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Valmont Industries, Inc. (VMI)

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MANAGEMENT DISCUSSION SECTION

David Noah
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...Citi Investment Banking. Very pleased to host this morning the team from Valmont Industries. We've got Avner Applbaum, President and CEO; Tom Liguori, CFO; and Renee Campbell, who has many roles, Investor Relations and Treasury included. Very pleased to have the team here again this year on day three, lots of ground to cover.

You had your earnings call earlier this week and I think, also importantly, and announced Investor Day coming up this year. So excited to get perspectives on Valmont as you see it today. So very much looking forward to it. Renee, I think a few words.

Renee L. Campbell
Senior Vice President-Capital Markets & Risk/Treasurer, Valmont Industries, Inc.

Thank you, David. Good morning, everybody. Thanks for joining us today here at the Citi Industrials conference. Before I turn it over to Avner, I just want to briefly mention that today's presentation and discussion are subject to our disclosure on forward-looking statements, which you see here on the slide.

And with that, Avner, I'll turn it over to you.

Avner M. Applbaum
President, Chief Executive Officer & Director, Valmont Industries, Inc.

Thank you, Renee. Really excited to be here again this year and thank you for the invitation, Citi. Some of you might not be familiar with our story, so I'd like to share why we believe we are a hidden gem, and it really comes down to the opportunities ahead of us and to our capabilities. And just setting the groundwork for why we're so excited about the future is if you just look at our great track record, since I joined in 2020, we've more than doubled our adjusted EPS, in fact, nearly tripled it by now and doubled our return on invested capital to that 17.6% and delivered very strong returns to our shareholders.

These results reflect our discipline, our portfolio discipline, our execution across the portfolio. And we're just getting started. You're going to hear from Tom in a little bit. We see a clear path to $500 million to $700 million in additional revenue, $25 to $30 in adjusted earnings per share over the next three to four years. And the execution is based on our three core strengths. One, we're leaders in markets that are growing with strong drivers like energy consumption and infrastructure replacement. We're delivering unmatched value to our customers, providing engineering and manufacturing expertise, and we're investing where it counts.

And all this started nearly 80 years ago, we're about to celebrate our 80th anniversary, all started in the Valley, Nebraska in 1946 by our founder Robert Daugherty. We established the mechanized irrigation industry. We introduced the mechanized – the center pivot, and we took that expertise into the infrastructure business, which is now the larger part of our portfolio. As you can see, 75% of our portfolio now is infrastructure, 25% is agriculture. So, we have a global footprint. We operate in more than 100 countries and 70% of our – more than 70% of our business is in US, Canada.

So how did we get there? We capitalized on the opportunities ahead of us and the market drivers, so I'd like to spend a couple of minutes on these market drivers. Let me start off with the energy demand. It's increasing. So, we've seen for decades using less and less energy driven by efficient appliances, efficient lighting, efficient behavior. Now that all has changed, we're seeing load growth for the first time in years or in fact, decades. And many drivers such as electrification, additional manufacturing, onshoring, reshoring, megaprojects, oil and gas. And then of course, there's AI and data centers.

And we've seen a lot of data centers. You see one example of one in out in Louisiana, which is planned and it will require double the power of the entire city of New Orleans, as an example. Now, the good news for us is it doesn't matter what power generation, all that power needs to move from the power generation to the end resources. And that's where our transmission distribution substation solutions come into place. On top of that, we have aged systems and they need to be replaced. That can be anything from roads to lighting. You see a lot of utility lighting 25, 30 years at the end of their life, we see utility poles 60 to 70 years at the end of their life, we see pivots in the field that need to be replaced and upgraded and modernized. So that is another driver for us.

And then finally, productivity and resource efficiency, we need to do more with the resources that we have available. It could be land, could be water. And one example for us is the pivot solution, which makes sure we could take efficient use of water, power and the land when the environment is just becoming tougher and tougher.

So those are three main drivers. Now, how do we take advantage of those market drivers? And it really comes down to what sets us apart from the competition. And three critical areas leading engineering. So, we have leading engineering in the market. We provide highly engineered solutions for our customers. Let me give you a example of right now we're working with a utility customer in the Midwest and trying to address terrain and land.

