



# **Q2 2025 Earnings Presentation**

July 22, 2025

# Disclosure Regarding Forward-Looking Statements

These slides (and the accompanying oral discussion) contain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These statements are based on assumptions made by management, considering its experience in the industries where Valmont operates, perceptions of historical trends, current conditions, expected future developments, and other relevant factors. It is important to note that these statements are not guarantees of future performance or results. They involve risks, uncertainties (some of which are beyond Valmont's control), and assumptions. While management believes these forward-looking statements are based on reasonable assumptions, numerous factors could cause actual results to differ materially from those anticipated. These factors include, among other things, risks described in Valmont's reports to the Securities and Exchange Commission ("SEC"), the Company's actual cash flows and net income, future economic and market circumstances, industry conditions, company performance and financial results, operational 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 by domestic and foreign governments, including tariffs. The Company cautions that any forward-looking statements in this release are made as of its publication date and does not undertake to update these statements, except as required by law.

The Company's guidance includes certain non-GAAP financial measures (adjusted diluted earnings per share and adjusted effective tax rate) presented on a forward-looking basis. These measures are typically calculated by excluding the impact of items such as foreign exchange, acquisitions, divestitures, realignment or restructuring expenses, goodwill or intangible asset impairment, changes in tax laws or rates, change in redemption value of redeemable noncontrolling interests, and other non-recurring items. Reconciliations to the most directly comparable GAAP financial measures are not provided, as the Company cannot do so without unreasonable effort due to the inherent uncertainty and difficulty in predicting the timing and financial impact of such items. For the same reasons, the Company cannot assess the likely significance of unavailable information, which could be material to future results.



# CEO Opening Comments

Avner Applbaum, President & CEO

# Q2 2025 Key Highlights

## Solid Results Operationally, Reflecting Disciplined Execution

- Modest sales growth led by strength in Utility, Telecom and International Ag
- Confident in core markets; aligned with megatrends: energy transition, infrastructure wave, global food security

## Completed Organizational Realignment Work

- ~\$112M of non-recurring charges, to refine the portfolio and streamline the organization
- Positioned to scale, execute, and create long-term value

## Focused on the Future

- Accelerating growth, driving efficiency and advancing innovation
- Prioritizing high-value initiatives that enhance customer impact and improve returns

**NET SALES**  
**\$1.05 BILLION**  
**+1.0%**

**GAAP OPERATING MARGIN**  
**2.8%**  
**NM**

**ADJUSTED<sup>1</sup> OPERATING MARGIN**  
**13.5%**  
**-70 BPS**

**OPERATING CASH FLOWS**  
**\$167.6 MILLION**  
**+28.1%**

# 2025 Critical Objectives to Build on Past Success

<b>Catch the Infrastructure Wave</b>	<ul style="list-style-type: none"><li>• Investing \$100M of growth capex in 2025 to add capabilities and capacity</li><li>• Capitalizing on the largest opportunities in our Utility business</li></ul>
<b>Position Agriculture for Growth</b>	<ul style="list-style-type: none"><li>• Demonstrating resiliency and market leadership during macro-driven headwinds</li><li>• Strong international project pipeline; recently awarded \$20M of project work in Africa</li><li>• Aligning the cost structure to market conditions and growth opportunities</li></ul>
<b>Disciplined Resource Allocation</b>	<ul style="list-style-type: none"><li>• Intentionally finding better ways to work smarter and more efficiently</li><li>• Aligning capital allocation priorities with our strategic growth plans</li></ul>
<b>World-Class Safety</b>	<ul style="list-style-type: none"><li>• Our people are at the center of everything we do; Released 2025 Sustainability Report</li><li>• Employee safety is a fundamental commitment</li></ul>
<b>Talent Development</b>	<ul style="list-style-type: none"><li>• Equipping our employees with the skills and opportunities to grow</li><li>• Fostering a high-performance culture that drives innovation and long-term success</li></ul>

**Seizing opportunities to create long-term, sustainable stakeholder value**



# Financial Results and Outlook

Tom Liguori, EVP & CFO

# Positioning the Business for Long-term Growth

## Org Realignment

- Headcount reduction in Solar and North American Ag to reflect near-term market conditions
- Shifted resources to growth opportunities
- Reduced management layers across the organization
- Integrated operations into the segments to drive accountability and improve collaboration

