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Valmont Industries, Inc. (VMI)

Q1 2026 Earnings Call

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Tomohiko Sano
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Brian Drab
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MANAGEMENT DISCUSSION SECTION

Operator: Greetings. Welcome to Valmont Industries' First Quarter 2026 Earnings Conference Call. At this time, all participants are in a listen-only mode. A question-and-answer session will follow the formal presentation. We ask that you please limit yourself to one question and one brief follow-up question and return to the queue. [Operator Instructions] Please note this conference is being recorded.

I will now turn the conference over to your host, Renee Campbell, Senior Vice President, Capital Markets & Risk. Ms. Campbell, you may begin.

Renee L. Campbell

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

Good morning, everyone, and thank you for joining us. With me today are Avner Applbaum, President and Chief Executive Officer; John Schwietz, Executive Vice President and Chief Financial Officer; and Eric Johnson, Chief Accounting Officer. Earlier this morning, we issued a press release announcing our first quarter 2026 results. Both the release and the presentation for today's webcast are available on the investors' page of our website at valmont.com. A replay of the webcast will be available later this morning. To stay updated with Valmont's latest news releases and information, please sign up for email alerts on our investors' site. We'll begin today's call with prepared remarks and then open it up for questions. Please note that this call is subject to our disclosure on forward-looking statements, which is outlined on slide 2 of the presentation and will be read in full after Q&A.

With that, I'd now like to turn the call over to Avner.

Avner M. Applbaum

President, Chief Executive Officer & Director, Valmont Industries, Inc.

Thank you, Renee. Good morning, everyone, and thank you for joining us.

Turning to slide 4, I'll start with a few key messages for the quarter. First, we delivered a strong start to the year with sales growth, record first quarter earnings per share, and progress against our strategic priorities. This reflects our disciplined and focused execution across the business. We remain committed to serving customers, managing what we can control, and advancing our value drivers. Our performance reflects the execution of our strategy. We're prioritizing high-value offerings, strengthening our core businesses, and improving operational performance. Our strategy is anchored in markets with durable demand drivers, most notably utility, while continuing to improve the quality and resiliency of our earnings. Second, infrastructure is performing well, supported by a growing demand for energy. This includes the need to expand the electrical grid to support data centers and the need to replace aging assets.

Our capacity expansion plans are on track and these actions are driving improvements in throughput and overall operational performance as reflected in the 27% sales growth in North America Utility. Third, in Agriculture we were able to grow in North America year-over-year due to favorable pricing. I also want to recognize our teams in the Middle East who continue to navigate a very challenging environment. The safety and well-being of our employees remain our top priority. We are focused on supporting them as they manage through the ongoing situation. We appreciate their commitment to one another and to our customers during this time. Turning to slide 5 for a review of our current market dynamics, starting with North America Utility. Our customers are implementing multi-year increases in capital spending, driving strong demand in utility infrastructure.

US utilities are planning roughly $1.4 trillion of investment through 2030, up meaningfully from prior expectations driven by load growth; grid modernization; and, increasingly, data center demand. This environment supports our growth outlook and the capacity expansions we have underway. Industry supply remains constrained with extended lead times and favorable pricing and margins. North America Coatings is also capturing growth from infrastructure activity and increasing exposure to data center construction. Our galvanizing services play a critical role in protecting and extending the life of steel structures. In North America Lighting and Transportation, market conditions remain mixed. In Lighting, demand continues to be impacted by softer housing activity and commercial development. In Transportation, the market is supported by stable infrastructure spending.

From an operational standpoint we have made progress, but we are not yet where we want to be in terms of consistency. Our priority is improving performance to deliver reliably for our customers. Turning to International Infrastructure, market conditions across Europe and Asia Pacific remains soft but stable. We are advancing commercial discipline and improving operational performance. Turning to slide 6, agriculture markets are navigating a dynamic environment as we begin the year. In North America, grower sentiment remains cautious, reflecting tighter farm economics supported by USDA data. Seasonal order patterns have been more muted with no meaningful acceleration in the spring selling season. Taken together, current indicators, including input costs and overall farmer profitability, suggest that market will remain under pressure in the near-term.

