

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 8-K

CURRENT REPORT
Pursuant to Section 13 OR 15(d) of The Securities Exchange Act of 1934

October 23, 2023
Date of Report (date of earliest event reported)

Valmont Industries, Inc.
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of incorporation)

1-31429
(Commission File Number)

47-0351813
(I.R.S. Employer Identification No.)

15000 Valmont Plaza
Omaha NE
(Address of Principal Executive Offices)

68154
(Zip Code)

(402) 963-1000
Registrant's telephone number, including area code

(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, \$1.00 par value	VMI	New York Stock Exchange

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 2.02. Results of Operations and Financial Condition.

Valmont Industries, Inc. issued a press release on October 25, 2023 announcing its financial results for its fiscal quarter ended September 30, 2023. The press release, along with the presentation to be used during its earnings call on October 26, 2023, are furnished with this Form 8-K as Exhibit 99.1 and Exhibit 99.2, respectively.

The information in this Item 2.02 is being furnished and shall not be deemed "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that section. The information in this Item 2.02 shall not be incorporated by reference into any registration statement or other document pursuant to the Securities Act of 1933, as amended.

Item 2.05. Costs Associated with Exit or Disposal Activities.

On October 23, 2023, the board of directors of Valmont authorized an organizational realignment program across the company to streamline segment support and reduce cost. The program, expected to be completed by the end of 2023, provides for a reduction in force, which with a voluntary early retirement program, will reduce this company's workforce by approximately 360 administrative employees (or approximately 3% of its total workforce and 8% of its administrative workforce). The company expects to incur cash charges primarily in the fourth quarter of 2023 in the range of \$33 million to \$36 million.

Item 2.06. Material Impairments.

On October 23, 2023, in connection with its annual testing of goodwill and impairments Valmont concluded under generally accepted accounting principles to recognize impairment charges of \$141 million, which is reflected in the company's reporting for the third quarter of 2023. The non-cash charges primarily relate to the Agricultural Technology reporting unit of the company's Agriculture segment due to significantly slower than expected adoption of agronomy technology solutions as well as the recent decline in the North American agricultural market.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

Exhibit No.	Description
99.1	Press Release dated October 25, 2023
99.2	Presentation Slides for earnings call on October 26, 2023
104	Cover Page Interactive File (the cover page XBRL tags are embedded in the Inline XBRL document)

Concerning Forward-Looking Statements

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

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: October 25, 2023

Valmont Industries, Inc.

By: /s/ TIMOTHY P. FRANCIS

Name: Timothy P. Francis

Title: Interim Chief Financial Officer

Contact: Renee Campbell
Email: renee.campbell@valmont.com
Date: October 25, 2023

Valmont Reports Third Quarter 2023 Results and Updates Full-Year Financial Outlook

Omaha, NE - Valmont Industries, Inc. (NYSE: VMI), a global leader that provides vital infrastructure and advances agricultural productivity while driving innovation through technology, today reported financial results for the third quarter ended September 30, 2023.

President and Chief Executive Officer Avner M. Applbaum commented, "Our global teams performed extremely well during the third quarter, expanding gross profit and delivering strong third-quarter adjusted earnings per share against a dynamic demand environment. In Infrastructure, our solid results reflect volume growth from continued strong market demand, and we achieved operating margin improvement year-over-year despite near-term headwinds in telecommunications markets. In Agriculture, international sales growth was led by EMEA project sales and Brazil, where we recognized another quarter of record sales. As expected, North America agriculture sales decreased year-over-year due to continued muted farmer sentiment and third quarter 2022 benefited from the ongoing delivery of elevated backlog. I'm very pleased with our reduction in inventory which helped deliver strong operating cash flows.

"In the third quarter, we also recorded an impairment of goodwill and intangible assets in the Agriculture Technology reporting unit, primarily driven by significantly slower growth of Prospera's agronomy technology solutions compared to the original financial projections.

"A few weeks ago, the leadership team and I met to discuss our strategy. From where I stand today, our core strategic priorities remain intact. While we will continue prioritizing growth initiatives, looking ahead we will invest with discipline to strengthen our core businesses, and proactively make decisions in conjunction with market cycles. Going forward, we will also ensure new innovation is introduced with the purpose of meeting the immediate needs of our customers. In addition, to align our organization with our strategy, today we are announcing an organizational realignment program to streamline administrative support of our business segments. This realignment, which is expected to be recovered through lower operating costs within 12 months, will enable a more efficient and effective structure for driving long-term profitable growth while reducing costs."

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

Third Quarter 2023 Highlights (all metrics compared to Third Quarter 2022 unless otherwise noted)

- Net Sales of \$1.1 billion decreased 4.3%; accounting for the 2022 divestiture of the offshore wind energy structures business, reported in the “Other” segment, Net Sales decreased 2.3%¹
- Operating Income (Loss) was (\$24.2) million [\$120.8 million or 11.5% of net sales adjusted¹] compared to \$110.0 million or 10.0% of net sales in 2022 [\$114.1 million or 10.6% of net sales adjusted¹]
 - Operating Income (Loss) includes non-cash pre-tax goodwill and intangible asset impairment charges of \$137.3 million related to the Agriculture Technology reporting unit [\$133.3 million after-tax] and \$4.2 million of pre-tax cash expenses related to the organizational realignment program
- Diluted Earnings (Loss) per Share (“EPS”) of (\$2.34) [\$4.12 adjusted¹] compared to \$3.34 in 2022 [\$3.49 adjusted¹]
 - GAAP effective tax rate of (44.6)% reflects the impairment of goodwill for which there is no tax deduction; adjusted effective tax rate of 22.2%¹ was driven by favorable legislation regarding usage of foreign tax credits generated in Brazil and benefits from research and development expenses
- Generated strong operating cash flows of \$81.3 million in the third quarter and \$190.9 million year-to-date; cash and cash equivalents at the end of the third quarter were \$172.6 million
- Returned \$44.2 million to shareholders through dividends and share repurchases including repurchasing approximately 126,500 shares of Company stock for \$31.5 million
- [Completed the acquisition of HR Products](#), a leading wholesale supplier of irrigation parts in Australia
- Providing updated 2023 full-year outlook and announcing an organizational realignment program to enable a more efficient and effective administrative structure for driving long-term profitable growth

Key Financial Metrics

Third Quarter 2023				Adjusted¹			
(000's except per share amounts)							
	09/30/2023	GAAP		09/30/2023	09/24/2022		
	Q3 2023	09/24/2022	vs. Q3 2022	Q3 2023	Q3 2022	vs. Q3 2022	
Net Sales	\$ 1,050,295	\$ 1,097,382	(4.3)%	\$ 1,050,295	\$ 1,074,521	(2.3)%	
Operating Income (Loss)	(24,190)	109,972	NM	120,834	114,147	5.9 %	
<i>Operating Inc. (Loss) as a % of Net Sales</i>	(2.3)%	10.0 %		11.5 %	10.6 %		
Net Earnings (Loss)	(49,028)	72,112	NM	86,976	75,313	15.5 %	
Diluted Earnings (Loss) Per Share	\$ (2.34)	\$ 3.34	NM	\$ 4.12	\$ 3.49	18.1 %	
Average Shares Outstanding	20,951	21,605		21,131	21,605		

Year-to-Date 2023				Adjusted¹			
(000's except per share amounts)							
	09/30/2023	GAAP		09/30/2023	09/24/2022		
	FY 2023	FY 2022	vs. FY 2022	FY 2023	FY 2022	vs. FY 2022	
Net Sales	\$ 3,159,072	\$ 3,213,734	(1.7)%	\$ 3,159,072	\$ 3,146,787	0.4 %	
Operating Income	228,009	323,533	(29.5)%	380,601	335,991	13.3 %	
<i>Operating Income as a % of Net Sales</i>	7.2 %	10.1 %		12.0 %	10.7 %		
Net Earnings	114,888	210,531	(45.4)%	257,368	220,883	16.5 %	
Diluted Earnings Per Share	\$ 5.40	\$ 9.77	(44.8)%	\$ 12.09	\$ 10.25	17.9 %	
Average Shares Outstanding	21,290	21,546		21,290	21,546		

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

Third Quarter 2023 Segment Review

Infrastructure (71.8% of Net Sales)

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

Sales of \$755.1 million were comparable with last year, driven by higher volumes, notably in the Solar, Lighting and Transportation ("L&T") and Transmission, Distribution, and Substation ("TD&S") product lines. Lower Telecommunications volumes and lower pricing associated with a reduced cost of steel in the TD&S product line more than offset higher pricing across the rest of the portfolio.

Operating Income improved to \$103.4 million or 13.7% of net sales [\$108.0 million or 14.3% adjusted¹] compared to \$92.5 million or 12.3% of net sales in the third quarter of 2022 as pricing not linked to steel commodity costs was higher and the Company took deliberate actions to improve overall cost of goods sold.

Agriculture (28.2% of Net Sales)

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

Sales of \$298.5 million decreased 8.8% year-over-year as higher international sales were more than offset by lower sales in North America. Sales of agriculture technology products and services globally were similar to last year.

In North America, the sales decrease was primarily driven by lower irrigation equipment sales volumes. As expected, farmer sentiment remained somewhat muted during the quarter and the third quarter of 2022 benefited from the ongoing delivery of elevated backlog. Average irrigation equipment selling prices were comparable with last year. International sales growth was driven by higher project sales in the EMEA region, a record sales quarter in Brazil, and higher sales in Argentina. Third quarter 2023 also benefited from approximately \$5.5 million of favorable foreign currency translation impacts compared to last year.

Operating Income (Loss) was (\$99.7) million [\$38.5 million or 13.0% of net sales adjusted¹] compared to \$43.3 million or 13.3% of net sales in the third quarter of 2022 [\$47.4 million or 14.6% adjusted¹]. A \$137.3 million impairment of goodwill and intangible assets led to the operating loss in the quarter, as described later in the press release.

Other

Offshore wind energy structures business

[As previously announced](#), the divestiture of the offshore wind energy structures business was completed in December 2022. In the third quarter of 2022, the subsequently-divested business generated sales of \$22.9 million and operating income of \$1.1 million.

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

Non-Cash Goodwill and Intangible Asset Impairment Charge of Agriculture Technology

During the third quarter of 2023, Valmont completed its annual impairment testing of goodwill and certain intangible assets. As a result of the impairment analysis, it was concluded that the carrying value of the Agriculture Technology reporting unit exceeded its market value. As such, the Company recorded an impairment loss on goodwill and certain intangible assets of \$137.3 million. Significantly slower growth of Prospera's agronomy technology solutions compared to the original financial projections was the primary driver of the impairment. The recent decline in the North American agriculture market was also a contributing factor. The impairment charge did not affect the Company's liquidity or cash flows from operating activities.