## Portfolio Refinements

- Exited North American Solar market and significantly downsized Solar in Brazil; due to growth trajectory and recent regulatory environment
- Impacting both Infrastructure and Agriculture
- Assessed APAC Access (L&T) Systems business; reviewed allocated resources and associated goodwill
- \$10.9M to fulfill payments for system licenses no longer needed
- \$21.6M impairment of other assets
- An estimated liability to exit a joint venture ag solar business

**Total Non-recurring Impacts: \$138.3M**

**Solar: \$105.5M**

**L&T: \$23.8M**

**Corporate & Other: \$9M**

**Expect \$22M in Annualized Savings in 2026,  
with \$8M in 2H 2025**

# Q2 2025 GAAP Financial Summary

Dollars in millions, except per-share amounts

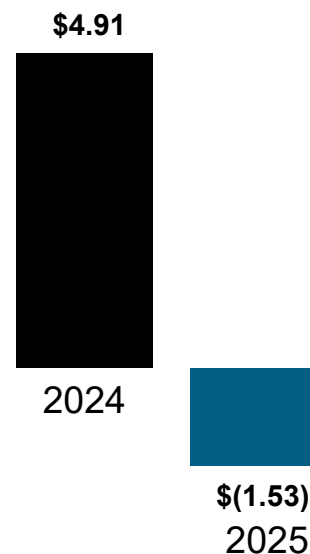
## Net Sales +1.0%



## Operating Income -80.1%



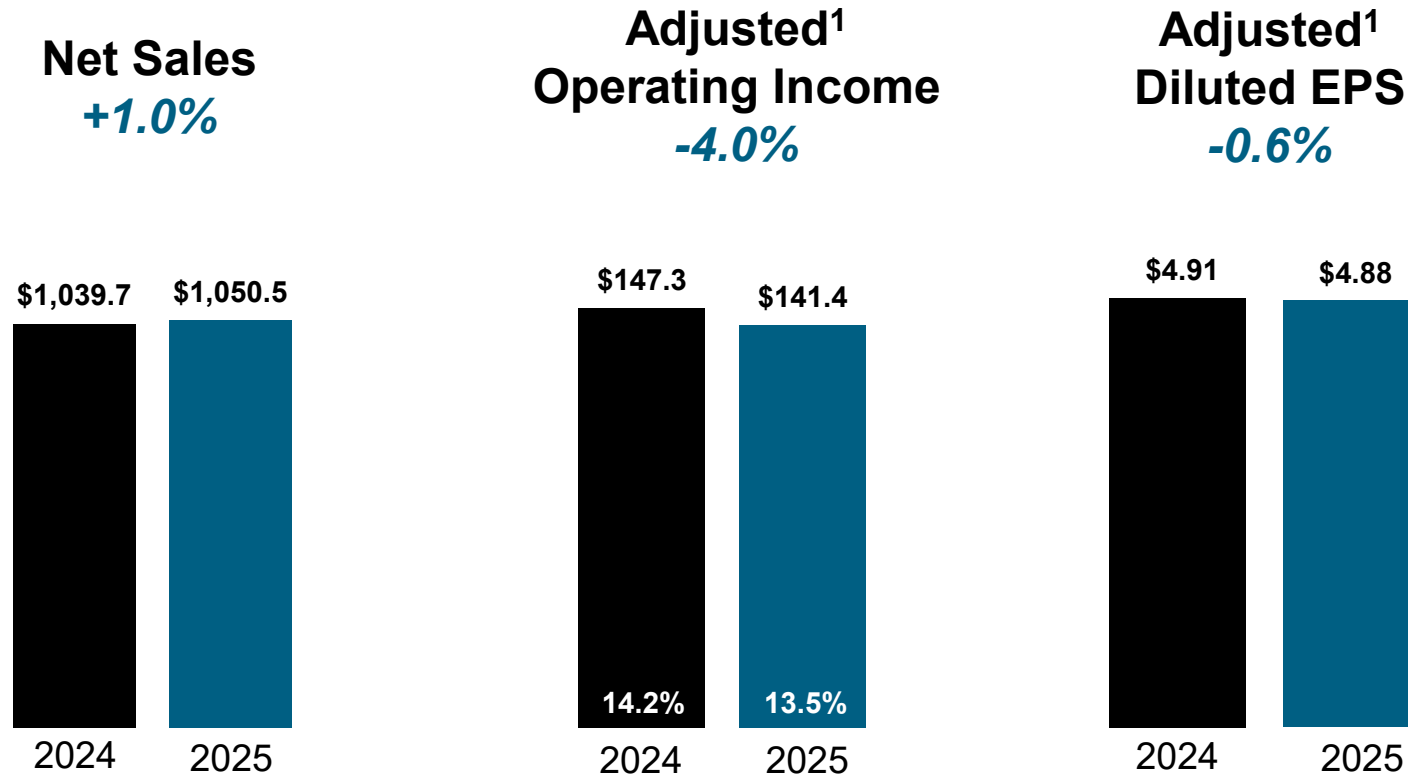
## Diluted EPS NM



- Net sales slightly up; sales growth in Utility, Telecom and International Agriculture was partially offset by lower sales in Solar and North America Agriculture
