

## 2<sup>nd</sup> Quarter Fiscal 2021 Earnings Slide Deck



# Safe-Harbor Statement

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This presentation contains forward-looking statements that are subject to risks and uncertainties and which reflect management's current beliefs and estimates of future economic circumstances, industry conditions, Company performance, financial results and planned financing. You can find a discussion of many of these risks and uncertainties in the annual, quarterly and current reports that the Company files with the Securities and Exchange Commission.

Investors should understand that a number of factors could cause future economic and industry conditions, and the Company's actual financial condition and results of operations, to differ materially from management's beliefs expressed in the forward-looking statements contained in this presentation. These factors include those outlined in the "Risk Factors" section of the Company's most recent annual report on Form 10-K filed with the Securities and Exchange Commission, and investors are urged to review these factors when considering the forward-looking statements contained in this presentation.

For these statements, the Company claims the protection of the safe harbor for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995.

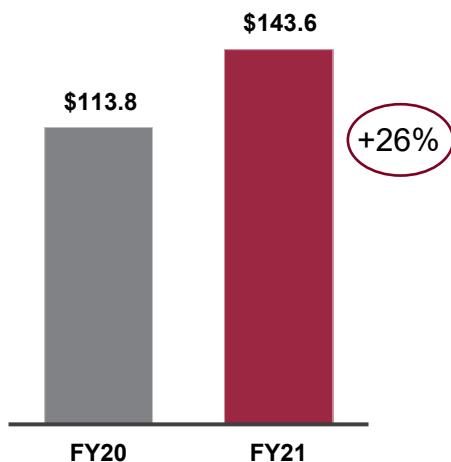
For full financial statement information, please see the Company's earnings release dated April 6, 2021.

# Second Quarter Summary

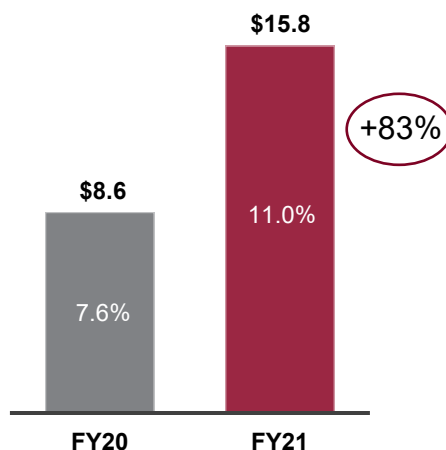
Amounts in millions, except per share amounts



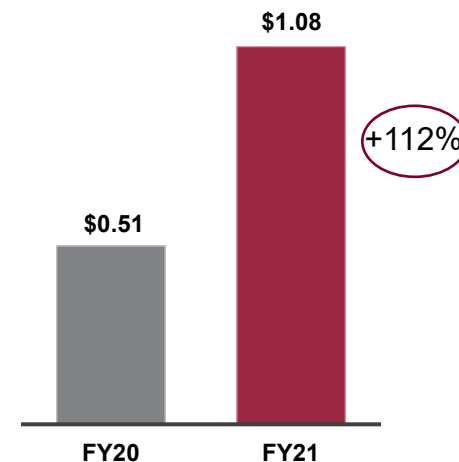
## Revenue



## Operating Income



## Diluted EPS



- Revenues increased \$29.8 million compared to prior year
  - Irrigation increased \$25.1 million
  - Infrastructure increased \$4.7 million
- Operating income increased \$7.2 million compared to prior year results
  - Irrigation increased \$8.0 million
  - Infrastructure increased \$0.4 million
  - Corporate expense increased \$1.2 million
    - Includes expense of \$1.5 million related to the modification of equity awards in connection with CEO retirement

# Second Quarter and YTD Financial Summary



(\$ in millions, except per share amounts)	Q2 - FY21	Q2 - FY20	Change	YTD FY21	YTD FY20	Change
<b>Revenue</b>						
North America irrigation	\$ 80.2	\$ 67.1	19%	\$ 133.0	\$ 120.7	10%
International irrigation	\$ 38.4	\$ 26.4	45%	\$ 73.0	\$ 56.1	30%
Irrigation	\$ 118.6	\$ 93.5	27%	\$ 205.9	\$ 176.8	16%
Infrastructure	\$ 25.0	\$ 20.3	23%	\$ 46.1	\$ 46.4	0%
Total revenue	\$ 143.6	\$ 113.8	26%	\$ 252.1	\$ 223.2	13%
Operating income	\$ 15.8	\$ 8.6	83%	\$ 23.3	\$ 20.9	12%
Operating Margin	11.0%	7.6%	340 bps	9.3%	9.4%	-10 bps
Net earnings	\$ 11.9	\$ 5.5	115%	\$ 19.0	\$ 13.9	37%
Diluted earnings per share (EPS)	\$ 1.08	\$ 0.51	112%	\$ 1.74	\$ 1.28	36%
Backlog	\$ 101.4	\$ 104.4	-3%	\$ 101.4	\$ 104.4	-3%

Certain immaterial reclassifications have been made to the prior year operating results to conform with the current year presentation, as revenue and operating income from certain product lines included within the infrastructure reporting segment in the prior year are now included within the irrigation reporting segment.

