



Conserving Resources. Improving Life.



2Q 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.

Second Quarter Highlights

- Benefits of restructuring and other productivity improvements drive improved earnings despite lower revenues
- Revenues down 6%
- GAAP Operating income rises 33%, adjusted rises 5%*.
- Operating income 11.2% of net sales compared to 7.9% in 2015, (10.0% excluding restructuring*)
- Diluted earnings per share increased \$1.85 over \$1.19 (\$1.61 adjusted) in 2015.
- Repurchased 92,000 shares. \$153 million remaining on the current authorization.
- Re-affirming annual guidance EPS between \$6.31 and \$6.49.

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

Financial Highlights

NET SALES	2015	2016	Percent Change
<i>Dollars in millions except per share amounts</i>			
Engineered Support Structures	\$200.8	\$203.9	1.5%
Utility Support Structures	162.9	151.2	(7.1%)
Coatings	76.1	75.3	(1.0%)
Energy & Mining	86.3	80.7	(6.5%)
Irrigation	173.3	152.3	(12.1%)
Other	2.3	-	
Intersegment Sales	(19.6)	(23.2)	
Net Sales	\$682.1	\$640.2	(6.1%)
Operating Income	\$54.0	\$71.8	32.9%
Net Income	\$27.9	\$42.0	50.5%
Diluted Earnings Per Share	\$1.19	\$1.85	55.4%

Financial Highlights Operating Income GAAP

Dollars in millions	Operating Income 2Q 2015	Operating Income 2Q 2016	Increase /Decrease	Operating Income Percent 2Q 2015	Operating Income Percent 2Q 2016
Engineered Support Structures	\$16.2	\$21.0	29.6%	8.1%	10.3%
Utility Support Structures	10.4	17.5	68.3%	6.4%	11.6%
Coatings	7.9	14.0	77.2%	10.3%	18.6%
Energy & Mining	2.7	3.3	22.2%	3.1%	4.1%
Irrigation	31.9	27.7	(13.2%)	18.4%	18.2%
Other	(1.3)	-			
Corporate	(13.8)	(11.8)			
Consolidated Operating Income	\$54.0	\$71.8	33.0%	7.9%	11.2%

Financial Highlights Operating Income Adjusted*

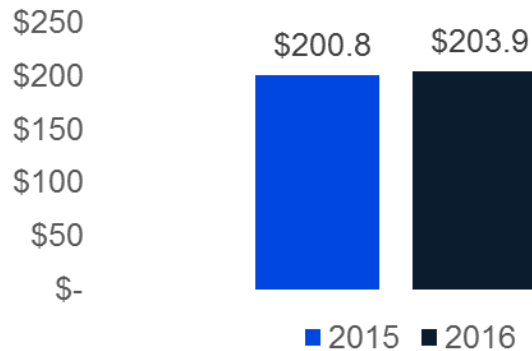
Dollars in millions	Adjusted Operating Income 2Q 2015 *	Operating Income 2Q 2016	Increase /Decrease	Operating Income Percent 2Q 2015	Operating Income Percent 2Q 2016
Engineered Support Structures	\$19.2	\$21.0	8.8%	9.6%	10.3%
Utility Support Structures	12.9	17.5	35.6%	7.9%	11.6%
Coatings	12.6	14.0	11.1%	16.6%	18.6%
Energy & Mining	4.2	3.3	(21.4%)	4.9%	4.1%
Irrigation	32.2	27.7	(14.0%)	18.6%	18.2%
Other	(1.3)	-			
Corporate	(11.5)	(11.8)			
Consolidated Operating Income	\$68.3	\$71.84	33.0%	10.0%	11.2%

* See reconciliation of GAAP operating income to adjusted (non-GAAP) figures for 2015 at the end of this presentation.

