



Conserving Resources. Improving Life.



**Third Quarter 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.

2017 Third Quarter Highlights

- Net Sales grew 12% with increases in all segments except Energy and Mining
- Operating income grew 13% (2.7% adjusted)
- Operating income as a percent of sales is 8.8% in 2017 compared to 8.7% in 2016 (9.6% adjusted)
- GAAP Diluted earnings per share increase 25% from \$1.24 to \$1.55, adjusted diluted EPS increase 5.4% from \$1.48 to \$1.56
- Fiscal 2017 guidance of between \$6.90 to \$7.04 per diluted share. Previous guidance \$7.06 per diluted share²

- 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.
- 3) See reconciliation of adjusted (non-GAAP) and GAAP operating income and diluted earnings per share at the end of this presentation

Third Quarter Financial Summary

NET SALES	2017	2016	Percent Change
U.S. Dollars in millions except per share amounts			
Engineered Support Structures	\$221.5	\$203.2	9.0%
Utility Support Structures	179.8	150.6	19.4%
Coatings	82.6	70.1	17.8%
Energy & Mining	79.8	81.5	(2.1%)
Irrigation	147.4	127.8	15.3%
Intersegment Sales	(30.3)	(23.0)	NM
Net Sales	\$680.8	\$610.2	11.6%
Operating Income	\$59.9	\$53.2	12.6%
Adjusted Operating Income*	\$59.9	\$58.3	2.7%
Net Income	\$35.2	\$28.2	24.8%
Adjusted Net Income*	\$35.6	\$33.5	6.3%
Diluted Earnings Per Share (EPS)	\$1.55	\$1.24	25.0%
Adjusted Diluted (EPS)	\$1.56	\$1.48	5.4%

* See reconciliation of GAAP operating income and diluted EPS to adjusted (non-GAAP) figures at the end of this presentation.

Financial Highlights – Operating Income GAAP

U.S. Dollars in millions	Operating Income 3Q 2017	Operating Income 3Q 2016	Increase (Decrease)	Operating Income % 3Q 2017	Operating Income % 3Q 2016
Engineered Support Structures	\$16.2	\$20.3	(20.2%)	7.3%	10.0%
Utility Support Structures	22.1	16.2	36.4%	12.3%	10.8%
Coatings	14.6	11.7	24.8%	17.6%	16.7%
Energy & Mining	1.4	3.9	(64.1%)	1.8%	4.8%
Irrigation	18.2	15.3	19.0%	12.3%	12.0%
LIFO adjustment	(1.6)	(2.1)	NM		
Corporate	<u>(11.0)</u>	<u>(12.1)</u>	9.1%		
Consolidated Operating Income	\$59.9	\$53.2	12.6%	8.8%	8.7%

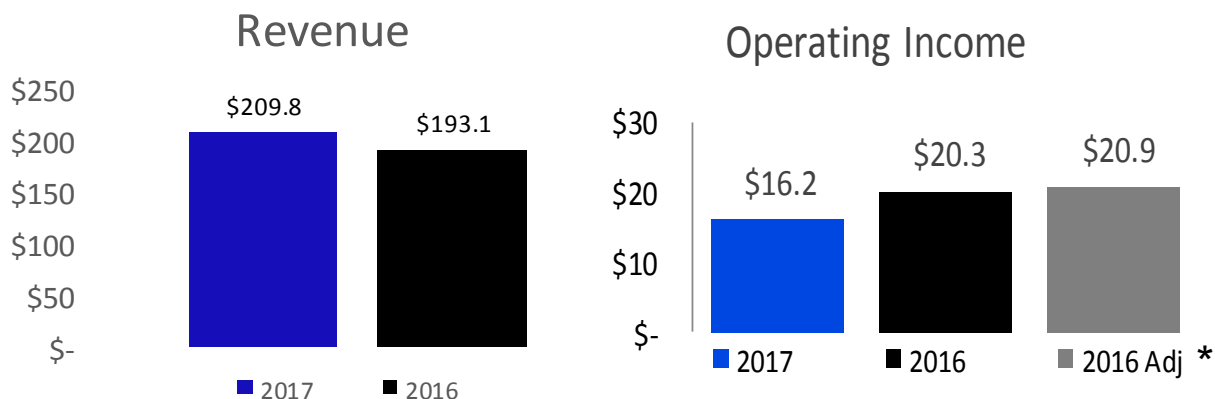
Financial Highlights – Operating Income Adjusted*

