



Conserving Resources. Improving Life.



1Q 2016 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.

First Quarter Highlights

- Benefits of restructuring and other productivity Improvements drive improved earnings despite lower revenues
- Revenues down 11%; 27% of the decline was foreign currency translation.
- Operating income rose 8% including \$1.1 million negative foreign exchange impact.
- Operating income was 10.5% of net sales, compared with 8.6% in 2015.
- Diluted earnings per share increased 13% to \$1.45 over \$1.28 in 2015.
- Free cash flows for the quarter and year totaled \$66.5 million and the cash balance was \$388 million.
- Repurchased 154,000 shares. \$169 million remaining on the current authorization.
- Re-affirming annual guidance EPS up 12-15% from 2015 adjusted EPS of \$5.63.

Financial Highlights

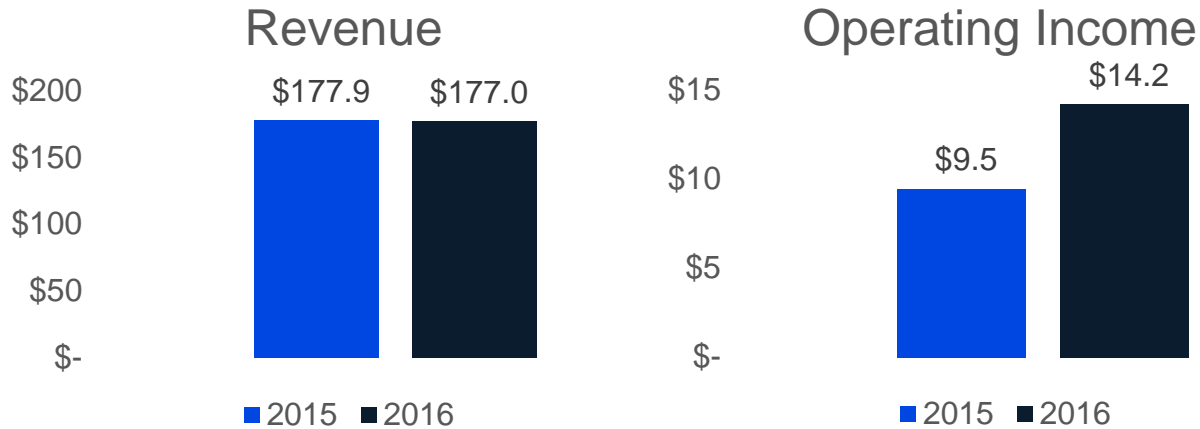
Dollars in millions except per share amounts	2015	2016	Percent Change
Engineered Support Structures	\$178.9	\$177.0	(0.5%)
Utility Support Structures	176.3	144.5	(18.0%)
Coatings	74.3	68.5	(7.8%)
Energy & Mining	88.1	72.4	(17.7%)
Irrigation	174.6	158.5	(9.2%)
Other	2.2	-	
Intersegment Sales	(23.0)	(24.4)	
Net Sales	\$607.4	\$596.6	(11.0%)
Operating Income	\$57.7	\$62.4	8.1%
Net Income	\$30.7	\$33.0	7.2%
Diluted Earnings Per Share	\$1.28	\$1.45	13.3%

Financial Highlights Operating Income

Dollars in millions	Operating Income 1Q 2015	Operating Income 1Q 2016	Increase /Decrease	Operating Income Percent 1Q 2015	Operating Income Percent 1Q 2016
Engineered Support Structures	\$9.5	\$14.2	48.6%	5.3%	7.9%
Utility Support Structures	15.4	14.8	(3.8%)	8.7%	10.2%
Coatings	11.0	11.4	3.8%	14.8%	16.6%
Energy & Mining	4.4	1.9	(52.7%)	5.0%	2.9%
Irrigation	\$30.2	28.8	(4.4%)	17.3%	18.2%
Other	(1.1)	-			
Corporate	(11.5)	(8.8)			
Consolidated Operating Income	\$57.7	\$62.4	8.1%	8.6%	10.5%

Engineered Support Structures

\$ in millions



Sales Net of Intercompany Activity

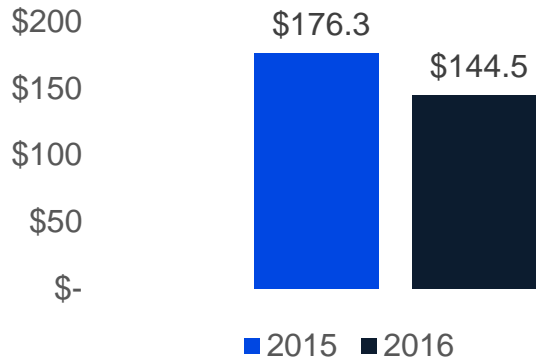
2015 Revenue	\$170.8
Volume	6.7
Pricing/Mix	(5.9)
Acquisitions	-
Currency Translation	(5.6)
2016 Revenue	\$166.0

