second quarter and first half of 2022 due to unfavorable foreign currency translation effects.

Telecommunication sales increased in the second quarter of 2022, as compared with the same periods in 2021, due primarily to considerably higher average selling prices. Sales volumes increased in the first half of 2022, as compared with the same period of 2021 as 5G deployments continue to increase market opportunities across all regions. Average selling prices were higher in the first half of 2022, as compared to 2021.

Coatings sales increased in the second quarter and first half of 2022, as compared to the same periods in 2021, due to higher average selling prices. Renewable energy sales increased in the second quarter and first half of 2022, as compared to 2021, due to improved sales volumes partially offset by unfavorable foreign currency translation effects.

Gross profit was higher in the second quarter and first half of 2022, as compared to 2021. The customer contractual pricing mechanisms and selling price management led to a large increase in average selling prices while maintaining gross profit margins in a highly inflationary environment. The increase in operating income for the second quarter and first half of 2022, as compared with 2021, is due to a 23% increase in gross profit versus an approximately 12% increase in SG&A. The operating income margin increased to 11% in the second quarter of 2022, from 10% in second quarter of 2021, due to better leverage of fixed costs, including SG&A, in 2022.

Agriculture segment

<i>Agriculture</i>	Thirteen weeks ended			
	Q2 2022	Q2 2021	Dollar Change	% Change
Sales, gross of intercompany eliminations:				
North America	203.5	156.0	47.5	30.4 %
International	174.3	125.9	48.4	38.4 %
Total	\$ 377.8	\$ 281.9	\$ 95.9	34.0 %
Operating Income	\$ 58.0	\$ 42.0	\$ 16.0	38.1 %
<i>Agriculture</i>	Twenty-six weeks ended			
	Q2 2022	Q2 2021	Dollar Change	% Change
Sales, gross of intercompany eliminations:				
North America	385.7	278.8	106.9	38.3 %
International	298.6	232.8	65.8	28.3 %
Total	\$ 684.3	\$ 511.6	\$ 172.7	33.8 %
Operating Income	\$ 95.5	\$ 80.7	\$ 14.8	18.3 %

The increase in Agriculture segment net sales in the second quarter and first half of 2022, as compared to 2021, is primarily due to much higher average selling prices of irrigation equipment globally. In North America, higher sales volumes for irrigation systems and parts in 2022, as compared to 2021, were driven by improved agricultural commodity prices. International sales volumes increased in the second quarter of 2022 versus 2021 due to robust demand for irrigation equipment and agriculture solar products in Brazil. Overall lower project sales for the first half of 2022 versus 2021 more than offset the sales growth in the second quarter of 2022 resulting in slightly lower sales volume for international irrigation product line. Sales of technology-related products and services continue to increase, as growers continued adoption of technology to reduce costs and enhance profitability.

The increase in gross profit in 2022, as compared to 2021, is primarily attributed to the meaningfully higher average selling prices which more than offset the amount of inflation within cost of goods sold. SG&A was higher in the second quarter and first half of 2022, as compared to 2021, due to the SG&A from the Prospera subsidiary acquired in the second quarter of 2021, including the amortization of identified intangible assets and stock-based compensation expense. Operating income for the segment was higher in 2022, versus 2021, due to an increase in gross profit margin partially offset by the higher SG&A.

Net corporate expense

Corporate SG&A expense was higher in the second quarter and first half of 2022, as compared to the same periods in 2021, primarily due to higher incentive accruals related to business performance, an increase in rent expense, and higher compensation expense due to salary merit increases, partially offset by \$3.5 million of lower expense from the change in valuation of the deferred compensation plan assets.

Liquidity and Capital Resources

Capital Allocation Philosophy

We have historically funded our growth, capital spending and acquisitions through a combination of operating cash flows and debt financing. The following are the capital allocation/priorities for cash generated:

- working capital and capital expenditure investments necessary for future sales growth;
- dividends on common stock in the range of 20% of the prior year's fully diluted net earnings;
- acquisitions; and
- return of capital to shareholders through share repurchases.

We also announced our intention to manage our capital structure to maintain our investment grade debt rating. Our most recent ratings were Baa3 by Moody's Investors Services, Inc., BBB- by Fitch Ratings, and BBB+ by Standard and Poor's Rating Services. We would be willing to allow our debt rating to fall to BBB- to finance a special acquisition or other opportunity. We expect to maintain a ratio of debt to invested capital which will support our current investment grade debt rating.

The Board of Directors in May 2014 authorized the purchase of up to \$500 million of the Company's outstanding common stock from time to time over twelve months at prevailing market prices, through open market or privately-negotiated transactions. The Board of Directors authorized an additional \$250 million of share purchases, without an expiration date in both February 2015 and again in October 2018. The purchases will be funded from available working capital and short-term borrowings and will be made subject to market and economic conditions. We are not obligated to make any repurchases and may discontinue the program at any time. As of June 25, 2022, we have acquired approximately 6.5 million shares for approximately \$878.0 million under this share repurchase program.

On February 22, 2022, the Company announced that the Board of Directors approved an increase to the quarterly cash dividend on the common stock to \$0.55 per share, or a rate of \$2.20 per share on an annualized basis, an increase of 10% from the prior quarterly cash dividend of \$0.50 per share.

Sources of Financing

Our debt financing at June 25, 2022 consisted primarily of long-term debt and borrowings on our revolving credit facility. Our long-term debt as of June 25, 2022, principally consisted of:

- \$450 million face value (\$437.0 million carrying value) of senior unsecured notes that bear interest at 5.00% per annum and are due in October 2044.
- \$305 million face value (\$297.7 million carrying value) of senior unsecured notes that bear interest at 5.25% per annum and are due in October 2054.

We are allowed to repurchase the notes subject to the payment of a make-whole premium. Both tranches of these notes are guaranteed by certain of our subsidiaries.

Our revolving credit facility with JP Morgan Chase Bank, N.A., as Administrative Agent, and the other lenders party thereto, has a maturity date of October 18, 2026.

The revolving credit facility provides for \$800 million of committed unsecured revolving credit loans with available borrowings thereunder to \$400 million in foreign currencies. We may increase the credit facility by up to an additional \$300 million at any time, subject to lenders increasing the amount of their commitments. The Company and our wholly-owned subsidiaries Valmont Industries Holland B.V. and Valmont Group Pty. Ltd., are authorized borrowers under the credit facility. The obligations arising under the revolving credit facility are guaranteed by the Company and its wholly-owned subsidiaries Valmont Telecommunications, Inc., Valmont Coatings, Inc., Valmont Newmark, Inc., and Valmont Queensland Pty. Ltd.

The interest rate on our borrowings will be, at our option, either:

(a) term SOFR (based on a 1, 3 or 6 month interest period, as selected by the Company) plus a 10 basis point adjustment plus a spread of 100 to 162.5 basis points, depending on the credit rating of the Company's senior, unsecured, long-term debt published by Standard & Poor's Rating Services and Moody's Investors Service, Inc.;

(b) the higher of

- the prime lending rate,
- the overnight bank rate plus 50 basis points, and
- term SOFR (based on a 1 month interest period) plus 100 basis points,

plus, in each case, 0 to 62.5 basis points, depending on the credit rating of our senior, unsecured, long-term debt published by Standard & Poor's Rating Services and Moody's Investors Service, Inc.; or

(c) daily simple SOFR plus a 10 basis point adjustment plus a spread of 100 to 162.5 basis points, depending on the credit rating of the Company's senior, unsecured, long-term debt published by Standard & Poor's Rating Services and Moody's Investors Service, Inc.

A commitment fee is also required under the revolving credit facility which accrues at 10 to 25 basis points, depending on the credit rating of our senior, unsecured long-term debt published by Standard and Poor's Rating Services and Moody's Investor Services, Inc., on the average daily unused portion of the commitments under the revolving credit agreement.

At June 25, 2022 and December 25, 2021, we had outstanding borrowings of \$265.6 million and \$218.9 million, respectively, under the revolving credit facility. The revolving credit facility has a maturity date of October 18, 2026 and contains a financial covenant that may limit our additional borrowing capability under the agreement. At June 25, 2022, we had the ability to borrow \$534.4 million under this facility, after consideration of standby letters of credit of \$0.2 million associated with certain insurance obligations. We also maintain certain short-term bank lines of credit totaling \$138.2 million; \$133.8 million of which was unused at June 25, 2022.