- Gross margin of 30.6% slightly below prior year, due to lower International Infrastructure profitability from lower sales
- SG&A expenses were \$191.7M, or 18.2% of net sales
- GAAP operating income of \$29.3M and GAAP diluted loss per share of \$1.53; both were lower y/y due to impairment, realignment, and other non-recurring charges as noted in the Q2 earnings release
- Interest expense decreased due to lower debt

# Q2 2025 Adjusted<sup>1</sup> Financial Summary

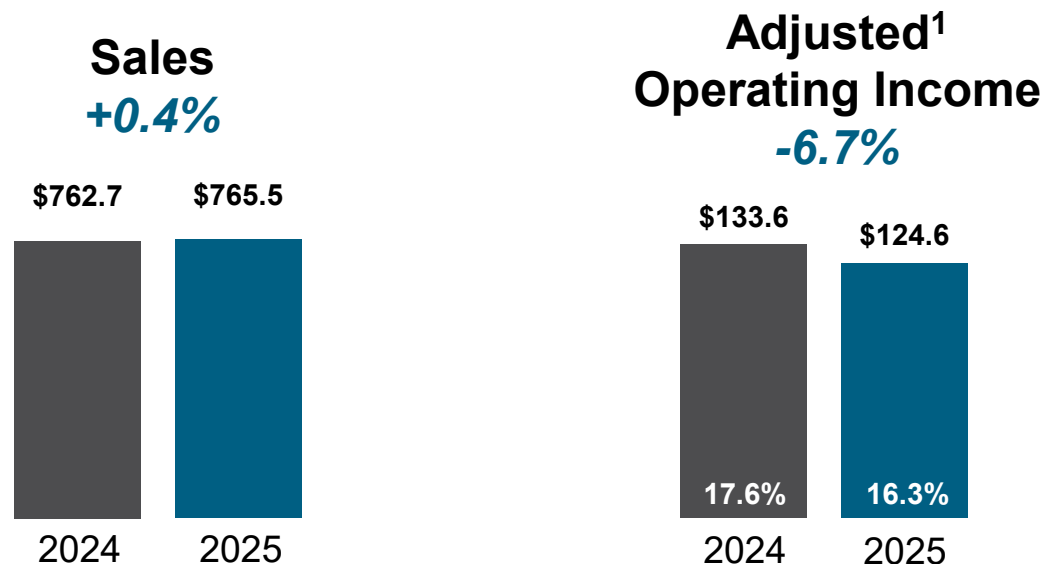
Dollars in millions, except per-share amounts



- Net Sales of \$1.05 Billion
- Adjusted<sup>1</sup> gross profit margin of 30.7%
- Total adjusted<sup>1</sup> SG&A expense was \$181.4M an increase of \$8.4 million due to higher variable selling costs and investments in IT and AI related technologies
- Expect SG&A to be in the mid \$170Ms in 2H 2025
- Adjusted<sup>1</sup> operating income of \$141.4M and adjusted<sup>1</sup> diluted EPS of \$4.88; both declined due to lower International Infrastructure profitability from lower sales