And we're supporting with our PyraMAX solution – two PyraMAX towers, each one of them around 340 feet. So, think of a football field is the complexity and the size of some of these structures. Then around commercial execution, we have deep expertise in the market. We have a very strong channel, sales channel. And one good example is our dealer channel, Valley, we have the strongest dealer network, and the growers know they can call 24/7 to dealers, make sure they can solve their biggest challenges.

And then finally, operational excellence, capabilities, expertise, scale in the manufacturing area. One example is our control environment construction substation, CS. So, if you think about it, every time you have a transmission line, you need a substation. Well, we have the capabilities to build a substation in our plants and deliver them to the site. And if you think about the utility, it saves them labor costs, it gives them predictability and makes them execute with greater credibility in the area.

So, I'd like to give a little bit of flavor about our portfolio. We have main four product lines. Utility is the largest and is growing and we have comprehensive solutions. I mentioned transmission, distribution, substations. We have a variety of solutions from concrete to steel, hybrid, composite and so on. And, the lighting and transportation, we could do lighting anywhere from street lighting to highway lighting, sign structures, and again, a variety of materials, including aluminum in this case. And then we have our coatings, our galvanizing business. How do we make sure that these structures can stand the environment last for longer? And actually, third of that business supports our own internal business.

And then finally, telecom, doesn't matter what type, where you are in the – if you're in the 4G, 5G or 6G network, we're right there with our towers, with our components, with our high service model to make sure they can deploy their networks. So that is in the infrastructure side.

If we switch over to the Agriculture, what is really important for the growers is they need to have the exact water on their crop when they need it to make sure, they can maximize yield, conserve water and adapt to weather. And that's exactly what we do. On top of that, we provide technology, I mean, today fleets are large. You want to make sure you can manage the fleet from your mobile device, to make sure you can control it, to make sure you can make sure it's running what it needs to run and help the farmer be a more efficient and more profitable.

You can see our split is about 50/50 international and North America. We do know there's a challenging market today, but we do see opportunities for the future. We do see a growing regions like Brazil, where there's still a lot of land available for irrigation, opportunities for double crop in that region, and when rain is less predictable, you want to make sure you can secure your crops. So overall, while short term is challenging, the long-term opportunities are clear. We lead the market, we're expanding our values through the smart technology, and we're growing our footprint in areas where we see growth like Brazil and Middle East and Africa.

And with that, I will turn it over to Tom to share some of our financials.

Thomas Liguori

Chief Financial Officer & Executive Vice President, Valmont Industries, Inc.

Thanks, Avner. So, here's our financial performance over the last few years, and let's start with revenue on the left. So in the early years on this chart, that is from pricing. We are the market leader. We have differentiated products, as Avner said. In agriculture, it's about the reliability of the irrigation system and it's about technology. Farmer can control their irrigation from their home, from their phone, et cetera. In engineering – I'm sorry, in utility, it's the engineering, every pole is engineered to order. It's our manufacturing scale to support our utility customers. And it's the reliability, if you're selling into utility, these are big projects, construction projects and the utility structure needs to be on time. So that has really helped our sales as the pricing execution.

The middle years, this is the slowdown in ag. And we were also capacity constrained for our utility business. We've started adding capacity. We're going to do more of that. You can see the uptake in 2026. Through that time, our operating margins have gone from 9.5% to over 14%, and we expect that to continue. And again, that is from our pricing and good cost management. And diluted EPS practically doubled through 2025, and we expect to get it to $22 in 2026, what's adding to the EPS growth is lower interest expense, lower debt, as well as share buyback? We have active share buyback program.

So, let's go to the next slide. And we think this is really important. This is how we see value creation to all of you in this room and listening to this call. You know, our main drivers for value creation are catch the infrastructure wave utility, position ag for growth, disciplined resource allocation. In utility, it's all about adding capacity. So, in each of our plants, we are adding brake presses, welding machines, automation. We're getting more throughput from the plants. That gives you two things: higher revenue capacity, but also a lower unit cost, which helps expand margins. In ag, we're taking this time during the slowdown to put resources on aftermarket and technology.