U.S. Dollars in millions	Adjusted Operating Income 3Q 2017*	Adjusted Operating Income 3Q 2016*	Increase (Decrease)	Operating Income % 3Q 2017	Operating Income % 3Q 2016
Engineered Support Structures	\$16.2	\$20.9	(22.5%)	7.3%	10.3%
Utility Support Structures	22.1	16.7	32.3%	12.3%	11.1%
Coatings	14.6	12.3	18.7%	17.6%	17.6%
Energy & Mining	1.4	5.5	(74.5%)	1.8%	6.7%
Irrigation	18.2	15.3	19.0%	12.3%	12.0%
LIFO adjustment	(1.6)	(2.1)	NM		
Corporate	<u>(11.0)</u>	<u>(10.3)</u>	(6.8%)		
Consolidated Operating Income	\$59.9	\$58.3	2.7%	8.8%	9.6%

* See reconciliation of GAAP operating income and diluted EPS to adjusted (non-GAAP) figures at the end of this presentation.

Engineered Support Structures Segment

\$ in millions



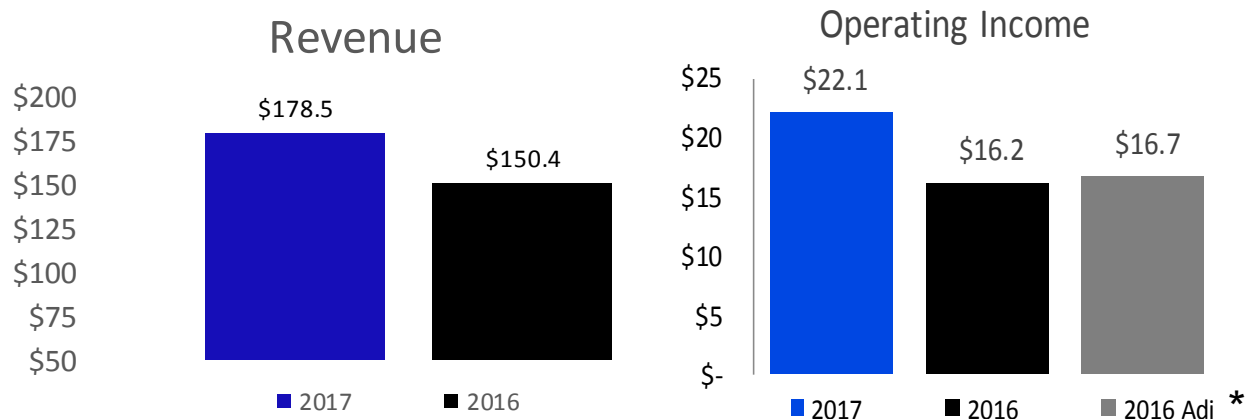
2016 Revenue	\$193.1
Volume	15.9
Pricing/Mix	(3.5)
Acquisitions	1.6
Currency Translation	2.7
2017 Revenue	\$209.8

- Lower traffic and lighting sales in North America, lack of announced infrastructure spending plan. European markets show signs of stabilizing.
- Wireless communication sales remain firm
- Increased highway safety product volumes in Asia Pacific
- Margin compression due to lagging recovery of materials inflation and unfavorable sales mix

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Utility Support Structures Segment

\$ in millions



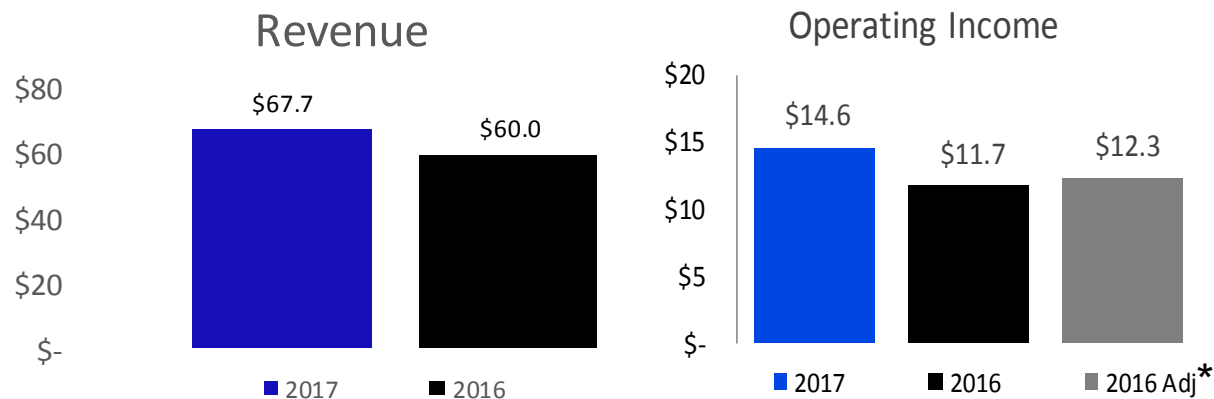
2016 Revenue	\$150.4
Volume	1.6
Pricing/Mix	26.5
Acquisitions	-
Currency Translation	-
2017 Revenue	\$178.5

