valmont

Conserving Resources. Improving Life.

2Q 2017 Earnings Call Presentation

Forward-looking Statement Disclosure

These slides contain (and the accompanying oral discussion will contain) “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements involve known and unknown risks. uncertainties and other factors that could cause the actual results of the Company to differ materially from the results expressed or implied by such statements. including general economic and business conditions. conditions affecting the industries served by the Company and its subsidiaries. conditions affecting the Company’s customers and suppliers. competitor responses to the Company’s products and services. the overall market acceptance of such products and services. the integration of acquisitions and other factors disclosed in the Company’s periodic reports filed with the Securities and Exchange Commission. Consequently such forward-looking statements should be regarded as the Company’s current plans. estimates and beliefs. The Company does not undertake and specifically declines any obligation to publicly release the results of any revisions to these forward-looking statements that may be made to reflect any future events or circumstances after the date of such statements or to reflect the occurrence of anticipated or unanticipated events.

Second Quarter Highlights

- Net Sales grew 11% with increases in all segments except Energy and Mining
- Operating income grew 9%
- Operating income as a percent of sales of 11.0% in 2017 compared to 11.2% in 2016
- Diluted earnings per share increase 8.6% from $1.85 to $2.01
- Reconfirm fiscal 2017 earnings guidance of slightly above $7.00 per diluted share[2].

1) Net sales gross of intercompany eliminations. Unless otherwise noted, net sales presented by segment throughout the presentation is net of intercompany eliminations.
2) See 2017 guidance assumption in February 21, 2017 earnings release.

Financial Highlights - Second Quarter

NET SALES **Dollars in millions except per share amounts**	**2017**	**2016**	**Percent Change**
Engineered Support Structures	$217.6	$203.9	6.7%
Utility Support Structures	184.6	151.2	22.1%
Coatings	79.8	75.3	5.9%
Energy & Mining	77.2	80.7	(4.3)%
Irrigation	188.3	152.3	23.6%
Intersegment Sales	(34.8)	(23.2)	NM
Net Sales	$712.7	$640.2	11.3%
Operating Income	$78.3	$71.8	9.1%
Net Income	$45.7	$42.0	8.8%
Diluted Earnings Per Share (EPS)	$2.01	$1.85	8.6%

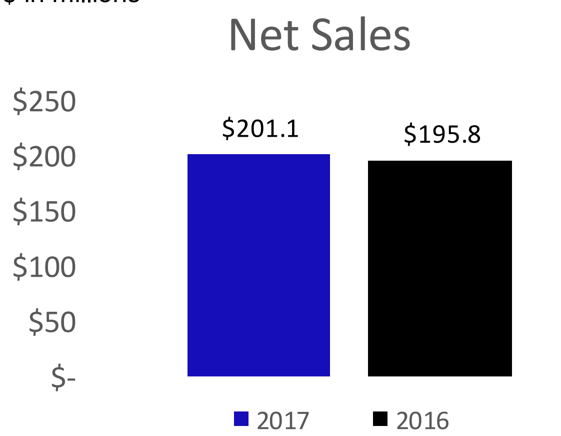
Financial Highlights - Operating Income

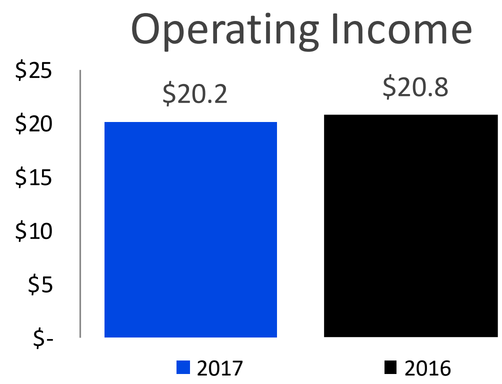
Dollars in millions	Operating Income 2Q 2017	Operating Income 2Q 2016	Increase /Decrease	Operating Income Percent 2Q 2017	Operating Income Percent 2Q 2016
Engineered Support Structures	$20.2	$20.8	(2.9%)	9.3%	10.2%
Utility Support Structures	20.2	17.6	14.8%	10.9%	11.6%
Coatings	12.1	14.0	(13.6%)	15.2%	18.6%
Energy & Mining	3.9	3.3	18.2%	5.1%	4.1%
Irrigation	34.7	31.0	11.7%	18.4%	20.4%
LIFO adjustment	(0.4)	(3.1)	NM		
Corporate	(12.4)	(11.8)	(3.4%)		
Consolidated Operating Income	$78.3	$71.8	9.1%	11.0%	11.2%

