UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(MARK ONE)
X QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the quarterly period ended May 31, 2022

OR

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
Commission File Number 1-13419

Lindsay Corporation
(Exact name of registrant as specified in its charter)

Delaware	**47-0554096**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**
18135 Burke Street, Suite 100, Omaha, Nebraska	**68022**
(Address of principal executive offices)	**(Zip Code)**

402-829-6800
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, $1.00 par value	LNN	New York Stock Exchange, Inc.

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15 (d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes X No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes X No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act:

Large accelerated filer	X	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
Emerging growth company	☐		

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No X

As of June 27, 2022, 10,979,422 shares of the registrant's common stock were outstanding.

Lindsay Corporation
INDEX FORM 10-Q

Part I – FINANCIAL INFORMATION

ITEM 1 - ***Financial Statements***

LINDSAY CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF EARNINGS
(Unaudited)

($ and shares in thousands, except per share amounts)	Three months ended May 31, 2022	Three months ended May 31, 2021	Nine months ended May 31, 2022	Nine months ended May 31, 2021
Operating revenues	$ 214,259	$ 161,936	$ 580,547	$ 413,998
Cost of operating revenues	152,579	117,880	438,486	297,360
Gross profit	61,680	44,056	142,061	116,638
Operating expenses:				
Selling expense	8,148	7,570	24,070	22,680
General and administrative expense	14,647	12,043	40,548	39,770
Engineering and research expense	3,723	3,102	10,582	9,504
Total operating expenses	26,518	22,715	75,200	71,954
Operating income	35,162	21,341	66,861	44,684
Other income (expense):				
Interest expense	(1,006)	(1,178)	(3,345)	(3,584)
Interest income	118	227	456	798
Other income, net	1,282	764	264	699
Total other income (expense)	394	(187)	(2,625)	(2,087)
Earnings before income taxes	35,556	21,154	64,236	42,597
Income tax expense	10,483	3,357	16,696	5,829
Net earnings	$ 25,073	$ 17,797	$ 47,540	$ 36,768
Earnings per share:				
Basic	$ 2.28	$ 1.63	$ 4.34	$ 3.38
Diluted	$ 2.28	$ 1.61	$ 4.31	$ 3.35
Shares used in computing earnings per share:				
Basic	10,978	10,907	10,960	10,879
Diluted	11,021	11,033	11,020	10,967
Cash dividends declared per share	$ 0.33	$ 0.33	$ 0.99	$ 0.97

See accompanying notes to condensed consolidated financial statements.

LINDSAY CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(Unaudited)

($ in thousands)	Three months ended May 31, 2022	Three months ended May 31, 2021	Nine months ended May 31, 2022	Nine months ended May 31, 2021
Net earnings	$ 25,073	$ 17,797	$ 47,540	$ 36,768
Other comprehensive income (loss):				
Defined benefit pension plan adjustment, net of tax	49	51	146	153
Foreign currency translation adjustment, net of hedging activities and tax	991	1,858	(362)	3,722
Unrealized loss on marketable securities, net of tax	(65)	(10)	(227)	(66)
Total other comprehensive income (loss), net of tax expense of $257, $127, $238, and $115 respectively	975	1,899	(443)	3,809
Total comprehensive income	$ 26,048	$ 19,696	$ 47,097	$ 40,577

See accompanying notes to condensed consolidated financial statements.

LINDSAY CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(Unaudited)