Balance Sheet, Liquidity, and Capital Allocation

The Company generated strong third quarter 2023 operating cash flows of \$81.3 million through effectively managing working capital, specifically inventory. At the end of the third quarter of 2023, cash and cash equivalents were \$172.6 million. During the third quarter of 2023, Valmont repurchased \$31.5 million of Company stock, with \$314.7 million remaining on the authorized share repurchase program.

Organizational Realignment Program

Today, Valmont is announcing a broad organizational realignment program which better aligns the Company's administrative support structure to its strategy by reducing layers of management, offering a voluntary early retirement program and other headcount reductions. These actions are expected to enable a more efficient and effective administrative structure for driving long-term profitable growth while still investing in growth initiatives. The program affects both reportable segments as well as corporate, and is targeted to take place during 2023. Cash expenses are expected to be between \$33 and \$36 million and are expected to be recovered through lower operating costs within 12 months. Of the above cost estimates, \$4.2 million of pre-tax cash expenses related to the realignment program were incurred during the third quarter 2023.

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

Updating 2023 Full Year Financial Outlook and Key Assumptions

Taking into consideration third quarter sales and diluted earnings per share results, the expected timing of international agriculture project shipments and the near-term demand outlook for telecommunications markets, the Company is updating its full-year net sales growth and earnings per share outlook from the previous indications that were communicated last quarter and providing updated key assumptions for the year.

2023 Full Year Financial Outlook	Previous Outlook with Updated Adjustments ¹	Revised Outlook ¹
Net Sales Growth (vs. PY)	0% to 2%	(3%) to (4%)
GAAP Diluted Earnings per Share	\$14.80 to \$15.35	\$7.20 to \$7.50
Adjusted Diluted Earnings per Share ¹	\$14.80 to \$15.35	\$14.80 to \$15.10

- The impairment charge significantly reduces the future Prospera technology intangible asset amortization, and the realignment program announced in this release lowers future stock-based compensation to be recognized for Prospera employees. The Previous Adjusted Diluted Earnings per Share Outlook has been updated to remove the Prospera adjustments of approximately 65 cents per diluted share from the prior Outlook for comparison to the Revised Outlook
- Expect full-year operating margin improvement compared to 2022
- 2022 sales include \$100 million from the offshore wind energy structures business which was divested at the end of fiscal 2022
- GAAP effective tax rate of 36% to 36.5% due to the non-deductibility of the goodwill impairment; Adjusted effective tax rate of 26% to 26.5% due to recent favorable U.S. tax legislation
- Minimal expected foreign currency translation impact to net sales
- Capital expenditures expected to be in the range of \$100 to \$110 million to support strategic growth initiatives

Applbaum continued, "The Valmont team continues to perform well, optimizing margins and earnings while generating strong cash flows, positioning us for profitable growth as we streamline the organization. The long-term outlook across all our end markets remains very positive, while acknowledging near-term headwinds in certain markets. Our management team and organization are united around our strategic priorities, with a focus on initiatives that deliver a compelling value proposition to our customers and drive long-term shareholder value. I am excited about Valmont's journey as a company that maximizes financial performance through the cycles, made possible by an unwavering discipline on capital allocation and ROIC."

A live audio discussion with Avner M. Applbaum, President and Chief Executive Officer, and Timothy P. Francis, Interim Chief Financial Officer, will be accessible by telephone on Thursday, October 26, 2023 at 8:00 a.m. CDT by dialing 1-877-407-6184 or 1-201-389-0877 (no Conference ID needed), or via webcast by pointing browsers to this link: [Valmont Industries 3Q 2023 Earnings Conference Call](#). A slide presentation will simultaneously be available for download on the [Investors](#) page of [valmont.com](#). A replay of the event can be accessed three hours after the call at the above link or by telephone at 1-877-660-6853 or 1-201-612-7415. Please use access code 13734765. The replay will be available through 10:59 p.m. CDT on Thursday, November 2, 2023.

About Valmont Industries, Inc.

For over 75 years, Valmont® has been a global leader in creating vital infrastructure and advancing agricultural productivity. Today, we remain committed to doing more with less by innovating through technology. Learn more about how we're *Conserving Resources. Improving Life.*® at [valmont.com](#).

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

Concerning Forward-Looking Statements

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

Website and Social Media Disclosure

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

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

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

	Thirteen weeks ended		Thirty-nine weeks ended	
	September 30, 2023	September 24, 2022	September 30, 2023	September 24, 2022
Net sales	\$ 1,050,295	\$ 1,097,382	\$ 3,159,072	\$ 3,213,734
Cost of sales	735,184	811,904	2,205,979	2,386,469
Gross profit	315,111	285,478	953,093	827,265
Selling, general, and administrative expenses	194,277	175,506	580,060	503,732
Impairment of long-lived assets	140,844	—	140,844	—
Realignment charges	4,180	—	4,180	—
Operating income (loss)	(24,190)	109,972	228,009	323,533
Other income (expense)				
Interest expense	(13,472)	(11,629)	(41,494)	(34,278)
Interest income	3,186	507	4,579	1,019
Gain (loss) on investments - unrealized	(344)	(901)	1,791	(4,306)
Other	165	2,822	(1,599)	8,537
Other income (expense), net	(10,465)	(9,201)	(36,723)	(29,028)
Earnings (loss) before income taxes and equity in loss of nonconsolidated subsidiaries	(34,655)	100,771	191,286	294,505
Income tax expense	15,461	27,823	79,239	80,531
Equity in loss of nonconsolidated subsidiaries	(199)	(18)	(1,219)	(931)
Net earnings (loss)	(50,315)	72,930	110,828	213,043
Loss (earnings) attributable to non-controlling interests	1,287	(818)	4,060	(2,512)
Net earnings (loss) attributable to Valmont Industries, Inc.	<u>\$ (49,028)</u>	<u>\$ 72,112</u>	<u>\$ 114,888</u>	<u>\$ 210,531</u>
Average shares outstanding (000's) - Basic	20,951	21,332	21,083	21,308
Earnings (loss) per share - Basic	<u>\$ (2.34)</u>	<u>\$ 3.38</u>	<u>\$ 5.45</u>	<u>\$ 9.88</u>
Average shares outstanding (000's) - Diluted	20,951	21,605	21,290	21,546
Earnings (loss) per share - Diluted	<u>\$ (2.34)</u>	<u>\$ 3.34</u>	<u>\$ 5.40</u>	<u>\$ 9.77</u>
Cash dividends per share	<u>\$ 0.60</u>	<u>\$ 0.55</u>	<u>\$ 1.80</u>	<u>\$ 1.65</u>

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

	Thirteen weeks ended		Thirty-nine weeks ended	
	September 30, 2023	September 24, 2022	September 30, 2023	September 24, 2022
Net sales				
Infrastructure	\$ 755,076	\$ 755,492	\$ 2,261,777	\$ 2,157,082
Agriculture	298,483	327,261	910,579	1,011,606
Other	—	22,861	—	66,947
Total	<u>1,053,559</u>	<u>1,105,614</u>	<u>3,172,356</u>	<u>3,235,635</u>
Less: Intersegment sales	<u>(3,264)</u>	<u>(8,232)</u>	<u>(13,284)</u>	<u>(21,901)</u>
Total	<u>\$ 1,050,295</u>	<u>\$ 1,097,382</u>	<u>\$ 3,159,072</u>	<u>\$ 3,213,734</u>
Operating income (loss)				
Infrastructure	\$ 103,401	\$ 92,465	\$ 313,703	\$ 254,908
Agriculture	(99,670)	43,258	2,904	138,779
Other	—	1,107	—	814
Corporate	<u>(27,921)</u>	<u>(26,858)</u>	<u>(88,598)</u>	<u>(70,968)</u>
Total	<u>\$ (24,190)</u>	<u>\$ 109,972</u>	<u>\$ 228,009</u>	<u>\$ 323,533</u>

Valmont has aggregated its business segments into two global reportable segments, as follows.

Infrastructure: This segment consists of the manufacture and distribution of products and solutions to serve the infrastructure markets of utility, solar, lighting, transportation, and telecommunications, along with coatings services to preserve metal products.

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

In addition to these two reportable segments, the Company had a business and related activities in 2022 that were not more than 10% of consolidated sales, operating income, or assets. This comprised the offshore wind energy structures business which was reported in the "Other" segment until its divestiture in December 2022.

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

		Thirty-nine weeks ended September 30, 2023				
		Infrastructure	Agriculture	Other	Intersegment	Consolidated
Sales						
Geographical Market:						
North America		\$ 1,743,635	\$ 450,678	\$ —	\$ (12,042)	\$ 2,182,271
International		518,142	459,901	—	(1,242)	976,801
Total		<u>\$ 2,261,777</u>	<u>\$ 910,579</u>	<u>\$ —</u>	<u>\$ (13,284)</u>	<u>\$ 3,159,072</u>
Product Line:						
Transmission, Distribution, and Substation		\$ 927,094	\$ —	\$ —	\$ —	\$ 927,094
Lighting and Transportation		727,862	—	—	—	727,862
Coatings		270,201	—	—	(6,611)	263,590
Telecommunications		195,505	—	—	—	195,505
Solar		141,115	—	—	(1,242)	139,873
Irrigation Equipment and Parts		—	825,277	—	(5,431)	819,846
Technology Products and Services		—	85,302	—	—	85,302
Total		<u>\$ 2,261,777</u>	<u>\$ 910,579</u>	<u>\$ —</u>	<u>\$ (13,284)</u>	<u>\$ 3,159,072</u>

		Thirty-nine weeks ended September 24, 2022				
		Infrastructure	Agriculture	Other	Intersegment	Consolidated
Sales						
Geographical Market:						
North America		\$ 1,645,472	\$ 564,369	\$ —	\$ (20,316)	\$ 2,189,525
International		511,610	447,237	66,947	(1,585)	1,024,209
Total		<u>\$ 2,157,082</u>	<u>\$ 1,011,606</u>	<u>\$ 66,947</u>	<u>\$ (21,901)</u>	<u>\$ 3,213,734</u>
Product Line:						
Transmission, Distribution, and Substation		\$ 882,216	\$ —	\$ —	\$ —	\$ 882,216
Lighting and Transportation		701,009	—	—	—	701,009
Coatings		264,266	—	—	(11,295)	252,971
Telecommunications		232,765	—	—	—	232,765
Solar		76,826	—	66,947	(1,118)	142,655
Irrigation Equipment and Parts		—	928,622	—	(9,488)	919,134
Technology Products and Services		—	82,984	—	—	82,984
Total		<u>\$ 2,157,082</u>	<u>\$ 1,011,606</u>	<u>\$ 66,947</u>	<u>\$ (21,901)</u>	<u>\$ 3,213,734</u>

