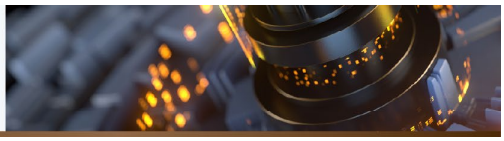

Valmont Industries Inc

Valmont Industries Inc presentation delivered at the 2026 J.P. Morgan Industrials Conference on Tuesday, March 17, 2026 at 3:00 PM

Tomo Sato: All right. Good afternoon, everyone. Thank you for joining Valmont Industries Sessions. This is Tomo Sato, Smith Capital Industrial Analyst at JPMorgan. With me, we have Avner Applbaum, President and CEO, Thomas Liguori, Executive Vice President and CFO, Renee Campbell, SVP, Capital Markets and Risk. Thank you, Avner, Tom and Renee for joining today.

Before we begin, I want to highlight why Valmont Industries is such a key participant of this conference. As a global leader in infrastructure and agriculture solutions, Valmont sits at the intersections of powerful megatrends, electrifications, grid modernizations, and food security with a record backlog and discipline in capital allocations, driving a sustainable growth and margin expansions.

Renee, to kick things off, I think it would be great to start with introductions to Valmont of who they are, of who you are, and then what you do with the stories, please.

Renee Campbell: Perfect. Thank you, Tomo. Thanks very much again for having us here today. Good afternoon, everybody. Before we begin, I just want to briefly note that today's discussion will include forward-looking statements, which are subject to risks and uncertainties that could cause actual results to differ materially from those projected.

Please refer to our SEC filings on our website for a discussion of those risk factors. With that, for those of you who may be less familiar with Valmont, we're a global leader in engineered infrastructure and agriculture productivity solutions. We recently celebrated 80 years as a company as of March 8th of this year.

We were founded in 1946 in Valley, Nebraska, which is just outside of Omaha where we're headquartered. We pioneered the mechanized irrigation industry with the center pivot. That technology remains the industry global standard today. Over time, we expanded that engineering expertise into infrastructure markets.

Today, about 75 percent of our business is infrastructure. 25 percent is agriculture. We operate in more than 100 countries with about 70 percent of our revenue generated in North America.

On the infrastructure side, we provide highly engineered structures and solutions that support critical systems and networks from electric utility transmission, distribution and substation structures, telecom components, lighting and transportation structures and galvanized coatings that extend the life of infrastructure products and assets.

On the ag side, through our Valley brand and our Valley dealer network, we help growers improve productivity and manage water and other inputs more efficiently with advanced irrigation systems and digital technology solutions. Our portfolio is also aligned with several durable global growth drivers.

First is rising energy demand, connectivity, grid expansion. That's really being driven by load growth, electrification, data centers, onshore manufacturing, and overall industrial growth. Second is the need to replace aging infrastructure and drive resiliency across power, transportation, as well as communication networks.

Third is the increasing need for productivity and resource efficiency, notably in ag, where farmers and growers must produce more with limited land and water resources. Strategically, we're focused on capturing these opportunities through specific value drivers, which we've outlined to achieve 25 to 30 dollars of EPS over the next three to four years.

Those include expanding capacity in our infrastructure business -- notably in utility -- positioning ag for the next cycle through technology and aftermarket parts growth, and maintaining disciplined resource and capital allocation.

For capital allocation, our goal is to deploy roughly half of the cash that we generate toward growth and half toward shareholder returns, which we actually did about 50-50 in 2025. We feel very good about our future. We're well-positioned to deliver continuous revenue and earnings growth over the coming years.

You can visit our website to learn much more about us at valmont.com. Tomo, I'll turn it back over to you.

Tomo: Thank you, Renee. Congratulations of 80th anniversary for the Valmont.

Renee: Thank you.

Tomo: If you could talk about describing the company's core culture and values, could you do that, Avner?