($ and shares in thousands, except par values)	May 31, 2022	May 31, 2021	August 31, 2021
ASSETS			
Current assets:			
Cash and cash equivalents	$ 81,757	$ 120,801	$ 127,107
Marketable securities	13,930	19,663	19,604
Receivables, net of allowance of $4,197, $3,145, and $3,422, respectively	155,518	107,713	93,609
Inventories, net	195,566	136,601	145,244
Other current assets, net	28,663	32,947	30,539
Total current assets	475,434	417,725	416,103
Property, plant, and equipment:			
Cost	239,001	230,205	229,000
Less accumulated depreciation	(144,560)	(137,688)	(137,003)
Property, plant, and equipment, net	94,441	92,517	91,997
Intangibles, net	18,769	21,893	20,367
Goodwill	67,476	68,134	67,968
Operating lease right-of-use assets	20,263	19,360	18,281
Deferred income tax assets	7,857	10,247	8,113
Other noncurrent assets	27,676	12,341	14,356
Total assets	$ 711,916	$ 642,217	$ 637,185
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities:			
Accounts payable	$ 72,350	$ 49,351	$ 45,209
Current portion of long-term debt	221	216	217
Other current liabilities	101,243	94,589	92,814
Total current liabilities	173,814	144,156	138,240
Pension benefits liabilities	5,474	6,086	5,754
Long-term debt	115,384	115,557	115,514
Operating lease liabilities	20,688	19,369	18,301
Deferred income tax liabilities	730	881	832
Other noncurrent liabilities	15,056	19,995	20,099
Total liabilities	331,146	306,044	298,740
Shareholders' equity:			
Preferred stock of $1 par value - authorized 2,000 shares; no shares issued and outstanding	—	—	—
Common stock of $1 par value - authorized 25,000 shares; 19,063, 18,991, and 18,991 shares issued, respectively	19,063	18,991	18,991
Capital in excess of stated value	92,516	85,257	86,495
Retained earnings	564,805	525,926	528,130
Less treasury stock - at cost, 8,083 shares	(277,238)	(277,238)	(277,238)
Accumulated other comprehensive loss, net	(18,376)	(16,763)	(17,933)
Total shareholders' equity	380,770	336,173	338,445
Total liabilities and shareholders' equity	$ 711,916	$ 642,217	$ 637,185

See accompanying notes to condensed consolidated financial statements.

Lindsay Corporation and Subsidiaries
CONDENSED CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
($ and shares in thousands, except per share amounts)
(Unaudited)

	Shares of common stock	Shares of treasury stock	Common stock	Capital in excess of stated value	Retained earnings	Treasury stock	Accumulated other comprehensive loss, net	Total shareholders' equity
Balance at August 31, 2020	18,918	8,083	$ 18,918	$ 77,686	$ 499,724	$ (277,238)	$ (20,572)	$ 298,518
Comprehensive income:								
Net earnings	—	—	—	—	36,768	—	—	36,768
Other comprehensive income	—	—	—	—	—	—	3,809	3,809
Total comprehensive income	—	—	—	—	—	—	—	40,577
Cash dividends ($0.97) per share	—	—	—	—	(10,566)	—	—	(10,566)
Issuance of common shares under share compensation plans, net	73	—	73	2,550	—	—	—	2,623
Share-based compensation expense	—	—	—	5,021	—	—	—	5,021
Balance at May 31, 2021	18,991	8,083	$ 18,991	$ 85,257	$ 525,926	$ (277,238)	$ (16,763)	$ 336,173
Balance at August 31, 2021	18,991	8,083	$ 18,991	$ 86,495	$ 528,130	$ (277,238)	$ (17,933)	$ 338,445
Comprehensive income:								
Net earnings	—	—	—	—	47,540	—	—	47,540
Other comprehensive loss	—	—	—	—	—	—	(443)	(443)
Total comprehensive income	—	—	—	—	—	—	—	47,097
Cash dividends ($0.99) per share	—	—	—	—	(10,865)	—	—	(10,865)
Issuance of common shares under share compensation plans, net	72	—	72	1,960	—	—	—	2,032
Share-based compensation expense	—	—	—	4,061	—	—	—	4,061
Balance at May 31, 2022	19,063	8,083	$ 19,063	$ 92,516	$ 564,805	$ (277,238)	$ (18,376)	$ 380,770

See accompanying notes to condensed consolidated financial statements.