Our senior, unsecured notes and revolving credit agreement each contain cross-default provisions which permit the acceleration of our indebtedness to them if we default on other indebtedness that results in, or permits, the acceleration of such other indebtedness.

The revolving credit facility requires maintenance of a financial leverage ratio, measured as of the last day of each of our fiscal quarters, of 3.50:1 or less. The leverage ratio is the ratio of: (a) interest-bearing debt minus unrestricted cash in excess of \$50 million (but not exceeding \$500 million); to (b) adjusted EBITDA. The debt agreements provide a modification of the definition of "EBITDA" to add-back any non-cash stock-based compensation in any trailing twelve month period and allow for an adjustment to EBITDA, subject to certain limitations, for non-cash charges or gains that are non-recurring in nature. The leverage ratio is permitted to increase from 3.50:1 to 3:75:1 for the four consecutive fiscal quarters after certain material acquisitions.

The amended and restated revolving credit agreement also contains customary affirmative and negative covenants or credit facilities of this type, including, among others, limitations on us and our subsidiaries with respect to indebtedness, liens, mergers and acquisitions, investments, dispositions of assets, restricted payments, transactions with affiliates and prepayments of indebtedness. The amended and restated revolving credit agreement also provides for acceleration of the obligations thereunder and exercise of other enforcement remedies upon the occurrence of customary events of default (subject to customary grace periods, as applicable).

At June 25, 2022, we were in compliance with all covenants related to these debt agreements.

The calculation of Adjusted EBITDA-last four quarters and the Leverage ratio are presented in the tables below in Selected Financial Measures.

Cash Uses

Our principal cash requirements include working capital, capital expenditures, payments of principal and interest on our debt, payments of taxes, contributions to pension plan, and, if market conditions warrant, occasional investments in, or acquisitions of, business ventures. In addition, we regularly evaluate our ability to pay dividends or repurchase stock, all consistent with the terms of our debt agreements.

Our businesses are cyclical, but we have diversity in our markets, from a product, customer and a geographical standpoint. We have demonstrated the ability to effectively manage through business cycles and maintain liquidity. We have consistently generated operating cash flows in excess of our capital expenditures. Based on our available credit facilities, recent issuance of senior unsecured notes and our history of positive operational cash flows, we believe that we have adequate liquidity to meet our needs.

We have cash balances of \$154.6 million at June 25, 2022, approximately \$119.7 million is held in our non-U.S. subsidiaries. If we distributed our foreign cash balances certain taxes would be applicable. At June 25, 2022, we have a liability for foreign withholding taxes and U.S. state income taxes of \$3.4 million and \$0.7 million, respectively.

Cash Flows

The following table includes a summary of our cash flow information for the twenty-six weeks ended June 25, 2022 and June 26, 2021:

<i>Dollars in thousands</i>	2022	2021
Cash flow data:		
Net cash flows from operating activities	\$ 68,019	\$ 70,185
Net cash flows from investing activities	(87,811)	(361,398)
Net cash flows from financing activities	570	90,060

Working Capital and Operating Cash Flows-Net working capital was \$1,025.9 million at June 25, 2022, as compared to \$946.9 million at December 25, 2021. The increase in net working capital in 2022 is attributed to an increase in inventory due to the rising commodity prices and an increase in receivables, partially offset by an increase in accounts payable. Cash flow provided by operations was \$68.0 million in the first half of 2022, as compared with \$70.2 million in the

first half of 2021. The operating cash flows in the first half of 2022, as compared with 2021, were comparable as a significant increase in the contribution to the defined benefit pension plan and overall working capital changes were offset by the increase in net earnings.

Investing Cash Flows- Cash used in investing activities totaled \$87.8 million in the first half of 2022, compared to \$361.4 million in the first half of 2021. Investing activities in 2022 primarily included capital spending of \$49.7 million and the acquisition of ConcealFab for \$39.3 million. For the first half of 2021, investing activities primarily included capital spending of \$48.8 million and the acquisition of two businesses for \$312.5 million. We expect our capital expenditures to be in the range of \$110 million to \$120 million for fiscal 2022.

Financing Cash Flows- Our total interest-bearing debt was \$1,003.1 million at June 25, 2022 and \$965.4 million at December 25, 2021. Cash provided in financing activities totaled \$0.6 million in 2022, compared to \$90.1 million in 2021.

The financing cash provided in the first half of 2022 was primarily the result of borrowings on the revolving credit agreement of \$201.5 million; mostly offset by principal payments on our long-term debt and short-term borrowings of \$166.1 million, and dividends paid of \$22.3 million, the purchase of treasury shares of \$9.8 million, and the purchase of a non-controlling interest of \$4.3 million. The financing cash provided for the first half of 2021 was primarily due to borrowings on the revolving credit agreement and short-term borrowings of \$161.3 million; somewhat offset by the principal payments on our long-term debt and short-term borrowings of \$32.4 million, dividends paid of \$20.2 million, and the purchase of treasury shares of \$21.6 million

Guarantor Summarized Financial Information

We are providing the following information in compliance with Rule 3-10 and Rule 13-01 of Regulation S-X with respect to our two tranches of senior unsecured notes. All of the senior notes are guaranteed, jointly, severally, fully and unconditionally (subject to certain customary release provisions, including sale of the subsidiary guarantor, or sale of all or substantially all of its assets) by certain of the Company's current and future direct and indirect domestic and foreign subsidiaries (collectively the "Guarantors"). The Parent is the Issuer of the notes and consolidates all Guarantors.

The financial information of Issuer and Guarantors is presented on a combined basis with intercompany balances and transactions between Issuer and Guarantors eliminated. The Issuer's or Guarantors' amounts due from, amounts due to, and transactions with non-guarantor subsidiaries are separately disclosed.

Combined financial information is as follows:

Supplemental Combined Parent and Guarantors Financial Information
For the thirteen and twenty-six weeks ended June 25, 2022 and June 26, 2021

<i>Dollars in thousands</i>	Thirteen weeks ended		Twenty-six weeks ended	
	June 25, 2022	June 26, 2021	June 25, 2022	June 26, 2021
Net sales	\$ 734,500	\$ 563,833	\$ 1,396,249	\$ 1,031,513
Gross Profit	180,909	147,208	345,268	282,443
Operating income	73,044	51,695	142,137	110,829
Net earnings	46,029	29,750	88,337	66,075
Net earnings attributable to Valmont Industries, Inc.	46,582	29,668	90,525	65,993

Supplemental Combined Parent and Guarantors Financial Information
June 25, 2022 and December 25, 2021

<i>Dollars in thousands</i>	June 25, 2022	December 25, 2021
Current assets	\$ 848,769	\$ 801,797
Noncurrent assets	888,944	807,294
Current liabilities	408,971	383,394
Noncurrent liabilities	1,326,515	1,305,756
Noncontrolling interest in consolidated subsidiaries	1,783	1,844

Included in noncurrent assets is a due from non-guarantor subsidiaries receivable of \$154,905 and \$93,613 at June 25, 2022 and December 25, 2021. Included in noncurrent liabilities is a due to non-guarantor subsidiaries payable of \$195,142 and \$236,577 at June 25, 2022 and December 25, 2021.

Selected Financial Measures

We are including the following financial measures for the company.

