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<<Trent Meyer, Analyst, Robert W. Baird & Co.>>

All right. Good morning, everyone. Let's go ahead and get started here. Welcome to the Valmont Industries presentation. My name is Trent Meyer, an Industrial Analyst here with Baird. And with me to tell more – tell you more about Valmont is Avner Applbaum, President and Chief Executive Officer; and Renee Campbell, Senior Vice President, Investor Relations and Treasurer. Thank you in joining them. Today, guys, this is going to be a presentation, followed by a Q&A session at the end. If you guys have any questions, feel free to send me an e-mail or raise your hand when we get to that time.

With that, let me pass it to Renee.

<<Renee Campbell, Senior Vice President, Investor Relations & Treasurer>>

Thank you, Trent. Well, good day, everyone. Thank you for joining us here today. Very excited to walk you through Valmont's strategy and growth opportunities over the next several years while we position the company for growth in our next phase of growth. Before we start, I just want to cover our disclosure on forward-looking statements, which applies to today's presentation as well as the discussion and Q&A and as outlined here on Slide 2.

With that, I'm going to turn it over to Avner to walk us through our strategy and growth potential. Avner?

<<Avner Applbaum, President and Chief Executive Officer>>

Thanks, Renee. Thank you, Trent, for having us. Really excited to have the opportunity to share with you about Valmont Industries. Many of you may not be familiar with our story, although I'm pretty certain you've seen our products today even though you didn't know that's the case. So why do I believe Valmont is this hidden gem? Well, it really goes to the opportunities ahead of us, which I will share today with the strength in our markets and our capabilities to deliver against these opportunities with our strong market position.

So why am I so confident about our future? Let me just share a little bit of the groundwork. So when I joined the company around 2020, until today, we more than doubled our earnings per share. Our return on invested capital almost doubled to 16.4%. And at that time, we returned significant value to our shareholders. And these results reflect our portfolio discipline and our very focused execution against these priorities.

And we're just getting started. We have plans to drive growth of \$500 million to \$700 million, to drive earnings per share, incremental earnings per share of \$7 to \$12 to get us to \$25 to \$30. And

we've already started executing against this road map while I will share with you a little bit today.

So if you think about the three key strengths that we have that I believe will support our execution, one, we're leaders in markets that have very strong tailwinds, such as energy consumption and the need to replace critical infrastructure. We are the leaders in our space. We have unmatched value from our engineering expertise to our manufacturing, quality, delivery, broad portfolio, which our competitors cannot match. And we're investing where it counts. We're investing in areas where we could drive significant value.

So this really didn't start in the last five years. We've been around since 1946, founded in Valley, Nebraska and our Founder, Robert Daugherty, basically, established the mechanized irrigation industry, and we introduced the center pivot. But then we took the expertise in our engineering and manufacturing, and we took it to infrastructure, which today is our largest segment, which you can see here.

So around 75% of our business is infrastructure, 25% is agriculture, operate in more than 100 countries, supported by 11,000 passionate and dedicated employees. You can see about 70% of our sales is in North America. The rest is globally. And there are big opportunities ahead of us, and our market cap is around \$8 billion.

So since infrastructure is our biggest business. It's got very strong drivers. I'd like to start with infrastructure. If you look at these three drivers, combined, we refer to them as the infrastructure wave. And I'd like to share a little bit more about them. So I'm going to actually start with one, which may be a little less exciting around aging infrastructure. But the reality is the infrastructure needs to be replaced, a lot of the infrastructure in this country and around the world.

In the U.S., it goes back to the 1950s and 1960s and it's reaching the end of its useful life. A couple of examples, if you just look at utility poles, two-thirds of them are wood, they've been around since the 1960s, and they've reached or are reaching their infill, the useful life. And then you look around high-mast systems and roadway lighting, they were installed several decades ago, and also, they are reaching their end of their design life.

So a lot of this replacement is planned, usually supported by bipartisan alignment, see programs like IIA. But a lot of it is also unplanned, unfortunately. We see a lot of storms from ice storms to floods to hurricanes, fires, but the reality is it all needs to be replaced. And that's where we play a critical role here. We have structures from our utility poles to our lighting, structures, traffic, and all of them play a critical role in replacing some of this aged infrastructure.

Now let's move to an area that's a little more exciting. And it's around the energy transition and technology and data consumption. And I'll refer to them together because they're very much linked. So if you think about it over the last several decades, we've been using less power. It was driven by a lot more efficiency and appliances, think about washers and dryers, TVs, lighting, et cetera.