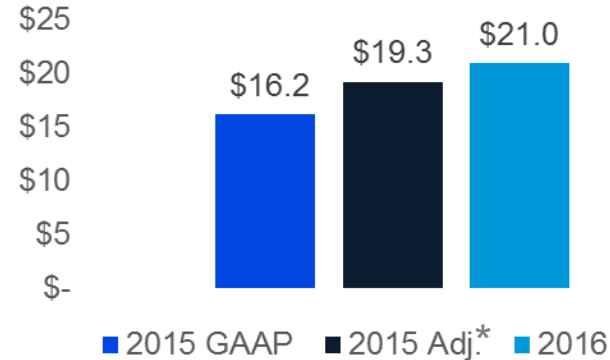
Engineered Support Structures

\$ in millions

Revenue



Operating Income



Sales Net of Intercompany Activity

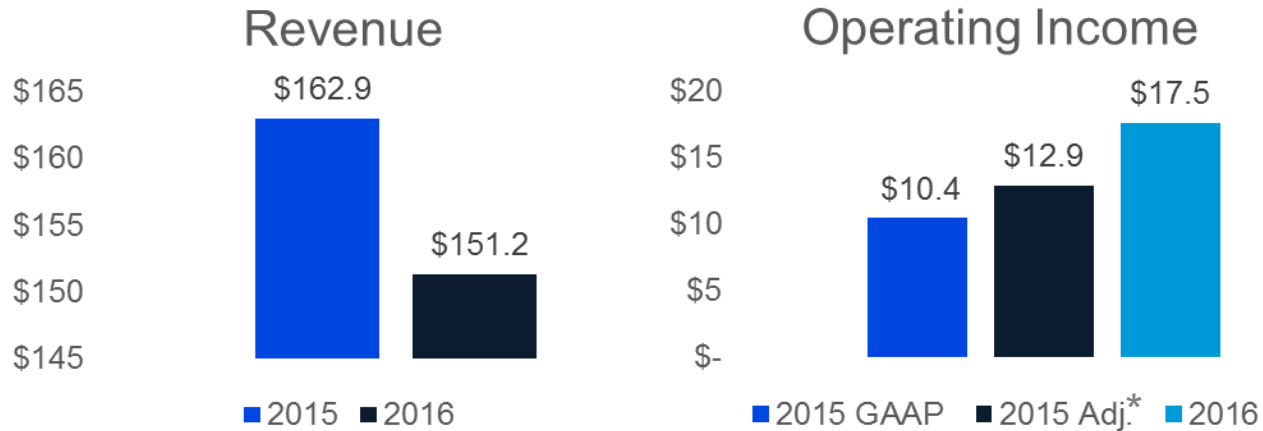
2015 Revenue	\$196.6
Volume	3.2
Pricing/Mix	(0.7)
Acquisitions	-
Currency Translation	(3.3)
2016 Revenue	\$195.8

- North America Lighting and Traffic revenue flat – orders are improving. Rest of world down
- Asia Pacific benefitting from 4G wireless buildout in China and Australia, North America sluggish
- India, while small, improving year over year

* See GAAP/Non-GAAP reconciliation at end of slide presentation

Utility Support Structures

\$ in millions



Sales Net of Intercompany Activity

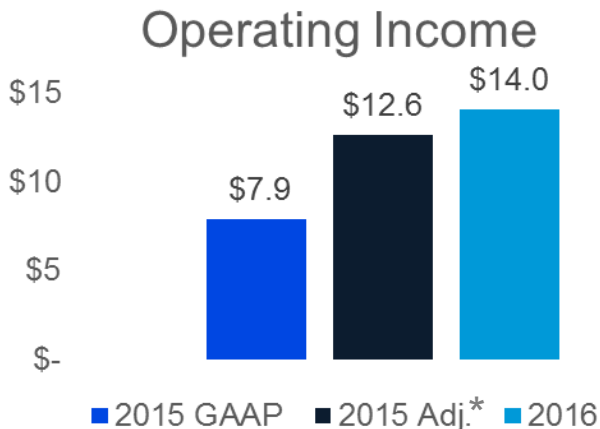
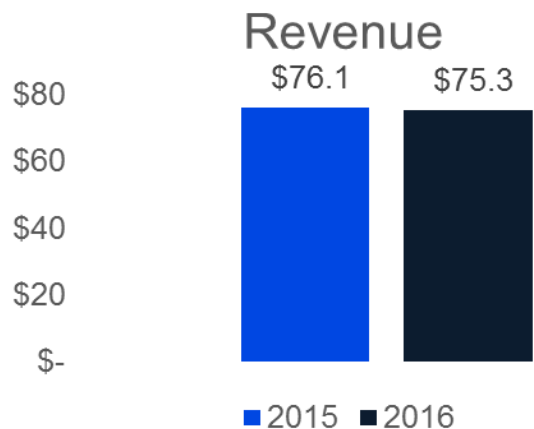
2015 Revenue	\$162.6
Volume	10.0
Pricing/Mix	(21.4)
Acquisitions	-
Currency Translation	-
2016 Revenue	\$151.2

- Lower steel costs lead to revenue decrease through pricing
- Volumes higher
- Mix contains more smaller projects and structures
- Pricing firming
- Lead times extending
- Improved financial performance driven by 2015 restructuring and other cost initiatives