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

	September 30, 2023	December 31, 2022
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 172,566	\$ 185,406
Receivables, net	673,999	604,181
Inventories	693,629	728,762
Contract assets	169,931	174,539
Prepaid expenses and other current assets	97,302	87,697
Total current assets	1,807,427	1,780,585
Property, plant, and equipment, net	603,979	595,578
Goodwill and other non-current assets	1,074,773	1,180,833
Total assets	\$ 3,486,179	\$ 3,556,996
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Current installments of long-term debt	\$ 941	\$ 1,194
Notes payable to banks	3,639	5,846
Accounts payable	355,934	360,312
Accrued expenses	260,873	248,320
Contract liabilities	88,600	172,915
Income taxes payable	2,062	3,664
Dividends payable	12,533	11,742
Total current liabilities	724,582	803,993
Long-term debt, excluding current installments	977,260	870,935
Operating lease liabilities	160,521	155,469
Other non-current liabilities	65,104	84,887
Total liabilities	1,927,467	1,915,284
Shareholders' equity	1,558,712	1,641,712
Total liabilities and shareholders' equity	\$ 3,486,179	\$ 3,556,996

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

	Thirty-nine weeks ended	
	September 30, 2023	September 24, 2022
Cash flows from operating activities:		
Net earnings	\$ 110,828	\$ 213,043
Depreciation and amortization	73,638	72,803
Contribution to defined benefit pension plan	(15,259)	(17,155)
Impairment of long-lived assets	140,844	—
Gain on divestiture	(2,994)	—
Change in working capital	(110,550)	(96,995)
Other	(5,639)	12,030
Net cash flows provided by operating activities	<u>190,868</u>	<u>183,726</u>
Cash flows from investing activities:		
Purchase of property, plant, and equipment	(71,233)	(67,122)
Proceeds from divestiture, net of cash divested	6,369	—
Proceeds from sale of assets	1,565	71
Proceeds from property damage insurance claims	6,770	—
Acquisitions, net of cash acquired	(31,839)	(39,287)
Other	(898)	(108)
Net cash flows used in investing activities	<u>(89,266)</u>	<u>(106,446)</u>
Cash flows from financing activities:		
Proceeds from short-term borrowings	24,649	4,137
Payments on short-term borrowings	(27,290)	(12,366)
Proceeds from long-term borrowings	215,012	235,470
Principal payments on long-term borrowings	(109,335)	(251,155)
Proceeds from settlement of financial derivatives	—	2,243
Dividends paid	(36,983)	(34,080)
Dividends to noncontrolling interests	(662)	—
Purchase of noncontrolling interests	—	(7,338)
Purchase of treasury shares	(166,663)	(20,491)
Proceeds from exercises under stock plans	5,348	8,778
Other	(15,567)	(4,341)
Net cash flows used in financing activities	<u>(111,491)</u>	<u>(79,143)</u>
Effect of exchange rates on cash and cash equivalents	(2,951)	(9,148)
Net change in cash and cash equivalents	(12,840)	(11,011)
Cash and cash equivalents - beginning of year	185,406	177,232
Cash and cash equivalents - end of period	<u>\$ 172,566</u>	<u>\$ 166,221</u>

VALMONT INDUSTRIES, INC. AND SUBSIDIARIES
SUMMARY OF EFFECT OF ITEMS ON REPORTED RESULTS
REGULATION G RECONCILIATION
(Dollars in thousands, except per share amounts)
(Unaudited)

The non-GAAP tables below disclose the impact of the impairment of long-lived assets, realignment charges, intangible asset amortization (Prospera), and stock-based compensation recognized for the Prospera employees on fiscal 2023 and 2022 results, as well as the impact of non-recurring tax benefit items on net earnings. Amounts may be impacted by rounding. We believe it is useful when considering Company performance for the non-GAAP adjusted net earnings and operating income to be taken into consideration by management and investors with the related reported GAAP measures.

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

	Thirteen weeks ended September 30, 2023	Diluted earnings (loss) per share ^{1,2}	Thirty-nine weeks ended September 30, 2023	Diluted earnings per share ²
Net earnings (loss) attrib. to Valmont Industries, Inc. - as reported	\$ (49,028)	\$ (2.32)	\$ 114,888	\$ 5.40
Impairment of long-lived assets	140,844	6.67	140,844	6.62
Realignment charges	4,180	0.20	4,180	0.20
Prospera intangible asset amortization	—	—	3,290	0.15
Prospera stock-based compensation	—	—	4,278	0.20
Total adjustments, pre-tax	145,024	6.86	152,592	7.17
Tax effect of adjustments ³	(5,432)	(0.26)	(6,524)	(0.31)
Non-recurring tax benefit items	(3,588)	(0.17)	(3,588)	(0.17)
Net earnings attributable to Valmont Industries, Inc. - adjusted	<u>\$ 86,976</u>	<u>\$ 4.12</u>	<u>\$ 257,368</u>	<u>\$ 12.09</u>
Average shares outstanding (000's) - diluted		21,131		21,290

	Thirteen weeks ended September 24, 2022	Diluted earnings per share ²	Thirty-nine weeks ended September 24, 2022	Diluted earnings per share ²
Net earnings attributable to Valmont Industries, Inc. - as reported	\$ 72,112	\$ 3.34	\$ 210,531	\$ 9.77
Prospera intangible asset amortization	1,645	0.08	4,935	0.23
Prospera stock-based compensation	2,530	0.12	7,523	0.35
Total adjustments, pre-tax	4,175	0.19	12,458	0.58
Tax effect of adjustments ³	(974)	(0.05)	(2,106)	(0.10)
Net earnings attributable to Valmont Industries, Inc. - adjusted	<u>\$ 75,313</u>	<u>\$ 3.49</u>	<u>\$ 220,883</u>	<u>\$ 10.25</u>
Average shares outstanding (000's) - diluted		21,605		21,546

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

²Earnings (loss) per share includes rounding.

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

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

The non-GAAP tables below disclose the impacts of the impairment of long-lived assets, realignment charges, intangible asset amortization (Prospera) and stock-based compensation recognized for the Prospera employees on fiscal 2023 and 2022 results. Amounts may be impacted by rounding. We believe it is useful when considering company performance for the non-GAAP adjusted net earnings and operating income to be taken into consideration by management and investors with the related reported GAAP measures.

Thirteen weeks ended September 30, 2023					
Operating Income (Loss) Reconciliation	Infrastructure	Agriculture	Other	Corporate	Consolidated
Operating income (loss) - as reported	\$ 103,401	\$ (99,670)	\$ —	\$ (27,921)	\$ (24,190)
Impairment of long-lived assets	3,571	137,273	—	—	140,844
Realignment charges	1,069	907	—	2,204	4,180
Adjusted operating income	<u>\$ 108,041</u>	<u>\$ 38,510</u>	<u>\$ —</u>	<u>\$ (25,717)</u>	<u>\$ 120,834</u>
Net sales - as reported	753,626	296,669	—	—	1,050,295
Operating income (loss) as a % of net sales	13.7 %	(33.6)%	NM	NM	(2.3)%
Adj. operating income as a % of adj. net sales	14.3 %	13.0 %	NM	NM	11.5 %

Thirteen weeks ended September 24, 2022					
Operating Income Reconciliation	Infrastructure	Agriculture	Other	Corporate	Consolidated
Operating income - as reported	\$ 92,465	\$ 43,258	\$ 1,107	\$ (26,858)	\$ 109,972
Prospera intangible asset amortization	—	1,645	—	—	1,645
Prospera stock-based compensation	—	2,530	—	—	2,530
Adjusted operating income	<u>\$ 92,465</u>	<u>\$ 47,433</u>	<u>\$ 1,107</u>	<u>\$ (26,858)</u>	<u>\$ 114,147</u>
Net sales - as reported	750,380	324,141	22,861	—	1,097,382
Adjusted net sales	750,380	324,141	—	—	1,074,521
Operating income as a % of net sales	12.3 %	13.3 %	4.8 %	NM	10.0 %
Adj. operating income as a % of net sales	12.3 %	14.6 %	4.8 %	NM	10.4 %
Adj. operating income as a % of adj. net sales	12.3 %	14.6 %	NM	NM	10.6 %

Thirty-nine weeks ended September 30, 2023					
Operating Income Reconciliation	Infrastructure	Agriculture	Other	Corporate	Consolidated
Operating income - as reported	\$ 313,703	\$ 2,904	\$ —	\$ (88,598)	\$ 228,009
Impairment of long-lived assets	3,571	137,273	—	—	140,844
Realignment charges	1,069	907	—	2,204	4,180
Prospera intangible asset amortization	—	3,290	—	—	3,290
Prospera stock-based compensation	—	4,278	—	—	4,278
Adjusted operating income	<u>\$ 318,343</u>	<u>\$ 148,652</u>	<u>\$ —</u>	<u>\$ (86,394)</u>	<u>\$ 380,601</u>
Net sales - as reported	2,253,924	905,148	—	—	3,159,072
Operating income as a % of net sales	13.9 %	0.3 %	NM	NM	7.2 %
Adj. operating income as a % of adj. net sales	14.1 %	16.4 %	NM	NM	12.0 %

Thirty-nine weeks ended September 24, 2022					
Operating Income Reconciliation	Infrastructure	Agriculture	Other	Corporate	Consolidated
Operating income - as reported	\$ 254,908	\$ 138,779	\$ 814	\$ (70,968)	\$ 323,533
Prospera intangible asset amortization	—	4,935	—	—	4,935
Prospera stock-based compensation	—	7,523	—	—	7,523
Adjusted operating income	<u>\$ 254,908</u>	<u>\$ 151,237</u>	<u>\$ 814</u>	<u>\$ (70,968)</u>	<u>\$ 335,991</u>
Net sales - as reported	2,144,669	1,002,118	66,947	—	3,213,734
Adjusted net sales	2,144,669	1,002,118	—	—	3,146,787
Operating income as a % of net sales	11.9 %	13.8 %	1.2 %	NM	10.1 %
Adj. operating income as a % of net sales	11.9 %	15.1 %	1.2 %	NM	10.5 %
Adj. operating income as a % of adj. net sales	11.9 %	15.1 %	NM	NM	10.7 %

VALMONT INDUSTRIES, INC. AND SUBSIDIARIES
REGULATION G RECONCILIATION OF EXCLUDING OTHER SEGMENT NET SALES
(Dollars in thousands)
(Unaudited)

Excluding Other segment net sales from the third quarter and first three quarters of fiscal 2022, which we refer to in this reconciliation as "Adjusted Net Sales", is a non-GAAP measure. The Other segment net sales were generated by the offshore wind energy structures business which was divested in December 2022. Adjusted Net Sales 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 table below shows how Adjusted Net Sales is calculated from the Company's Statements of Operations. Adjusted Net Sales is calculated as total net sales less Other segment net sales. Adjusted Net Sales allows investors to analyze our operating performance in light of the amount of net sales less net sales of a divested business.