- Sales increased in both steel and concrete in North America. Increased pricing to reflect higher steel costs
- Some Q3 volume shift due to hurricanes
- Operating income increased due to price recovery and favorable mix
- Valmont structures endured Florida hurricanes very well – no failures

* See reconciliation of GAAP operating income and diluted EPS to adjusted (non-GAAP) figures at the end of this presentation.

Coatings Segment

\$ in millions



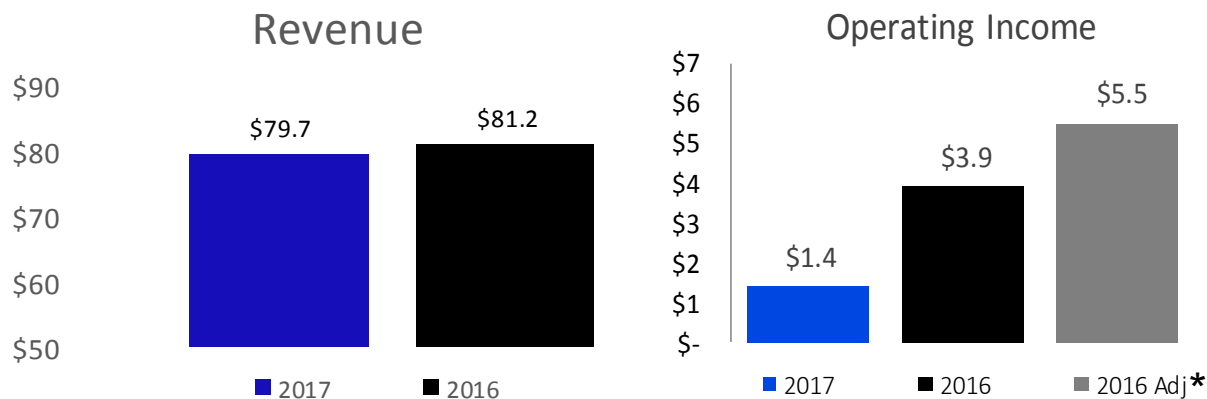
2016 Revenue	\$60.0
Volume	1.5
Pricing/Mix	5.6
Acquisitions	-
Currency Translation	0.6
2017 Revenue	\$67.7

- Sales and volumes increase, pricing better matched to costs
- Greater sales mix of intercompany activity helped volume loading of plants
- Improved profitability due to price recovery and operational gains following restructuring

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Energy and Mining Segment

\$ in millions



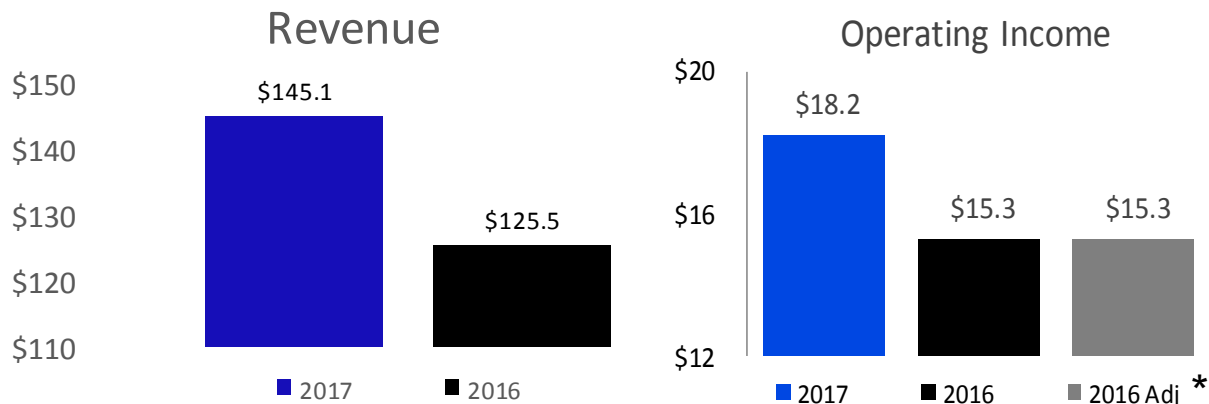
2016 Revenue	\$81.2
Volume	(6.9)
Pricing/Mix	2.0
Acquisitions	-
Currency Translation	3.4
2017 Revenue	\$79.7