So a lot less usage, but all that have changed, and we're actually seeing growth of power consumption, what we refer to as load growth, driven by many factors, electrification being one of them, electric cars, electric houses, electric plants, a lot more electrification in that area. We're seeing more onshore manufacturing, mega projects in oil and gas. And then, of course, there's AI, which is another main consumption.

And when you think about AI, I just recently read, OpenAI said they have more than 700 million weekly users of ChatGPT, that's 4 times more than it was just a year ago, and that requires a significant amount of power. And just to give a reference, so there's a data center plan for Louisiana. The power consumption is going to be twice as much as the city of New Orleans at its peak. Just think about that for a second, and that's just one data center.

So the bottom line is there's a lot of power needed and utility companies are going to find power sources. And it could be many. It could be solar, wind, nuclear, but the bottom line is they're going to need to move that power. And that is where we play a critical role. And on top of that, I mentioned AI and data centers, data centers as well, not only does it need a power, it also needs some of our other products like our lighting, our telecommunication for private network, galvanizing and so on. So over the last decades, we developed strong customer relationship, engineering and manufacturing expertise have a strong portfolio that could support a lot of these mega trends.

Here's a snapshot of our portfolio. I'm not going to go into all the details, but I do want to share a few highlights. So let me start with utility, which is our largest product line and has the highest growth. And when our customers come to us, they come to us for our engineering expertise, our manufacturing expertise, and we have a broad portfolio, we could provide them with the transmission poles, distribution, substations. We can offer them steel. We can offer concrete, combination of them composite. So overall, we have a very large footprint as well as capabilities to support.

On top of that, you look at our Lighting & Transportation. So there as well, we have a large portfolio around our sign structures, traffic structures, lighting. We could do street lighting, highway lighting, decorative lighting. And overall, we have a very good portfolio to support these end markets such as energy, transportation, communication.

Touching on Coatings, Coatings, we galvanize, we paint and that helps enhance the life of a lot of these products. And on top of that, it supports 1/3 of our own internal volume. Then looking at Telecom, well, the build-out of Telecom, there's a lot more data, a lot more communication needed as the carriers grow out their 5G network. That's where we play in not only with our structures, but also with our components, the next day delivery to make sure they can achieve their goals on budget and on time. So as you can see, we're well-positioned to support this – these drivers in the infrastructure space.

Now let's shift to Agriculture. So Agriculture, it is a cyclical business. It has the peaks, it has the troughs. Unfortunately, now we're in the trough. But we've been in this business for many decades. We've seen this many, many times, and we know to manage through these cycles. And

in fact, even in the trough, it's a very good business. It's a peak, it's a great business. But even today, it's a very good business. But the long-term drivers are very solid, and I'll address them.

So if you start with food security, food security became a critical priority for many countries to make sure they can see their people. And this has been going on for a while, but it really got enhanced when you look at the COVID pandemic. You've seen some wars like the Russia, Ukraine, which disrupted supply of food. And these countries are taking actions to make sure they can see their people in areas that in the past could have not been irrigated and with our solutions, they're able to irrigate and provide for food.

The next area is around the farmers, right? They're facing higher cost, labor constraints, and they basically have to do more with less, how do they maximize their land, and that's where they rely on precision, tech-enabled irrigation solutions. And finally, population growth. If you think about the next decade, there will be 600 to 700 more people on this planet, which is, I don't know, roughly 8% growth. But on top of that, and as important, people are being healthier, healthier diets, more protein, which require more grain. So you take that 8% growth, you could almost double it to the amount of food that needs to be grown. And that's where productivity becomes extremely critical.

If you look at our irrigation solutions compared to dry land, the yields you're going to get as an example, on corn, you'll get 280% yield increase; potatoes, you'll get 250%; soy, you'll get 200%. So what you're seeing here is this is not incremental gains. It's transformative gains in order to produce food. So overall, in the agriculture space, we're a leader in our markets. We have a stronger deal and strongest network. We have the best product innovation and overall, we are well positioned to support the next level of food security, profitability and sustainability.

Now a bit more about our irrigation business. Like I said, we're a leader in our markets, and that's where it all started. So growers look to our solutions to deliver exactly the water they need for the crops, when they need it for the right crops in order so they can maximize their yield, so they can serve water and address a lot of weather volatility. And it's really the only way to stay competitive in today's environment. And we're also utilizing our tech solutions, right? Today, the farms are larger and larger. Labor is scarce. You can't – you don't have time to go out to the field. So today, you use technology to control the field from a – from your hand from a mobile device to make sure you can get the right amount of water at the right time, at the right place, make sure your machine is operating when you need it to operate.