	Thirteen weeks ended		Percent Change	Thirty-nine weeks ended		Percent Change
	September 30, 2023	September 24, 2022		September 30, 2023	September 24, 2022	
	Net sales	\$ 1,050,295		\$ 1,097,382	(4.3)%	
Less: Other segment net sales	—	(22,861)	NM	—	(66,947)	NM
Adjusted net sales	<u>\$ 1,050,295</u>	<u>\$ 1,074,521</u>	(2.3)%	<u>\$ 3,159,072</u>	<u>\$ 3,146,787</u>	0.4%

VALMONT INDUSTRIES, INC. AND SUBSIDIARIES
REGULATION G RECONCILIATION OF ADJUSTED EFFECTIVE TAX RATE
(Dollars in thousands)
(Unaudited)

Excluding significant non-recurring items from the third quarter of fiscal 2023 from the calculation of effective tax rate, which we refer to as “Adjusted Effective Tax Rate”, is a non-GAAP measure. Adjusted Effective Tax Rate should not be considered in isolation or as a substitute for the effective tax rate prepared in accordance with GAAP. The table below shows how Adjusted Effective Tax Rate is calculated from the Company’s Statements of Operations. Adjusted Effective Tax Rate is calculated as total earnings (loss) before income taxes plus the significant non-recurring items of impairment of goodwill and intangible assets, realignment charges, and non-recurring tax benefit items. Adjusted Effective Tax Rate allows investors to analyze our effective tax rate in light of these non-recurring items.

Thirteen weeks ended September 30, 2023			
	Earnings (loss) before income taxes and equity in loss of nonconsolidated subsidiaries	Income tax expense	Effective tax rate
As reported	\$ (34,655)	\$ 15,461	(44.6)%
Impairment of long-lived assets	140,844	4,387	
Realignment charges	4,180	1,045	
Non-recurring tax benefit items	—	3,588	
Adjusted	\$ 110,369	\$ 24,481	22.2%

VALMONT INDUSTRIES, INC. AND SUBSIDIARIES
REGULATION G RECONCILIATION OF FORECASTED GAAP AND ADJUSTED EARNINGS
(Dollars in thousands, except per share amounts)
(Unaudited)

The non-GAAP tables below disclose the impact on the range of estimated diluted earnings per share of the (1) amortization of intangible assets (Prospera), (2) stock-based compensation for Prospera employees, (3) impairment of long-lived assets, (4) realignment charges, and (5) non-recurring tax benefit items. We believe it is useful when considering company performance for the non-GAAP adjusted net earnings to be taken into consideration by management and investors with the related reported GAAP measures.

Reconciliation of Range of Net Earnings

2023 Revised Guidance¹

	Low End	High End	Adjustments
<i>Estimated net earnings - GAAP</i>	\$ 154,000	\$ 160,400	
Impairment of long-lived assets, pre-tax			\$ 141,000
Realignment charges, pre-tax			36,000
Total pre-tax adjustments			177,000
Estimated tax benefit from above expenses ²			(12,900)
Non-recurring tax benefit items			(3,600)
Total adjustments, after-tax			<u>\$ 160,500</u>
<i>Estimated net earnings - Adjusted</i>	\$ 314,500	\$ 320,900	
Diluted Earnings per Share Range - GAAP³	\$ 7.20	\$ 7.50	
Diluted Earnings per Share Range - Adjusted³	\$ 14.80	\$ 15.10	

2023 Previous Guidance¹

	Low End	High End	Adjustments
<i>Estimated net earnings - GAAP</i>	\$ 318,250	\$ 330,050	
Prospera intangible asset (proprietary technology) amortization, pre-tax			\$ 6,600
Prospera stock-based compensation, pre-tax			9,800
Total pre-tax adjustments			16,400
Estimated tax benefit from above expenses ²			(2,450)
Total adjustments, after-tax			<u>\$ 13,950</u>
<i>Estimated net earnings - Adjusted</i>	\$ 332,200	\$ 344,000	
Diluted Earnings per Share Range - GAAP³	\$ 14.80	\$ 15.35	
Diluted Earnings per Share Range - Adjusted³	\$ 15.45	\$ 16.00	

2023 Revised Previous Guidance¹

	Low End	High End	Adjustments
<i>Estimated net earnings - GAAP</i>	\$ 318,250	\$ 330,050	
Prospera intangible asset (proprietary technology) amortization, pre-tax			\$ —
Prospera stock-based compensation, pre-tax			—
Total pre-tax adjustments			—
Estimated tax benefit from above expenses ²			—
Total adjustments, after-tax			<u>\$ —</u>
<i>Estimated net earnings - Adjusted</i>	\$ 318,250	\$ 330,050	
Diluted Earnings per Share Range - GAAP³	\$ 14.80	\$ 15.35	
Diluted Earnings per Share Range - Adjusted³	\$ 14.80	\$ 15.35	

¹ See accompanying press release for our key assumptions

² The tax effect of adjustments is calculated based on the estimated income tax rate in each applicable jurisdiction

³ Assumes weighted average shares outstanding of 21.3M for revised guidance and 21.5M for previous and revised previous guidance, and includes rounding

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3Q 2023 Earnings Presentation

October 26, 2023

Disclosure Regarding Forward-Looking Statements



These slides contain (and the accompanying oral discussion will contain) "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements involve known and unknown risks, uncertainties and other factors that could cause the actual results of the Company to differ materially from the results expressed or implied by such statements, including general economic and business conditions, conditions affecting the industries served by the Company and its subsidiaries, the overall market acceptance of such products and services, the integration of acquisitions and other factors disclosed in the Company's periodic reports filed with 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. Consequently, such forward-looking statements should be regarded as the Company's current plans, estimates, and beliefs. The Company does not undertake a specific obligation to publicly release the results of any revisions to these forward-looking statements that may be made to reflect any future events or circumstances after the date of such statements or to reflect the occurrence of anticipated or unanticipated events.

CEO Opening Comments



Avner Applbaum
President and CEO

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3Q 2023 Financials and Key Messages

\$1.05B
Net Sales

(4.3%)
YY Net Sales

(2.3%)
Operating Margin

11.5%
Adj. Operating Margin¹

(\$2.34)
GAAP Diluted EPS

\$4.12
Adj. Diluted EPS¹

\$81M
Operating Cash Flow

\$44M
Cash Returned to Shareholders




- 01** The global Valmont team continued to perform well, delivering **solid third quarter adjusted operating margins and adjusted diluted earnings per share**, while navigating a mixed demand environment
- 02** **Infrastructure demand globally remains robust**, with several multi-year growth drivers across our markets; **global agriculture market fundamentals** remain relatively strong
- 03** **Operational excellence and pricing strategies** in both segments drove margin expansion and allows us to capture **the value we add** to customers
- 04** Announced necessary actions to **position Valmont for long-term success**, including an organizational realignment program and executive leadership changes

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

Performing Well in Current Market Conditions



Infrastructure

- Benefiting from several long-term, secular growth drivers
- Utilities increasing capex spending to support grid hardening initiatives, power load growth and accelerate the energy transition
- Solar expects to see demand tailwinds from the Inflation Reduction Act ("IRA"); 10-year investment tax credit extension supports US demand; favorable policies support international demand
- Transportation market demand is supported by road construction investment; Future benefits expected from Infrastructure Investment and Jobs Act ("IIJA") although funding is slower than anticipated; muted commercial lighting demand
- Telecom softness as wireless carriers reduce capex spending following record levels of investment



Agriculture

- U.S. net farm income levels are expected to be relatively strong; however as farmers see a decline from the substantial profit margins seen in 2021 and 2022, sentiment remains somewhat muted
- International market fundamentals remain robust
 - Another record quarter in Brazil; increasing levels of production and expansion of irrigated acres
 - Project pipeline is providing a multi-year line of sight; food security concerns, the ability to produce goods for export and growing populations driving demand; Egypt project shipments expected to continue through 2024

Investing in Capacity and Technology to Capture Attractive Industry Trends and Drive Above-Market Growth

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Aligning Organization to Strategy and Improving Cost Structure



Reorganization and Early Retirement Program

- Create synergies and optimize our support structure for scale
- Simplify reporting lines
 - Better internal visibility and management decision-making
 - Drive accountability to achieve results
- Enable a more efficient and effective structure for driving long-term profitable growth while reducing costs

Ag Tech Impairment

- Slower adoption rate of Prospera's agronomy technology solutions; near-term softness in North America
- Updated go-to-market approach; innovate with the purpose of meeting the immediate needs of irrigation customers
- Committed to staying the market leader and delivering advanced technology to our customers

Aligned Around Core Strategic Priorities



Delivering Profitable Growth

- Leveraging our competitive advantages that have enabled us to be the trusted partner of choice
- Grow through natural adjacencies and geographic expansion

Investing with Discipline

- Solving customers' most pressing challenges
- Strengthening core businesses
- Prioritizing high-value revenue that delivers high ROIC
- Continue to prioritize innovation and deliver advanced solutions to our customers