- North America Lighting and Traffic revenue stable
- Major European project sale last year did not repeat
- Asia Pacific benefitting from 4G wireless buildout in China and Australia
- India, while small, improving year over year

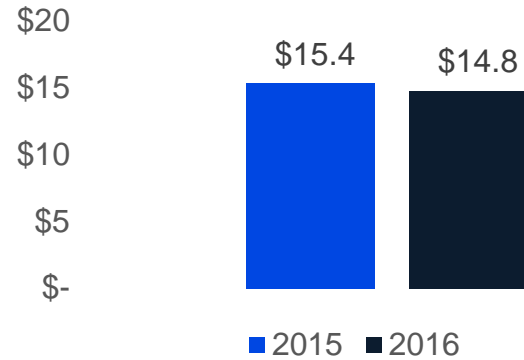
Utility Support Structures

\$ in millions

Revenue



Operating Income



Sales Net of Intercompany Activity

2015 Revenue	\$176.1
Volume	(16.5)
Pricing/Mix	(15.3)
Acquisitions	-
Currency Translation	-
2016 Revenue	\$144.3

- Unfavorable mix comparisons to last year in terms of structure size
- More bid market work than last year
- Lower steel costs contributed significantly to decreased revenue
- Pricing firming
- Lead times extending

Coatings

\$ in millions



Sales Net of Intercompany Activity

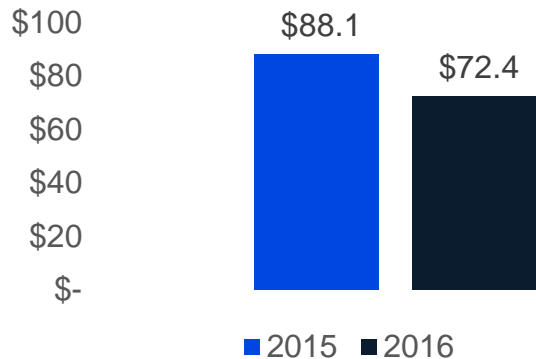
2015 Revenue	\$61.8
Volume	(1.4)
Pricing/Mix	(1.1)
Acquisitions	1.9
Currency Translation	(2.4)
2016 Revenue	\$58.8

- Less internal utility and irrigation volumes
- Australia volumes below last year
- Lower zinc costs this quarter
- Construction on new Texas plant on schedule

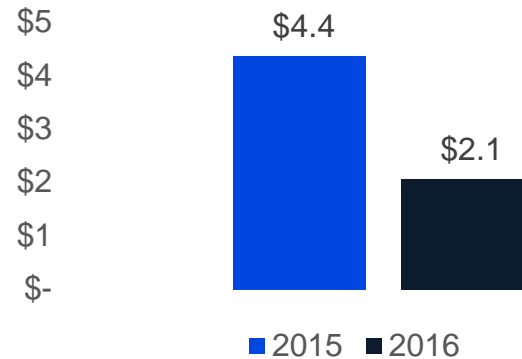
Energy and Mining

\$ in millions

Revenue



Operating Income



Sales Net of Intercompany Activity

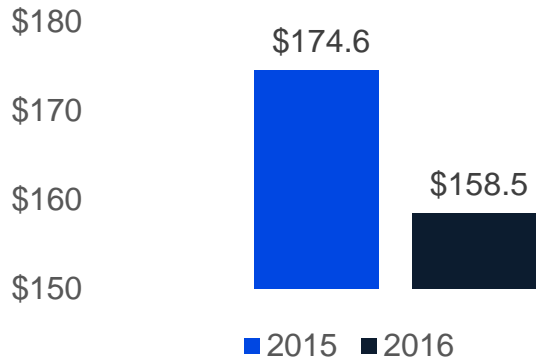
2015 Revenue	\$88.1
Volume	(9.1)
Pricing/Mix	(2.2)
Acquisitions	-
Currency Translation	(5.9)
2016 Revenue	\$70.8

- Volume challenged in all markets due to energy and mining weakness
- Structures and rotor housing orders for offshore wind energy strong
- Growing access systems sales in civil and architectural markets
- Pricing in grinding media mostly driven by steel costs