And when you look at the split of the sales, right, we're roughly half and half. And we do expect the international part of the business to grow more over the next decade. And that is driven by Brazil, which has a tremendous amount of hectares available for irrigation. They have great growing conditions with a pivot, they can actually get three crops, which would make them, of course, a lot more productive and a lot more profitable. On top of the Middle East, Africa, where they're investing in food security. So we do expect to see a shift more into our international sales. So overall, while it's a trough now, we are focused on the future, and we feel very good about the long-term drivers of this business.

And finally, so like I said, we have clear opportunities ahead of us with very strong markets, and we have the capabilities. So these are the value drivers. These are the areas of focus for us today. So the first one is utility. Utility, we're thinking – seeing very strong demand. And we're investing in that area. We're investing in capacity. The industry is capacity constrained, and we are investing to make sure we can capture on this once in a generation cycle. Demand is accelerating. We're focused on capturing that growth. So that is number one.

In agriculture, we're setting the business for the growth. Right now, we're making sure our cost is where it needs to be, and we're investing in growth areas on the growers profitability. We're investing in that tech that I mentioned. We're investing in our aftermarket solution to make sure when the grower needs of parts, they could get it immediately when they need it, and that will be another driver for us. And then finally, disciplined approach to capital allocation in order to – in order for us to continue to invest in the business. We're managing our cost and we're shifting the resources to the highest opportunities. We're looking at acquisitions, and on top of that, we're going to leverage share repurchase and dividends to return value to our shareholders.

Put it all together, we expect sales growth of \$500 million to \$700 million, getting us additional \$7 to \$12 of EPS. And we're going to leverage our strength in our business. One, we're leaders in these markets. These markets have very strong tailwinds, such as energy consumption and infrastructure replacement. We deliver unmatched value to our customers from our engineering to our manufacturing expertise. And again, our competitors cannot meet that. And we're investing and focusing where it can. So overall, we're pretty excited about the future and where that's taking us.

And I'm going to invite Renee to share a little bit more about our performance and outlook.

<<Renee Campbell, Senior Vice President, Investor Relations & Treasurer>>

Thank you, Avner. So I want to take a look at where we've been financially over the past several years. So if you start with net sales, we saw strong growth through about 2022. And then things begin to level off, and there's a few reasons for that. On the – excuse me, on the utility side, as Avner mentioned, demand remains very strong, but we're capacity constrained. The whole industry is capacity constrained. And in agriculture, as Avner mentioned, we've seen a pullback. You don't have to go very far to look and understand. The North America farmer is very challenged right now. And we have recently been seeing some softness come out of Brazil as well, but other international ag markets have seen some growth.

And over the past year or so, we've exited certain solar markets and rightsized that business to be focused on mostly Europe. But importantly, even with net sales plateauing, our operating income has doubled. And as Avner mentioned, our earnings per share have more than doubled over that same period. That speaks to the discipline and the strong execution by the Valmont team in managing costs, driving productivity and focusing on higher-value growth opportunities.

One thing I'd point out is that in our utility business, when steel prices move up and down, we do pass that change directly through to our contractual customers. So while that can also affect revenue at times, it does not impact profitability. And that's also why that even with revenue

fluctuations, you see steady improvements in both margins and earnings per share. So I want to go a little bit deeper into what Avner mentioned about capital allocation. First, I will say, though, that we have a very strong balance sheet, exceptionally strong. Our leverage is about 1 times or maybe a little bit below that. And our debt is all long-dated, fixed, maturing in 2044 and 2054, and we generate exceptionally strong cash flows. I think in 2024, we were just under \$600 million of operating cash flow.

So let's talk about how we're going to put all of that to work over the next few years. Back in February, we announced an updated framework designed to accelerate investing in both organic and strategic opportunities while returning significant cash to our shareholders. And importantly, it is backed by that strong cash flow generation that I mentioned. So starting with the growth side. This is all about expanding capacity and investing in CapEx to support that strong demand that we see ahead, particularly in utility infrastructure.

Our run rate is expected to be about \$150 million per year over the next few years and about \$100 million of that will be towards those growth opportunities. And we have said in the last couple of earnings call that for every \$100 million or so of growth CapEx we invest, we expect at least that much in revenue and about \$1 of EPS associated with that.