Lindsay Corporation and Subsidiaries
CONDENSED CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
($ and shares in thousands, except per share amounts)
(Unaudited)

	Shares of common stock	Shares of treasury stock	Common stock	Capital in excess of stated value	Retained earnings	Treasury stock	Accumulated other comprehensive loss, net	Total shareholders' equity
Balance at February 28, 2021	18,990	8,083	$ 18,990	$ 84,206	$ 511,728	$ (277,238)	$ (18,662)	$ 319,024
Comprehensive income:								
Net earnings	—	—	—	—	17,797	—	—	17,797
Other comprehensive income	—	—	—	—	—	—	1,899	1,899
Total comprehensive income	—	—	—	—	—	—	—	19,696
Cash dividends ($0.33) per share	—	—	—	—	(3,599)	—	—	(3,599)
Issuance of common shares under share compensation plans, net	1	—	1	77	—	—	—	78
Share-based compensation expense	—	—	—	974	—	—	—	974
Balance at May 31, 2021	18,991	8,083	$ 18,991	$ 85,257	$ 525,926	$ (277,238)	$ (16,763)	$ 336,173
Balance at February 28, 2022	19,061	8,083	$ 19,061	$ 90,711	$ 543,355	$ (277,238)	$ (19,351)	$ 356,538
Comprehensive income:								
Net earnings	—	—	—	—	25,073	—	—	25,073
Other comprehensive income	—	—	—	—	—	—	975	975
Total comprehensive income	—	—	—	—	—	—	—	26,048
Cash dividends ($0.33) per share		—	—	—	(3,623)	—	—	(3,623)
Issuance of common shares under share compensation plans, net	2	—	2	155	—	—	—	157
Share-based compensation expense	—	—	—	1,650	—	—	—	1,650
Balance at May 31, 2022	19,063	8,083	$ 19,063	$ 92,516	$ 564,805	$ (277,238)	$ (18,376)	$ 380,770

See accompanying notes to condensed consolidated financial statements.

LINDSAY CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

($ in thousands)	Nine months ended May 31, 2022	Nine months ended May 31, 2021
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net earnings	$ 47,540	$ 36,768
Adjustments to reconcile net earnings to net cash (used in) provided by operating activities:		
Depreciation and amortization	14,930	14,688
Provision for uncollectible accounts receivable	734	304
Deferred income taxes	514	205
Share-based compensation expense	4,061	5,021
Unrealized foreign currency transaction gain	(754)	(1,934)
Other, net	645	(2,123)
Changes in assets and liabilities:		
Receivables	(63,365)	(22,934)
Inventories	(49,209)	(28,612)
Other current assets	1,669	(14,025)
Accounts payable	26,319	20,828
Other current liabilities	822	20,149
Other noncurrent assets and liabilities	(8,840)	2,325
Net cash (used in) provided by operating activities	(24,934)	30,660
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of property, plant, and equipment	(12,222)	(22,532)
Purchases of marketable securities	(18,468)	(13,067)
Proceeds from maturities of marketable securities	23,592	12,592
Other investing activities, net	(2,952)	(1,960)
Net cash used in investing activities	(10,050)	(24,967)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from exercise of stock options	2,894	3,892
Common stock withheld for payroll tax obligations	(1,181)	(1,269)
Proceeds from employee stock purchase plan	319	—
Principal payments on long-term debt	(163)	(141)
Dividends paid	(10,865)	(10,566)
Net cash used in financing activities	(8,996)	(8,084)
Effect of exchange rate changes on cash and cash equivalents	(1,370)	1,789
Net change in cash and cash equivalents	(45,350)	(602)
Cash and cash equivalents, beginning of period	127,107	121,403
Cash and cash equivalents, end of period	$ 81,757	$ 120,801
SUPPLEMENTAL CASH FLOW INFORMATION:		
Income taxes paid, net of refunds	$ 7,429	$ 2,929
Interest paid	$ 2,020	$ 2,402

See accompanying notes to condensed consolidated financial statements.

LINDSAY CORPORATION AND SUBSIDIARIES
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

Note 1 – Basis of Presentation

The condensed consolidated financial statements are presented in accordance with the rules and regulations of the Securities and Exchange Commission (the “SEC”) and do not include all of the disclosures normally required by U.S. generally accepted accounting principles (“U.S. GAAP”) as contained in Lindsay Corporation’s (the “Company”) Annual Report on Form 10-K. Accordingly, these condensed consolidated financial statements should be read in conjunction with the consolidated financial statements and notes thereto included in the Company’s most recent Annual Report on Form 10-K for the fiscal year ended August 31, 2021.