* See GAAP/Non-GAAP reconciliation at end of slide presentation

Coatings

\$ in millions



Sales Net of Intercompany Activity

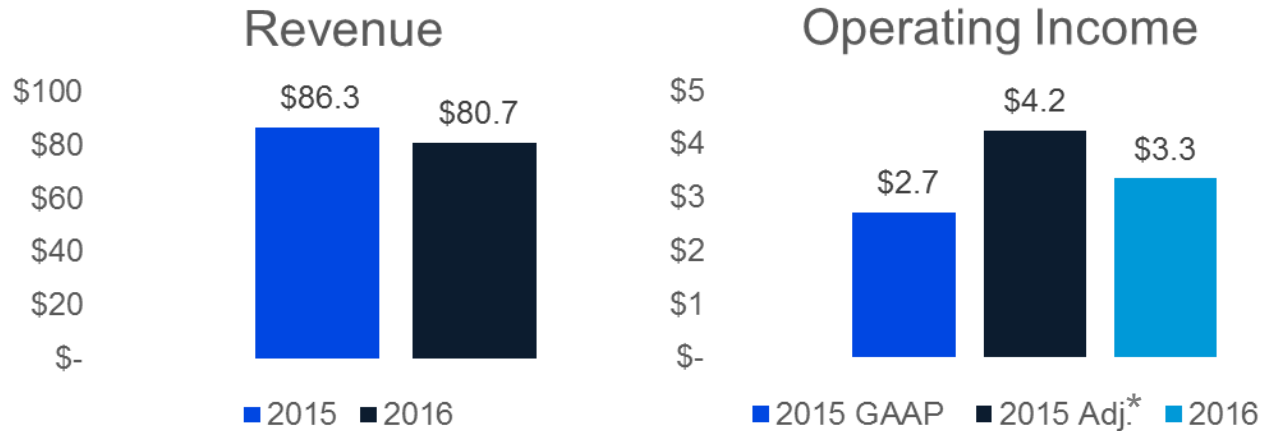
2015 Revenue	\$63.9
Volume	0.7
Pricing/Mix	(1.9)
Acquisitions	2.0
Currency Translation	(1.3)
2016 Revenue	\$63.4

- Less internal volumes, increased custom volumes, benefit of American Galvanizing acquisition last year
- Australia volumes stabilizing
- Lower zinc costs this quarter
- Construction on new Texas plant on schedule

* See GAAP/Non-GAAP reconciliation at end of slide presentation

Energy and Mining

\$ in millions



2015 Revenue	\$86.3
Volume	(2.4)
Pricing/Mix	(2.4)
Acquisitions	-
Currency Translation	(2.2)
2016 Revenue	\$79.3

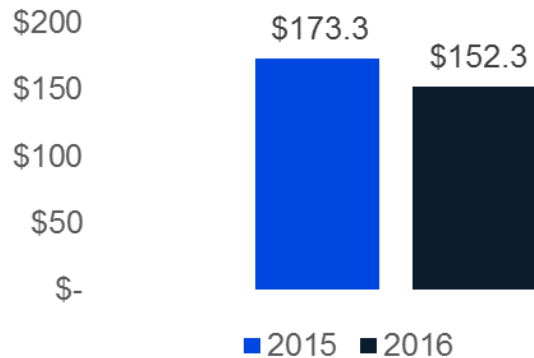
- Volume challenged in Access and Donhad due to energy and mining weakness
- Structures and rotor housing orders for offshore wind energy strong
- Growing access systems sales in civil and architectural markets

* See GAAP/Non-GAAP reconciliation at end of slide presentation

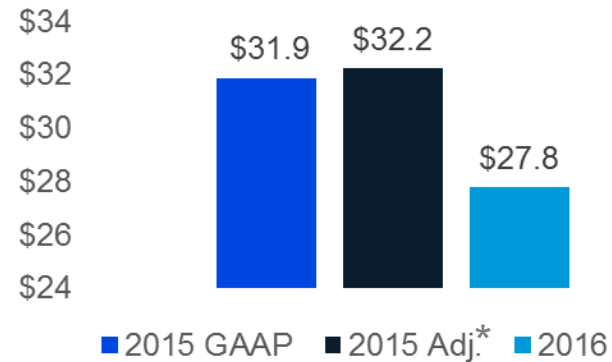
Irrigation

\$ in millions

Revenue



Operating Income



Sales Net of Intercompany Activity

2015 Revenue	\$171.6
Volume	(16.5)
Pricing/Mix	(0.9)
Acquisitions	-
Currency Translation	(3.7)
2016 Revenue	\$150.5

- Recent USDA supply/demand forecasts bearish to crop prices
- International markets benefit from diversification and projects
- Industry pricing discipline in North America did not unravel