# Current Market Factors

## Irrigation

- As of February 2021, U.S. corn and soybean prices have reached multi-year highs as a result of lower production levels in 2020 coupled with higher demand coming primarily from increased exports to China.
- Estimated net farm income for 2020 of \$121.1 billion increased 46 percent from the prior year. Most of the increase was attributed to higher federal government direct farm program payments.
- Net farm income for 2021 is estimated to decrease 8 percent to \$111.4 billion. Federal government direct farm program payments are estimated to return to more historical levels while cash receipts from crops and livestock are projected to increase.
- Significant increases in raw material and freight costs have resulted in short-term margin pressure until increased costs are fully recovered by price increases.
- Constraints on availability of raw materials, labor and trucking resources extend lead times for deliveries.



## Infrastructure

- The five-year \$305 billion U.S. highway bill (the "FAST Act") expired September 30, 2020 and was extended for one year. The extension includes an additional \$13.6 billion added to the Highway Trust Fund.
- Construction activity has slowed globally as a result of delays in approvals and government budget constraints caused by the Covid-19 pandemic.
- A Federal Covid-19 relief bill signed December 27, 2020 includes \$10 billion of emergency aid for state departments of transportation to help fund eligible projects.
- A Federal Covid-19 relief bill signed March 11, 2021 provides \$350 billion in additional assistance to states and local governments.
- President Biden is proposing a \$2 trillion infrastructure bill that includes, among other things, \$135 billion to repair and rebuild bridges, highways and roads and to improve road safety.

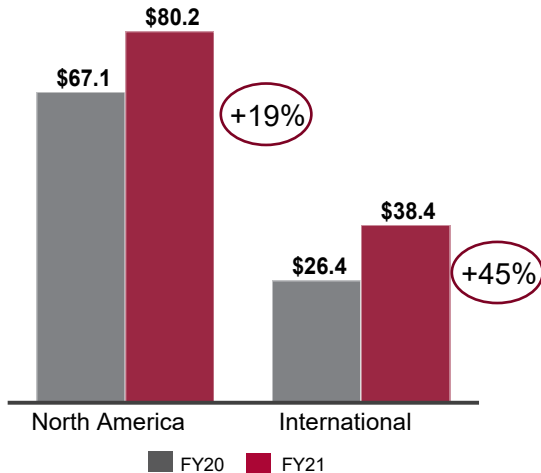


# Irrigation Segment

Amounts in millions

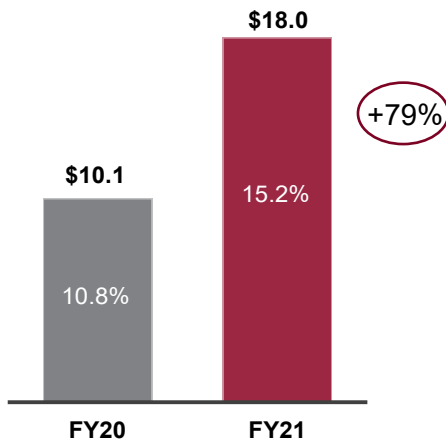


## Revenue



- North America revenue increased \$13.1 million
  - Higher irrigation equipment unit sales volume
  - Higher average selling prices
  - Lower engineering services revenue
- International revenue increased \$12.0 million
  - Higher irrigation equipment unit sales volume in several regions
  - Unfavorable currency impact of \$0.6 million

## Operating Income



- Operating income increased \$7.9 million
  - Higher irrigation system unit volume
  - Negatively impacted by higher raw material and freight costs

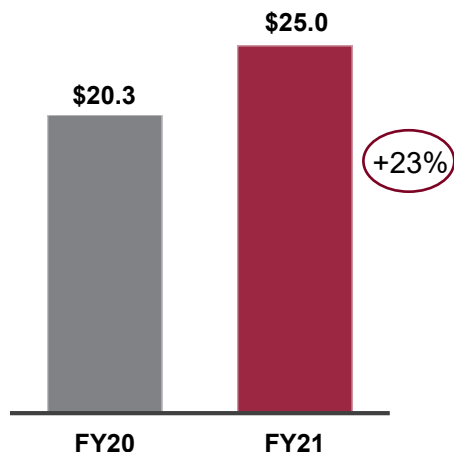
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# Infrastructure Segment