International markets are seeing variability in demand. Ongoing challenges in the Middle East, including logistic constraints and reduced operating capacity, are impacting activity and the pace of execution. At the onset of the conflict, our Dubai facility operated at a minimal level, prioritizing employee safety in alignment with local government guidance. The plant has currently paused operations until conditions stabilize. We have mitigated some of this impact through our global manufacturing footprint, leveraging other facilities to support demand in the region. Long-term demand is supported by investment in food security and water infrastructure. In Brazil, tight credit availability and delays in government-backed financing continue to weigh on near-term demand. Over the longer-term, Brazil remains an attractive growth market, supported by favorable agronomics, multiple crop cycles, and compelling returns on irrigation equipment.

We continue to advance our priorities in technology and aftermarket, positioning Agriculture to perform through the cycle. Turning to slide 7. I'd now like to welcome and introduce John Schwietz as Valmont's Chief Financial Officer. John has been with Valmont for more than 16 years, with leadership roles across both our Infrastructure and Agriculture segments. He brings deep knowledge of the business and a strong track record of financial discipline and execution. John leads with integrity and accountability, brings a passion for serving our customers, and is deeply committed to continuous improvement and delivering results. This is a seamless transition as our strategy, value drivers and capital allocation priorities remain unchanged. We're confident in John's leadership as we continue to build on our momentum.

I'll now turn the call over to John, to review our first quarter financial results and updated 2026 outlook.

John L. Schwietz

Chief Financial Officer, Valmont Industries, Inc.

Thank you, Avner. Good morning, everyone, and thank you for joining us today. I'd like to start by thanking Avner and the board for their confidence in me as I step into the CFO role. I appreciate the opportunity to build upon the strong foundation already in place. I look forward to working closely with our teams across Valmont to reinforce financial discipline, support our strategy and deliver long-term value for our customers, employees, and shareholders. Turning to slide 9, net sales of $1.03 billion increased 6.2% year-over-year, driven by sales growth in Infrastructure, particularly North America Utility. Operating income increased to $155.6 million, and operating margins improved 190 basis points to 15.1%, reflecting stronger performance in both segments. Our tax rate remained steady at approximately 26%. Diluted earnings per share was $5.51, a 27.5% increase from prior year.

Moving to our segment results on slide 10. I want to start by highlighting a change to our Infrastructure product line revenue reporting beginning this quarter. We have realigned to better reflect the markets that we serve and how we manage them. We are now reporting our North America Infrastructure businesses separately and have consolidated International Infrastructure and Global Solar into one product line. A quarterly recast for 2025 reflecting these updates is included in the appendix of today's presentation. Now, moving to Infrastructure results. Sales of $806 million grew 14.1% year-over-year. North America Utility sales increased 27.4%, driven by pricing and higher volumes. Sales in North America Lighting and Transportation declined 4.4% due to the production challenges as noted by Avner. North America Coatings sales increased 13.3%, supported by healthy infrastructure and data center demand.

North America Telecommunications sales decreased 3.9% as volume softened due to a shift in carrier spending allocation. International Infrastructure sales increased 6.9% due to favorable foreign exchange impacts. Operating income was $143 million, or 17.8% of net sales, an increase of 110 basis points as a result of our pricing actions and fixed cost leverage. Turning to slide 11, first quarter Agriculture sales decreased 15.1% year-over-year to $227 million, driven by lower international sales. North America Agriculture increased 1.5% year-over-year. Importantly, operating margin improved to 14.8% in the quarter, returning to double-digit levels. This reflects the benefits of our continued focus on pricing, cost management, and risk mitigation. Following up on last quarter, we reached a settlement on the material Brazil legal matter we previously discussed and it was resolved within our existing accrual.