Avner Applbaum: Sure. First of all, Tomo, thank you for hosting us. We really appreciate the invitation and opportunity to share our story which, as you mentioned, goes back 80 years. Our core values start all the way from our founder, Robert Daugherty, around a four-core value -- integrity, passion, continuous improvement, and delivering results.

While I could talk about all of them, let me just focus on passion, which did start from Robert Daugherty. He had passion for the mechanized irrigation. As Renee said, we founded the industry. Why I really like passion is because it reflects all of our employees. They come to work. They're really passionate about what they do.

If it's building a pole, if it's shipping, if it's on our engineering side, if it's building a pivot, if it's our customer service, they all have passion because they see the impact we have on the world, and they see how their products have an impact in so many aspects.

Once you have the passion and employees bring that every day to work, all the other values follow around, integrity, driving results, and continuous improvement. In fact, it shows also when we're hiring people. They want to come, want to join Valmont. They want to make a difference in the world, and we're all proud of what we do.

Tomo: Thank you, Avner. Then, for the Valmont's DNA, you talk about, have remained unchanged over the decades. What recent cultural and/or organizational shifts are you most proud of?

Avner: If you think about these core values I just talked about, they've been constant and consistent through the 80 years, is A, because the simplicity of them, and two, because of the effectiveness. Those have all stayed the same.

The focus we had over the last several years where I'm proud of the change and that we're doing today is, it's really around focusing on the customer. Do we have a relentless focus today on how do we serve the customer? How do we help the customer solve their biggest challenges? When we innovate, we always have customer in mind.

That's really a shift that we've done over the last several years. We're always customer-centric, but we're making it easier for our employees to make decisions, to support the customers. Every decision is having the customer in mind.

In fact, maybe I'll quote. Again, our founder, Robert Daugherty. I was walking through one of our plants, and one employee walked over to me and said, "I actually had the opportunity to work with Robert Daugherty."

This employee has been with our company for 50 years-plus, which is not the only case we have because people, once they come, they join, they want to stay. He said, we always have the customer in mind, but for me, my customer is the next operator in the sequence.

If I'm welding and I move it on to the next operator, or if I'm in accounting, I think about the next one in line. That's the mindset we have. Every person next in the process is your customer, and you want to make sure you make his job easiest as possible. You want to give him the best value you can. It's ingrained in our culture, supporting our customers.

Tomo: Thank you. Then let's talk about megatrends and growth strategies. As Renee, you talk about some megatrends. How are you looking at the opportunities for the long terms, as well as see how the Valmont is well positioned for capture those infrastructures in agriculture perspective?

Avner: Thank you. I'll start with infrastructure. We're seeing the megatrends today around that's really impacting all our businesses. Starting with the need for energy. We see it in all aspects of the economy.

The one area I like to use as a microcosm, I like to point to Texas. If you think about Texas, and you look at North Texas. You have a lot of new data centers built in North Texas. You have cities like Austin where you have a lot new population migrating to Texas. You see a lot more onshoring, industrial manufacturing, see oil and gas, even Bitcoin mining.

You see all this need for utilities for infrastructure and for power, and we've also seen that grid that has failed. Several years ago, we've seen the ice storm. Not only do we need the power, we need the power to be resilient, and that's where we come in. We support transmission, distribution, substation. How do we make sure the power gets to the right end customer in this case?

Not only do you need all this power, there's also many different sources of power these days, anything from wind to solar, hydro, gas, etc. Wherever you're building that power source, you need to, again, move the power. We definitely support that area. We're seeing that as a very strong megatrend.

On top of that, like I said, we also need to make sure the power meets our resiliency, and we need to support the replacement and the technology upgrades. A lot of the poles in this country are 60, 70 years old. They need to be replaced. We have those megatrends.

When I talk about replacement, I could also refer to our pivots, interrogation. There's a lot of pivots in the field. They've been there for many years. We have the largest fleet. Part of upgrading, and we could dive into double-clicking a little bit, but adding or replacing them, and improving the technology.