Amounts in millions

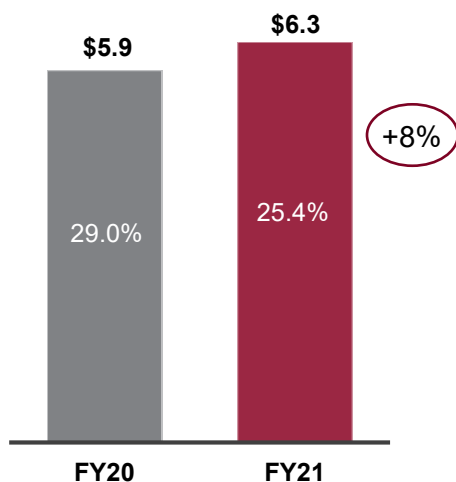


## Revenue



- Total revenue increased \$4.7 million
  - Higher Road Zipper System® sales and lease revenue
  - Sales of road safety products were relatively flat with prior year

## Operating Income



- Operating income increased \$0.4 million
  - Positive margin mix from higher Road Zipper System® sales and lease revenue
  - Negative impact from higher raw material and other costs compared to the prior year
  - Prior year included a gain of \$1.2 million on the sale of a building that had been held for sale

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# COVID-19 Update



**Lindsay's products and technologies** support the following **critical infrastructure sectors** as defined by the Department of Homeland Security (CISA.gov) and other global government agencies:

- **Food and Agriculture** – our irrigation business supports the production of food and the conservation of water and energy
- **Transportation Systems** – our infrastructure business supports the movement of people and goods efficiently, safely and securely

**Lindsay's production facilities** are considered **"business essential"** and will remain operational as long as we 1) have demand for our products, 2) are allowed to remain open by local governments, and 3) can provide for the safety of our employees. At the present time, all of our facilities are operational.

**Other potential business impacts associated with COVID-19** include but are not limited to: additional facility closures and the duration of such closures, supply chain disruption and additional costs, logistics delays, border closures, workforce disruption, reduced demand for our products and services, delay in the implementation of projects and other effects that may result from a general economic downturn.

**Lindsay is well positioned** with a strong balance sheet and sufficient liquidity as we face the uncertainty and challenges presented by the COVID-19 pandemic. As of February 28, 2021, we have:


- Available liquidity of \$180.3 million, with \$130.3 million in cash, cash equivalents and marketable securities and \$50.0 million available under revolving credit facility
- Total debt of \$116.3 million, of which \$115.0 million matures in 2030
- A funded debt to EBITDA leverage ratio (as defined in our credit agreements) of 1.4 compared to a covenant limit of 3.0







# Our COVID-19 Response



Protecting the health and well-being of our employees is a top priority, as is maintaining frequent communication and providing important updates.



The image shows two female employees in a warehouse setting. They are both wearing face masks and safety glasses. The employee in the foreground is wearing a dark blue polo shirt and has her hair in braids. The employee in the background is wearing a light blue t-shirt. They are standing next to a red machine with the text "ZIMMATIC BY LINDSAY" on it. The machine is a large, red, industrial-looking device.

-  **Safety First**  
Prioritizing safety with work-from-home policy, safety practices at all locations and restricting non-essential travel.
-  **Business Continuity**  
Managing operations to minimize customer disruption and ensure continuity of supply.
-  **Financial Flexibility**  
Strengthening our balance sheet and managing leverage.
-  **Playing Offense**  
Positioning Lindsay to emerge a stronger company.

# Innovation Leadership: Addressing Global Megatrends



## Key Trends

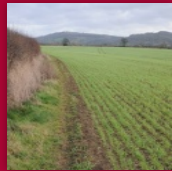
**Food  
Security**



**Water  
Scarcity**



**Land  
Availability**



**Mobility  
Safety**



**Reducing  
Emissions**



**Labor  
Savings**



**LINDSAY™**

Capitalizing  
on global  
megatrends

# Strong Commitment to Sustainable Practices



1

Investing in sustainable technologies



2

Improving our operational footprint



3

Empowering and protecting our people



4

Engaging in our local communities



5

Operating with integrity



*Our mission is to provide solutions that conserve natural resources, enhance the quality of life for people, and expand our world's potential.*