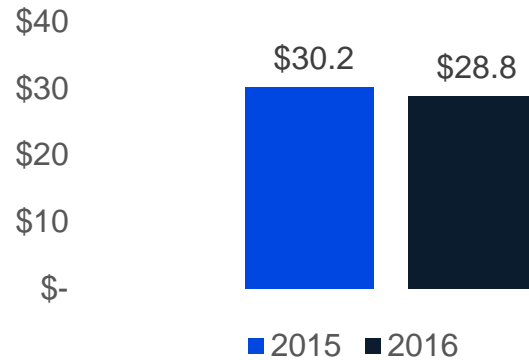
Irrigation

\$ in millions

Revenue



Operating Income



Sales Net of Intercompany Activity

2015 Revenue	\$172.8
Volume	(9.6)
Pricing/Mix	(0.5)
Acquisitions	-
Currency Translation	(6.0)
2016 Revenue	\$156.7

- US Net Farm Income down 37% to \$56.4 billion, below 10 year average
- Solid capacity and operational management
- International markets benefit from diversification and projects
- Industry pricing discipline in North America did not unravel

Free Cash Flow – Improved Over 2015 and > Net Income

Dollars in Millions

	2015	2016	Change
Net Income	\$31.5	\$34.2	\$2.7
Deprec/Amort	23.9	20.6	(3.3)
Working Capital Reduction	4.7	16.4	11.7
Other	(4.6)	9.3	14.9
Operating CF	55.5	80.5	25.0
CapEx	(16.6)	(14.0)	2.6
Free Cash Flow	\$38.9	\$66.5	\$27.5

- No pension plan contribution in 2016 (\$15.7mm in 2015)
- CapEx for 2016 expected to be \$70mm

Balance Sheet – 1Q 2016

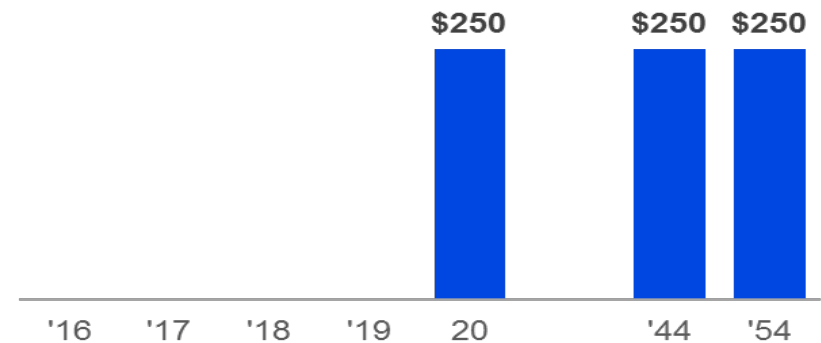
1Q 2016 Actual

Free Cash Flow	\$66.5M	Q1
Cash At 03/31	\$388M	(\$307 Ex. US)
Total Debt	\$760M	
Debt/Adjusted EBITDA	2.71x	Adjusted

Credit Rating

S&P	BBB+	Negative
Moody's	Baa3	Stable

Debt Maturities – in Millions



See the Company's Reg G reconciliation at end of presentation.

Summary – Positive Q1 Comparisons Despite

- Improved Profitability and EPS Despite Top-Line Challenges
 - Positive Effects from Restructuring and Productivity Improvements
 - Utility segment returned to double-digit operating profit
 - Good quality of earnings in Irrigation despite lower sales
- Strong Balance Sheet and Liquidity
 - Free Cash Flow Exceeded Net Earnings
- Management Reaffirms EPS Guidance of 12-15% Improvement Over Adjusted 2015 EPS

Valmont – Recast 2015 Segment Figures by Quarter

Unaudited and in 000's

For the First Quarter Ended March 28, 2015

<u>Segment Operating Income Reconciliation</u>	<u>Engineered Support Structures</u>	<u>Energy & Mining</u>	<u>Utility Support Structures</u>	<u>Coatings</u>	<u>Irrigation</u>	<u>Other/ Corporate</u>	<u>TOTAL</u>
Operating income (loss) - as reported	\$ 9,450	\$ 4,366	\$ 15,357	\$ 10,999	\$ 30,174	\$ (12,663)	\$ 57,683
Restructuring expenses, pre-tax	475	310	-	-	-	-	785
Adjusted Operating Income	<u>\$ 9,925</u>	<u>\$ 4,676</u>	<u>\$ 15,357</u>	<u>\$ 10,999</u>	<u>\$ 30,174</u>	<u>\$ (12,663)</u>	<u>\$ 58,468</u>
Sales, net of intercompany eliminations	170,798	88,012	176,052	61,813	172,853	870	670,398
Operating Income as a % of Sales	5.5%	5.0%	8.7%	17.8%	17.5%	NM	
Adjusted Operating Income as a % of Sales	5.8%	5.3%	8.7%	17.8%	17.5%	NM	