# Q2 2025 Results | Infrastructure

Dollars in millions



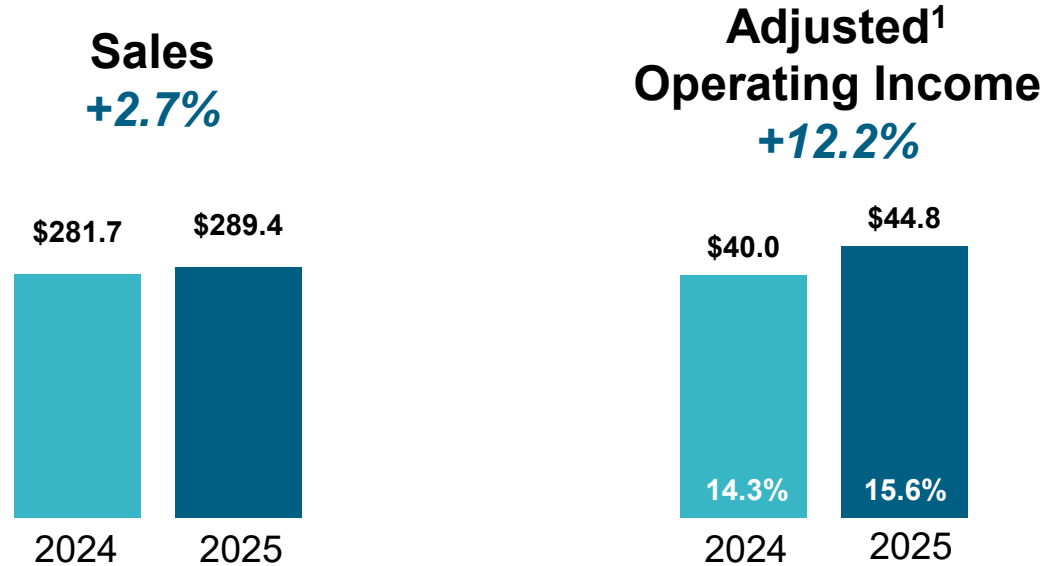
Sales	2024	2025	%
Utility	\$332.4	\$350.4	+5.4%
Lighting and Transportation ("L&T")	\$234.3	\$218.0	-6.9%
Coatings	\$91.6	\$90.8	-0.9%
Telecommunications	\$58.4	\$82.1	+40.5%
Solar	\$46.1	\$24.3	-47.4%

- **Utility:** growth was driven by higher volumes and pricing, more than offset lower steel cost pass-throughs
- **L&T:** sales declined; softness in international markets
- **Coatings:** sales declined; softness in international markets
- **Telecom:** strong sales growth due to successful product alignment with key carrier programs
- **Solar:** sales decreased on lower volumes
- **Operating Income:** decreased; operating margin declined 130 bps due to lower international profitability, primarily due to lower sales

<sup>1</sup> Please see Reg G reconciliation to GAAP measures at end of document  
GAAP: Infrastructure Operating Income, % of Net Sales, and % Y/Y Change were \$25.9M, 3.4%, and -80.6%, respectively.

# Q2 2025 Results | Agriculture

Dollars in millions



- **North America:** volumes declined due to fewer storm-related replacement sales and continued market softness
- **International:** sales increased significantly, led by EMEA strength and higher volumes across all regions, including Brazil
- **Operating income:** increased; operating margin increased mostly due to improved profitability in EMEA and lower SG&A in North America

Sales	2024	2025	%
North America	\$161.3	\$142.5	-11.7%
International	\$120.4	\$146.9	+22.0%

<sup>1</sup> Please see Reg G reconciliation to GAAP measures at end of document  
 GAAP: Agriculture Operating Income, % of Net Sales, and % Y/Y Change were \$36.1M, 12.5%, and -9.8%, respectively.

# Capital Allocation Priorities



## Cash Flow & Liquidity

- Q2 2025 operating cash flows were \$167.6 million
- Cash balance of \$208.5 million
- Credit revolver of ~\$800.0 million
- Net Debt to Adjusted EBITDA<sup>1</sup> ratio of ~1.0x

~50% Growing Our Business	Capital Expenditures	<ul style="list-style-type: none"> <li>• Invested <b>\$32M in Q2</b> for investments to catch the infrastructure wave and support growth</li> </ul>
	Acquisitions	<ul style="list-style-type: none"> <li>• <b>Strategic fit</b> at the right price</li> </ul>
~50% Returning Cash to Shareholders	Dividends	<ul style="list-style-type: none"> <li>• Returned <b>\$13.6M in dividends in Q2</b></li> </ul>
	Share Repurchases	<ul style="list-style-type: none"> <li>• Repurchased <b>\$100.0M of shares in Q2</b> at an average price of <b>\$279.35 per share</b></li> </ul>

**Disciplined and balanced capital allocation driving shareholder value**

<sup>1</sup> Please see Adjusted EBITDA and Leverage Ratio at end of document

# Raising Full-Year 2025 Adjusted Diluted EPS Outlook

2025 Outlook	
Net Sales	\$4.0B to \$4.2B
Infrastructure Net Sales	\$3.02B to \$3.16B
Agriculture Net Sales	\$0.98B to \$1.04B
Adjusted Diluted EPS	\$17.50 to \$19.50 From \$17.20 to \$18.80
Capital Expenditures	\$140M to \$160M
Adjusted Effective Tax Rate	~26.0%