# Summary Balance Sheet



(\$ in millions)	February 28, 2021	February 29, 2020	August 31, 2020
Cash, cash equivalents and marketable securities	\$130.3	\$120.0	\$140.9
Current assets	\$375.6	\$325.0	\$347.9
Current liabilities	\$114.8	\$87.8	\$102.4
Net working capital	\$260.8	\$237.2	\$245.5
Long-term debt	\$115.6	\$115.8	\$115.7
Shareholders' equity	\$319.0	\$277.3	\$298.5



# Summary of Cash Flow



(\$ in millions)	YTD FY21	YTD FY20
Net earnings	\$19.0	\$13.9
Depreciation / amortization	\$9.9	\$9.4
Other non-cash adjustments	\$5.5	\$2.8
Changes in assets and liabilities:		
Receivables	(\$10.8)	(\$5.7)
Inventories	(\$16.2)	(\$14.2)
Other	\$3.7	(\$8.4)
Net cash provided by (used in) operations	<b>\$11.1</b>	<b>(\$2.2)</b>
Purchases of property, plant and equipment *	(\$16.6)	(\$5.3)
Dividends paid	(\$7.0)	(\$6.7)

\* YTD FY21 includes \$8.5 million to exercise a purchase option for the land and buildings related to the Company's manufacturing operation in Turkey

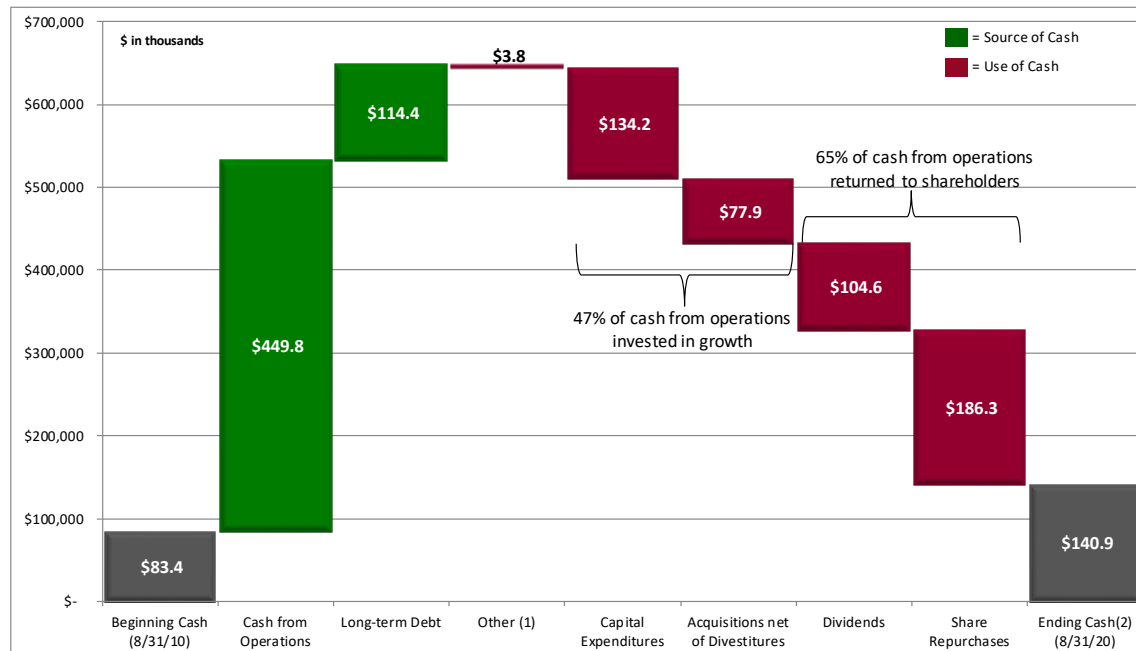
# Capital Allocation – A Balanced Approach



## Allocation Plan

- Targeted cash balance of \$60-75 million, including international accounts
  - To support cyclical and seasonal fluctuations in working capital and projected capital expenditures
- \$115 million in Senior Notes maturing on 2/19/30 at annual interest rate of 3.82%
- The Company's prioritization for cash use:
  - Organic growth initiatives
  - Capital expenditures - expected to be \$20-25 million in fiscal 2021
  - Dividend payments
  - Synergistic acquisitions that leverage core capabilities
  - Excess cash invested in opportunistic share repurchases

## Allocation History



(1) Other includes debt repayments, net cash sources/uses from note receivables, net investment hedges, stock compensation and related tax benefits.