Resources in this case would be more people, talent and as well as inventory for aftermarket, aftermarket for any company is a higher margin business and the technology is subscription based. So, we're running gross margins of 70% to 80%. So, the intent here is, over time, higher mix of higher margin business. Disciplined resource allocation, really three things. One is our corporate cost. It was approaching 3% of revenues. We think we can get that below 2%. The second is share repurchases. We have a $700 million board authorization from last year. We executed $200 million of it in 2025. And the third is acquisitions. We're looking at acquisitions that would add $200 million to $400 million of revenue, probably in the infrastructure space, could be agriculture.

All in all, the intent is to grow our revenues and our EPS. So, we just reported 2025 two days ago. 2025 was $4.1 billion of revenue. We're guided to this year at midpoint $4.3 billion. And with the value drivers, we want to get that to $4.6 billion to $4.8 billion over three to four years. Our EPS, we reported for 2025 is $19.09. We're guiding 2026 to $22 and we expect to be $25 to $30. And when we say three to four years, it's 2028 to 2029. So that is our value creation strategy. Everybody in our company is focused on these three initiatives.

And with that, I'm going to turn it over – you know, David, you left out Enterprise Risk Manager, Renee also does our ERM.

Renee L. Campbell

Senior Vice President-Capital Markets & Risk/Treasurer, Valmont Industries, Inc.

Thank you. Thanks, Tom. So, about a year ago, we shared our updated capital allocation priorities, which are really aimed at accelerating growth and increasing shareholder returns. So, over the next three to five years, we expect to deploy roughly half of our cash to grow the business and the other half to return capital to shareholders. And actually, if you look at 2025 results, we were pretty much right around that that 50/50 mark. On the growth side, we are investing capital on high-return infrastructure capacity. You've heard Tom and Avner both talk about utility demand, very strong, very robust. So, our capacity expansions are particularly focused on our utility business, and we do have visibility to demand for the next several years. We're increasing and have increased our annual CapEx run rate to approximately $150 million to $200 million in the near term to support that growth.

We'll also pursue acquisitions, but only where there is a clear strategic fit and/or a natural adjacency to our core, along with a compelling return on invested capital. And at the same time, we remain committed to shareholder returns. So, last February, as Tom mentioned, our board authorized a $700 million share repurchase program authorization. And we also increased our dividend at that time by 13%, which we aim to do on an annual basis around the first quarter. We feel it's important to have that predictability for our shareholders. And our objective there is to grow our dividend consistently aligned with our earnings growth. So, a very balanced approach that we believe supports both near-term performance and long-term value creation.

So, bringing it all together, why invest in Valmont? Well, Avner and Tom gave you a lot of compelling reasons. I would say, first, our portfolio is very much aligned with durable growth drivers, global market drivers, as Avner mentioned, increasing energy demand, connectivity, grid expansion. They all require engineered infrastructure. Our customers in both segments are also focused on productivity and resource efficiency, doing more with less. And aging infrastructure, aging systems continue to require resilient replacement and modernization. And so, these drivers really do support multi-year investment across both segments. And we're converting those into performance. So strong backlog in utility. Capacity investments, those really position us well to support that growth.

And in ag, even in a cautious market environment, our focus on technology and aftermarket and cost discipline supports profitability. And we're deploying capital in a balanced way, as I just mentioned, to support, excuse me, sustainable value creation. So everything I mentioned reflects a company built for durability, which is something we're especially proud of. And that's a great segue to this slide. As Avner mentioned, we are celebrating our 80th anniversary as a company this year. It's a very special year for us. That's eight decades of serving critical infrastructure and ag markets around the world. And while we have evolved a lot since 1946, I would tell you that our core values, which are passion, integrity, continuous improvement and delivering results have not changed. And they remain very central to how we operate and create value as we build on that legacy.

As David mentioned, we're also excited to share that we'll be hosting an Investor Day on Tuesday, June 16th, in New York City. More details will be coming in the following weeks, but we'll do a deeper dive into our strategy and our long-term financial framework and the growth opportunities ahead.

So, with that, David, I'll turn it back over to you.