Then, finally, there's the productivity, sustainability for many products. Using the pivot is another good example where how do you get more out of the current land and the water, and that's where you sell that solution. Food security that comes on to that as well.

Those are the main megatrends that we're seeing today. I'm happy to dive into how we play and what we're doing. Those are the megatrends that are having a large impact on our business.

Tomo: Thank you. If I may dive in for infrastructures, could you talk about your market share positioning versus other competitors? Could you describe how you are differentiated from other competitors in front of those megatrends for infrastructure?

Avner: In these markets that we play, we're pretty much the leader in the market. We have the largest market share, the largest presence. The reason we're the leader in that space, I look at a differentiation in three separate pillars.

One of them is around the engineering and innovation. We have engineers that have been working with these customers for many years, and decades in some cases, and we're able to help them solve their biggest challenges.

Then, when they're building a line, when they're working on roads and need lightings or signs, if they're trying to build the farm and they take into account the soil and the land, we have our engineers helping them with the best solution. That's the engineering on the innovation side.

Then, on the commercial area, we have the strongest channel. If you look at irrigation, we have the strongest dealer network, the valley dealer network. It's the largest. It's the strongest dealer network.

Not only do you have the support, but the farmer knows that if in 4:00 AM his pivot's not working, he knows he can call the dealer at that point in time, and he will help him. We have the channel that we use with our DOT customers, etc., with deep understanding of the industry. Like I said, we have the customer focused organization.

Then, finally, have we the operations, the manufacturing. We have a very large scale of manufacturing, which offers various solutions to our customers in different locations. On the pole side, we can do anything from steel to concrete to composite to aluminum, hybrid, etc. We could offer them distribution substation and transmission solutions.

If they want to work on hardening, again, we could provide them with some solutions with composites, some with concrete. Then, for local, we have plants around the world to support.

The final point, which is the most important point, is we manufacture mission-critical assets, and it is most important for our customers to have it when they need it, the highest quality, at the right time, at the right location.

Otherwise, it could be very costly to utility. Customers, if they don't have the product on time, it could cost them millions. If you don't have the pivot on time for the growing system, it will cost the growing season, and to know that they can rely on us to get the products on time.

Anyway, all the way from engineering to delivering to the end user is what it puts it all together, and that really differentiates us from our competition.

Tomo: Thank you. Then, if you could talk about agriculture, how do you see the Valmont's irrigations and ag tech solutions contributing to global food securities and sustainable resource management? I see some headwinds around the agriculture business these days. If you look at the long terms, how you contribute to all the global supply chains in agriculture business?

Avner: It's correct. We do have some headwinds today. The market has always been cyclical. It's in a trough now, been for several years. Since we can't really impact the market dynamics, what we can do is we could support our dealers and growers at this time. Ultimately, our objective is to help the farmers be more productive and be more profitable.

Make the best use they can with the land that they have available, minimizing the use of water. That's our focus. How do we make sure the farmer can water the crops when he needs them to maximize ultimately the yield?

The technology has many elements to it. One, it's just from operating the farms. The farmers are getting larger and larger. Not practical for the farmer to be out on the field to check if his pivot's watering where it needs to work. Giving him the tools so he could do it remotely from his phone, as an example, is critical.

Making sure they could identify issues in the pivot before they happen. If you're going to have a flat tire, if you had the flat tire, it's already too late. Your pivot's not working. How could you identify that ahead of time and make sure we could provide them with support is another example.

Our pivots are extremely robust. Nothing is immune for storms, but pretty much they can withhold a lot of storms. We can help them maximize their whole field if it's using our a linear solution, if we could a pivot to support the small field, the large fields, corners, etc. How do we help them maximize as we know that land is a finite resource? Those are areas.

Maybe one more area is around the aftermarket. If you're missing a part for your pivot, how do we make sure it's very easy for them to order the parts, have it on a timely fashion, so again, their pivot is not down. The whole idea is how to make sure that their pivot is running as effective when they need it. Of course, you mentioned food security.