Engineered Support Structures – 2nd Qtr.

Sales presented net of intersegment sales

$ in millions





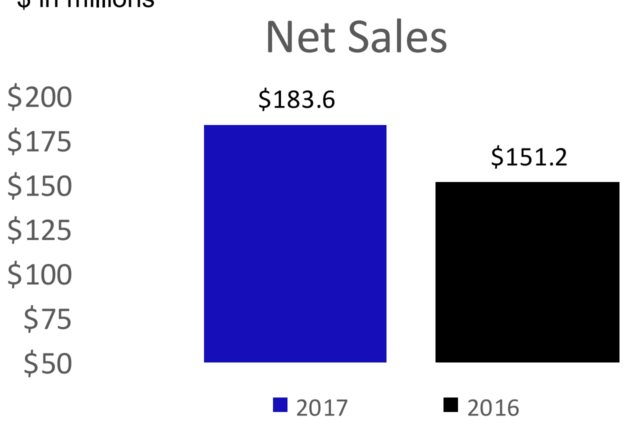
2016 Net Sales	$195.8
Volume	9.1
Pricing/Mix	0.3
Acquisitions	-
Currency Translation	(4.1)
2017 Net Sales	$201.1

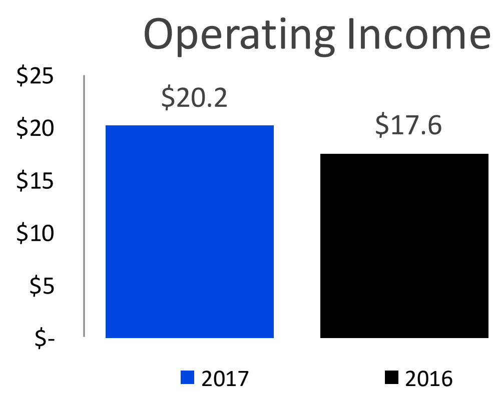
- Slightly lower lighting and traffic sales in North America. EMEA markets remain sluggish due to lack of infrastructure investment
- Wireless communication sales increase globally, recovery in North American markets
- Margin compression due to rising steel costs in some cases not being fully recovered by price, particularly compared to last year when purchases of low cost steel in the first quarter translated into better second quarter margins.

Utility Support Structures – 2nd Qtr.

Sales presented net of intersegment sales

$ in millions





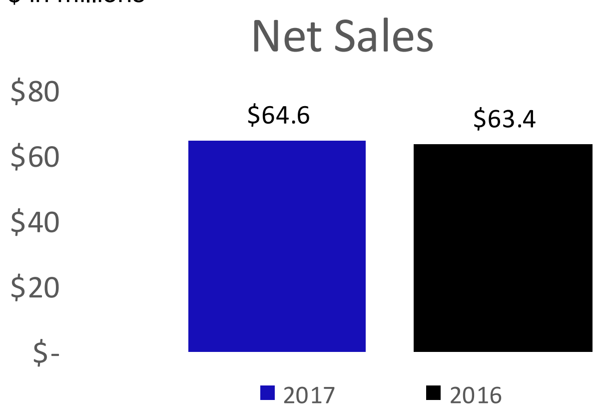
2016 Net Sales	$151.2
Volume	18.5
Pricing/Mix	13.9
Acquisitions	-
Currency Translation	-
2017 Net Sales	$183.6