Moving to slide 12 for cash, liquidity and capital allocation. We had another quarter of healthy operating cash flows, generating $103.5 million. We ended the quarter with $160.2 million of cash and our net debt leverage is approximately 1 times. During the quarter we invested $35 million in CapEx, primarily for utility capacity expansion. As previously discussed, we finalized the acquisition of Rational Minds and the purchase of the remaining minority shares of ConcealFab for a combined $20 million. We returned $71 million to shareholders, including $13 million through dividends and $58 million through share repurchases. In February, we also increased our quarterly dividend by 13% to $0.77 per share or $3.08 on an annualized basis. Turning to our 2026 outlook on slide 13. We are increasing our full year EPS guidance. Net sales are projected to be between $4.2 billion to $4.4 billion.

We are increasing Infrastructure sales to be between $3.3 billion to $3.45 billion. This is offset by a decline in Agriculture with sales to be between $0.9 billion to $0.95 billion. In Infrastructure the increase is driven by North America Utility. We expect pricing and volumes to remain elevated throughout the year. In Agriculture, given recent changes in market conditions and project economics primarily related to the Middle East conflict, we have become more selective in our pipeline, aligning with our disciplined approach and focus on long-term value. Diluted earnings per share are projected to be in the range of $21.50 to $23.50. At midpoint, this represents a 4.8% growth in revenue and a 17.9% growth in adjusted EPS. Higher pricing and volumes in North America Utility are driving the increase in our EPS target.

Also included in our EPS guidance is the impact of the tariff changes that went into effect on April 6. These primarily affect a portion of our North America Utility production sourced from Mexico. Importantly, we are mitigating much of this exposure by using primary US melt and poured steel which limits the incremental Section 232 tariff to 10%. Looking ahead, we remain focused on what we can control and prioritizing opportunities that support sustainable, higher-quality earnings.

With that, I'll turn the call back to Avner to review our value drivers.

Avner M. Applbaum

President, Chief Executive Officer & Director, Valmont Industries, Inc.

Thank you, John. Moving to slide 14. We continue to advance our three core value drivers: catching the Infrastructure wave, positioning Agriculture for growth, and executing disciplined resource allocation. These priorities are guiding how we invest in capacity, strengthen our product and technology offerings, and align our cost structure, supporting improved performance and more consistent, profitable growth over time. We continue to drive above-market growth in Infrastructure through targeted investments in capacity and operational efficiency, and we're seeing the benefits reflected in our sales volume. In Agriculture, we are growing our presence in emerging markets and investing in aftermarket and technology to improve the mix of higher-margin business.

Finally, our disciplined resource allocation initiatives are on track. Overall, we are confident in our 2026 performance and achieving our long-term value driver targets. We look forward to sharing more details at our upcoming Investor Day on June 16. Before we close, I want to thank the entire Valmont team for their efforts navigating a dynamic first quarter.

With that, I will now turn the call over to Renee.

Renee L. Campbell

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

Thank you, Avner. At this time, the operator will open up the call for questions.

QUESTION AND ANSWER SECTION

Operator: Thank you. At this time, we'll be conducting a question-and-answer session. [Operator Instructions] Our first question is from Nathan Jones with Stifel. Please proceed.

Nathan Jones
Analyst, Stifel, Nicolaus & Co., Inc.

Q

Good morning, everyone.

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

A

Hey. Good morning, Nathan.

Nathan Jones
Analyst, Stifel, Nicolaus & Co., Inc.

Q

I guess I'll start with question on the Section 232 tariffs. You've been getting a lot of questions from investors, as I'm sure you guys have as well. I think the anticipation was probably that these new tariffs were going to be more impactful to Valmont than you guys are talking about them being. Can you maybe just provide a little bit more color on, I know, John said using poured and smelted US steel helps protect from that. But can you just – any more color you can give us around that and then how you plan to mitigate that with customers? Thanks.

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

A

Thanks. John, you want to take that one?

John L. Schwietz
Chief Financial Officer, Valmont Industries, Inc.

A

Yeah. Thank you. So Nathan, first of course we welcome the clarity that we got on April 6th with the updated regulations. So our understanding of these rules are incorporated in our guidance. As you mentioned, really the upshot of this guidance is that we need to maximize US poured and melted steel. So, that's what we've been doing for the last few quarters is maximizing that and that's what we'll continue to do. Of course, tariffs are changing. They adjust and as they adjust, we adjust our pricing and also our supply chains. This takes a little bit of time to take hold, but overall, we feel comfortable with it. And as we've mentioned on prior calls, the objective for us is to be tariff cost/profit neutral. And that's what's incorporated in our guidance.