Executive Leadership Team



Avner M. Applbaum
President & Chief Executive Officer



Timothy P. Francis
Interim Chief Financial Officer



Diane M. Larkin
EVP, Global Operations



J. Timothy Donahue
Group President, Infrastructure



Aaron M. Sch
Group President Agriculture & C
Strategy Officer



T. Mitchell Parnell
EVP, Chief Human Resources Officer



Renee L. Campbell
SVP, Investor Relations & Treasurer



Gene N. Padgett
SVP, Finance & Chief Accounting Officer



Ellen S. Dasher
VP, Global Taxation



R. Andrew M
VP, Chief Legal & Corporate Se

Maximizing Financial Performance Through the Cycles

Financial Results and Outlook



Tim Francis
Interim CFO



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3Q 2023 Financial Summary



\$M, except EPS	GAAP			Adjusted ¹		
	3Q 2023	3Q 2022	Y/Y	3Q 2023	3Q 2022	Y/Y
Net Sales	1,050.3	1,097.4	-4.3%	1,050.3	1,074.5	-2.3%
Operating Income (Loss)	(24.2)	110.0	NM	120.8	114.1	+5.9%
Operating Margin	(2.3%)	10.0%	NM	11.5%	10.6%	+90 bps
Net Earnings (Loss)	(49.0)	72.1	NM	87.0	75.3	+15.5%
Diluted EPS	(2.34)	3.34	NM	4.12	3.49	+18.1%

NM = "not meaningful"

- Infrastructure sales comparable to last year, offset by lower Agriculture sales
- GAAP operating margin decreased to (2.3%); Adjusted¹ operating margin increased to 11.5% reflecting higher pricing and deliberate actions to improve COGS
- GAAP Diluted Earnings (Loss) per Share was (\$2.34); Adjusted¹ Diluted Earnings per Share increased 18.1% to a third-quarter record of \$4.12
- Initiated an organizational realignment program with estimated 2023 pre-tax cash expense in the range of \$33 to \$36 million
 - \$16M in Infrastructure and the remainder split between Agriculture and Corporate

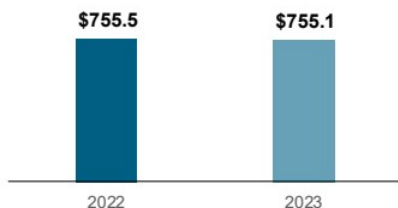
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¹ Please see Reg G reconciliation to GAAP measures at end of document.

3Q 2023 Results | Infrastructure

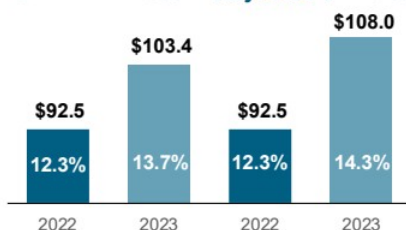
Sales (\$M)

-0.1%



Operating Income (\$M)

GAAP: +11.8% Adjusted¹: +16.8%



- Sales comparable to last year driven by higher volumes in Solar, L&T, and TD&S
- Lower Telecom volumes and lower pricing associated with a reduced cost of steel in TD&S more than offset higher pricing across the rest of the portfolio
- Operating margin improved 140 bps to 13.7% (14.3% adjusted¹) as pricing not linked to steel commodity costs was higher and the company took deliberate actions to improve COGS

Sales (\$M)

	2023	2022	%
Transmission, Distribution, and Substation (TD&S)	\$298.0	\$304.8	-2%
Lighting and Transportation (L&T)	\$252.6	\$241.6	+5%
Coatings	\$89.0	\$92.0	-3%
Telecommunications	\$59.6	\$92.8	-36%
Solar	\$55.9	\$24.3	+130%

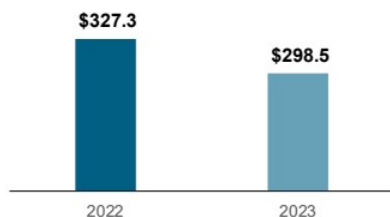
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¹ Please see Reg G reconciliation to GAAP measures at end of document.

3Q 2023 Results | Agriculture

Sales (\$M)

-8.8%



Operating Income (\$M)

GAAP: NM

Adjusted¹: -18.8%



- Sales down 8.8% as higher International volumes were more than offset by lower North America volumes
- North America sales were lower as farmer sentiment remained muted and 3Q 2022 benefited from ongoing delivery of elevated backlog
- International growth was led by higher project sales in EMEA, a record quarter in Brazil and higher sales in Argentina
- Recorded an impairment of goodwill and intangible assets in the agriculture technology reporting unit of \$137.3M, which led to the operating loss in the quarter

Sales (\$M)

North America

International

Irrigation Equipment and Parts

Technology Products and Services

2023

2022

%

\$126.8

\$178.6

-29%

\$171.7

\$148.7

+15%

\$273.6

\$303.0

-10%

\$24.9

\$24.3

+2%

NM = "not meaningful"

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

YTD Cash Flow Highlights

\$M	YTD 09/30/2023
Net Cash Flows from Operating Activities	\$ 191
Net Cash Flows from Investing Activities	(89)
Net Cash Flows from Financing Activities	(111)
Net Cash Flows from Operating Activities	\$ 191
Purchase of Property, Plant, & Equipment	(71)
Free Cash Flows	\$ 120



Diligent Working Capital Management Drove Third Quarter Operating Cash Flows of \$81.3M

Balanced Approach to Capital Allocation

2023 Year-to-Date Capital Deployment: \$307M

Growing Our Business

Returning Cash To Shareholders

\$71M

Capital Expenditures

- Q3 Capex of \$26M as we continue to invest in strategic capacity expansions
- Prioritize projects that deliver high ROIC
- Support Industry 4.0 technology to drive efficiency and productivity

\$32M

Acquisitions

- Targeting high growth opportunities in end markets with favorable and global long-term demand trends
- Completed acquisition of HR products
- Returns exceeding cost of capital within 3 years

\$167M

Share Repurchases

- Q3 Share Repurchase of \$31.5M
- Additional \$400M share repurchase authorization announced February 2023
- Opportunistic approach, supported by free cash flow
- ~\$315M remains on current authorization

\$37M

Dividends

- Q3 Dividends Paid of \$12.6M
- 9% dividend increase announced February 2023
- Payout ratio target: 15% of earnings
- Current payout: ~15%

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Strong Balance Sheet and Liquidity



As of September 30, 2023

Cash	\$173 M
Total Long-Term Debt	\$977 M
Shareholders' Equity	\$1,559 M
Total Debt to Adj. EBITDA ¹	1.53 x
Available Credit under Revolving Credit Facility ²	\$553 M
Cash	\$173 M
Total Available Liquidity	\$726 M

- **Long-term debt** mostly fixed-rate, with long-dated maturities to 2044 and 2054
- Total Debt to Adjusted EBITDA remains within our **desired range of 1.5 to 2.5 times**
- Strong and flexible balance sheet to support **balanced capital allocation strategy**

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¹See Adjusted EBITDA and Leverage Ratio at end of document. ²\$800M Total Revolver less borrowings and Standby LC's of \$247M.

Updated Full Year 2023 Outlook and Key Assumptions²

Previous Outlook with Updated Adjustments¹

Revised Outlook¹

Key Assumptions

0% – 2%
Increase In Net Sales Y/Y

(3%) – (4%)
Decrease In Net Sales Y/Y

\$14.80 – \$15.35
GAAP Diluted EPS

\$7.20 to \$7.50
GAAP Diluted EPS

\$14.80 – \$15.35
Adj. Diluted EPS²

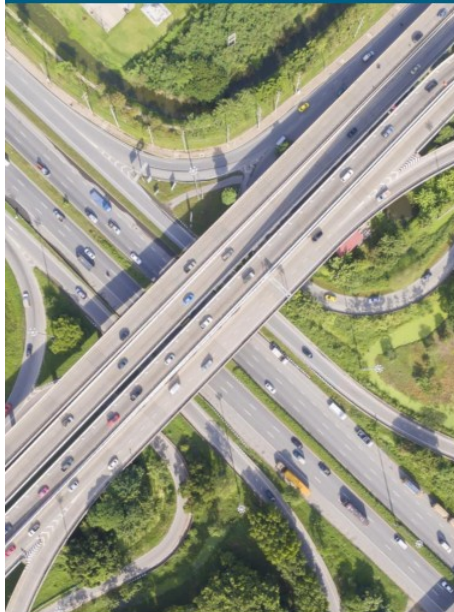
\$14.80 to \$15.10
Adj. Diluted EPS²

- The previous adjusted EPS outlook has been updated to remove the adjustments associated with the Prospera technology intangible asset amortization and stock-based compensation; ~65 cents per diluted share¹
- Expect full-year operating margin improvement compared to 2022
- 2022 sales include \$100 million from the offshore wind energy structures business which was divested at the end of fiscal 2022
- GAAP effective tax rate of 36% to 36.5%; Adjusted effective tax rate of 26% to 26.5%
- Minimal expected foreign currency translation impact to net sales
- Capital expenditures expected to be in the range of \$100 to \$110 million to support strategic growth initiatives

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¹ Exclusive of potential future restructuring activities. ²Please see Reg G reconciliation to GAAP measures at end of document.

Valmont Team is Executing Our Strategy and Performing Well in Dynamic Market



Controlling what we can control to maximize financial performance

- Streamlining the organization to align with our strategy
- Fully realize benefits of ongoing strategic initiatives
- Enable a more efficient and effective structure for driving long-term profitable growth while reducing costs

Diversified portfolio with compelling long-term drivers


- Ongoing Infrastructure strength supported by multi-year secular demand drivers
- Favorable long-term demand trends in Agriculture
- Continued focus on delivering high-value solutions through investments in innovation

Focused strategy drives long-term shareholder value

- Capital allocation strategy; investing with discipline to strengthen our core businesses
- Innovation is introduced with the purpose of meeting the immediate needs of our customers

Q&A



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Appendix



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U.S. Electric Utilities Capital Expenditures

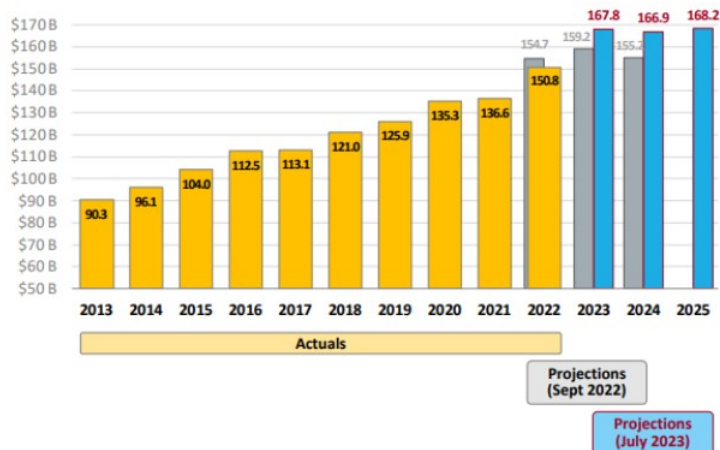


Chart represents total company spending of U.S. Investor-Owned Electric Utilities, consolidated at the parent or appropriate holding company.