## Key Assumptions, Including Current Tariff Considerations

- Steel cost assumptions are aligned with futures markets as of July 21, 2025
- Outlook reflects current plans and actions underway to mitigate the direct impacts of tariffs as of July 18, 2025
- In regards to tariffs, expect to remain profit neutral on a dollar basis in 2025

**Increasing Adjusted Diluted EPS Midpoint to \$18.50 from \$18.00**

# Value Drivers: Progressing Toward Our Long-Term Strategy

## Catch the Infrastructure Wave

- Utility capacity expansion, including capabilities to increase manufacturing throughput

**+\$350 to \$400M Revenue**  
**+\$3 to \$5 EPS**

## Position Ag for Growth

- Growth initiatives of aftermarket parts and ag tech

**+\$100 to \$150M Revenue**  
**+\$1 to \$2 EPS**

## Disciplined Resource Allocation

- Align corporate costs with business needs
- Tuck-in acquisitions
- Share repurchases and dividends

**\$50 to \$150M Revenue**  
**+\$3 to \$5 EPS**

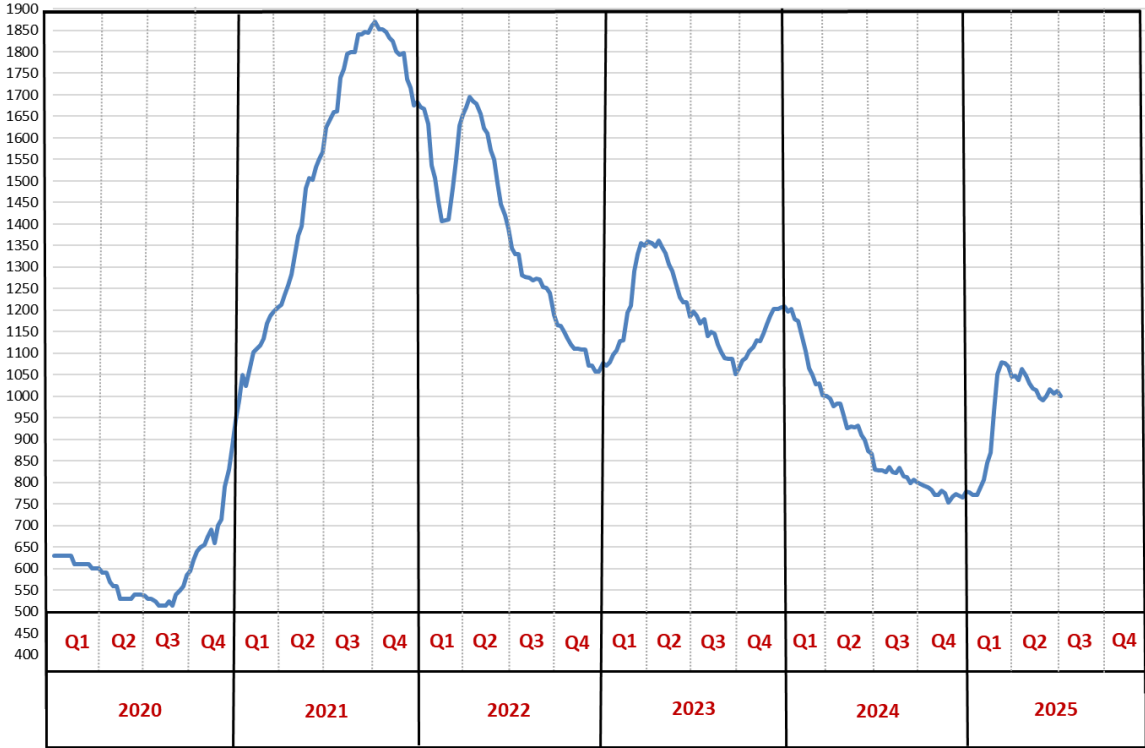
**Roadmap to Add \$500 to \$700M Revenue and \$7 to \$12 EPS**  
**Potential \$25 to \$30 EPS in Three to Four Years**