Adjusted EBITDA. Earnings before Interest, Taxes, Depreciation and Amortization (Adjusted EBITDA) is one of our key financial ratios in that it is the basis for determining our maximum borrowing capacity at any one time. Our bank credit agreements contain a financial covenant that our total interest-bearing debt not exceed 3.50x Adjusted EBITDA (or 3.75x Adjusted EBITDA after certain material acquisitions) for the most recent four quarters. These bank credit agreements allow us to add estimated EBITDA from acquired businesses for periods we did not own the acquired businesses. The bank credit agreements also provide for an adjustment to EBITDA, subject to certain specified limitations, for non-cash charges or gains that are non-recurring in nature. If this financial covenant is violated, we may incur additional financing costs or be required to pay the debt before its maturity date. Adjusted EBITDA is non-GAAP measure and, accordingly, should not be considered in isolation or as a substitute for net earnings, cash flows from operations or other income or cash flow data prepared in accordance with GAAP or as a measure of our operating performance or liquidity. The calculation of Adjusted EBITDA-last four quarters (June 26, 2021 to June 25, 2022) is as follows:

<i>Dollars in thousands</i>	<u>2022</u>
Net cash flows from operations	\$ 63,772
Interest expense	44,826
Income tax expense	83,880
Impairment of long-lived assets	(27,911)
Deferred income tax (expense) benefit	(6,465)
Noncontrolling interest	(3,255)
Pension plan benefit	12,409
Contribution to pension plan	18,109
Changes in assets and liabilities, net of acquisitions	298,390
Other	(2,242)
EBITDA	<u>\$ 481,513</u>
Impairment of long-lived assets	27,911
Adjusted EBITDA	<u><u>\$ 509,424</u></u>

	<u>2022</u>
Net earnings attributable to Valmont Industries, Inc.	\$ 216,925
Interest expense	44,826
Income tax expense	83,880
Stock based compensation	39,355
Depreciation and amortization expense	96,527
EBITDA	<u>\$ 481,513</u>
Impairment of long-lived assets	27,911
Adjusted EBITDA	<u><u>\$ 509,424</u></u>

EBITDA and Adjusted EBITDA, as presented, may not be comparable to similarly titled measures of other companies. In October 2021, our revolving credit facility was amended to allow the Company to add-back any non-cash stock-based compensation in any trailing twelve month period and allow for an adjustment to EBITDA, subject to certain limitations, for non-cash charges or gains that are non-recurring in nature.

Leverage ratio. Leverage ratio is calculated as the sum of interest-bearing debt minus unrestricted cash in excess of \$50 million (but not exceeding \$500 million); divided by Adjusted EBITDA. The leverage ratio is one of the key financial ratios in the covenants under our major debt agreements and the ratio cannot exceed 3.5 (or 3.75x after certain material acquisitions) for any reporting period (four quarters). If those covenants are violated, we may incur additional financing costs or be required to pay the debt before its maturity date. Leverage ratio is a non-GAAP measure and, accordingly, should not be considered in isolation or as a substitute for net earnings, cash flows from operations or other income or cash flow data prepared in accordance with GAAP or as a measure of our operating performance or liquidity.

The calculation of this ratio at June 25, 2022 is as follows:

<i>Dollars in thousands</i>	<u>2022</u>
Interest-bearing debt	\$ 1,003,093
Less: Cash and cash equivalents in excess of \$50 million	104,579
Net indebtedness	<u>\$ 898,514</u>
Adjusted EBITDA	509,424
Leverage Ratio	1.76

Leverage ratio, as presented, may not be comparable to similarly titled measures of other companies.

Financial Obligations and Financial Commitments

There have been no material changes to our financial obligations and financial commitments as described on page 29 in our Form 10-K for the fiscal year ended December 25, 2021.

Critical Accounting Policies

There were no changes in our critical accounting policies as described on pages 34-37 in our Form 10-K for the fiscal year ended December 25, 2021 during the three months ended June 25, 2022.

Item 3. Quantitative and Qualitative Disclosures about Market Risk

There were no material changes in the company's market risk during the quarter ended June 25, 2022. For additional information, refer to the section "Risk Management" in our Form 10-K for the fiscal year ended December 25, 2021.

Item 4. Controls and Procedures

The Company carried out an evaluation under the supervision and with the participation of the Company's management, including the Company's Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of the Company's disclosure controls and procedures pursuant to Securities Exchange Act Rule 13a-15. Based upon that evaluation, the Chief Executive Officer and Chief Financial Officer concluded that, as of the end of the period covered by this report, the Company's disclosure controls and procedures are effective to provide reasonable assurance that information required to be disclosed by the Company in the reports the Company files or submits under the Securities Exchange Act of 1934 is (1) accumulated and communicated to management, including the Company's Chief Executive Officer and Chief Financial Officer, to allow timely decisions regarding required disclosures and (2) recorded, processed, summarized and reported, within the time periods specified in the Commission's rules and forms.

No changes in the Company's internal control over financial reporting occurred during the quarter covered by this report that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1A. Risk Factors

There have been no material changes from risk factors previously disclosed in the Company's most recent Annual Report on Form 10-K. See the discussion of the Company's risk factors under Part I, Item 1A in each of the Company's Annual Report on Form 10-K for the fiscal year ended December 25, 2021.

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

Issuer Purchases of Equity Securities

Period	Total Number of Shares Purchased	Average Price paid per share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Approximate Dollar Value of Maximum Number of Shares that may yet be Purchased under the Program (1)
March 27, 2022 to April 23, 2022	—	\$ —	—	\$ 121,862,000
April 24, 2022 to May 28, 2022	38,804	251.93	38,804	112,086,000
May 29, 2022 to June 25, 2022	—	—	—	112,086,000
Total	38,804	\$ 251.93	38,804	\$ 112,086,000

(1) On May 13, 2014, we announced a new capital allocation philosophy which included a share repurchase program. Specifically, the Board of Directors authorized the purchase of up to \$500 million of the Company's outstanding common stock from time to time over twelve months at prevailing market prices, through open market or privately-negotiated transactions. On February 24, 2015 and again on October 31, 2018, the Board of Directors authorized an additional purchase of up to \$250 million of the Company's outstanding common stock with no stated expiration date bringing total authorization to \$1.0 billion. As of June 25, 2022, we have acquired 6,514,210 shares for approximately \$887.9 million under this share repurchase program.

Item 5. Other Information

Amendment to Bylaws

On July 26, 2022, the Board of Directors of Valmont approved amendments to Article II, Section 7 of Valmont's bylaws. The bylaw amendment affirms electronic transmission by members of the Board of Directors pursuant to Delaware law.

Item 6. Exhibits

(a) Exhibits	Exhibit No.	Description
	3.1	The Company's By-Laws, as amended.
	22.1	List of Issuer and Guarantor Subsidiaries. This document was filed as Exhibit 22.1 to the Company's Quarterly Report on Form 10-Q (Commission file number 001-31429) for the quarter ended September 25, 2021 and is incorporated herein by reference.
	31.1 *	Section 302 Certificate of Chief Executive Officer
	31.2 *	Section 302 Certificate of Chief Financial Officer
	32.1 *	Section 906 Certifications of Chief Executive Officer and Chief Financial Officer
	101	The following financial information from Valmont's Quarterly Report on Form 10-Q for the quarter ended June 25, 2022, formatted in Inline XBRL (eXtensible Business Reporting Language): (i) the Condensed Consolidated Statements of Earnings, (ii) the Condensed Consolidated Statements of Comprehensive Income, (iii) the Condensed Consolidated Balance Sheets, (iv) the Condensed Consolidated Statements of Cash Flows, (v) the Condensed Consolidated Statements of Shareholders' Equity, (vi) Notes to Condensed Consolidated Financial Statements and (vii) document and entity information.
	104	Cover Page Interactive File (formatted as Inline XBRL and contained in Exhibit 101)

* Filed herewith

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 and by the undersigned hereunto duly authorized.

VALMONT INDUSTRIES, INC.
(Registrant)

/s/ AVNER M. APPLBAUM

Avner M. Applbaum
Executive Vice President and Chief Financial Officer

Dated the 27th day of July, 2022.

BYLAWS
OF
VALMONT INDUSTRIES, INC.
ARTICLE I

Section 1. Annual Meeting. The annual meeting of the stockholders shall be held on a date and at an hour determined by the Board of Directors, for the purpose of electing directors and for the transaction of such other business as may come before the meeting.

Section 2. Special Meetings. Special meetings of the stockholders, for any purpose or purposes, may be called at any time by the President of this Corporation, who shall call the same upon demand in writing being made upon such person by a majority of the directors of the Corporation.

Section 3. Place of Meetings. The Board of Directors may designate any place, either within or without the State of Delaware as the place of meeting for any annual meeting or for any special meeting called by the Board of Directors.