QUESTION AND ANSWER SECTION

David Noah
Analyst, Citi

Q

Terrific. Maybe I'll start off with a number of questions. But look, thank you for the overview, really a compelling backdrop that you present here today. So, with the earnings call earlier this week, maybe just start on a handful of questions there. You really emphasized exceptional utility demand, record backlog and the CapEx tied to capacity expansion. How much of 2026 revenue on the utility side is already committed? And how far out does your line of sight extend?

Avner M. Applbaum
President, Chief Executive Officer & Director, Valmont Industries, Inc.

A

Yeah, I think, so, when you look at the backlog as one indication, and you know, today, some of the lead times for a year, 50 weeks. And so we have great visibility into 2026. We're booking down to 2027. So, the backlog is one element. But really, what's more important is the projects that our customers are working on. They're multi-year projects. In fact, when you look at our backlog today, it reflects projects they've been working on four years ago, five years ago, and which gives us more confidence into the future, because a lot of the projects now will give us strong tailwinds into the future.

And there are so many drivers that that are driving the strength – I like to use Texas as a microcosm for what we're seeing in this country. So, you think of Texas, North Texas, you see a lot of data centers coming up. You look at migration of people into Texas, look at Austin, that that city is growing, a lot more industrial manufacturing, oil, gas, a lot more manufacturing. You even seeing some Bitcoin mining in Texas. So, you see a lot of demand. And Texas, another good example where they need to strengthen, rebuild the grid.

So overall, we see a lot of growth in a lot of areas. And we're getting information from our customers. We talk to our customers daily. We're embedded in their plans. We see their plans for the next two, three, four, five years and beyond, which has given us very strong confidence in the market for the mid-term, the long-term, and we're – that's where we're sharply focused on investing. And you saw our numbers on $200 million in CapEx, very strong ROI. We're investing in our plants which are already approved by our customers, which has great management teams and we're well on our way. We had a really strong start in 2025 with the capital. 2026, we're investing now in 2026, 2027, 2028. So overall, very excited about the utility space.

David Noah
Analyst, Citi

Q

And in line with that as you're investing CapEx in 2026 and 2027, how fast does this new capacity convert into revenue and margin?

Avner M. Applbaum
President, Chief Executive Officer & Director, Valmont Industries, Inc.

A

Yeah, so it's – it depends, it's a mix, right. Some of the fruit of the investments we did last year we're seeing today. In many cases we get these done within a year. It really depends, some you need to expand the plant, so you get a little more infrastructure work on our plant, some of it is equipment that could have some long lead times and some of it is automation, better workflow, in fact, where we're relying on a very strong AI team that we have. And what we're doing in this space is we're focusing on how do can we get more productivity at our plants, how do we make sure we have the right jobs in the right plants at the right sequence? And that is another initiative.

So, I'd say right now, we have our capital that we spend, we have the right capital to support 2026. Some of it will come online throughout the year. We're working on 2027. So, it's mix, but we're staying ahead of the demand to make sure we can support our customers' needs.

David Noah
Analyst, Citi

Q

Terrific. And then just switching over to the ag side of the equation. Brazil, one-time expense in 2025, confidence, going forward and get your thoughts around ag rebound and levers that you're pulling to drive improvement on the ag margin side.

Avner M. Applbaum
President, Chief Executive Officer & Director, Valmont Industries, Inc.

A

Yeah, Tom, do you want to start on the...

Thomas Liguori
Chief Financial Officer & Executive Vice President, Valmont Industries, Inc.

A

Sure. So, Brazil has an economy. It's going through a difficult time, very high interest rates, limited credit available, and farmers are feeling that. So, we did take some charges. We took them on credit losses, anticipated as well as some of our legal cases, we had to go back to 2019. And, to put it in perspective, really, 2025 for us was a year of preparing for revenue growth and margin expansion. And we did a lot of work on the organization with layers. We did work on the portfolio. We exited some solar, but the third was we needed to get our financial exposures behind us.

So, Avner and I, Renee, we spent a lot of time on this, and we feel they are behind us. And I'll say for the Brazilian – our Brazilian team, they're very important to us. And Brazil will be a very important market to us for years to come. You know, in the US, if you're a corn farmer, you get one crop a year; in Brazil, you have three. So, a pivot is very important. The payback is very much quicker in Brazil. So, we took our medicine and we think a lot of health going forward.