In the opinion of management, the condensed consolidated financial statements of the Company reflect all adjustments (consisting of normal recurring accruals) necessary to present fairly the financial position and the results of operations and cash flows for the periods presented. The results for interim periods are not necessarily indicative of trends or results expected by the Company for a full year. The condensed consolidated financial statements were prepared using U.S. GAAP. These principles require us to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities and the reported amounts of revenues and expenses. Actual results could differ from these estimates.

Recent Accounting Guidance Adopted

In December 2019, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) No. 2019-12, *Simplifying the Accounting for Income Taxes,* which simplifies the accounting and related disclosure requirements for income taxes. The Company adopted this standard in the first quarter of its fiscal 2022. The adoption of this ASU did not have a material impact on its condensed consolidated financial statements.

In June 2016, the FASB issued ASU No. 2016-13, *Financial Instruments - Credit Losses (Topic 326), Measurement of Credit Losses on Financial Instruments*. The standard replaces the incurred loss impairment methodology in current U.S. GAAP with a methodology that reflects expected credit losses on instruments within its scope, including trade receivables. This update is intended to provide financial statement users with more decision-useful information about the expected credit losses. The Company adopted this in the first quarter of the Company’s fiscal 2021. The adoption of this ASU did not have a material impact on its condensed consolidated financial statements and related disclosures.

In January 2017, the FASB issued ASU 2017-04, *Simplifying the Test for Goodwill Impairment*, which eliminates the requirement to calculate the implied fair value of goodwill; rather, an entity will measure its goodwill impairment by the amount the carrying value exceeds the fair value of a reporting unit. The Company adopted this in the first quarter of the Company’s fiscal 2021. The adoption of this ASU did not have a material impact on its condensed consolidated financial statements and related disclosures.

Note 2 – Revenue Recognition

Disaggregation of Revenue

A breakout by segment of revenue recognized over time versus at a point in time for the three and nine months ended May 31, 2022 and 2021 is as follows:

	Three months ended May 31, 2022			Three months ended May 31, 2021		
($ in thousands)	**Irrigation**	**Infrastructure**	**Total**	**Irrigation**	**Infrastructure**	**Total**
Point in time	$ 183,085	$ 22,083	$ 205,168	$ 131,032	$ 16,790	$ 147,822
Over time	5,608	1,750	7,358	9,143	1,383	10,526
Revenue from the contracts with customers	188,693	23,833	212,526	140,175	18,173	158,348
Lease revenue	—	1,733	1,733	—	3,588	3,588
Total operating revenues	$ 188,693	$ 25,566	$ 214,259	$ 140,175	$ 21,761	$ 161,936

	Nine months ended May 31, 2022			Nine months ended May 31, 2021		
($ in thousands)	**Irrigation**	**Infrastructure**	**Total**	**Irrigation**	**Infrastructure**	**Total**
Point in time	$ 498,468	$ 52,806	$ 551,274	$ 321,960	$ 53,060	$ 375,020
Over time	16,892	3,959	20,851	24,144	4,557	28,701
Revenue from the contracts with customers	515,360	56,765	572,125	346,104	57,617	403,721
Lease revenue	—	8,422	8,422	—	10,277	10,277
Total operating revenues	$ 515,360	$ 65,187	$ 580,547	$ 346,104	$ 67,894	$ 413,998

Further disaggregation of revenue is disclosed in the Note 13 – Industry Segment Information.

For contracts with an initial length longer than twelve months, the unsatisfied performance obligations were $2.1 million at May 31, 2022.

Contract Balances

Contract assets arise when recorded revenue for a contract exceeds the amounts billed under the terms of such contract. Contract liabilities arise when billed amounts exceed revenue recorded. Amounts are billable to customers upon various measures of performance, including achievement of certain milestones and completion of specified units of completion of the contract. At May 31, 2022, May 31, 2021, and August 31, 2021, contract assets amounted to $1.0 million, $1.5 million, and $1.3 million, respectively. These amounts are included within other current assets on the condensed consolidated balance sheet.