Section 4. Notice of Meeting. Notice of a meeting of stockholders stating the place, day and hour of the meeting and, in the case of a special meeting, the purpose or purposes for which the meeting is called, shall be given not less than ten nor more than sixty days before the date of the meeting by or at the direction of the President or the Secretary to each stockholder of record entitled to vote at such meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail, addressed to the stockholder at the stockholder's address as it appears on the stock transfer books of the Corporation, with postage thereon prepaid. Only such business shall be conducted at a special meeting of stockholders as shall have been brought before the meeting pursuant to the notice of meeting. Any previously scheduled meeting of the stockholders may be postponed, and (unless the Certificate of Incorporation otherwise provides) any special meeting of the stockholders may be cancelled, by resolution of the Board of Directors upon public notice given prior to the date previously scheduled for such meeting of stockholders.

Section 5. Record Date. For the purpose of determining stockholders entitled to notice of or to vote at any meeting of stockholders or any adjournment thereof, or stockholders entitled to receive payment of any dividend, or in order to make a determination of stockholders for any other purpose, the Board of Directors of the Corporation shall fix in advance a date as the record date for any such determination of stockholders, such date in any case to be not less than ten days nor more than sixty days prior to the date on which the particular action requiring such determination of stockholders is to be taken. If no record date is fixed for the determination of stockholders entitled to notice of or to vote at a meeting of stockholders, or stockholders entitled to receive payment of a dividend, the date on which notice of the meeting is mailed or the date on which the resolution of the Board of Directors declaring such dividend is adopted, as the case may be, shall be the record date for such determination of stockholders. When a determination of stockholders entitled to vote at any meeting of stockholders has been made as provided in this section, such determination shall apply to any adjournment thereof.

Section 6. Voting Lists. The officer or agent having charge of the stock transfer books for shares of the Corporation shall make, at least ten days before each meeting of stockholders, a

complete list of the stockholders entitled to vote at such meeting, or any adjournment thereof, arranged in alphabetical order, with the address of and the number of shares held by each, which list, for a period of ten days prior to such meeting, shall be kept on file at the registered office of the Corporation and shall be subject to inspection by any stockholder at any time during usual business hours. Such list shall also be produced and kept open at the time and place of the meeting and shall be subject to the inspection of any stockholder during the whole time of the meeting. The original stock transfer book shall be prima facie evidence as to who are the stockholders entitled to examine such list or transfer books or to vote at any meeting of stockholders.

Section 7. Quorum. A majority of the outstanding shares of the Corporation entitled to vote, represented in person or by proxy, shall constitute a quorum at a meeting of stockholders. If less than a majority of the outstanding shares are represented at a meeting, the Chairman or a majority of the shares so represented may adjourn the meeting from time to time without further notice. At such adjourned meeting at which a quorum shall be present or represented, any business may be transacted which might have been transacted at the meeting as originally notified. The stockholders present at a duly organized meeting may continue to transact business until adjournment, notwithstanding the withdrawal of enough stockholders to leave less than a quorum.

Section 8. Proxies; Voting. At all meetings of stockholders, a stockholder may vote by proxy. Such proxy shall be filed with the Secretary of the Corporation before or at the time of the meeting. No proxy shall be valid after eleven months from the date of its execution, unless otherwise provided in the proxy.

Section 9. Voting of Shares. In each meeting of stockholders except as otherwise provided by statute or the Certificate of Incorporation, every holder of record of stock entitled to vote shall be entitled to one vote in person or by proxy for each share of such stock standing in such holder's name on the records of the Corporation. All matters shall, unless otherwise provided by the Certificate of Incorporation, these By-Laws, the rules or regulations of NASD or any stock exchange applicable to Valmont, as otherwise provided by law or pursuant to any regulation applicable to Valmont or its securities, be decided by the affirmative vote of the holders of a majority of the shares of stock of Valmont which are present in person or by proxy and entitled to vote thereon.

Section 10. Voting of Shares by Certain Holders. Shares standing in the name of another corporation may be voted by such officer, agent or proxy as the Bylaws of such corporation may prescribe, or, in the absence of such provision, as the Board of Directors of such corporation may determine.

Shares held by an administrator, executor, guardian or conservator may be voted by such person, either in person or by proxy, without a transfer of such shares into such person's name. Shares standing in the name of a trustee may be voted by such person, either in person or by proxy, but no trustee shall be entitled to vote shares held without a transfer of such shares into such trustee's name.

Shares standing in the name of a receiver may be voted by such receiver, and shares held by or under the control of a receiver may be voted by such receiver without the transfer thereof into such receiver's name if authority so to do be contained in an appropriate order of the court by which such receiver was appointed.



A stockholder whose shares are pledged shall be entitled to vote such shares until such shares have been transferred into the name of the pledgee, and thereafter the pledgee shall be entitled to vote the shares so transferred. Shares of its own stock belonging to the Corporation or held by it in a fiduciary capacity shall not be voted, directly or indirectly, at any meeting, and shall not be counted in determining the total number of outstanding shares at any given time. Nothing herein shall be construed as limiting the right of Valmont to vote stock, including but not limited to its own stock, held by it in a fiduciary capacity.

Section 11. Notice of Stockholder Business. At an annual meeting of the stockholders, only such business shall be conducted as shall have been brought before the meeting (a) by or at the direction of the Board of Directors or (b) by any stockholder of Valmont who was a stockholder of record at the time of giving of notice provided for in Section 4, who is entitled to vote at the meeting and who complies with the notice procedures set forth in this Section 11. For business to be properly brought before an annual meeting by a stockholder, a stockholder must have given timely notice thereof in writing to the Secretary of Valmont and such business must otherwise be a proper matter for stockholder action. To be timely, a stockholder's notice must be delivered to or mailed and received at the principal executive offices of Valmont, not less than 90 nor more than 120 days prior to the first anniversary of the preceding year's annual meeting; provided, however, that in the event the date of the annual meeting is advanced by more than 30 days, or delayed by more than 60 days, from such anniversary date, notice by the stockholder to be timely must be so delivered or mailed and received not earlier than the 120th day prior to such annual meeting and not later than the close of business on the later of the 90th day prior to such annual meeting or the tenth day following the date on which public announcement of the date of such meeting is first made. In no event shall the public announcement of an adjournment or postponement of an annual meeting commence a new time period (or extend any time period) for the giving of a stockholder's notice as described above. A stockholder's notice to the Secretary shall set forth as to each matter the stockholder proposes to bring before the annual meeting (a) a description of the business desired to be brought before the annual meeting, the text of the proposal or business (including the text of any resolutions proposed for consideration and in the event that such business includes a proposal to amend the By-Laws of Valmont, the language of the proposed amendment), and the reasons for conducting such business at the annual meeting, (b) the name and address, as they appear on Valmont's books, of the stockholder proposing such business, and the name and address of the beneficial owner, if any, on whose behalf the proposal is made, (c) (i) the class or series and number of shares of Valmont which are, directly or indirectly, owned beneficially and of record by such stockholder and such beneficial owner, (ii) any option, warrant, convertible security, stock appreciation right, or similar right with an exercise or conversion privilege or a settlement payment or mechanism at a price related to any class or series of shares of Valmont or with a value derived in whole or in part from the value of any class or series of shares of Valmont, whether or not such instrument or right shall be subject to settlement in the underlying class or series of capital stock of Valmont or otherwise (a "Derivative Instrument") directly or indirectly owned beneficially by such stockholder and any other direct or indirect opportunity to profit or share in any profit derived from any increase or decrease in the value of shares of Valmont, (iii) any proxy, contract arrangement, understanding, or relationship pursuant to which such stockholder has a right to vote any shares of any security of Valmont, (iv) any short interest in any security of Valmont (for purposes of this Bylaw a person shall be deemed to have a short interest in a security if such person directly or indirectly, through any contract, arrangement, understanding, relationship or otherwise, has the opportunity to profit or share in any profit derived from any decrease in the value of the subject security), (v) any rights to dividends on the shares of Valmont owned beneficially by such stockholder that are separated or separable from the underlying shares of Valmont, (vi) any proportionate interest in shares of Valmont or Derivative Instruments held, directly or indirectly, by a general or limited partnership in which