There's also a place for M&A, but we've been very clear. It's selective, it's strategic. We're looking at smaller tuck-in acquisitions that strengthen our core. In agriculture, that might mean something connected to water or irrigation. In infrastructure, we're focused on adding customers, expanding geographically, opportunities that really fit our model and enhance returns and deliver synergies. And then on the shareholder return side, it's equally disciplined. We announced a \$700 million buyback authorization back in February, which is just under 10% of our market cap. We plan to execute that programmatically over the next three to four years.

And then for dividends, over the past five years or so, we've delivered about a 10% compound annual growth rate, but those increases have been somewhat inconsistent. So we raised the dividend in February by 13%, and we've made a commitment to establish a regular cadence, increasing it in the first quarter of every year going forward. So we're balancing growth with returns. We're investing where we see strong sustainable demand and at the same time, ensuring our shareholders benefit from that success.

So finally, bringing it all together, based on everything that we've talked about today, why invest in Valmont. Well, we're serving high-growth markets, as Avner walked us through earlier, and those are supported by many long-term secular demand trends. The biggest driver, of course, being utility where demand continues to outpace supply, and we are expanding capacity in our existing facilities to meet that. We're also well positioned in Lighting & Transportation and Telecom and International Agriculture. All of those have very attractive long-term growth opportunities tied to food security in the case of agriculture and infrastructure modernization and resiliency and growth in infrastructure. And we continue to look for strategic return focused M&A that complements those core businesses, those smaller tuck-ins that extend our reach, either geographically or in other ways.

Second, we're expanding margins. We're generating significant cash flow, and that comes from everything that we talked about today, pricing excellence, operational efficiency, getting more throughput to our plants. And we're driving productivity across the organization, growing our higher-margin businesses and maintaining strong working capital discipline at the same time. That's what's allowed us to double our operating income and more than double our EPS even in a flat revenue environment.

And third, we're increasing shareholder returns through a disciplined and balanced capital allocation approach. And that commitment to both growth and returns ensures that as we do expand our earnings per share, our shareholders will directly benefit from that success. So looking ahead, we feel very good about the years ahead. We're serving these high-growth markets. We're expanding our profitability and we're returning meaningful value to shareholders, all while fulfilling our promise and our purpose of conserving resources and improving life.

So with that, I will hand it back over to you.

<<Trent Meyer, Analyst, Robert W. Baird & Co.>>

Awesome. And as a reminder everyone, if you have a question, feel free to e-mail me or raise your hand and we'll get this answered. So Avner, let's start with you. You took over about two and a half years ago. Obviously, it's been a super dynamic macro environment, but you've done a great job on the margins and internally. Maybe talk about some of the changes that you've made at Valmont and maybe some of the surprises that have come along the way.

<<Avner Applbaum, President and Chief Executive Officer>>

Thank you. Good question. So the – over the last two and a half years, we took several actions to position us to exactly where we are today. One was around just our portfolio. We need to make sure that we're very focused on our core competence and our core strength. So we look at the portfolio and in the areas that were either not core, not accretive, distractive, we eliminate them and we made sure our portfolio fits where it should be. We looked at the organization. We looked at our spans and layers and realized that we were not close enough to the customer. So we flattened the organization. So the entire organization is focused on serving our customers as well. We align our organization with leadership. We put leadership in place to make sure these leaders are aligned with our organization, with our strategy and so that is another area we took.

We set the North Star for the organization. We took our – as you saw here, our value drivers, our path to – we refer to internally as our path to \$30, to the \$30 EPS. Every person in the organization knows exactly where we're heading. And we've seen the results throughout this year, and we're really excited about where this is taking us in the future.

<<Trent Meyer, Analyst, Robert W. Baird & Co.>>

Yes. So let's hit on that long-term EPS target for a second. Obviously, you laid out some of the pieces in the slide earlier, but why don't you just reframe for everyone in the room, what are the

main drivers to that? What are the risk factors in achieving that EPS target? And what are the main sources of upside as you get sit here today?

<<Avner Applbaum, President and Chief Executive Officer>>

The reason I'm excited about this opportunity is because it's within our control. So if we look at those three levers that I walked us through a little earlier today, right? The utility growth, we know that market is growing. That market is going to grow to nearly double-digit. And with us being the leader in that market with our product portfolio, we will have the demand, and now we're focusing to make sure we have the right capacity and capability to deliver. So that's within our control. So that's number one.

The number two, ag right now is in a trough, but we're focused on the areas that we can drive value to the growers, how could we make them more profitable with our technology offering, with aftermarket parts. So if you're in the field and you need a part, it's very easy. You go use our technology, you know exactly what part you need. So that pivot is running when you need it to run. And then finally, around our capital allocation and making sure we're focusing on our cost as well as tuck-in acquisitions and share buyback.