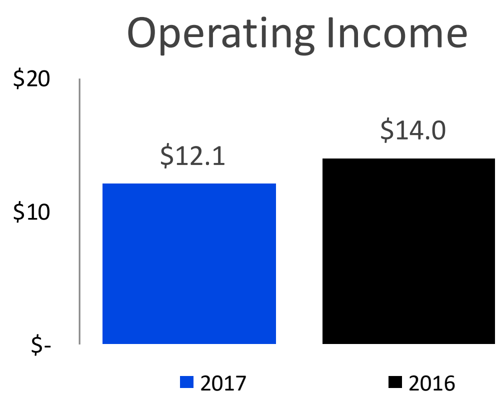
- Significant sales and volume increases. Some of the sales increase reflect customer pricing tied to steel cost increases
- Operating income increased due to the higher sales volumes partially offset by unfavorable product mix.

Coatings – 2nd Qtr.

Sales presented net of intersegment sales

$ in millions





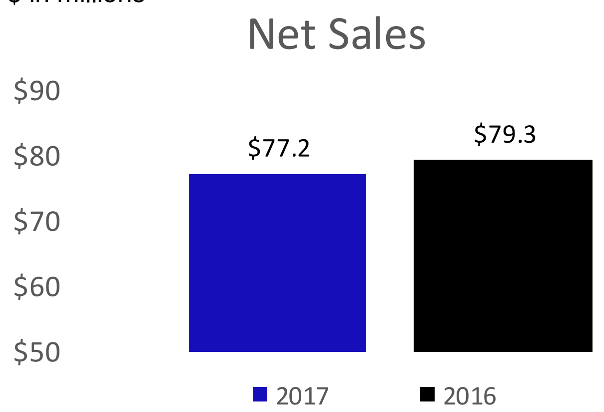
2016 Net Sales	$63.4
Volume	(3.1)
Pricing/Mix	4.8
Acquisitions	-
Currency Translation	(0.5)
2017 Net Sales	$64.6

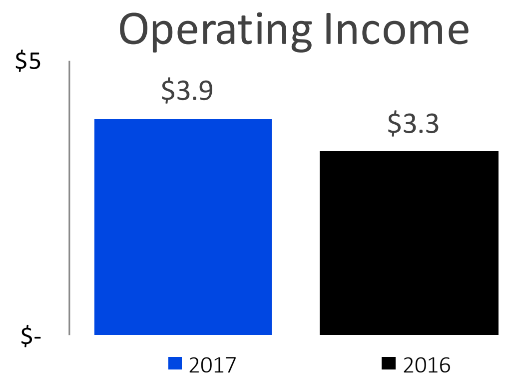
- Sales decreased in North America, less external and higher intercompany volumes
- Volumes increase in Asia-Pacific region—pricing recovery also achieved
- Reduced operating income attributed to lower external volumes and lagging zinc cost recovery in North America.

Energy and Mining – 2nd Qtr.

Sales presented net of intersegment sales

$ in millions





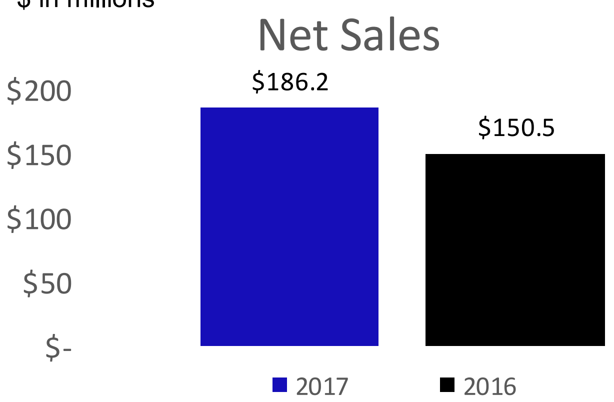
2016 Net Sales	$79.3
Volume	(3.1)
Pricing/Mix	1.8
Acquisitions	-
Currency Translation	(0.8)
2017 Net Sales	$77.2