such stockholder is a general partner or, directly or indirectly, beneficially owns an interest in a general partner and (vii) any performance-related fees (other than an asset-based fee) that such stockholder is entitled to based on any increase or decrease in the value of shares of Valmont or Derivative Instruments, if any, as of the date of such notice, including without limitation any such interests held by members of such stockholder's immediate family sharing the same household (which information shall be supplemented by such stockholder and beneficial owner, if any, not later than 10 days after the record date for the meeting to disclose such ownership as of the record date), (d) any material interest of the stockholder and beneficial owner, if any, in such business, (e) a representation that the stockholder is a holder of record of stock of Valmont entitled to vote at such meeting and intends to appear in person or by proxy at the meeting to propose such business and (f) a representation whether the stockholder or the beneficial owner, if any, intends or is part of a group which intends to (i) deliver a proxy statement and/or form of proxy to holders of at least the percentage of Valmont's outstanding capital stock required to approve or adopt the proposal and/or (ii) otherwise solicit proxies from stockholders in support of such proposal. Notwithstanding anything in the Bylaws to the contrary, no business shall be conducted at an annual meeting except in accordance with the procedures set forth in this Section 11. The Chairman of an annual meeting shall, if the facts warrant, determine and declare to the meeting that business was not properly brought before the meeting in accordance with the provisions of this Section 11, and if the Chairman should so determine, shall so declare to the meeting and any such business not properly brought before the meeting shall not be transacted.

Section 12. Notice of Director Nominees at an Annual Meeting. Only persons who are nominated with the procedures set forth in these Bylaws shall be eligible for election as directors. Nominations of persons for election to the Board of Directors of Valmont may be made at an annual meeting of stockholders (a) by or at the direction of the Board of Directors or (b) by any stockholder of Valmont who was a stockholder of record at the time of giving of notice provided for in Section 4, who is entitled to vote at the annual meeting and who complies with the notice procedures set forth in this Section 12. Such nominations, other than those made by or at the direction of the Board of Directors, shall be made pursuant to timely notice in writing to the Secretary of Valmont. To be timely, a stockholder's notice shall be delivered to or mailed and received at the principal executive offices of Valmont not less than 90 nor more than 120 days prior to the first anniversary of the preceding year's annual meeting; provided, however, that in the event the date of the annual meeting is advanced by more than 30 days, or delayed by more than 60 days, from such anniversary date, notice by the stockholder to be timely must be so delivered or mailed and received not earlier than the 120th day prior to such annual meeting and not later than the close of business on the later of the 90th day prior to such annual meeting or the tenth day following the date on which public announcement of the date of such meeting is first made. In no event shall the public announcement of an adjournment or postponement of an annual meeting commence a new time period (or extend any time period) for the giving of a stockholder's notice as described above. Such stockholder's notice shall set forth (a) as to each person whom the stockholder proposes to nominate for election or re-election as a director, all information relating to such person that is required to be disclosed in solicitations of proxies for election of directors, or is otherwise required, in each case pursuant to Regulation 14A under the Securities Exchange Act of 1934, as amended (including such person's written consent to be named as a nominee and to serving as the director if elected), and (b) as to the stockholder giving the notice and the beneficial owner, if any, on whose behalf the nomination is made, (i) the name and address, as they appear on Valmont's books, of such stockholder and the name and address of the beneficial owner, if any, (ii) (A) the class or series and number of shares of Valmont which are, directly or indirectly, owned beneficially and of record by such stockholder and such beneficial owner, (B) any option, warrant, convertible security, stock appreciation right, or similar right with an exercise or conversion privilege or a settlement payment or mechanism

at a price related to any class or series of shares of Valmont or with a value derived in whole or in part from the value of any class or series of shares of Valmont, whether or not such instrument or right shall be subject to settlement in the underlying class or series of capital stock of Valmont or otherwise (a "Derivative Instrument") directly or indirectly owned beneficially by such stockholder and any other direct or indirect opportunity to profit or share in any profit derived from any increase or decrease in the value of shares of Valmont, (C) any proxy, contract arrangement, understanding, or relationship pursuant to which such stockholder has a right to vote any shares of any security of Valmont, (D) any short interest in any security of Valmont (for purposes of this Bylaw a person shall be deemed to have a short interest in a security if such person directly or indirectly, through any contract, arrangement, understanding, relationship or otherwise, has the opportunity to profit or share in any profit derived from any decrease in the value of the subject security), (E) any rights to dividends on the shares of Valmont owned beneficially by such stockholder that are separated or separable from the underlying shares of Valmont, (F) any proportionate interest in shares of Valmont or Derivative Instruments held, directly or indirectly, by a general or limited partnership in which such stockholder is a general partner or, directly or indirectly, beneficially owns an interest in a general partner and (G) any performance-related fees (other than an asset-based fee) that such stockholder is entitled to based on any increase or decrease in the value of shares of Valmont or Derivative Instruments, if any, as of the date of such notice, including without limitation any such interests held by members of such stockholder's immediate family sharing the same household (which information shall be supplemented by such stockholder and beneficial owner, if any, not later than 10 days after the record date for the meeting to disclose such ownership as of the record date), (iii) a representation that the stockholder is a holder of record of stock of Valmont entitled to vote at such meeting and intends to appear in person or by proxy at the meeting to propose such nomination, and (iv) a representation whether the stockholder or the beneficial owner, if any, intends or is part of a group which intends to (a) deliver a proxy statement and/or form of proxy to holders of at least the percentage of Valmont's outstanding capital stock required to elect the nominee and/or (b) otherwise solicit proxies from stockholders in support of such nomination. At the request of the Board of Directors any person nominated by the Board of Directors for election as a director shall furnish to the Secretary of Valmont that information required to be set forth in a stockholder's notice of nomination which pertains to the nominee. No person shall be eligible for election as a director of Valmont unless nominated in accordance with the procedures set forth in the Bylaws. The Chairman of the meeting shall, if the facts warrant, determine and declare to the meeting that a nomination was not made in accordance with the procedures prescribed by the Bylaws, and if the Chairman should so determine, shall so declare to the meeting and the defective nomination shall be disregarded.

Section 13. Notice of Director Nominees at a Special Meeting. Only such business shall be conducted at a special meeting of stockholders as shall have been brought before the meeting pursuant to Valmont's notice of meeting. Nominations of persons for election to the Board of Directors may be made at a special meeting of stockholders at which directors are to be elected pursuant to Valmont's notice of meeting (a) by or at the direction of the Board of Directors or (b) provided that the Board of Directors has determined that directors shall be elected at such meeting, by any stockholder of Valmont who is a stockholder of record at the time of giving of notice provided for in Section 4, who shall be entitled to vote at the special meeting and who complies with the notice procedures set forth in Section 12. In the event Valmont calls a special meeting of stockholders for the purpose of electing one or more directors to the Board of Directors, any such stockholder may nominate a person or persons (as the case may be), for election to such position(s) as specified in Valmont's notice of meeting, if the stockholder's notice required by Section 12 shall be delivered to the Secretary at the principal executive offices of Valmont not earlier than the close of business on the 120th day prior to such special meeting and not later than the close of business on the later of the 90th day prior to such special

meeting or the 10th day following the day on which public announcement is first made of the date of the special meeting and of the nominees proposed by the Board of Directors to be elected at such meeting. In no event shall the public announcement of an adjournment or postponement of a special meeting commence a new time period (or extend any time period) for the giving of a stockholder's notice as described above.

Section 14. Inspectors of Elections. The Board of Directors by resolution shall appoint one or more inspectors, which inspector or inspectors may include individuals who serve Valmont in other capacities, including, without limitation, as officers, employees, agents or representatives, to act at the meetings of stockholders and make a written report thereof. One or more persons may be designated as alternate inspectors to replace any inspector who fails to act. If no inspector or alternate has been appointed to act or is able to act at a meeting of stockholders, the Chairman of the meeting shall appoint one or more inspectors to act at the meeting. Each inspector, before discharging his or her duties, shall take and sign an oath faithfully to execute the duties of inspector with strict impartiality and according to the best of his or her ability. The inspectors shall have the duties prescribed by law.