# Q&A

# Appendix

# Steel Material Index Trends

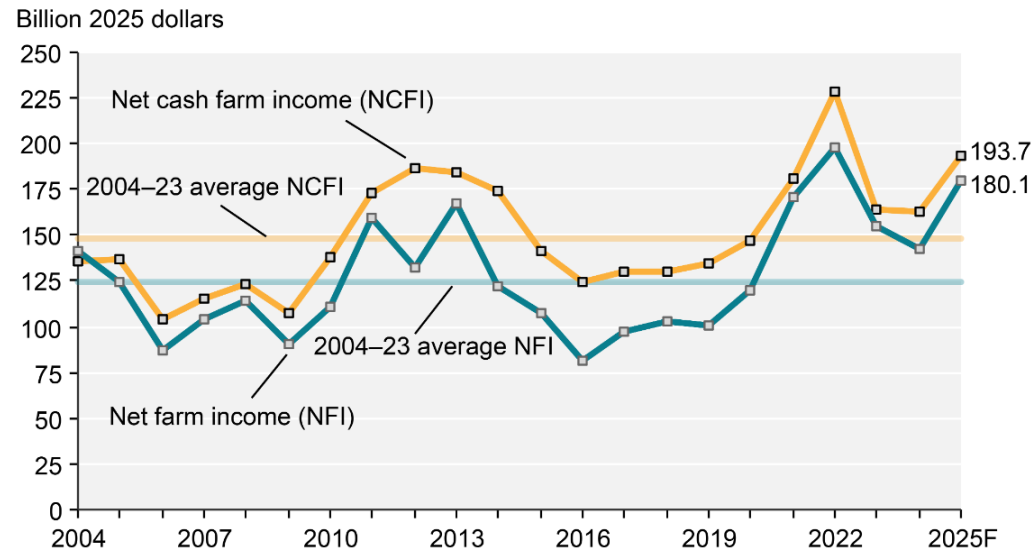
AMM Steel Material Index  
 National Mills Carbon Grade  
 Cut to Length and Coiled / Hot Rolled Plate Average  
 2020 through 2025 YTD



- Steel index deflation impacted revenues in 2024
- Utility is most affected by steel cost changes due to the contractual pricing mechanisms and a strong backlog

# U.S. Net Cash Farm Income by Year

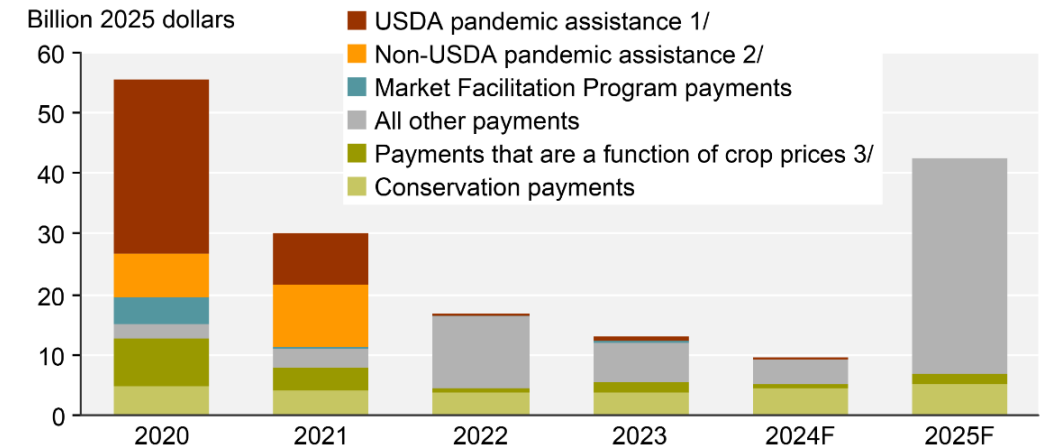
**U.S. net farm income and net cash farm income, inflation adjusted, 2004–25F**



Note: F = forecast; data for 2024 and 2025 are forecasts. Values are adjusted for inflation using the U.S. Department of Commerce, Bureau of Economic Analysis, Gross Domestic Product Price Index (BEA API series code: A191RG) rebased to 2025 by USDA, Economic Research Service.

Source: USDA, Economic Research Service, Farm Income and Wealth Statistics. Data as of February 6, 2025.

**Direct Government payments to U.S. farm producers, 2020–25F**



Note: F = forecast. Values are adjusted for inflation using the U.S. Department of Commerce, Bureau of Economic Analysis, Gross Domestic Product Price Index (BEA API series code: A191RG) rebased to 2025 by USDA, Economic Research Service.

1/ Includes payments from the Coronavirus Food Assistance Program and other USDA pandemic assistance for producers.

2/ Includes forgiven loans from the Paycheck Protection Program.

3/ Includes Price Loss Coverage, Agriculture Risk Coverage, loan deficiency payments (excluding grazeout payments), marketing loan gains, and dairy payments.