On the part of Middle East, Africa, a lot of these countries want to provide food security. We have, again, a robust solution that can operate in the deserts. You could look today at some satellite photos, and it's pretty impressive to see where was desert four or five years ago, and now you could see that they're growing wheat and providing for food.

In fact, it's been so successful, that some of these countries are now using it to actually export, so not only for food security. That's the overall approach that we're taking, is we're going to focus on our growers, our dealers, strengthen it, focus on growth areas like international and Brazil, so when the market returns, we'll be ready to capitalize.

Tomo: Thank you, and if you could share your outlook for key metrics such as infrastructure segment, sales growth, margin profiles, as well as the international sales mix and aftermarket

growth in agriculture.

Thomas Liguori: Sure. Let's start with infrastructure. Infrastructure is three quarters of our revenue. The largest piece of that is utility. Utility is growing 9 to 10 percent per year. Utility continues to exceed our expectations. In the fourth quarter, the growth was 20 percent year over year. We expect the first quarter to be similar. It's going exceptionally well.

Overall infrastructure, about a five-to-six-percent growth rate over the next three to four years. Now for margin expansion, it is linked to this idea of growing the utility business. We're spending about a hundred million a year in CapEx to expand our capacity. All of these are taking our existing plants and bringing in more capital equipment, brake presses, automated welding, material handling.

The idea is, can we add incremental capital to get more throughput? If we do that, we'll get a lower unit cost. When we look at our utility business, we know if we spend a hundred million of CapEx, we get over a hundred million of additional revenue every year. The contribution margin is close to 30 percent. It adds a dollar EPS. It's a really exciting opportunity.

Last year, we spent 107 million. This year, we're going to be 130 to 150 million of capacity expansion. We would expect that for the next two to three years. It's a really exciting story. You asked margins, Tomo. Last year, infrastructure operating margins were 17 percent. In three to four years, really by 2029, we think it'll be close to 20 percent. Good opportunity for us.

In the agriculture business, that's about 25 percent of our revenues. As Avner said, the market's been soft. In all of our guidance, in all of our three, four-year targets, we're not going to assume a recovery in ag. If we get a recovery in ag, that'll be upside. When we look at ag, we're trying to position it for let's get a higher mix of higher-margin business.

Avner described the aftermarket. That's the spare parts. That's the e-commerce. If the farmer can order from the field, see if it's in stock, get it delivered tomorrow, they're less price-sensitive. We're trying to grow that. Today, that's about 20 percent of our revenue. We'd like to see that get up to 23, 24 percent of our revenue. It's higher-margin.

Then on the technology, today a farmer controls their pivot from their phone app. It's monitor and control. It's predictive maintenance. That is a subscription-based model. It's a small piece of our revenue. It's about 3 percent of our revenue, but it's very high gross margin, 70 to 80 percent. Every time we add connectivity, that adds to our margin.

When you look at penetration, North America is fairly well-penetrated. If you go to Brazil and Middle East, penetration rates are much, much lower. That's really what the opportunity is. Because those are newer markets, so the pivots are...They're not as old. They're newer. Provides us a pretty good opportunity.

The third margin opportunity is really in our corporate costs. We've talked about our corporate costs. We're approaching three percent of our revenues. We see a path to get that below two percent. This year will be about 2.2 percent.

If you put this all together, we call it our value drivers. What's our plan for three to four years out, by 2029? We think infrastructure margins can go from 17 percent to about 20 percent. We think ag margins can go about 13 percent to 16 percent. Total company, 16 to 17 percent. More importantly, last year earnings per share were $19. We see that getting to $25 to $30

Internally, we're very focused on...Internally we call it the path to 30. Everybody's very excited about that. How do you get to $30 earnings per share? We got 11,000 employees. Each of them fit into either the infrastructure growth, the ag positioning with aftermarket and technology or on the corporate side. We feel very good about it.