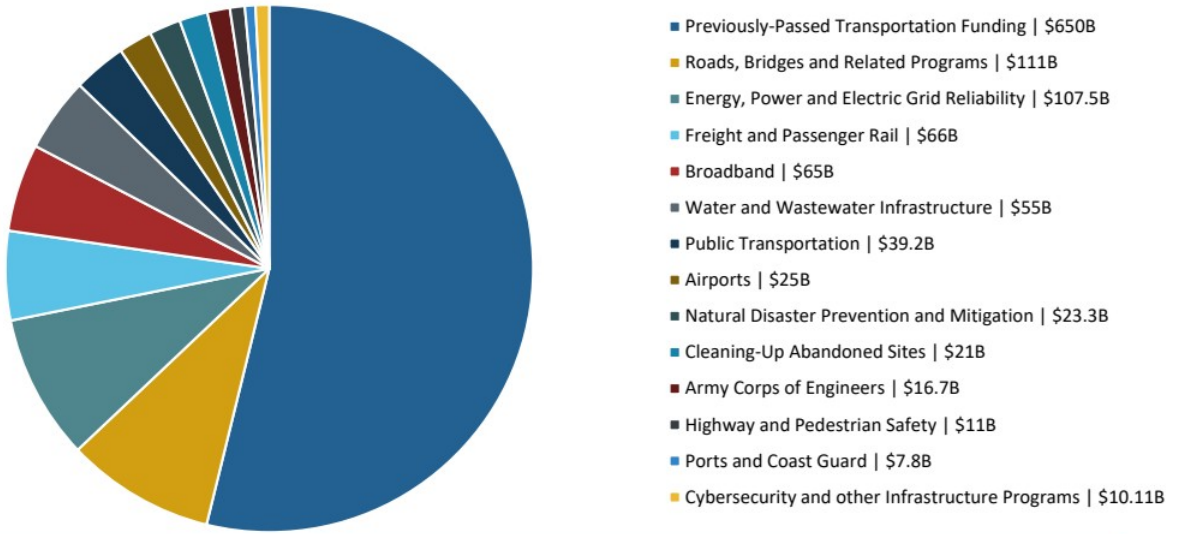
Note: At the industry level, CapEx tends to be overestimated for the current, or first, year's projection and underestimated for the two following years. We expect a continued level of elevated spending after accounting for the historical trend of over- and underestimation.

Source: EEI Finance Department, member company reports, and S&P Global Market Intelligence (updated July 2023).



Infrastructure Investment and Jobs Act (IIJA)

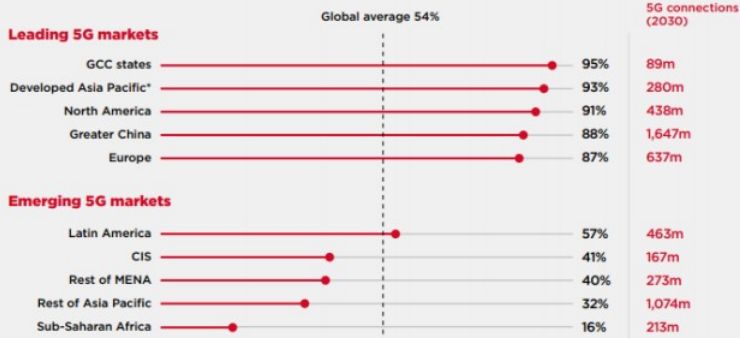
Infrastructure Investment and Jobs Act Spending Breakdown (In Order - Most to Least)



5G Adoption and Capex Spend Forecasts

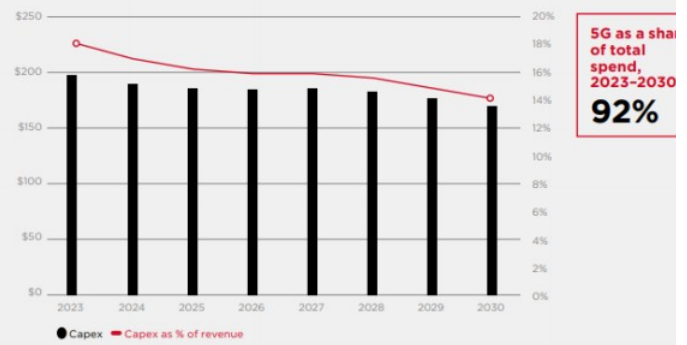
5G adoption in 2030

Percentage of total connections



Mobile operator capex

Billion

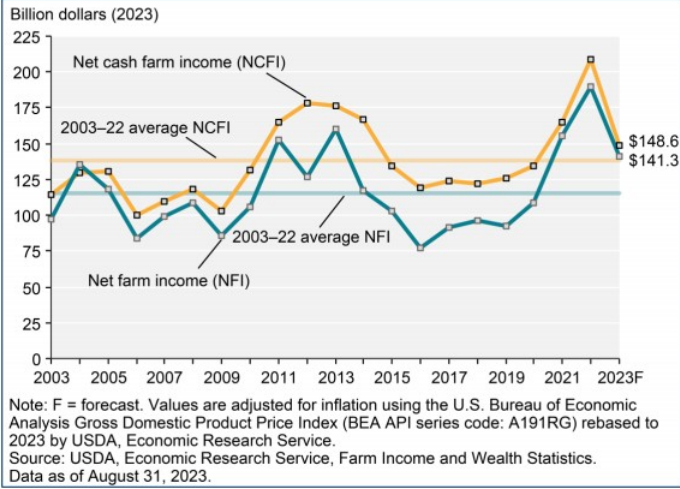


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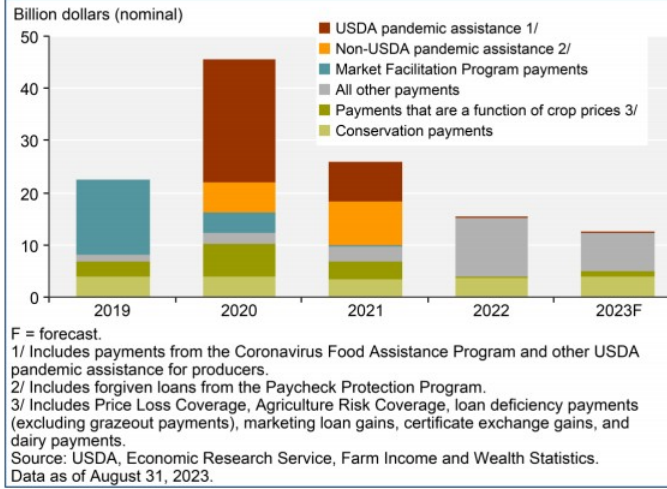
Source: GSMA Intelligence- The Mobile Economy 2023

U.S. Net Cash Farm Income by Year

U.S. net farm income and net cash farm income, inflation adjusted, 2003–23F

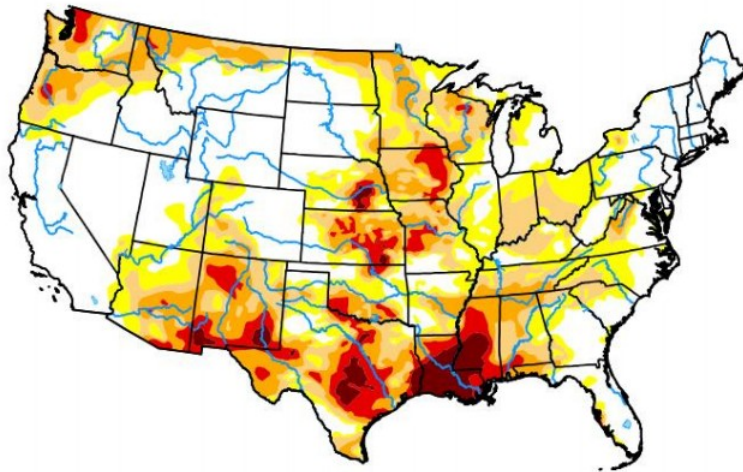


Direct Government payments to U.S. farm producers, 2019–23F



Source: USDA (August 31, 2023)

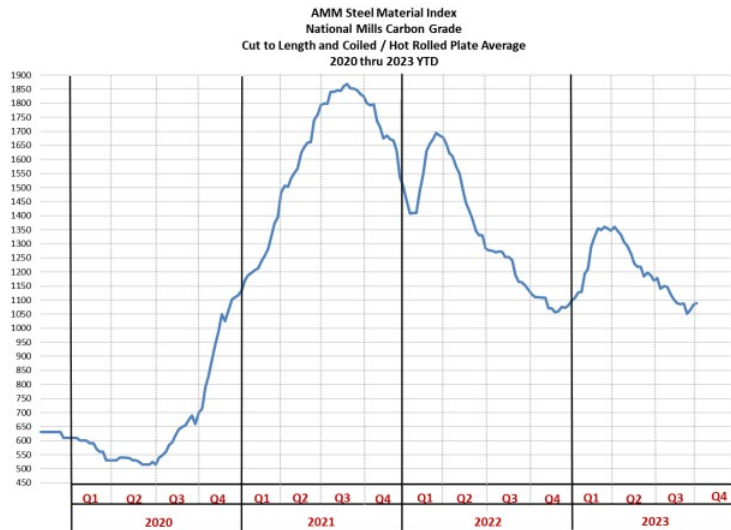
U.S. Drought Condition



Intensity

- None
- D0 (Abnormally Dry)
- D1 (Moderate Drought)
- D2 (Severe Drought)
- D3 (Extreme Drought)
- D4 (Exceptional Drought)
- No Data

Steel Material Index Trends 2020-2023 YTD



- The spike in steel costs during the first four months of the year is expected to slightly reduce our Infrastructure operating income margin for the second half of the year compared to the strong second quarter results
- Cost changes impact TD&S the most because of the contractual pricing mechanisms and strong backlog in that product line