Section 15. Conduct of Meetings. The date and time of the opening and the closing of the polls for each matter upon which the stockholders will vote at a meeting shall be announced at the meeting by the person presiding over the meeting. The Board of Directors may adopt by resolution such rules and regulations for the conduct of the meeting of stockholders as it shall deem appropriate. Except to the extent inconsistent with such rules and regulations as adopted by the Board of Directors, the Chairman of any meeting of stockholders shall have the right and authority to convene and to adjourn the meeting, to prescribe such rules, regulations and procedures and to do all such acts, as in the judgment of such Chairman, are appropriate for the proper conduct of the meeting. Unless and to the extent determined by the Board of Directors or the Chairman of the meeting, meetings of stockholders shall not be required to be held in accordance with the rules of parliamentary procedure.

Section 16. Required Vote for Election of Directors. Each director shall be elected by the vote of the majority of the votes cast with respect to that director's election at any meeting for the election of directors at which a quorum is present; provided, if the number of persons properly nominated to serve as directors exceeds the number of directors to be elected, then each director of the corporation shall be elected by the vote of a plurality of the shares present in person or by proxy at the meeting and entitled to vote on the election of directors. For purposes of this By-Law, a majority of votes cast shall mean that the number of shares voted "for" a director's election exceeds 50% of the number of votes cast with respect to the director's election; votes cast shall include votes to withhold authority and exclude abstentions with respect to the director's election.

If a nominee for director is not elected and the nominee is an incumbent director, the director shall promptly tender his or her resignation to the Board of Directors, subject to acceptance by the Board of Directors. The Governance and Nominating Committee will make a recommendation to the Board of Directors as to whether to accept or reject the tendered resignation, or whether other action should be taken. The Board of Directors will act on the tendered resignation, taking into account the Governance and Nominating Committee's recommendation, and publicly disclose (by a press release, a filing with the Securities and Exchange Commission or other broadly disseminated means of communication) its decision regarding the tendered resignation and the rationale behind the decision within 90 days from the date of certification of the election results. The Governance and Nominating Committee in making its recommendation and the Board of Directors in making its decision may each consider any factors or other information that they consider appropriate and relevant. The director who

tenders his or her resignation will not participate in the recommendation of the Governance and Nominating Committee or the decision of the Board of Directors with respect to his or her resignation.

If a director's resignation is accepted by the Board of Directors pursuant to this By-Law, or if a nominee for director is not elected and the nominee is not an incumbent director, then the Board of Directors may fill the resulting vacancy pursuant to the provisions of Section 8 of Article II of these By-Laws or may decrease the size of the Board of Directors pursuant to the provisions of Section 2 of Article II of these By-Laws.

ARTICLE II

BOARD OF DIRECTORS

Section 1. General Powers. The business and affairs of the Corporation shall be managed by its Board of Directors. In addition to the powers and authorities by these By-Laws expressly conferred upon them, the Board of Directors may exercise all such powers of Valmont and do all such lawful acts and things as are not by statute or by the Certificate of Incorporation or by these By-Laws required to be exercised or done by the stockholders.

Section 2. Number, Tenure and Qualifications. The number of directors of the Corporation shall be fixed by resolution of the Board of Directors, and may be altered from time to time by a majority vote of the members of the Board of Directors present at any regular or special meeting of the Board. The directors shall be divided into three classes: Class I, Class II and Class III, each such class, as nearly as possible, to have the same the number of directors. At each annual election of directors by the stockholders of Valmont, the directors chosen to succeed those whose terms are then expired shall be identified as being of the same class as the directors they succeed and shall be elected by the stockholders of Valmont for a term expiring at the third succeeding annual election of directors, or thereafter when their respective successors in each case are elected by the stockholders and qualify.

Section 3. Regular Meetings. A regular meeting of the Board of Directors shall be held on the same date as the annual meeting of stockholders. The Board of Directors may provide, by resolution, the time and place, either within or without the State of Delaware, for the holding of additional regular meetings.

Section 4. Special Meetings. Special meetings of the Board of Directors may be called by or at the request of the President or a majority of the board of directors. The person or persons authorized to call the special meetings of the Board of Directors may fix any place, either within or without the State of Delaware, as the place for holding any special meeting of the Board of Directors called by them.

Section 5. Notice. Notice of any special meeting shall be given at least two days in advance thereof. Notices of meetings of the Board of Directors may be given by mail or may (and, if three or fewer days notice is given, shall) be given by telegram, telephone, personal delivery, telecopier or other means of electronic transmission. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail so addressed, with postage thereon prepaid. If notice be given by telegram such notice shall be deemed to be delivered when transmitted. Any director may waive notice of any meeting. The attendance of a director at a meeting shall constitute a waiver of notice of such meeting, except where a director attends a meeting for the express purpose of objecting to the transaction of any business because the

meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Board of Directors need be specified in the notice or waiver of notice of such meeting.

Section 6. Quorum. A majority of the number of directors fixed in accordance with Section 2 of this Article II shall constitute a quorum for the transaction of business at any meeting of the Board of Directors, but if less than such majority is present at a meeting, a majority of the directors present may adjourn the meeting from time to time without further notice.

Section 7. Manner of Acting. Except as otherwise required by applicable law, the act of the majority of the directors present at a meeting at which a quorum is present shall be the act of the Board of Directors. Any action required or permitted to be taken at any meeting of the Board of Directors, or a committee of the Board, may be taken without a meeting if all the members of the board or committee, as the case may be, consent thereto in writing, or by electronic transmission, and such consent is filed with the minutes of the proceedings. A consent in lieu of meeting may be made either by one consent by all the directors or by individual consents by each director. The board, or any committees may also meet by means of conference telephone or similar communications equipment as provided by Delaware law.

Section 8. Vacancies. Vacancies and newly created directorships resulting from any increase in the authorized number of directors may be filled by the affirmative vote of the majority of the remaining directors though less than a quorum of the Board of Directors. Directors so chosen shall hold office for a term expiring at the annual meeting of stockholders at which the term of office of the class to which they have been elected expires and until such director's successor shall have been duly elected and qualified. No decrease in the number of authorized directors constituting the full Board of Directors shall shorten the term of any incumbent director.

Section 9. Compensation. By resolution of the Board of Directors, the directors may be paid their expenses, if any, of attendance at each meeting of the Board of Directors, and may be paid a fixed sum for attendance at each meeting of the Board of Directors or a stated salary as director. No such payment shall preclude any director from serving the Corporation in any other capacity and receiving compensation therefore.

Section 10. Presumption of Assent. A director of the Corporation who is present at a meeting of the Board of Directors at which action on any corporate matter is taken shall be presumed to have assented to the action taken unless a dissent shall be entered into the minutes of the meeting or unless such person shall file a written dissent to such action with the person acting as the Secretary of the meeting before the adjournment thereof or shall forward such dissent by registered mail to the Secretary of the Corporation immediately after the adjournment of the meeting. Such right to dissent shall not apply to a director who voted in favor of such action.

Section 11. Committees. The Board of Directors may in its discretion, by resolution passed by a majority of the whole Board, designate from among its members one or more committees which shall consist of two or more directors. The Board may designate one or more directors as alternate members of any such committee who may replace any absent or disqualified member at any meeting of the committee. Except as otherwise required by applicable law, such committees shall have and may exercise such powers as shall be conferred or authorized by the resolution appointing them. A majority of any such committee may determine its action and fix the time and place of its meetings unless the Board of Directors shall otherwise provide. The



Board shall have power at any time to change the membership of any such committee to fill vacancies in it or to dissolve it.

Section 12. Executive Committee. There may be an Executive Committee of the Board of Directors consisting of directors chosen by the Board.

The Executive Committee shall have power to take any and all action which the Board of Directors might itself have the legal power to take at any time between meetings of the Board of Directors; provided, however, that such Committee shall not have the power to take action on any of the following matters, the exclusive power to deal with which is reserved to the Board of Directors: filling of vacancies on the Board of Directors or Executive Committee; fixing of compensation of officers; approval of any borrowings by the Corporation which involve the issuance of securities having a maturity of longer than one year from the date of issue or which involve the creation of any mortgages, liens, pledges or other encumbrances on any substantial portion of the corporate assets; approval of any amendment to the Certificate of Incorporation or Bylaws; approval of or recommending to the stockholders any sale, lease or exchange of all or substantially all of the Corporation's property and assets; declaration of a dividend or authorization of an issuance of stock; or approval of a dissolution or liquidation of the Corporation.