Tomo: Thank you, Tom. What are the most important strategic investments for making sure that you capture these opportunities?

Thomas: On the utility side, it's capex, plain and simple. That's our highest-return opportunity for capital allocation. On the ag side, it's more people and technology. We're trying to develop systems that will advance our aftermarket to make it easier for the farmer to order.

The same with our technology. We have a software development team. We have AI tools being added to the predictive maintenance. It's all about increasing the productivity for farmers and lowering their cost.

On the corporate side, AI is a big part of it. Casey is using AI in investor relations. Our accounting teams are using it for the 10K. It just goes on and on. Another piece of AI is we have a fellow named Amit. You'll see him at Investor Day if you come to Investor Day. Amit's very creative.

One of the things we're focused on is how do we get better factory scheduling? The whole idea is, if you can use AI tools to really aggregate orders, sequence them better, make sure you got

the right material at the right time, you're trying to improve the utilization of your factories.

Think of it in terms of, let's say, we're at 80 percent utilization. Through AI tools, we can get to 85 percent, 86 percent. Not only is that better operating margins, but it means we need less CapEx to expand revenue. A lot of exciting things going on.

Tomo: Thank you, Tom. I was impressed when I visited your headquarters and plants. When you talk about the CapEx, how you plan to expand your CapEx by automations or expanding more facilities? Could you describe how you manage the capital, a discipline plus making sure the margin profiles capture those growth?

Thomas: It's very detailed, but it's very easy to explain, because if you came into any of our factories, we're starting with coil or plate steel. We're cutting it, rolling it, welding it, adding arms, adding base plates. This is all about getting more throughput for the factory.

How do you do that? You add brake presses, you automate the welding, and then material movement's a big part of it because these are very large structures, hundreds of feet long, very heavy, very hard to move, but that's what we do very well. We manufacture, and we move large structures.

The simple part of it is, our model is spend a dollar of CapEx, get over a dollar of revenue, get a 30 percent contribution margin. If we could spend $100 million, we know we'll get a dollar EPS. It proved out very well in 2025.

In 2025, we spent $107 million on utility CapEx and we expanded our revenue by $147 million. Now that we're seeing the proof of it, it's actually exceeding our expectations, Tomo.

Tomo: Thank you, Tom. Then, if you could touch on the divestment side of the solar business recently announced, and then, could you talk about why, and why now the situations of the business?

Thomas: Last year was really about getting the company positioned for this value driver path for the next three to four years, growing $500 to $700 million of revenue, and EPS up to $30. There were different pieces that we had to prepare the organization for. One was the organization, which was reducing the layers in the organization. There's new leadership.

Then the second part was rationalizing our portfolio. We really did a deep dive on everything,

looking at opportunity, where is the best use of capital, what was the return on investment. We determined that the solar business, while it had its moments in our history, we were better off taking the money and putting it into utilities.

We got out of the North America solar market. Right now, solar is a small business, mostly in Europe. For reporting, in 2026, we're not going to report solar anymore. We're going to change that and fold it into one of the other product lines. Other than that, we determined all of our businesses were contributing, and they had a very healthy future. What was the last part of your question?

Tomo: Maybe the divestments. How you see the divestments in terms of the next portfolio?

Thomas: Now that we're through the portfolio rationalization, we don't really see any further divestments. We're happy with all of our businesses. What we don't talk about is things like our international infrastructure. There's an opportunity to improve performance there.

Our L&T business, opportunity to improve performance. Those are not part of the value drivers, and those are really our upsides and our risk mitigators.

Avner: Thank you, Tom. That was really comprehensive. Other than divesting businesses that don't have the right financial performance or criteria for us as a business, to me, the real benefit is around the focus. We have these tremendous megatrends, once-in-a-lifetime opportunity. We, as a company, need to focus on those opportunities.