David Noah
Analyst, Citi

Q

This past quarter you've also picked up the remaining 40% of ConcealFab that has some pretty differentiated product pipeline. Just a few words on that as it fits into your broader M&A strategy.

Avner M. Applbaum
President, Chief Executive Officer & Director, Valmont Industries, Inc.

A

Sure. So, I'll start off with just specifically ConcealFab. You know, we've been owning that for several years. And in telecom, we have a very strong value proposition. We have very high service model, which really encompasses both our engineering expertise, where we work directly with the cut – with the large carriers to make sure we have the right products for them to build out their network or in many cases were specked into some of their products. We have a very strong delivery model where we can make sure the contractors have the products when they need them in the field.

We have a strong supply chain to make sure we have the parts available. And overall, we're aligned with the customers wherever they are. When they were building out the network, we were right there to support them with our – with the macro poles, with concealment, with the components to make sure they can build out their network. And that when the carriers are focusing more on execution on the 5G network before they move into 6G, more densification, better quality, we're right there with our offering.

And with ConcealFab, it really expands our offering to some technology such as PIM, basically getting rid of some interference in the network. And now that we can combine fully these operations, we could really improve our channel, improve our offering, and we put our cash to use. It's a company that we already know, we already own, so we can get it, get some EPS accretion and more importantly, really help to support our customers. And that's, like Renee said, right on acquisitions, the first thing for us is always it's got to tie to our strategy. It has to tie to our leadership position in the markets that we play in. How do we provide stronger value to our customers? How do we expand our offering?

In some cases, it's products, it could be capabilities, it could be regions. It has to have a strong strategic fit. And then once we do determine there's a strategic fit, of course, it has to follow our financial criteria as from being accretive year one and beating cost of capital in years three. So, we're being very disciplined and fortunately we have a lot of opportunities internally. We talked about all this CapEx, so that has the strongest ROI. We're going to keep on doubling down on investing in our business. And when the right acquisition comes up, we'll take that opportunity as well.

David Noah
Analyst, Citi

Q

Terrific. Maybe to pivot to kind of your broader perspective on Valmont now that Avner reflecting on, you came into the CEO role two and a half years ago, and Tom, you came in, externally, more recently, really thinking about, okay, what changes have you made at Valmont and how – what has stood out to you as kind of unexpected there?

Avner M. Applbaum
President, Chief Executive Officer & Director, Valmont Industries, Inc.

A

So, when I took on the role, it was pretty clear that we just need to focus on our strengths, our core, the markets that are growing. And there is no need to look external for opportunities, focus on our company. You know, we've been around for 80 years. We have a lot of strength. We have leadership. So, let's double down. So, the first thing we did is some of the products that just we didn't have the – we weren't the right owner for those products, or our customers weren't looking for those products, so we couldn't hit our financial thresholds. So, we simplified our portfolio, eliminated products that didn't fit well.

Then we also had too many layers in the organization. And when an employee or a sales rep is in front of the customers, they need to be able to make a decision quickly and to support the customer. So, eliminating layers, so we're much closer to our customer. Then we also had more complexity across the organization, so really streamlined the organization, removed layers, our areas of focus. And then we set clear priorities across the organization.

Like Tom mentioned, everybody in the organization knows what they are focused on, what value drivers are they focused on? Where are they focusing on growth? Where are they focusing on optimizing to make sure we have full alignment across the company? Now, where I was surprised, I think couple of areas. One, how much benefit we get from really linking the commercial and the operation teams much closer and how much more value we're able to provide to our customers and ultimately to our shareholders by having them linked together.

And then when you look at the slide that I shared, where we have our core capabilities, we really have a system. They're not a standalone. We have a fantastic channel. We have very strong engineering expertise. We have manufacturing at scale. They all need to work together in that system. And then when they work at a system, we see incredible results and we're seeing it in our results today and we're going to see more of that going into next year.