Nathan Jones
Analyst, Stifel, Nicolaus & Co., Inc.

Q

That's helpful. Thanks. I guess, my second question is around the US Utility business. For the last 12 to 18 months, I think the company's been talking about effectively being out of capacity and having to increase CapEx to add capacity, which it's been doing. But I think the story was kind of that a dollar of CapEx was going to increase capacity by a dollar. And the business is clearly outperforming the level of CapEx that's going into it. Can you talk a little bit about where the additional productivity is coming from? Or how we should think about a dollar of CapEx now translating into maybe more than a dollar of capacity? And thanks for taking my questions.

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

A

Sure. So we are – let me start off, we're very pleased with our quarterly results. I mean, we've grown the Utility by more than 27%. And to your point, a lot of the growth is driven by the strength in the environment with – coupled with our investment in capacity. And capital is clearly one of the areas that we're investing to increase our capacity and we're going to invest between $170 million to $200 million this year, with the majority of that going into Utility. So, capital is one lever. But let me just address a little broader, right? It's a whole system of capacity increases. So, we have our capital. We have our operational capacity and we have our commercial capacity.

So just to give a little bit of more flavor to that, while we're adding capital, every day, our employees go into the shop and look for opportunities to increase our throughput. And we are getting a lot of innovation, continuous improvement to drive the increased output. So as an example, in one of our plants, we were looking at bottlenecks and we noticed that in some cases if we add some labor, we will increase our output. And we did a quick – very successful hiring event and we were able to increase the capacity at that site. We had another site, where we saw that the flow was not perfect. We did a couple of Kaizen events. We got the flow significantly improved, just to name another example. So, we have over – we have 24 facilities in the US. Each one of them, we are taking many actions to drive the increased output, and we should see this trend continuing into Q2.

We're expecting to see a very strong similar type growth or even better in the second quarter. And in fact, we should expect to see a very strong year in Utility as well. So just to sum it up, we're taking many initiatives, capital being one of them. We are seeing that with capital. We're driving more than one for one. So that is another area of an improvement. And we look forward to keep on capitalizing on the strength of this market.

Nathan Jones
Analyst, Stifel, Nicolaus & Co., Inc.

Q

Thanks very much for taking the questions.

Operator: Our next question is from Chris Moore with CJS securities. Please proceed.

Christopher Moore
Analyst, CJS Securities, Inc.

Q

Hey, good morning guys. Thanks for taking a couple. Yeah, recognizing you don't necessarily provide backlog on a quarterly basis, can you give any big picture thoughts in terms of kind of what it looks like today versus kind of year-over-year or sequentially?

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

A

Yeah, sure. So we are seeing – sequentially our backlog is relatively flat, but it has been up year-over-year. And I think it's important to note the backlog reflects the strength of our business, but it is only a data point reflecting the strength in that market. So just to give a little bit more color, we do take a approach to managing our lead times. We're currently – improves our lead times. We have best lead times in the industry right now between 42 to 44 weeks on our bid market. We have a lot of projects in the pipeline that don't show up in the backlog with a lot of our alliance customers. It actually we – it's an advantage to us not to have them in the backlog. So you don't have to take too much risk as it relates to the pricing of steel, et cetera. But overall, I think the most important point is, we are seeing unprecedented demand in this market.

We are – I mentioned that the IOUs are planning to spend $1.4 trillion through 2030, which is significantly higher than we've seen just recently, so that's – which was about $1.1 trillion. So call that about 27% increase in their projections. So going into the year, we were thinking we're going to grow 8% to 10% on our Utility. Well, right now, this year is going to be much stronger than that. We're probably going to see growth between mid-teens to high-teens in the utility space. So overall, all indications are this market is robust. We have not seen it like this for decades and we're very pleased on where we are positioned with our backlog, our lead time and our alliance with our customers.

Christopher Moore
Analyst, CJS Securities, Inc.