By getting rid of distractions, making sure every person in the organization know how we could support our path to 30, that's significant and drives a lot of value for us. We're going to take advantage of the current market conditions.

Tomo: Thank you, Avner. I would pause here and take questions from the audience.

Audience Member: Can you give us a quick update on the Dubai facility, its status? Are you able to manufacture, are you able to send product, or do you have an alternate plan to meet the needs of getting product into Africa or the Middle East? Then, secondarily, also some disruptions in the global zinc markets. If you guys are experiencing that at all in North America or anywhere else?

Avner: Thanks for the question. Overall, right now, our Dubai facility is operating at a very

minimal level right now. The safety of our employees is right now the highest priority for us. Of course, there's also guidance that we're following from the government. Right now, I see that plant as almost as a standstill. It's about 15 percent of the ag business.

Right now, even through the Strait, we really can't get products in or out of Dubai, and right now, they're prioritizing food versus equipment. That's the largest impact to our business today is that element of the business. We do have many other facilities.

We have a China facility that actually could support some of our other products going more into Europe, not into the Middle East, Africa, but from Dubai we also support Europe. We can bring that from other locations, so we're able to mitigate some of that.

Overall, that is the largest impact for us. We're able to flex down that facility pretty efficiently. It's not going to be a material impact at this point in time.

Other than that, around the commodity pricing, the largest impact are, you mentioned zinc, you mentioned aluminum. Those are the ones that could have the largest potential impact. We don't see any shortages at this time right now. It's just pricing. As that continues, we'll make sure we price appropriately, so we could recover that cost.

A lot of what we're seeing right now is wait and see. As of now, we're not seeing a material impact, and we'll continue to monitor and put plans in place to address the situation.

Tomo: Thank you for your great questions. Go ahead.

Audience Member: There's always been this great promise of smart cities where the infrastructure builds in the smartness, particularly around things like smart cars and EV and all that stuff. Where are we in that? Because it would seem that your capabilities are a potential connecting point through all that smart capability.

It hasn't seemed to materialize all that much. It seemed like it also potentially be a nice bow wave for you as well, too, at some point.

Avner: I agree. We've been talking about smart cities for quite a while, and it really has not materialized. Really, what we're focusing right now is we're going to support the cities and the states as they're trying to build their infrastructure, but we're going to stick to where we're really good at, and that is, engineering these solutions.

If it's lighting solutions, if it's pole street, so they can add their capabilities to it. We're going to stick to our lane. As we see these opportunities materialize, we'll help with the infrastructure for it, but we're not going to play directly with providing those smart solutions.

Audience Member: The other thing that seems to always be this interesting, it's not a battleground, but it's tension between an engineering firm, like a Jacobs or an AECOM, and that you certainly have a lot of expertise in your domain as well, too, but at some point they start to certainly build knowledge in your domain.

How do you start to make sure that you're protecting the value of your expertise, particularly in an age of AI, where, all of a sudden, consuming gobs and gobs of historical engineering data becomes something that takes place in half an hour?

Avner: It's a good question. We're actually using AI as well to help our engineering with the non-value add. When you look at AI, you'll have the prediction, and you'll have the judgment.

As long as the judgment remains a critical part, our customers' utilities, which are also risk-adverse, want to make sure that we can give them the right solution because a mistake on a drawing could cost tens of millions of dollars. Making sure you have that eye of the engineer is going to be critical for them.

On top of that is we give them the whole solution. We'll start from the engineering, but then we'll go all the way commercially, all the way through our plans to the final product. If you're disconnecting the two, it again creates some risk. We're keeping our eye on AI. We're leveraging AI.

I don't see at this point where it actually comes in and eliminates all the engineering. We're utilizing it to help us be more productive. I still think there's still the element for the judgment part that we're going to utilize our engineers.

Tomo: Thank you for a great questions. We wanted to wrap up here. So thank you very much, Avner, Tom, Renne, and everyone for joining today.

Renee: Thank you.

[applause]

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