Reconciliation of Non-GAAP Financial Measures to Reported Financial Measures

Dollars in thousands, except per share amounts

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

	Thirteen weeks ended September 30, 2023	Diluted earnings (loss) per share ^{1,2}	Thirty-nine weeks ended September 30, 2023	Diluted earnings per share ³
Net earnings (loss) attributable to Valmont Industries, Inc. - as reported	\$ (49,028)	\$ (2.32)	\$ 114,888	\$ 5.40
Impairment of long-lived assets	140,844	6.67	140,844	6.62
Realignment charges	4,180	0.20	4,180	0.20
Prospera intangible asset amortization	—	—	3,290	0.15
Prospera stock-based compensation	—	—	4,278	0.20
Total adjustments, pre-tax	145,024	6.86	152,592	7.17
Tax effect of adjustments ³	(5,432)	(0.26)	(6,524)	(0.31)
Non-recurring tax benefit items	(3,588)	(0.17)	(3,588)	(0.17)
Net earnings attributable to Valmont Industries, Inc. - adjusted	<u>\$ 86,976</u>	<u>\$ 4.12</u>	<u>\$ 257,368</u>	<u>\$ 12.09</u>
Average shares outstanding (000's) - diluted		21,131		21,290

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

²Earnings (loss) per share includes rounding

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

Reconciliation of Non-GAAP Financial Measures to Reported Financial Measures

Dollars in thousands

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

Operating Income (Loss) Reconciliation	Thirteen weeks ended September 30, 2023				
	Infrastructure	Agriculture	Other	Corporate	Valmont
Operating income (loss) - as reported	\$ 103,401	\$ (99,670)	\$ —	\$ (27,921)	\$ (24,190)
Impairment of long-lived assets	3,571	137,273	—	—	140,844
Realignment charges	1,069	907	—	2,204	4,180
Adjusted operating income	\$ 108,041	\$ 38,510	\$ —	\$ (25,717)	\$ 120,834
Net sales - as reported	753,626	296,669	—	—	1,050,295
Operating income (loss) as a % of net sales	13.7 %	(33.6) %	NM	NM	(2.3) %
Adj. operating income as a % of adj. net sales	14.3 %	13.0 %	NM	NM	11.5 %

Operating Income Reconciliation	Thirty-nine weeks ended September 30, 2023				
	Infrastructure	Agriculture	Other	Corporate	Valmont
Operating income - as reported	\$ 313,703	\$ 2,904	\$ —	\$ (88,598)	\$ 228,009
Impairment of long-lived assets	3,571	137,273	—	—	140,844
Realignment charges	1,069	907	—	2,204	4,180
Prospera intangible asset amortization	—	3,290	—	—	3,290
Prospera stock-based compensation	—	4,278	—	—	4,278
Adjusted operating income	\$ 318,343	\$ 148,652	\$ —	\$ (86,394)	\$ 380,601
Net sales - as reported	2,253,924	905,148	—	—	3,159,072
Operating income as a % of net sales	13.9 %	0.3 %	NM	NM	7.2 %
Adj. operating income as a % of adj. net sales	14.1 %	16.4 %	NM	NM	12.0 %

Reconciliation of Non-GAAP Financial Measures to Reported Financial Measures

Dollars in thousands, except per share amounts

The non-GAAP tables below disclose the impact of intangible asset amortization (Prospera) and stock-based compensation recognized for the Prospera employees on fiscal 2022 results. We believe the adjustments for Prospera allow for a better investor understanding of Agriculture segment performance related to traditional segment products. Amounts may be impacted by rounding. We believe it is useful when considering company performance for the non-GAAP adjusted net earnings and operating income to be taken into consideration by management and investors with the related reported GAAP measures.

	Thirteen weeks ended September 24, 2022	Diluted earnings per share ¹	Thirty-nine weeks ended September 24, 2022	Diluted earnings per share ¹
Net earnings attributable to Valmont Industries, Inc. - as reported	\$ 72,112	\$ 3.34	\$ 210,531	\$ 9.77
Prospera intangible asset amortization	1,645	0.08	4,935	0.23
Prospera stock-based compensation	2,530	0.12	7,523	0.35
Total adjustments, pre-tax	4,175	0.19	12,458	0.58
Tax effect of adjustments ²	(974)	(0.05)	(2,106)	(0.10)
Net earnings attributable to Valmont Industries, Inc. - adjusted	\$ 75,313	\$ 3.49	\$ 220,883	\$ 10.25
Average shares outstanding (000's) - Diluted		21,605		21,546

¹Earnings per share includes rounding

²The tax effect of adjustments is calculated based on the income tax rate in each applicable jurisdiction

Reconciliation of Non-GAAP Financial Measures to Reported Financial Measures

Dollars in thousands

The non-GAAP tables below disclose the impact of intangible asset amortization (Prospera) and stock-based compensation recognized for the Prospera employees on fiscal 2022 results. We believe the adjustments for Prospera allow for a better investor understanding of Agriculture segment performance related to traditional segment products. Amounts may be impacted by rounding. We believe it is useful when considering company performance for the non-GAAP adjusted net earnings and operating income to be taken into consideration by management and investors with the related reported GAAP measures.

Thirteen weeks ended September 24, 2022					
Operating Income Reconciliation	Infrastructure	Agriculture	Other	Corporate	Valmont
Operating income - as reported	\$ 92,465	\$ 43,258	\$ 1,107	\$ (26,858)	\$ 109,972
Prospera intangible asset amortization	—	1,645	—	—	1,645
Prospera stock-based compensation	—	2,530	—	—	2,530
Adjusted Operating Income	\$ 92,465	\$ 47,433	\$ 1,107	\$ (26,858)	\$ 114,147
Net Sales - as reported	750,380	324,141	22,861	—	1,097,382
Adjusted Net Sales - as reported	750,380	324,141	—	—	1,074,521
Operating Income as a % of Net Sales	12.3 %	13.3 %	4.8 %	NM	10.0 %
Adjusted Operating Income as a % of Net Sales	12.3 %	14.6 %	4.8 %	NM	10.4 %
Adjusted Operating Income as a % of Adjusted Net Sales	12.3 %	14.6 %	NM	NM	10.6 %

Thirty-nine weeks ended September 24, 2022					
Operating Income Reconciliation	Infrastructure	Agriculture	Other	Corporate	Valmont
Operating income - as reported	\$ 254,908	\$ 138,779	814	\$ (70,968)	\$ 323,533
Prospera intangible asset amortization	—	4,935	—	—	4,935
Prospera stock-based compensation	—	7,523	—	—	7,523
Adjusted Operating Income	\$ 254,908	\$ 151,237	\$ 814	\$ (70,968)	\$ 335,991
Net Sales - as reported	2,144,669	1,002,118	66,947	—	3,213,734
Adjusted Net Sales - as reported	2,144,669	1,002,118	—	—	3,146,787
Operating Income as a % of Net Sales	11.9 %	13.8 %	1.2 %	NM	10.1 %
Adjusted Operating Income as a % of Net Sales	11.9 %	15.1 %	1.2 %	NM	10.5 %
Adjusted Operating Income as a % of Adjusted Net Sales	11.9 %	15.1 %	NM	NM	10.7 %

Reconciliation of Forecasted GAAP and Adjusted Earnings

Dollars in thousands, except per share amounts

The non-GAAP tables below disclose the impact on the range of estimated diluted earnings per share of the (1) impairment of long-lived assets, (2) realignment charges, and (3) non-recurring tax benefit items. We believe it is useful when considering company performance for the non-GAAP adjusted net earnings to be taken into consideration by management and investors with the related reported GAAP measures.

<u>Reconciliation of Range of Net Earnings - 2023 Revised Guidance</u> ¹	Low End	High End	Adjustments
<i>Estimated net earnings - GAAP</i>	\$ 154,000	\$ 160,400	
Impairment of long-lived assets, pre-tax			\$ 141,000
Realignment charges, pre-tax			36,000
Total pre-tax adjustments			177,000
Estimated tax benefit from above expenses ²			(12,900)
Non-recurring tax benefit items			(3,600)
Total Adjustments, after-tax			<u>\$ 160,500</u>
<i>Estimated net earnings - Adjusted</i>	\$ 314,500	\$ 320,900	
Diluted Earnings Per Share Range - GAAP³	\$ 7.20	\$ 7.50	
Diluted Earnings Per Share Range - Adjusted³	\$ 14.80	\$ 15.10	

¹ See accompanying press release for our key assumptions

² The tax effect of adjustments is calculated based on the estimated income tax rate in each applicable jurisdiction

³ Assumes weighted average shares outstanding of 21.3M, and includes rounding

Reconciliation of Forecasted GAAP and Adjusted Earnings

Dollars in thousands, except per share amounts

The non-GAAP tables below disclose the impact on the range of estimated diluted earnings per share of the (1) amortization of intangible assets (Prospera) and (2) stock-based compensation for Prospera employees. We believe it is useful when considering company performance for the non-GAAP adjusted net earnings to be taken into consideration by management and investors with the related reported GAAP measures.

<u>Reconciliation of Range of Net Earnings - 2023 Previous Guidance</u> ¹	Low End	High End	Adjustments
Estimated net earnings - GAAP	\$ 318,250	\$ 330,050	
Prospera intangible asset (proprietary technology) amortization, pre-tax			\$ 6,600
Prospera stock-based compensation, pre-tax			9,800
Total pre-tax adjustments			16,400
Estimated tax benefit from above expenses ²			(2,450)
Total Adjustments, after-tax			<u>\$ 13,950</u>
Estimated net earnings - Adjusted	\$ 332,200	\$ 344,000	
Diluted Earnings Per Share Range - GAAP ³	\$ 14.80	\$ 15.35	
Diluted Earnings Per Share Range - Adjusted ³	\$ 15.45	\$ 16.00	

¹ See accompanying press release for our key assumptions

² The tax effect of adjustments is calculated based on the estimated income tax rate in each applicable jurisdiction

³ Assumes weighted average shares outstanding of 21.5M, and includes rounding

Reconciliation of Forecasted GAAP and Adjusted Earnings

Dollars in thousands, except per share amounts

The non-GAAP tables below disclose the impact on the range of estimated diluted earnings per share of the (1) amortization of intangible assets (Prospera) and (2) stock-based compensation for Prospera employees. We believe it is useful when considering company performance for the non-GAAP adjusted net earnings to be taken into consideration by management and investors with the related reported GAAP measures.