Q

Very helpful. And maybe just one on Ag. So maybe can you talk a little bit about rising fertilizer prices, potential impact on pivot demand, not necessarily for 2026? It sounds like there could be kind of lag in demand, but what might be felt in 2027 and just how much visibility you have on that front.

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

A

So, there's not great visibility into 2027. But the way we look at it, fertilizer is an input cost – significant input cost and it will have impact on farmers. Will put more pressure on their profitability, and they have been under pressure. So at this point, we continue to expect to have a challenging environment in 2026, and we're focused on areas where we could drive farmer profitability. We're supporting our farmers with our aftermarket, our technology, enabling our dealers to ensure they can improve their profitability. And as we know, these markets have strong long-term fundamentals. And as the market will improve, we'll be ready to capitalize.

Christopher Moore
Analyst, CJS Securities, Inc.

Q

Terrific. I'll leave it there. Thanks so much.

Operator: Our next question is from Tomo Sano with JPMorgan. Please proceed.

Tomohiko Sano
Analyst, JPMorgan Securities Japan Co. Ltd.

Q

Hello, everyone. And, John, congrats on your new role.

John L. Schwietz
Chief Financial Officer, Valmont Industries, Inc.

A

Thank you.

Tomohiko Sano
Analyst, JPMorgan Securities Japan Co. Ltd.

Q

Thank you. And for North America Utility, could you comment on any changes in pricing or the competitive landscape on pricing power infrastructures? What gives you confidence in your ability to sustain or enhance pricing especially as competitive dynamics evolve, please?

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

A

Tomo, thank you for the question. The market environment continues to be extremely strong right now. We always focus on value pricing. We are the leader in the market with the highest market share, and we provide the utilities with mission critical products and solutions supported by our strengths in our engineering, our reliability, quality, on-time delivery. And in this environment, there's very strong value in our offering, especially in a constrained environment. And the entire industry has been very disciplined around pricing. So, while there will continue to be growth in this area and our competitors will continue to invest, we remain very disciplined, taking pricing leadership. And as evident by our Q1 performance which had significant pricing in our performance, pretty much demonstrates that there's no concern regarding pricing in this environment.

Tomohiko Sano
Analyst, JPMorgan Securities Japan Co. Ltd.

Q

Thank you, Avner. And follow-up on Ag margins. Have it hold up well despite lower sales? If the sales headwinds persist, what structural mix factors do you see as most critical for sustaining or even expanding margins in this segment, please?

John L. Schwietz
Chief Financial Officer, Valmont Industries, Inc.

A

Yeah. Thank you, Tomo. So as you mentioned, Ag margins did well this quarter. We're pleased with the result at 14.8%. So that was driven, as you know, by favorable pricing and also an improved product mix and regional mix. As we look through the rest of the year, as you mentioned, there are some headwinds. And so, if we look at our margins for the rest of the year in Ag, we have the seasonality impact of moving more towards international, less in North America. That will put some pressure on our margins for the rest of the year. Also, the impact of the fixed cost deleverage in our Dubai facility will also add pressure to our margins. So, I'd say that, well, certainly this year we will be in the mid-teens to low teens for margins in Ag this year.

Tomohiko Sano
Analyst, JPMorgan Securities Japan Co. Ltd.

Q

Thank you, John.

John L. Schwietz
Chief Financial Officer, Valmont Industries, Inc.

A

Yeah.

Operator: Our next question is from Brian Drab with William Blair. Please proceed.

Brian Drab
Analyst, William Blair & Co. LLC

Q

Thanks. Thanks for taking the questions. Like Nathan, most of the questions lately have been around Section 232, so I just want to ask maybe the same question just in a little bit different way. But you have – in the 10-K I think that there's about $220 million worth of product in the Utility business coming in from Mexico, and I haven't found that 10% figure anywhere. So I'm just curious is that part of the new structure. Is it stated that it's 10% if you're using melted and poured US steel for finished product coming in from Mexico? Or is that – just kind of how – your assessment after looking through everything? And if so, given its 10% is this – do you put that on the $220 million or so, so it's an incremental roughly $20 million in costs that you have to absorb?