And maybe the other step was around innovation, right? The – not going after that shiny object, but kind of when we started streamlining our innovation around what our customer needs and using our talent to support our customer, that creates strong value. So those are two areas, very pleased. We are set to execute. I mean, we have the strategy, we have the markets, we have the capabilities, getting great momentum going into 2026. We have our value drivers. So, this is shaping up pretty well for us.

David Noah
Analyst, Citi Q

And Tom, anything to add, given your perspectives?

Thomas Liguori
Chief Financial Officer & Executive Vice President, Valmont Industries, Inc. A

No. I think – you know, we have a great team and a great culture. And as Avner said, this is all about providing focus. You know, Renee, with the capital allocation, we want to make this really clear to our investors. Like, what do we – we want to be good stewards of your money and how do we do that and laying it out. And, we're in many different markets. So, with the value drivers just being very clear about, it's utility, it's ag, aftermarket and tech and it's about corporate costs and share repurchases. And I agree with Avner – personally I'm very happy to be here and it's a pleasure to show up to work every day.

Avner M. Applbaum
President, Chief Executive Officer & Director, Valmont Industries, Inc. A

And let me just add, maybe the most important thing I neglected to share was the strong leadership we have in place today. We have a very strong diverse management team. You know, of course, we brought Tom from the outside with a lot of experience in public companies. We brought Darryl Matthews from agriculture, decades of experience in agriculture, operating in difficult markets and growth opportunities. And then we promoted two from the inside, Chris Colwell and Greg Turi. They've been with the company 14, 15 years, deep understanding of the markets in infrastructure, great understanding of our culture. And then, we promoted as well, Jennifer Paisley on the People side, again been in the company. So, we just have a very strong leadership team that understands where we need to head and are moving us forward.

David Noah
Analyst, Citi
Q

I'm sure investors will have a chance to meet a number of those individuals at the Investor Day. So, it'd be great to see the depth there. I will open it up to any questions from the audience. But before I do that, really thinking about the vision. If we're sitting here three to five years from now, what will Valmont look like that tells investors that your strategy has worked, and you know, which outcomes are already starting to become visible today, and what will require execution ahead?

Avner M. Applbaum
President, Chief Executive Officer & Director, Valmont Industries, Inc.
A

Yeah, kind of along the theme of simplification and focus and to me the easiest ways we just look at those value drivers, we set very specific value drivers around our growth on the top-line, around our investments in infrastructure to capture the growth, our investments in agriculture in areas from aftermarket to technology to some of these regions that are seeing growth and some of the disciplined capital allocation. So, we have very specific KPIs that show us that we're heading in the right direction. It's through – it could be utilization of our plants. It could be connected devices we have in the technology on the ag side. So, we're tracking that very clearly.

So, to me, when you look out three, four years, we're going to see ourselves hitting those metrics. And on top of that, we have all the other businesses that will be strong contributors as they improve their performance, as we see market growth in telecom, in lighting and transportation and coatings and our international markets. So they're going to contribute as well. And so, I think it's going to be pretty simple for our investors to see that we're advancing our strategy, hitting our goals and setting us up to be a stronger and larger enterprise.

Renee L. Campbell
Senior Vice President-Capital Markets & Risk/Treasurer, Valmont Industries, Inc.
A

And maybe I would add, David, we didn't touch on it specifically in the slides, but all of this sits within a very strong balance sheet framework and gives us the flexibility to invest and deploy, and you know, pivot when we need to. Maintaining that flexibility is very important to our growth story and investment grade credit rating is very important to the story as well. So, our net leverage today is right around 1 times net earnings. I think that's a very important point to make that it really positions us well to do all the things that Avner just described as we look ahead for the next several years.

David Noah
Analyst, Citi
Q

Terrific. Maybe I open it up to any questions from the audience.

Q

You talked about the $150 million to $200 million of annual CapEx. And of course, there's kind of a balancing act between investing and expanding capacity, which seems like a really good idea now. But in the future, you may end up with a little bit too much. So how do you kind of balance that and, the industry adding capacity is kind of a self-consuming proposition because if you keep it tight, you can keep prices higher and maybe extend the cycle. So how do you reconcile all those things?

Avner M. Applbaum
President, Chief Executive Officer & Director, Valmont Industries, Inc.