Source: USDA, Economic Research Service, Farm Income and Wealth Statistics. Data as of February 6, 2025.

# Reconciliation of Non-GAAP Financial Measures to Reported Financial Measures

Management utilizes non-GAAP financial measures to assess the Company's historical and prospective financial performance, evaluate operational profitability on a consistent basis, factor into executive compensation decisions, and enhance transparency for the investment community. These non-GAAP measures are intended to supplement, not replace, the Company's reported financial results prepared in accordance with GAAP. It is important to note that other companies may calculate these measures differently, which can limit their usefulness for comparison across organizations.

The following non-GAAP measures have been included in this financial communication:

- **Adjusted Gross Profit, Adjusted Gross Margin, Adjusted Selling, General, and Administrative ("SG&A") Expenses, Adjusted Operating Income, Adjusted Operating Margin, Adjusted Net Earnings, and Adjusted Diluted EPS:** These metrics provide meaningful supplemental insights into the Company's operating performance by excluding items that are not considered part of core operating results. This approach enhances comparability across reporting periods. Adjustments may include costs or benefits associated with acquisitions, divestitures, expenses related to realignment or restructuring programs, goodwill or intangible asset impairment, significant expenses or benefits from changes in tax laws or rates, cumulative effects of changes in accounting standards, refinancing-related expenses, a loss or a gain from a partial or full settlement of the U.K. defined benefit pension plan obligation, losses from natural disasters, change in redemption value of redeemable noncontrolling interests, and other non-recurring items.
- **Adjusted EBITDA:** This metric is a key component of a financial ratio included in the covenants of our major debt agreements. It is calculated as net earnings before interest, taxes, depreciation, amortization, stock-based compensation, and other adjustments as outlined in the applicable debt agreements. This metric offers investors and analysts valuable insights into the Company's core operating performance. Adjusted EBITDA margin is also used to evaluate profitability.
- **Leverage Ratio:** This ratio is calculated by taking the sum of interest-bearing debt, minus unrestricted cash in excess of \$50.0 million (but not exceeding \$500.0 million), and dividing it by Adjusted EBITDA. This is a key financial ratio included in the covenants of our major debt agreements and is calculated on a rolling four-fiscal-quarter basis.

## Forward-Looking Guidance

The Company's guidance includes certain non-GAAP financial measures (adjusted diluted earnings per share and adjusted effective tax rate) presented on a forward-looking basis. These measures are typically calculated by excluding the impact of items such as foreign exchange, acquisitions, divestitures, realignment or restructuring expenses, goodwill or intangible asset impairment, changes in tax laws or rates, change in redemption value of redeemable noncontrolling interests, and other non-recurring items. Reconciliations to the most directly comparable GAAP financial measures are not provided, as the Company cannot do so without unreasonable effort due to the inherent uncertainty and difficulty in predicting the timing and financial impact of such items. For the same reasons, the Company cannot assess the likely significance of unavailable information, which could be material to future results.

# Reconciliation of Non-GAAP Financial Measures to Reported Financial Measures

In thousands

Gross Profit Reconciliation	Thirteen weeks ended June 28, 2025			
	Infrastructure	Agriculture	Corporate	Consolidated
Gross profit - as reported	\$ 227,883	\$ 93,284	\$ —	\$ 321,167
Realignment charges	910	—	—	910
Other non-recurring charges	—	684	—	684
Adjusted gross profit	\$ 228,793	\$ 93,968	\$ —	\$ 322,761
Net sales - as reported	763,092	287,456	—	1,050,548
Gross profit as a % of net sales	29.9%	32.5%	NM	30.6%
Adjusted gross profit as a % of net sales	30.0%	32.7%	NM	30.7%

SG&A Expenses Reconciliation	Thirteen weeks ended June 28, 2025			
	Infrastructure	Agriculture	Corporate	Consolidated
SG&A expenses - as reported	\$ 111,187	\$ 52,366	\$ 28,117	\$ 191,670
Other non-recurring charges	(7,031)	(3,234)	—	(10,265)
Adjusted SG&A expenses	\$ 104,156	\$ 49,132	\$ 28,117	\$ 181,405
Net sales - as reported	763,092	287,456	—	1,050,548
SG&A expenses as a % of net sales	14.6%	18.2%	NM	18.2%
Adjusted SG&A expenses as a % of net sales	13.6%	17.1%	NM	17.3%