John L. Schwietz
Chief Financial Officer, Valmont Industries, Inc.
A

So, thank you for the question. So yes, 10% is part of the new regulation and you're thinking about this the right way. So, that's approximately the number from Mexico from our – our output from Mexico in exports to the United States. That varies year by year. As I mentioned earlier, about the transition of our supply chain, so the goal here is to maximize the US melt and pour steel. And that will reduce our tariff exposure and cost over time. That's what the teams are doing and that will take some time. But we're making rapid progress in making sure that we adjust that to maximize our US melt and pour steel. That will bring us closer to the incremental 10%.

Brian Drab
Analyst, William Blair & Co. LLC
Q

Okay. But you can't size the incremental costs for us at all? You don't want to quantify that today? I don't want to press you too much on it, but that's what we're looking for.

John L. Schwietz
Chief Financial Officer, Valmont Industries, Inc.
A

Yeah. So, I'd say your general range, how you're thinking about it is approximately right.

Brian Drab
Analyst, William Blair & Co. LLC
Q

Okay. [indiscernible] (00:29:52).

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

Yeah. And I'll just add, right? We're seeing strong growth, right, so that $220 million is going to easily be $250 million. So – but as we grow and capitalize on the market, we'll pay more tariffs but, of course, we make very strong margins out of our plant in Mexico. So, no concerns on our end.

Brian Drab
Analyst, William Blair & Co. LLC
Q

Right. Well – and it all just seems like my conclusion at the moment is it's kind of negligible given the size of that business and given the pricing power and given the pricing dynamics across the industry and what you're doing operationally. So – but thanks for the clarification. On the Utility business, also you mentioned that the price and volume drove the growth. You mentioned in the press release, you listed price first in the description of that strength. Can you just talk about the breakdown of price versus volume driving the business? And then also, is the price being supported more just by steel kind of skyrocketing or is it – and secondarily by the market demand?

John L. Schwietz
Chief Financial Officer, Valmont Industries, Inc.
A

Okay. So thanks for the question. So, if we look at Q1, the 27% increase was driven primarily by price, as you know. It's important to note though that volume was an important contributor as well for Q1, that was in the double digits. As we look through the rest of the year, Avner noted mid-teens to upper-teens in growth rate expectations for Utility. We expect that, Brian, to be a balance between price and volume for 2026. As it is, to your question about the price environment, Avner gave some good comments on what we're seeing in the price environment. To Avner's comments, we are pricing to market. We're constantly testing the top of that market. Yes, some of that is passed through contract pricing with regards to material escalations and then also logistics escalation. So yes, that's a component of it. But, as Avner mentioned, we have confidence in the overall pricing environment for Utility.

Brian Drab
Analyst, William Blair & Co. LLC

Q

Perfect. Okay. Thank you very much.

Operator: We have reached the end of our question-and-answer session. I will now turn the call over to Renee Campbell, for closing remarks.

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

Thanks, everyone for joining us today. A replay of this call will be available for playback on our website and by phone for the next seven days. We look forward to speaking with you again next quarter.

Unverified Participant

These slides and the accompanying oral discussion contain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These statements are based on assumptions made by management, considering its experience in the industries where Valmont operates, perceptions of historical trends, current conditions, expected future developments, and other relevant factors. It is important to note that these statements are not guarantees of future performance or results. They involve risks, uncertainties, some of which are beyond Valmont's control and assumptions. While management believes these forward-looking statements are based on reasonable assumptions, numerous factors could cause actual results to differ materially from those anticipated.

These factors include, among other things, risks described in Valmont's reports to the Security and Exchange Commission (sic) [Securities and Exchange Commission] (00:33:08), SEC, the company's actual cash flows and net income, future economic and market circumstances, industry conditions, company performance and financial results, operational efficiencies, availability and price of raw materials, availability and market acceptance of new products, product pricing, domestic and international competitive environments, geopolitical risks and actions and policy changes by domestic and foreign governments, including tariffs. The company cautions that any forward-looking statements in this release are made as of its publication date and does not undertake to update these statements except as required by law.

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