- Revenue modestly lower than last year
- Operating income decreased from less favorable steel cost environment in mining consumables business

* See reconciliation of GAAP operating income and diluted EPS to adjusted (non-GAAP) figures at the end of this presentation.

Irrigation Segment

\$ in millions



2016 Revenue	\$125.5
Volume	17.6
Pricing/Mix	1.1
Acquisitions	-
Currency Translation	0.9
2017 Revenue	\$145.1

- Solid international organic and project growth
- North America markets exhibit traditional Q3 profile
- Higher operating income from strong international demand and favorable operational performance

* See reconciliation of GAAP operating income and diluted EPS to adjusted (non-GAAP) figures at the end of this presentation.

Free Cash Flow

Stated Goal – Free Cash Flow 1.0X Net Earnings

Dollars in Millions

	2017	2016
Operating Cash Flow	\$134.4	\$127.3
CapEx	<u>(39.9)</u>	<u>(42.2)</u>
Free Cash Flows	<u>\$94.5</u>	<u>\$85.1</u>
Net Earnings	<u>\$119.9</u>	<u>\$103.2</u>
Free Cash Flows to Net Earnings	0.79	0.82

- Free cash flow to net earnings expected to be near 1.0X for 2017
- Dependent to an extent on inventory buying opportunities related to price fluctuations

Cash and Debt Highlights

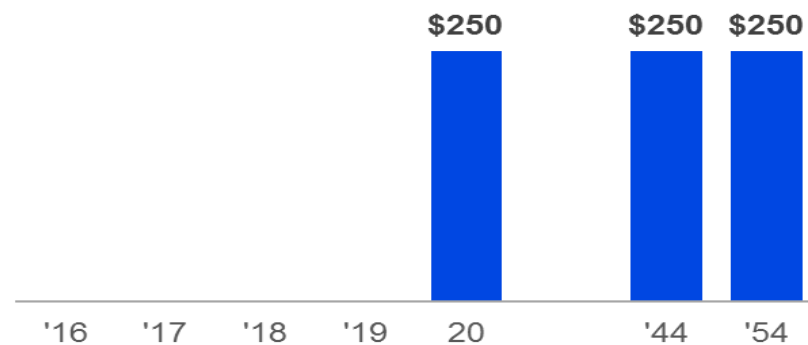
3Q 2017 Actual

Free Cash Flow	\$95M	YTD
Cash At 9/30/2017	\$493M	(\$370M Ex. US)
Total Debt	\$755M	
Debt/Adjusted EBITDA*	2.19	Adjusted

Credit Rating

S&P	BBB+	Stable
Moody's	Baa3	Stable

Debt Maturities – in Millions



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

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
	<u>9/30/2017</u>
Net earnings attributable to Valmont Industries, Inc.	\$189,915
Interest expense	44,445
Income tax expense	42,666
Depreciation and amortization expense	<u>84,674</u>
EBITDA	361,700
Reversal of contingent liability	(16,591)
Impairment of property, plant, and equipment	<u>481</u>
Adjusted EBITDA	<u>\$345,590</u>
Interest Bearing Debt	\$ 755,348
Leverage Ratio	<u>2.19</u>

1) Last 4 fiscal quarters (September 25, 2016 to September 30, 2017)

Summary of Effect of Significant Non-recurring Items on Reported Results

VALMONT INDUSTRIES, INC. AND SUBSIDIARIES SUMMARY OF EFFECT OF SIGNIFICANT NON-RECURRING ITEMS ON REPORTED RESULTS REGULATION G RECONCILIATION

(Dollars in thousands, except per share amounts)
(unaudited)

The non-GAAP tables below disclose the impact on (a) diluted earnings per share of (1) restructuring costs, (2) deferred income tax expense from a change in U.K. statutory rate, and (3) the non-cash after-tax loss or gain associated with adjusting the fair value of Delta EMD Pty. Ltd (Delta EMD) shares owned to its quoted market price at September 30, 2017, and September 24, 2016, (b) operating income of restructuring costs, and (c) segment operating income of restructuring costs. Amounts may be impacted by rounding. We believe it is useful when considering company performance for the non-GAAP adjusted net earnings and operating income to be taken into consideration by management and investors with the related reported GAAP measures.