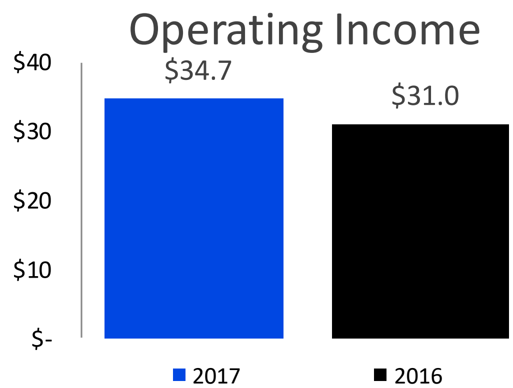
- Access and Offshore sales decreased slightly
- Operating income increased with lower SG&A expense
- Outlook for unfavorable second-half comparisons—further weakness in oil & gas end markets, less favorable steel cost environment

Irrigation – 2nd Qtr.

Sales presented net of intersegment sales

$ in millions





2016 Net Sales	$150.5
Volume	29.2
Pricing/Mix	3.8
Acquisitions	-
Currency Translation	2.7
2017 Net Sales	$186.2

- International markets benefit from projects and stronger Latin American demand
- North America sales increased on stabilizing markets and uptick in markets outside the corn belt
- Service parts sales increase as irrigation machines log more hours than last year
- Operating income higher, operating income percent pressured by raw material costs

Balance Sheet – 2nd Qtr. 2017

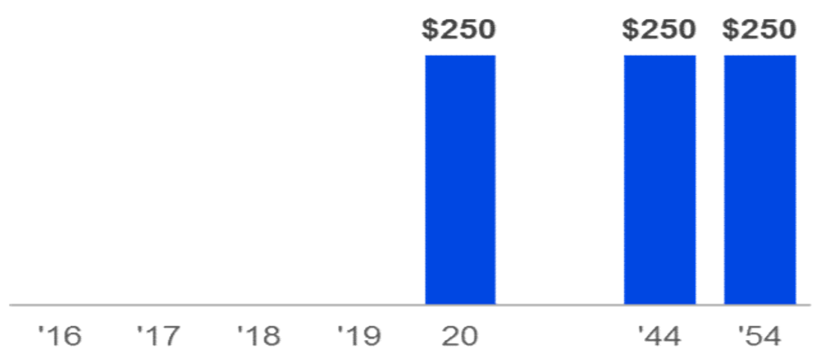
2Q 2017 Actual

Cash At 7/1/2017	**$448M**	**($350M Ex. US)**
Total Debt	$755M	
Debt/Adjusted EBITDA*	**2.25**	Adjusted

Credit Rating

S&P	BBB+	Negative
Moody's	Baa3	Stable

Debt Maturities – in Millions



* See the Company's calculation at end of presentation.

Valmont – Calculation of Adjusted EBITDA & Leverage Ratio

Certain of our debt agreements contain covenants that require us to maintain certain coverage ratios. Our Debt/Adjusted EBITDA may not exceed 3.5X Adjusted EBITDA of the prior four quarters. See "Leverage Ratio " below.

	TTM [1] 7/1/2017
Net earnings attributable to Valmont Industries, Inc	$182,880
Interest expense	41,877
Income tax expense	43,038
Depreciation and amortization expense	83,367
EBITDA	351,162
Reversal of contingent liability	(16,591)
Impairment of property, plant, and equipment	1,099
Adjusted EBITDA	$335,670
Interest Bearing Debt	$ 755,733
Leverage Ratio	2.25

1) Last 4 fiscal quarters (June 26, 2016 to July 1, 2017)