A

Yeah, sure. We're very mindful of capacity industry. I mean, people remember what happened over a decade ago, which I'm not going to go into details, was a very different environment with some large projects going on. So, a couple of things. One, we – the most important thing is we talk to our customers every single day and we see their growth plans into 2030, beyond 2030. So, we being the leader with the largest market share, we pretty much have a very good feel for what is happening in the industry.

And it's not only one growth driver that I talked about many, right? And you know how great and big is AI going to be, it could be upside if AI really continues to grow and if it doesn't, there's still so many growth drivers that that will support, like I said, around electrification and industrial. And, we're connecting more renewable. And so, we look at that. So that's one.

Two, we measure the capacity industry very closely. We know all the players in the industry. We're very much aware of all their investments and we have a very good feel for that. And right now what we can see, there's absolutely more demand than supply. And there'll be more legs to this. So, even as things slow down, there's still the whole element of grid resiliency, right? Like I mentioned, some of these poles are 60, 70 years. That's not the focus today, for the most part, a lot of it is driving growth, so they can drive, support the economy and then get the rate increases.

But resiliency will follow as well. And the third bullet is that's why exactly we're not doing greenfields. That's why we're supporting our own field. Because if you create a lot of greenfield, right, and if the market stabilizes, then you might have a capacity that cannot – that you won't be able to use. So, we're investing now in capital. I mentioned that all the other tools that we're doing around automation, AI, scheduling to make sure we can get more productivity without actually investing capital.

So, just to sum it up, we have a very good feel for the industry. We're staying very diligent and deliberate about our investments and we have a good line of sight to, for the next five years at least. And, we're working now with our customers on 2030 and beyond.

So good question. We are very mindful of making sure that the industry is balanced. And you can also see based on our results, right, the pricing and the volume, there's significant value we provide to our customers and we're charging appropriately.

David Noah
Analyst, Citi

Q

Okay. Any other questions?

Q

Maybe just to dig into that demand side of the equation, you're, of course, very close to your customers. Do you have that visibility as you think about the investor audience? What indicators would you point to as reliable indicators of your go forward demand?

Avner M. Applbaum
President, Chief Executive Officer & Director, Valmont Industries, Inc.

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Yeah, so I'd say, right, I mean, if you look at the short term, you look at the backlog. I mean, if you just in-tuned to some of these large investor-owned utilities, I mean, you see their plans. Their plans are visible. They're public in many cases. There's a lot of reports out there that could give the investors' confidence. Of course, we don't rely solely on them. We rely on our customers. But you can look at those drivers. And there's so many indications of like, how much gigawatts you need to add this year versus how much you need to add all the way through 2030 and beyond. And we're going to spend time on the Investor Day giving our investors really clear understanding on each one of these drivers and how they impact our business. And for us, it's real.

I mean, you can generate power, but you got to get the power to the houses, to the communities, to the industries. For every line, you need the transmission, you need the substations, and we help them with these strong engineered solutions. So you know, as we just finish up, I just want to kind of end on that note is like we are set up well, we have great growth in many of our industries and/or in the product lines, and we're going supported it to grow it. And, in agriculture, we didn't spend a lot of time, we're bumping around the bottom, but there's still a lot of replacement going on, a lot of opportunities for us internationally, either around irrigating land and food security. And we're significantly lower than we were when this market was good.

So, there's – you don't want to ever call the bottom, and I don't know when it starts going higher. But there's – right now, there's a lot more upside than downside. So, I feel pretty good about where that business as we go forward.

David Noah
Analyst, Citi

Look, I think the audience investors are very much looking forward to the upcoming Investor Day later this year. Really interesting to kind of hear about all the demand drivers that you're facing. So, very much appreciate the team coming back into the Citi Conference. So Avner, Tom and Renee, thank you very much. Appreciate it.

Renee L. Campbell
Senior Vice President-Capital Markets & Risk/Treasurer, Valmont Industries, Inc.

Thanks for having us.

Avner M. Applbaum
President, Chief Executive Officer & Director, Valmont Industries, Inc.

Thank you.

Thomas Liguori
Chief Financial Officer & Executive Vice President, Valmont Industries, Inc.

Thank you. Thanks for having us.