	Third Quarter Ended Sept. 30, 2017	Diluted earnings per share	Year-to-Date Sept. 30, 2017	Diluted earnings per share
Net earnings attributable to Valmont Industries, Inc. - as reported	\$ 35,208	\$ 1.55	\$ 119,851	\$ 5.28
Fair market value adjustment, Delta EMD *	395	0.02	395	0.02
Net earnings attributable to Valmont Industries, Inc. - Adjusted	<u>\$ 35,603</u>	<u>\$ 1.56</u>	<u>\$ 120,246</u>	<u>\$ 5.29</u>
Average shares outstanding (000's) - Diluted		22,751		22,717
	Third Quarter Ended Sept. 24, 2016	Diluted earnings per share	Year-to-Date Sept. 24, 2016	Diluted earnings per share
Net earnings attributable to Valmont Industries, Inc. - as reported	\$ 28,173	\$ 1.24	\$ 103,168	\$ 4.54
Restructuring expenses	5,065	0.22	5,065	0.22
Fair market value adjustment, Delta EMD *	(65)	-	970	0.04
Total pre-tax adjustments	<u>\$ 33,173</u>	<u>\$ 1.46</u>	<u>\$ 109,203</u>	<u>\$ 4.80</u>
Tax effect of adjustments	(1,545)	(0.07)	(1,545)	(0.07)
Deferred tax expense - Change in U.K. rate	<u>1,860</u>	<u>0.08</u>	<u>1,860</u>	<u>0.08</u>
Net earnings attributable to Valmont Industries, Inc. - Adjusted	<u>\$ 33,488</u>	<u>\$ 1.48</u>	<u>\$ 109,518</u>	<u>\$ 4.82</u>
Average shares outstanding (000's) - Diluted		22,659		22,741

Summary of Effect of Significant Non-recurring Items on Reported Results

For the Third Quarter Ended Sept. 24, 2016

<u>Operating Income Reconciliation</u>	Operating Income- As Reported	Restructuring expenses - before tax	Adjusted Operating Income	Net Sales
Engineered Support Structures	\$ 20,323	\$ 587	\$ 20,910	\$ 203,184
<i>Op Inc. & Adjusted Op Inc. as a % of Sales</i>	<i>10.0%</i>		<i>10.3%</i>	
Utility Support Structures	16,195	528	16,723	150,667
<i>Op Inc. & Adjusted Op Inc. as a % of Sales</i>	<i>10.7%</i>		<i>11.1%</i>	
Energy & Mining	3,941	1,610	5,551	81,552
<i>Op Inc. & Adjusted Op Inc. as a % of Sales</i>	<i>4.8%</i>		<i>6.8%</i>	
Coatings	11,696	545	12,241	70,082
<i>Op Inc. & Adjusted Op Inc. as a % of Sales</i>	<i>16.7%</i>		<i>17.5%</i>	
Irrigation	15,308	-	15,308	127,809
<i>Op Inc. & Adjusted Op Inc. as a % of Sales</i>	<i>12.0%</i>		<i>12.0%</i>	
Corporate/LIFO	(14,223)	1,795	(12,428)	
Consolidated Results	\$ 53,240	\$ 5,065	58,305	\$ 610,247
<i>Op Inc. & Adjusted Op Inc. as a % of Sales</i>	<i>8.7%</i>		<i>9.6%</i>	

Summary of Effect of Significant Non-recurring Items on Reported Results

<u>Operating Income Reconciliation</u>	Third Quarter Ended Sept. 24, 2016	Year-to-Date Sept. 24, 2016
Operating income - as reported	\$ 53,240	\$ 187,411
Restructuring expenses	5,065	5,065
Adjusted Operating Income	<u>58,305</u>	<u>192,476</u>
Net Sales	610,247	1,847,101
<i>Operating Income as a % of Sales</i>	8.7%	10.1%