Operating Income (Loss) Reconciliation	Thirteen weeks ended June 28, 2025			
	Infrastructure	Agriculture	Corporate	Consolidated
Operating income (loss) - as reported	\$ 25,914	\$ 36,051	\$ (32,689)	\$ 29,276
Impairment of long-lived assets	89,356	1,981	—	91,337
Realignment charges	2,336	2,886	4,572	9,794
Other non-recurring charges	7,031	3,918	—	10,949
Adjusted operating income (loss)	\$ 124,637	\$ 44,836	\$ (28,117)	\$ 141,356
Net sales - as reported	763,092	287,456	—	1,050,548
Operating income (loss) as a % of net sales	3.4%	12.5%	NM	2.8%
Adjusted operating income (loss) as a % of net sales	16.3%	15.6%	NM	13.5%

# Reconciliation of Non-GAAP Financial Measures to Reported Financial Measures

*In thousands, except per-share amounts*

	Thirteen weeks ended June 28, 2025	Diluted earnings (loss) per share <sup>1,2</sup>	Twenty-six weeks ended June 28, 2025	Diluted earnings per share <sup>1,2</sup>
Net earnings (loss) attributable to Valmont Industries, Inc. including change in redemption value of redeemable noncontrolling interests	\$ (30,263)	\$ (1.52)	\$ 56,998	\$ 2.84
Less: Change in redemption value of redeemable noncontrolling interests	26,243	1.32	26,243	1.31
Net earnings (loss) attributable to Valmont Industries, Inc. - as reported	\$ (4,020)	\$ (0.20)	\$ 83,241	\$ 4.15
Impairment of long-lived assets <sup>4</sup>	91,337	4.58	91,337	4.55
Realignment charges <sup>5</sup>	9,794	0.49	9,794	0.49
Other non-recurring charges <sup>6</sup>	10,949	0.55	10,949	0.55
Total adjustments, pre-tax	112,080	5.62	112,080	5.59
Tax effect of adjustments <sup>3</sup>	(10,862)	(0.55)	(10,862)	(0.54)
Net earnings attributable to Valmont Industries, Inc. - adjusted	<u>\$ 97,198</u>	<u>\$ 4.88</u>	<u>\$ 184,459</u>	<u>\$ 9.19</u>
Average shares outstanding - diluted		19,930		20,063

<sup>1</sup>In the second quarter of fiscal 2025, the Company reported a GAAP net loss. In periods in which the Company recognizes a net loss, the Company excludes the impact of outstanding stock awards from the diluted loss per share calculation, as their inclusion would have an anti-dilutive effect. The adjusted diluted earnings per share calculation includes the impact of outstanding stock awards.

<sup>2</sup>Diluted earnings (loss) per share includes rounding.

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

<sup>4</sup>The Company recorded non-cash impairment charges of \$71.1 million for goodwill and certain intangible assets in the Solar and Access Systems businesses and recorded \$20.2 million for other long-lived assets that will no longer be utilized.

<sup>5</sup>The Company took realignment actions resulting in pre-tax charges of \$9.8 million, primarily severance-related.

<sup>6</sup>Other non-recurring charges consist of costs to fulfill contractually required payments for system licenses no longer needed and asset valuation adjustments for a joint venture ag solar business..

# Reconciliation of Non-GAAP Financial Measures to Reported Financial Measures

*In thousands*

	Four fiscal quarters ended June 28, 2025
Net cash flows from operating activities	\$ 651,274
Interest expense	47,313
Income tax expense	110,002
Impairment of long-lived assets	(91,337)
Deferred income taxes	27,661
Redeemable noncontrolling interests	(455)
Net periodic pension cost	(852)
Contribution to defined benefit pension plan	3,082
Changes in assets and liabilities	(211,143)
Other	(12,480)
Impairment of long-lived assets	91,337
Realignment charges	9,794
Non-recurring non-cash charges	3,918
Pro forma divestitures adjustment	(761)
Adjusted EBITDA	<u>\$ 627,353</u>
Net earnings attributable to Valmont Industries, Inc.	\$ 243,962
Interest expense	47,313
Income tax expense	110,002
Depreciation and amortization	92,650
Stock-based compensation	29,138
Impairment of long-lived assets	91,337
Realignment charges	9,794
Non-recurring non-cash charges	3,918
Pro forma divestitures adjustment	(761)
Adjusted EBITDA	<u>\$ 627,353</u>
Interest-bearing debt, excluding origination fees and discounts of \$25,256	\$ 755,918
Less: Cash and cash equivalents in excess of \$50,000	<u>158,533</u>
Net indebtedness	\$ 597,385
Leverage ratio	0.95