For the Second Quarter Ended June 27, 2015

<u>Segment Operating Income Reconciliation</u>	<u>Engineered Support Structures</u>	<u>Energy & Mining</u>	<u>Utility Support Structures</u>	<u>Coatings</u>	<u>Irrigation</u>	<u>Other/ Corporate</u>	<u>TOTAL</u>
Operating income (loss) - as reported	\$ 16,289	\$ 2,553	\$ 10,400	\$ 7,886	\$ 31,865	\$ (14,993)	\$ 54,000
Restructuring expenses, pre-tax	3,029	1,541	2,455	4,769	349	2,130	14,273
Adjusted Operating Income	<u>\$ 19,318</u>	<u>\$ 4,094</u>	<u>\$ 12,855</u>	<u>\$ 12,655</u>	<u>\$ 32,214</u>	<u>\$ (12,863)</u>	<u>\$ 68,273</u>
Sales, net of intercompany eliminations	196,622	86,250	162,655	63,916	171,545	1,134	682,122
Operating Income as a % of Sales	8.3%	3.0%	6.4%	12.3%	18.6%	NM	
Adjusted Operating Income as a % of Sales	9.8%	4.7%	7.9%	19.8%	18.8%	NM	

We believe it is useful when considering Company performance for the non-GAAP adjusted net earnings to be considered by management and investors with the related reported GAAP measures.

Valmont – Recast 2015 Segment Figures (Cont.)

Unaudited and in 000's

For the Third Quarter Ended Sept. 27, 2015

Segment Operating Income Reconciliation	Engineered Support Structures	Energy & Mining	Utility Support Structures	Coatings	Irrigation	Other/ Corporate	TOTAL
Operating income (loss) - as reported	\$ 20,072	\$ (4,302)	\$ 14,525	\$ 3,148	\$ 14,193	\$ (10,624)	\$ 37,012
Restructuring expenses	1,597	2,971	1,159	806	52	2,215	8,800
Impairment of goodwill and trade names	-	5,000	-	10,200	-	-	15,200
Adjusted Operating Income	<u>\$ 21,669</u>	<u>\$ 3,669</u>	<u>\$ 15,684</u>	<u>\$ 14,154</u>	<u>\$ 14,245</u>	<u>\$ (8,409)</u>	<u>\$ 61,012</u>
Sales, net of intercompany eliminations	194,384	82,783	164,397	64,772	125,488	751	632,576
Operating Income as a % of Sales	10.3%	-5.2%	8.8%	4.9%	11.3%	NM	
Adjusted Operating Income as a % of Sales	11.1%	4.4%	9.5%	21.9%	11.4%	NM	

For the Fourth Quarter Ended Dec. 26, 2015

Segment Operating Income Reconciliation	Engineered Support Structures	Energy & Mining	Utility Support Structures	Coatings	Irrigation	Other/ Corporate	TOTAL
Operating income (loss) - as reported	\$ 13,850	\$ (21,523)	(2,414)	5,363	8,305	(20,581)	\$ (17,000)
Restructuring expenses	4,159	2,353	1,578	1,005	876	6,038	16,009
Other non-recurring charges*	-	-	17,001	-	7,009	-	24,010
Impairment of goodwill and trade names	-	19,640	-	6,530	-	600	26,770
Adjusted Operating Income	<u>\$ 18,009</u>	<u>\$ 470</u>	<u>\$ 16,165</u>	<u>\$ 12,898</u>	<u>\$ 16,190</u>	<u>\$ (13,943)</u>	<u>\$ 49,789</u>
Sales, net of intercompany eliminations	\$ 186,646	78,790	167,606	64,972	135,885	-	633,828
Operating Income as a % of Sales	7.4%	-27.3%	-1.4%	8.3%	6.1%	NM	
Adjusted Operating Income as a % of Sales	9.6%	0.6%	9.6%	19.9%	11.9%	NM	

* Other non-recurring charges (pre-tax) are the provision for the Utility commercial settlement and the allowance for doubtful China Irrigation receivable. On an after-tax basis, the line also includes \$7.1 million of deferred income tax expense due to a 2% decrease in the U.K. tax rate.

Valmont – Calculation of Adjusted EBITDA and Leverage Ratio

Debt Coverage Calculation	TTM
	March 26,
	<u>2016</u>
Net earnings attributable to Valmont Industries, Inc.	\$ 42,347
Interest expense	42,069
Income tax expense	46,761
Depreciation and amortization expense	<u>87,841</u>
EBITDA	219,018
Impairment of goodwill and intangible assets	41,970
Impairment of property, plant, and equipment	19,836
Adjusted EBITDA	<u>280,824</u>
Total Debt	\$760,390
Leverage Ratio	<u>2.71</u>