ARTICLE III

OFFICERS

Section 1. Number. The officers of the corporation shall be a President, one or more Vice Presidents (the number thereof to be determined by the Board of Directors), a Secretary, and a Treasurer, each of whom shall be elected by the Board of Directors. Such other officers and assistant officers as may be deemed necessary may be elected or appointed by the Board of Directors. Any two or more offices may be held by the same person, except the offices of President and Secretary.

Section 2. Election and Term of Office. The officers of the Corporation to be elected by the Board of Directors shall be elected annually by the Board of Directors at the first meeting of the Board of Directors held after each annual meeting of the stockholders. If the election of officers shall not be held at such meeting, such election shall be held as soon thereafter as conveniently may be. Each officer shall hold office until his successor shall have been duly elected and shall have qualified or until his death or until such person shall resign or shall have been removed in the manner hereinafter provided.

Section 3. Removal. Any officer or agent elected or appointed by the Board of Directors may be removed by the Board of Directors whenever in its judgment the best interests of the Corporation would be served thereby, but such removal shall be without prejudice to the contract rights, if any, of the person so removed.

Section 4. Vacancies. A vacancy in an office because of death, resignation, removal, disqualification or otherwise, may be filled by the Board of Directors for the unexpired portion of the term.

Section 5. President. The President shall be the principal executive officer of the Corporation and, subject to the control of the Board of Directors, shall in general supervise and control all of the business and affairs of the Corporation. The President shall, when present,



preside at all meetings of the stockholders and of the Board of Directors. The President may sign, with the Secretary or any other proper officer of the Corporation thereunto authorized by the Board of Directors, certificates for shares of the Corporation, any deeds, mortgages, bonds, contracts, or other instruments which the Board of Directors has authorized to be executed, except in cases where the signing and execution thereof shall be expressly delegated by the Board of Directors or by these Bylaws to some other officer or agent of the Corporation, or shall be required by law to be otherwise signed or executed; and in general shall perform all duties incident to the office of President and such other duties as may be prescribed by the Board of Directors from time to time.

Section 6. Acting President; Vice Presidents. In the absence of the President, or in the event of his death, inability or refusal to act, the Board of Directors shall select the acting President, who shall perform the duties of the President, and when so acting, shall have all the powers of and be subject to all the restrictions upon the President. Any Vice President may sign, with the Secretary or an Assistant Secretary, certificates for shares of the Corporation and shall perform such other duties as from time to time may be assigned by the President or by the Board of Directors.

Section 7. The Secretary. The Secretary shall: (a) keep the minutes of the stockholders' and of the Board of Directors' meetings in one or more books provided for that purpose; (b) see that all notices are duly given in accordance with the provisions of these Bylaws or as required by law; (c) be custodian of the corporate records and of the seal of the Corporation and see that the seal of the Corporation is affixed to all documents the execution of which on behalf of the Corporation under its seal is duly authorized; (d) keep a register of the post office address of each stockholder which shall be furnished to the Secretary by such stockholder; (e) sign with the President, or a Vice President, certificates for shares of the Corporation, the issuance of which shall have been authorized by resolution of the Board of Directors; (f) have general charge of the stock transfer books of the Corporation; and (g) in general perform all duties incident to the office of Secretary and such other duties as from time to time may be assigned by the President or by the Board of Directors.

Section 8. The Treasurer. If required by the Board of Directors, the Treasurer shall give a bond for the faithful discharge of his duties in such sum and with such surety or sureties as the Board of Directors shall determine. The Treasurer shall: (a) have charge and custody of and be responsible for all funds and securities of the Corporation; receive and give receipts for moneys due and payable to the Corporation from any source whatsoever, and deposit all such moneys in the name of the Corporation in such banks, trust companies or other depositories as shall be selected in accordance with provisions of Article V of these Bylaws; and (b) in general perform all of the duties incident to the office of Treasurer and such other duties as from time to time may be assigned by the President or by the Board of Directors.

Section 9. Assistant Secretaries and Assistant Treasurers. The Assistant Secretaries, when authorized by the Board of Directors, may sign with the President or a Vice President certificates for shares of the Corporation the issuance of which shall have been authorized by a resolution of the Board of Directors. The Assistant Treasurers shall respectively, if required by the Board of Directors, give bonds for the faithful discharge of their duties in such sums and with such sureties as the Board of Directors shall determine. The Assistant Secretaries and Assistant Treasurers, in general, shall perform such duties as shall be assigned to them by the Secretary or the Treasurer, respectively, or by the President or the Board of Directors.

Section 10. Salaries. The salaries of the officers shall be fixed from time to time by the Board of Directors and no officer shall be prevented from receiving such salary by reason of the fact that such person is also a director of the Corporation.

ARTICLE IV

INDEMNIFICATION

Section 1. Actions by Others. Valmont shall indemnify any person who was or is a party to or is threatened to be made a party to any threatened, pending or completed action, suit, or proceeding, whether civil, criminal, administrative, or investigative (other than an action by or in the right of Valmont) by reason of the fact that such person is or was a director, officer, employee or agent of Valmont, or is or was serving at the request of Valmont as a director, officer, employee or agent of another corporation, partnership, joint venture, trust, or other enterprise, against expenses (including attorneys' fees), judgments, fines, and amounts paid in settlement actually and reasonably incurred by such person in connection with such action, suit or proceeding if such person acted in good faith and in a manner such person reasonably believed to be in or not opposed to the best interests of Valmont, and, with respect to any criminal action or proceedings, had no reasonable cause to believe the conduct was criminal. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which such person reasonably believed to be in or not opposed to the best interests of Valmont, and, with respect to any criminal action or proceeding, had reasonable cause to believe that the conduct was criminal.

Section 2. Actions by or in the Right of Valmont. Valmont shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of Valmont to procure a judgment in its favor by reason of the fact that such person is or was a director, officer, employee or agent of Valmont, or is or was serving at the request of Valmont as a director, officer, employee, or agent of another corporation, partnership, joint venture, trust or other enterprise against expenses (including attorneys' fees) actually and reasonably incurred by such person in connection with the defense or settlement of such action or suit if such person acted in good faith and in a manner such person reasonably believed to be in or not opposed to the best interests of Valmont and except that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable to Valmont unless and only to the extent that the Delaware Court of Chancery or the court in which such action or suit was brought shall determine upon application that despite the adjudication of liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which the Delaware Court of Chancery or such other court shall deem proper.

Section 3. Successful Defense. To the extent that a director, officer, employee or agent of Valmont has been successful on the merits or otherwise, including, without limitation, the dismissal of an action without prejudice, in defense of any action, suit or proceeding referred to in Sections 1 and 2 of this Article, or in defense of any claims, issue or matter therein, such person shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by such person in connection therewith.

Section 4. Specific Authorization. Any indemnification under Sections 1 and 2 of this Article (unless ordered by a court) shall be made by Valmont only as authorized in the specific case upon a determination that indemnification of the director, officer, employee or agent is proper in the circumstances because such person has met the applicable standard of conduct set forth in

said Sections 1 and 2. Such determination shall be made: (a) by the Board of Directors by a majority vote of a quorum consisting of directors who were not parties to such action, suit or proceeding; or (b) if such quorum is not obtainable, or, even if obtainable a quorum of disinterested directors so directs, by independent legal counsel in a written opinion; or (c) by the stockholders.

Section 5. Advance of Expenses. Expenses incurred by an elected officer or director in defending a civil or criminal action, suit or proceeding shall be paid by Valmont in advance of the final disposition of such action, suit or proceeding upon receipt of an undertaking by or on behalf of such director or elected officer to repay such amount if it shall ultimately be determined that such person is not entitled to be indemnified by Valmont as authorized in this Article. Such expenses incurred by other officers, employees and agents may be so paid upon such terms and conditions, if any, as the Board of Directors deems appropriate.