* See GAAP/Non-GAAP reconciliation at end of slide presentation

YTD Free Cash Flow

Dollars in Millions

	2015	2016	Change
Net Income	\$60.9	\$77.6	\$16.7
Deprec/Amort	47.7	40.8	(6.9)
Working Capital (Incr/Decr)	7.8	(33.6)	(41.4)
Other	1.9	8.8	7.0
Operating CF	118.3	93.6	(24.7)
CapEx	(24.7)	(26.0)	(1.3)
Free Cash Flow	\$93.6	\$67.6	(\$26.0)

- No pension plan contribution in 2016 (\$15.7mm in 2015)
- CapEx for 2016 expected to be \$65mm

Balance Sheet – 2Q 2016

2Q 2016 Actual

Free Cash Flow \$67.7M YTD

Cash At 06/25 \$344M (\$278 Ex. US)

Total Debt \$761M

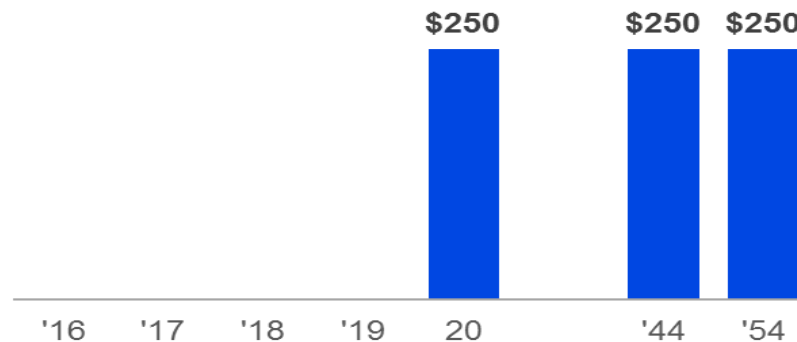
**Debt/Adjusted
EBITDA*** 2.65X Adjusted

Credit Rating

S&P BBB+ Negative

Moody's Baa3 Stable

Debt Maturities – in Millions



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

Summary – Positive Q2 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
- Re-affirming annual guidance EPS between \$6.31 and \$6.49.

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

	Second Quarter Ended June 27, 2015	Diluted earnings per share	Year-to-Date June 27, 2015	Diluted earnings per share
Net earnings attributable to Valmont Industries, Inc. - as reported	\$ 27,873	\$ 1.19	\$ 58,612	\$ 2.47
Restructuring expenses - after tax	9,828	0.42	10,324	0.44
Fair market value adjustment, Delta EMD - after-tax	167	0.01	(433)	(0.02)
Net earnings attributable to Valmont	<u>\$ 37,868</u>	<u>\$ 1.61</u>	<u>\$ 68,503</u>	<u>2.89</u>
Average shares outstanding (000's) - Diluted		23,450		23,716
	Second Quarter Ended June 25, 2016	<i>Operating Income as a % of Sales</i>	Quarter Ended June 27, 2015	<i>Operating Income as a % of Sales</i>
<u>Operating Income Reconciliation</u>				
Operating income - as reported	\$ 71,806	11.2%	\$ 54,000	7.9%
Restructuring expenses - before tax	-		14,273	
Adjusted Operating Income	<u>\$ 71,806</u>	11.2%	<u>\$ 68,273</u>	10.0%
Net Sales	\$ 640,249		\$ 682,123	

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 by Quarter

Valmont Industries, Inc. Results by Segment Fiscal 2015

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	\$ 16,219	\$ 2,698	\$ 10,400	\$ 7,862	\$ 31,865	\$ (15,044)	\$ 54,000
Restructuring expenses, pre-tax	3,029	1,541	2,455	4,769	349	2,130	14,273
Adjusted Operating Income	<u>\$ 19,248</u>	<u>\$ 4,239</u>	<u>\$ 12,855</u>	<u>\$ 12,631</u>	<u>\$ 32,214</u>	<u>\$ (12,914)</u>	<u>\$ 68,273</u>
Sales, net of intercompany eliminations	196,623	86,250	162,656	63,915	171,545	1,134	682,123
Operating Income as a % of Sales	8.2%	3.1%	6.4%	12.3%	18.6%	NM	
Adjusted Operating Income as a % of Sales	9.8%	4.9%	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

<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	\$ 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

<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	\$ 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.

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 – Calculation of Adjusted EBITDA and Leverage Ratio

Debt Coverage Calculation	Trailing 12
	Months
	<u>6/25/2016</u>
Net earnings attributable to Valmont Industries, Inc.	\$ 56,500
Interest expense	41,959
Income tax expense	52,047
Depreciation and amortization expense	<u>84,186</u>
EBITDA	234,692
Impairment of goodwill and intangible assets	41,970
Impairment of property, plant, and equipment	<u>10,544</u>
Adjusted EBITDA	<u>287,206</u>
Total Debt	\$761,167
Leverage Ratio	<u>2.65</u>