<u>Reconciliation of Range of Net Earnings - 2023 Revised Previous Guidance</u> ¹	Low End	High End	Adjustments
Estimated net earnings - GAAP	\$ 318,250	\$ 330,050	
Prospera intangible asset (proprietary technology) amortization, pre-tax			\$ —
Prospera stock-based compensation, pre-tax			—
Total pre-tax adjustments			—
Estimated tax benefit from above expenses ²			—
Total Adjustments, after-tax			\$ —
Estimated net earnings - Adjusted	\$ 318,250	\$ 330,050	
Diluted Earnings Per Share Range - GAAP ³	\$ 14.80	\$ 15.35	
Diluted Earnings Per Share Range - Adjusted ³	\$ 14.80	\$ 15.35	

¹ See accompanying press release for our key assumptions

² The tax effect of adjustments is calculated based on the estimated income tax rate in each applicable jurisdiction

³ Assumes weighted average shares outstanding of 21.5M, and includes rounding

Reconciliation of Excluding Other Segment Net Sales

Dollars in thousands

Excluding Other segment net sales from the third quarter and first three quarters of fiscal 2022, which we refer to in this reconciliation as "Adjusted Net Sales" is a non-GAAP measure. The Other segment net sales were generated by the wind energy structures business which was divested in December 2022. Adjusted Net Sales 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 table below shows how Adjusted Net Sales is calculated from our statements of earnings. Adjusted Net Sales is calculated as Net Sales less Other segment net sales. Adjusted Net Sales allows investors to analyze our operating performance in light of the amount of net sales less net sales of a divested business.

	Thirteen weeks ended		Percent Change	Thirty-nine weeks ended		Percent Change
	September 30, 2023	September 24, 2022		September 30, 2023	September 24, 2022	
Net sales	\$ 1,050,295	\$ 1,097,382	-4.3%	\$ 3,159,072	\$ 3,213,734	-1.7%
Less: Other segment net sales	—	(22,861)	NM	—	(66,947)	NM
Adjusted net sales	\$ 1,050,295	\$ 1,074,521	-2.3%	\$ 3,159,072	\$ 3,146,787	0.4%

Reconciliation of Adjusted Effective Tax Rate

Dollars in thousands

Excluding significant non-recurring items from the third quarter of fiscal 2023 from the calculation of effective tax rate, which we refer to as "Adjusted Effective Tax Rate", is a non-GAAP measure. Adjusted Effective Tax Rate should not be considered in isolation or as a substitute for the effective tax rate prepared in accordance with GAAP. The table below shows how Adjusted Effective Tax Rate is calculated from the Company's Statements of Operations. Adjusted Effective Tax Rate is calculated as total earnings (loss) before income taxes plus the significant non-recurring items of impairment of goodwill and intangible assets, realignment charges, and non-recurring tax benefit items. Adjusted Effective Tax Rate allows investors to analyze our effective tax rate in light of these non-recurring items.

	Thirteen weeks ended September 30, 2023		
	Earnings (loss) before income taxes and equity in loss of nonconsolidated subsidiaries	Income tax expense	Effective tax rate
As reported	\$ (34,655)	\$ 15,461	-44.6%
Impairment of long-lived assets	140,844	4,387	
Realignment charges	4,180	1,045	
Non-recurring tax benefit items	—	3,588	
Adjusted	\$ 110,369	\$ 24,481	22.2%

2013 – 2022 Historical Free Cash Flow^{1,2}

Dollars in millions

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Net cash flows from operating activities	\$ 396.4	\$ 174.1	\$ 272.3	\$ 232.8	\$ 133.1	\$ 153.0	\$ 307.6	\$ 316.3	\$ 65.9	\$ 326.3
Net cash flows from investing activities	(131.7)	(256.9)	(48.2)	(53.0)	(49.6)	(155.4)	(168.1)	(104.0)	(417.3)	(132.1)
Net cash flows from financing activities	(37.4)	(136.8)	(32.0)	(95.2)	(32.0)	(162.1)	(98.9)	(173.8)	133.5	(181.9)
Net cash flows from operating activities	\$ 396.4	\$ 174.1	\$ 272.3	\$ 232.8	\$ 133.1	\$ 153.0	\$ 307.6	\$ 316.3	\$ 65.9	\$ 326.3
Purchase of plant, property, and equipment	(106.8)	(73.0)	(45.5)	(57.9)	(55.3)	(72.0)	(97.4)	(106.7)	(107.8)	(93.3)
Free cash flows	289.7	101.1	226.8	174.9	77.8	81.0	210.2	209.6	(41.9)	233.0
Net earnings attributed to Valmont Industries, Inc.	\$ 278.5	\$ 183.9	\$ 40.1	\$ 175.5	\$ 120.5	\$ 101.8	\$ 146.4	\$ 140.7	\$ 195.6	\$ 250.9
Adjusted free cash flow net earnings attributed to Valmont Industries, Inc.	\$ 295.1	\$ 187.7	\$ 131.7	\$ 139.9	\$ 162.7	\$ 130.4	N/A	\$ 159.8	\$ 222.3	\$ 284.2
Free Cash Flow Conversion - GAAP	1.04	0.55	5.66	1.00	0.65	0.80	1.44	1.49	(0.21)	0.93
Free Cash Flow Conversion - Adjusted	0.98	0.53	1.71	1.25	0.48	0.62	N/A	1.31	(0.19)	0.82
Reconciliation of Net Earnings to Adjusted Figures										
Net earnings attributed to Valmont Industries, Inc.	\$ 278.5	\$ 183.9	\$ 40.1	\$ 175.5	\$ 120.5	\$ 101.8	\$ 146.4	\$ 140.7	\$ 195.6	\$ 250.9
Loss from divestiture of offshore wind energy structures business	-	-	-	-	-	-	-	-	-	33.3
Change in valuation allowance against deferred tax assets	-	-	7.1	(20.7)	41.9	-	-	-	5.0	-
Impairment of long-lived assets	12.2	-	61.8	1.1	-	28.6	-	19.1	21.7	-
Reversal of contingent liability	-	-	-	(16.6)	-	-	-	-	-	-
Other non-recurring expenses (non-cash)	-	-	18.1	-	-	-	-	-	-	-
Deconsolidation of Delta EMD, after-tax and NCI	4.4	-	-	-	-	-	-	-	-	-
Noncash loss from Delta EMD shares	-	3.8	4.6	0.6	0.2	-	-	-	-	-
Adjusted free cash flow net earnings attributed to Valmont Industries, Inc.	\$ 295.1	\$ 187.7	\$ 131.7	\$ 139.9	\$ 162.7	\$ 130.4	\$ 146.4	\$ 159.8	\$ 222.3	\$ 284.2

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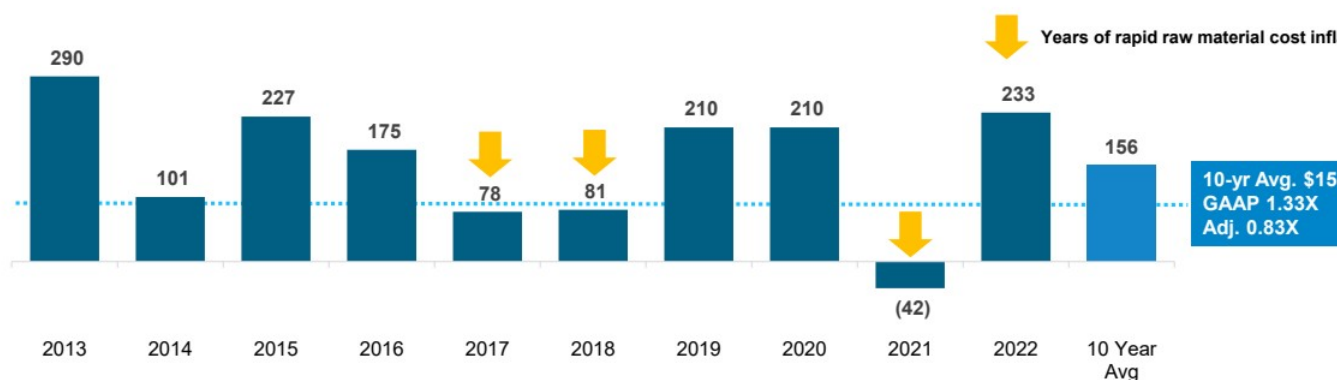
¹ Adjusted earnings for purposes of calculating FCF conversion may not agree to the adjusted net earnings. The difference is due to non-recurring expenses which were settled in cash in the year of occurrence as part of net cash flows from operating activities.

² We use the non-GAAP measure of FCF, which we define as GAAP net cash flows from operating activities reduced by capex. We believe that FCF is a useful performance measure for management and useful to investors as the basis for comparing our performance with other companies. Our measure of FCF may not be directly comparable to similar measures used by other companies.

Strong Free Cash Flow throughout the Cycle

Dollars in millions

2013 – 2022 Free Cash Flow¹



Historical FCF Conversion by Year¹

GAAP	1.04X	0.55X	5.66X	1.00X	0.65X	0.80X	1.44X	1.49X	(0.21X)	0.93X
Adj.	0.98X	0.53X	1.71X	1.25X	0.48X	0.62X	N/A	1.31X	(0.19X)	0.82X

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¹ We use the non-GAAP measure of FCF, which we define as GAAP net cash flows from operating activities reduced by capex. We believe that FCF is a useful performance measure for management and useful to investors as the basis for comparing our performance with other companies. Our measure of FCF may not be directly comparable to similar measures used by other companies.

Calculation of Adjusted EBITDA and Leverage Ratio

Dollars in thousands

Certain of our debt agreements contain covenants that require us to maintain certain coverage ratios. Our Debt/Adjusted EBITDA may not exceed 3.5X Adjusted EBITDA (or 3.75X Adjusted EBITDA after certain material acquisitions) of the prior four fiscal quarters. See "Leverage Ratio" below.

	Four Fiscal Quarters Ended September 30, 2023
Net earnings attributable to Valmont Industries, Inc.	\$ 155,220
Interest expense	54,750
Income tax expense	107,395
Depreciation and amortization expense	98,002
Stock based compensation	40,662
Loss on divestiture of offshore wind energy structures business	33,273
Impairment of long-lived assets	140,844
Restructuring costs	4,180
HR Products Pro-Forma EBITDA	24,921
Adjusted EBITDA	\$ 659,247
Interest-bearing debt, excluding origination fees and discounts of \$26,481	\$ 1,008,321
Less: cash and cash equivalents in excess of \$50 million	122,566
Net indebtedness	\$ 885,755
Net indebtedness	\$ 885,755
Leverage ratio	1.34
Interest-bearing debt, excluding origination fees and discounts of \$26,481	\$ 1,008,321
Total debt to adjusted EBITDA	1.53