Section 6. Right of Indemnity not Exclusive. The indemnification and advancement of expenses provided by or granted pursuant to the Certificate of Incorporation or these Bylaws shall not be deemed exclusive of any other rights to which those seeking indemnification or advancement of expenses may be entitled under any Bylaw, agreement, vote of stockholders or disinterested directors or otherwise, both as to action in his official capacity and as to action in another capacity while holding such office.

Section 7. Insurance. Valmont may purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of Valmont, or is or was serving at the request of Valmont as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against any liability asserted against such person and incurred by such person in any such capacity, or arising out of the status as such, whether or not Valmont would have the power to indemnify such person against such liability under the provisions of this Article, Section 145 of the General Corporation Law of the State of Delaware, or otherwise.

Section 8. Employee Benefit Plan. For purposes of this Article, references to "other enterprises" shall include employee benefit plans; references to "fines" shall include any excise taxes assessed on a person with respect to an employee benefit plan; and references to "serving at the request of Valmont" shall include any service as a director, officer, employee or agent of Valmont which imposes duties on, or involves services by such director, officer, employee or agent with respect to an employee benefit plan, its participants or beneficiaries; and a person who acted in good faith and in a manner such person reasonably believed to be in the interest of the participants and beneficiaries of an employee benefit plan shall be deemed to have acted in a manner "not opposed to the best interests of Valmont" as referred to in this Article.

Section 9. Invalidity of any Provisions of this Article. The invalidity or unenforceability of any provision of this Article shall not affect the validity or enforceability of the remaining provisions of this Article.

Section 10. Continuation of Indemnification. The indemnification and advancement of expenses, to the extent provided by or granted pursuant to this Article, these Bylaws, or the Certificate of Incorporation shall continue as to a person who has ceased to be a director, officer, employee or agent and shall inure to the benefit of the heirs, executors and administrators of such person. All rights to indemnification provided by or granted pursuant to this Article, these Bylaws, or the Certificate of Incorporation shall be deemed to be a contract between Valmont and each director, officer, employee or agent of Valmont who serves or



served in such capacity at any time while this Article IV is in effect. Any repeal or modification of this Article IV shall not in any way diminish any rights or indemnification of such director, officer, employee or agent, or the obligations of Valmont arising hereunder.

Section 11. Certain Claims. Notwithstanding Section 1 and Section 2 of this Article IV, Valmont shall be required to indemnify a person described in the first sentence of Section 1 or Section 2 of this Article IV in connection with an action, suit or proceeding (or part thereof) commenced by such a person only if the commencement of such proceeding (or part thereof) by such person was authorized by the Board of Directors.

ARTICLE V

CONTRACTS, LOANS, CHECKS AND DEPOSITS

Section 1. Contracts. The Board of Directors may authorize any officer or officers, agent or agents, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Corporation, and such authority may be general or confined to specific instances.

Section 2. Loans. No loans shall be contracted on behalf of the Corporation and no evidences of indebtedness shall be issued in its name unless authorized by a resolution of the Board of Directors. Such authority may be general or confined to specific instances.

Section 3. Checks, Drafts, Etc. All checks, drafts or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of the Corporation, shall be signed by such officer or officers, agent or agents of the Corporation and in such manner as shall from time to time be determined by resolution of the Board of Directors.

Section 4. Deposits. All funds of the Corporation not otherwise employed shall be deposited from time to time to the credit of the Corporation in such banks, trust companies or other depositories as the Board of Directors may select.

ARTICLE VI

SHARES AND THEIR TRANSFER

Section 1. Shares. The shares of the Corporation shall be represented by certificates, provided that the Board of Directors of the Corporation may adopt a resolution permitting shares to be uncertificated. Notwithstanding the adoption of any such resolution providing for uncertificated shares, every holder of capital stock of the Corporation theretofore represented by certificates and, upon request, every holder of uncertificated shares, shall be entitled to have a certificate for shares of the Corporation. Such certificates shall be in such form as determined by the Board of Directors, and shall be signed by the President or a Vice President and by the Secretary or an Assistant Secretary. All certificates for shares shall be consecutively numbered or otherwise identified. The name and address of the person owning shares, whether or not represented by certificates, with the number of shares and date of issue, shall be entered on the stock transfer books of the Corporation. All certificates surrendered to the Corporation for transfer shall be canceled and no new certificated or uncertificated shares shall be issued until the former certificate for a like number of shares shall have been surrendered and canceled, except that in the case of a lost, destroyed or mutilated certificate, new certificated or uncertificated shares may be issued therefor upon such terms and indemnity to the Corporation as the Board of Directors may prescribe.



Section 2. Transfer of Shares. Transfer of shares of the Corporation shall be made only on the stock transfer books of the Corporation by the holder of record thereof or by his legal representative, who shall furnish proper evidence of authority to transfer, or by his attorney thereunto authorized by power of attorney duly executed and filed with the Secretary of the Corporation, and, if such shares are certificates, on surrender for cancellation of the certificate for such shares, and if such shares are uncertificated, upon proper instructions from the holder of the uncertificated shares. The person in whose name shares stand on the books of the Corporation shall be deemed by the Corporation to be the owner thereof for all purposes.

ARTICLE VII

FISCAL YEAR

The fiscal year of the Corporation shall end on the last Saturday of December in each year.

ARTICLE VIII

DIVIDENDS

The Board of Directors may, from time to time, declare and the Corporation may pay dividends on its outstanding shares in the manner and upon the terms and conditions provided by law and its Certificate of Incorporation.

ARTICLE IX

SEAL

The Board of Directors shall provide a corporate seal which shall be circular in form and shall have inscribed thereon the name of the Corporation and the state of incorporation and the words, "Corporate Seal."

ARTICLE X

WAIVER OF NOTICE

Whenever any notice is required to be given to any stockholders or directors of the Corporation under the provisions of these Bylaws or under the provisions of the Certificate of Incorporation or under the provisions of the General Corporation Law of the State of Delaware, a waiver thereof in writing, signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice.

ARTICLE XI

AMENDMENTS

These Bylaws may be altered, amended or repealed and new Bylaws may be adopted by the Board of Directors at any regular or special meeting of the Board of Directors.

CERTIFICATION OF THE CHIEF EXECUTIVE OFFICER

I, Stephen G. Kaniewski, certify that:

1. I have reviewed this quarterly report on Form 10-Q for the quarter ended June 25, 2022 of Valmont Industries, 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 officers 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 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 officers 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 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.

/s/ STEPHEN G. KANIEWSKI

Stephen G. Kaniewski
President and Chief Executive Officer

Date: July 27, 2022

CERTIFICATION OF THE CHIEF FINANCIAL OFFICER

I, Avner M. Applbaum, certify that:

1. I have reviewed this quarterly report on Form 10-Q for the quarter ended June 25, 2022 of Valmont Industries, 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 officers 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 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 officers 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 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.

/s/ AVNER M. APPLBAUM

Avner M. Applbaum
Executive Vice President and Chief Financial Officer

Date: July 27, 2022

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

The undersigned, Stephen G. Kaniewski, President and Chief Executive Officer of Valmont Industries, Inc. (the "Company"), has executed this certification in connection with the filing with the Securities and Exchange Commission of the Company's Quarterly Report on Form 10-Q for the quarter ended June 25, 2022 (the "Report").

The undersigned hereby certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, to his knowledge that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

IN WITNESS WHEREOF, the undersigned has executed this certification as of the 27th day of July, 2022.

/s/ STEPHEN G. KANIEWSKI

Stephen G. Kaniewski
President and Chief Executive Officer

CERTIFICATION OF CHIEF FINANCIAL OFFICER**Pursuant to 18 U.S.C. Section 1350, as adopted**

pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

The undersigned, Avner M. Applbaum, Executive Vice President and Chief Financial Officer of Valmont Industries, Inc. (the "Company"), has executed this certification in connection with the filing with the Securities and Exchange Commission of the Company's Quarterly Report on Form 10-Q for the quarter ended June 25, 2022 (the "Report").

The undersigned hereby certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, to his knowledge that:

3. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
4. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

IN WITNESS WHEREOF, the undersigned has executed this certification as of the 27th day of July, 2022.

/s/ AVNER M. APPLBAUM

Avner M. Applbaum
Executive Vice President and Chief Financial Officer