So overall, that is within our control. That's why I feel very comfortable about our ability to reach those numbers. I look at it as more opportunity than downside risk. And the opportunities is – but if the ag market comes back, that's going to be a plus. I'm not even talking about the other markets like our Lighting & Transportation, which had strong drivers. Telecom that has strong drivers. Coatings is a very solid business. So as these businesses perform, that will give us additional opportunities to actually exceed those targets of \$25 to \$30. So we have a clear road map. We're focused on it and have a lot of opportunity to even exceed those numbers.

<<Trent Meyer, Analyst, Robert W. Baird & Co.>>

So let's move to Infrastructure for a second. Obviously, I think the secular drivers are well laid out, really good opportunity for you guys ahead, but the margin performance has also been really good. You're adding capacity. So maybe just talk about, what capacity you're adding? What investments you're making into that business? What is going to change and what the margin upside is over time in that business?

<<Avner Applbaum, President and Chief Executive Officer>>

So when we think about capacity, right, it's not just adding equipment to the plants. And that is what we are doing, but we're not going out with a greenfield, right? The best ROI, the best way to drive value is to invest in our own facilities. We have the management teams in place. We have the cost. So that's the approach that we're taking. And we have plans that go all the way out to 2027 to make sure we're adding that capacity, but it's not just that. It's also investing in our engineering and our design, right, in our commercial assets to make sure we can support our customers. And so that's the approach that we're taking to make sure that we can deliver.

Now while you're adding the capital, right, by default, you won't be as efficient as you'd like to be because you're training people, you're disrupting the plans, you're adding new equipment. So to me, that's the next lever, the next leg of this whole value creation is as we put new equipment, automation, train our employees, when that's going to be in place, we're actually going to start seeing efficiencies in our plans. So we like – we say, you get \$100 million of revenue. You get more than 20% of OP, and that is today when you're investing, but over time, over the next several years, we're going to see that OP increasing and increasing.

<<Trent Meyer, Analyst, Robert W. Baird & Co.>>

Okay. Well, so let's move to ag for a second. You've talked about a lot of the North America pieces. Maybe let's move internationally, what's your growth strategy internationally in the ag business, maybe review some of the current trends? And also any funding mechanism that may be impacting that business today?

<<Avner Applbaum, President and Chief Executive Officer>>

So international market is also namely Brazil, it's challenged like North America is with the soy prices, where they are today. Credit is tight. There is still geopolitical risk. So the current environment, there's – it's not great, right? But what we're doing is we're utilizing our largest dealer network, the best dealer network in the industry, which applies to Brazil as well and we're focusing on the large farms and they're investing. They're looking at the long term. They see a lot of land available. Not only does it give them the extra crop, it also gives them some insurance, again, weather volatility.

So we continue to invest in that area, Middle East Africa, like I mentioned, around the food security. That is another area where we're investing. We have our facility there in Dubai to support that region. We continue to invest in that region in all the opportunities ahead. So short-term, we're going to manage our cost. We're going to invest in these opportunities to help farmer profitability. And overall, the cycle will change. And when it will come back, we'll be ready.

<<Trent Meyer, Analyst, Robert W. Baird & Co.>>

So let's end with this capital allocation strategy here. Obviously, very balanced dividend, share buyback, M&A. How do you think about when to deploy each of those different cases? What are the return philosophies of the organization? And maybe what's the actionability and composition of the M&A pipeline today?

<<Renee Campbell, Senior Vice President, Investor Relations & Treasurer>>

Yes. So as I mentioned, it's a very balanced approach. We look at the different levers that we can pull. First and foremost, we are focused on CapEx, right? You heard us talk all morning about capacity constraints in the industry and the returns that we expect from investing in ourselves.

M&A, there are opportunities there. We're being very selective and careful, but we know that, that is an incremental part of our growth strategy and story. As far as returns, the \$700 million

buyback authorization, we are executing on that. We hope to, over the next three years to four years get through that and be ready for the next phase. And then dividends, as I mentioned, be much more consistent as time goes on. So we really truthfully take a balanced approach to it. We know that if M&A opportunities are in front of us, we can maybe lean a little bit more into the buybacks and CapEx. As we grow, that will remain an important part of our strategy as well.

<<Trent Meyer, Analyst, Robert W. Baird & Co.>>

Awesome. Well, join me in thanking the Valmont team.