Contract liabilities include advance payments from customers and billings in excess of delivery of performance obligations. At May 31, 2022, May 31, 2021, and August 31, 2021, contract liabilities amounted to $35.0 million, $35.5 million, and $37.4 million, respectively. Contract liabilities are included within other current liabilities on the condensed consolidated balance sheets. During the Company's nine months ended May 31, 2022 and 2021, the Company recognized $32.7 million and $16.7 million of revenue that were included in the liabilities as of August 31, 2021 and 2020 respectively. The revenue recognized was due to applying advance payments received for the performance obligations completed during the quarter.

Note 3 – Net Earnings per Share

Basic earnings per share is calculated on the basis of weighted average outstanding common shares. Diluted earnings per share is calculated on the basis of basic weighted average outstanding common shares adjusted for the dilutive effect of stock options, restricted stock unit awards and other dilutive securities.

The following table shows the computation of basic and diluted net earnings per share for the three and nine months ended May 31, 2022 and 2021:

($ and shares in thousands, except per share amounts)	Three months ended May 31, 2022	Three months ended May 31, 2021	Nine months ended May 31, 2022	Nine months ended May 31, 2021
Numerator:				
Net earnings	$ 25,073	$ 17,797	$ 47,540	$ 36,768
Denominator:				
Weighted average shares outstanding	10,978	10,907	10,960	10,879
Diluted effect of stock awards	43	126	60	88
Weighted average shares outstanding assuming dilution	11,021	11,033	11,020	10,967
Basic net earnings per share	$ 2.28	$ 1.63	$ 4.34	$ 3.38
Diluted net earnings per share	$ 2.28	$ 1.61	$ 4.31	$ 3.35

Certain stock options and restricted stock units were excluded from the computation of diluted net earnings per share because their effect would have been anti-dilutive. Performance stock units are excluded from the calculation of dilutive potential common shares until the threshold performance conditions have been satisfied. The following table shows the securities excluded from the computation of earnings per share because their effect would have been anti-dilutive:

(Units and options in thousands)	Three months ended May 31, 2022	Three months ended May 31, 2021	Nine months ended May 31, 2022	Nine months ended May 31, 2021
Restricted stock units	—	—	1	—
Stock options	—	—	5	28
Performance stock units	2	—	4	4

Note 4 – Income Taxes

The Company recorded income tax expense of $10.5 million and $3.4 million for the three months ended May 31, 2022 and 2021, respectively, and recorded income tax expense of $16.7 million and $5.8 million for the nine months ended May 31, 2022 and 2021, respectively.

It is the Company’s policy to report income tax expense for interim periods using an estimated annual effective income tax rate. The estimated annual effective income tax rate was 28.2 percent and 21.4 percent for the nine months ended May 31, 2022 and 2021, respectively. The increase in the estimated annual effective income tax rate from May 2021 to May 2022 relates primarily to the change in earnings mix among foreign operations.

The tax effects of significant or unusual items are not considered in the estimated annual effective income tax rate. The tax effects of such discrete events are recognized in the interim period in which the events occur. The Company recorded discrete items resulting in an income tax benefit of $1.4 million and $3.3 million for the nine months ended May 31, 2022 and 2021, respectively. The discrete items recorded in the nine months ended May 31, 2022 include a benefit of $0.7 million related to the vesting of share-based compensation awards, and the discrete items recorded in the nine months ended May 31, 2021 include a benefit of $1.7 million related to the release of a valuation allowance related to net operating loss carryforwards in a foreign jurisdiction.

Note 5 – Inventories

Inventories consisted of the following as of May 31, 2022, May 31, 2021, and August 31, 2021:

($ in thousands)	May 31, 2022	May 31, 2021	August 31, 2021
Raw materials and supplies	$ 93,956	$ 64,087	$ 69,962
Work in process	18,941	9,440	8,301
Finished goods and purchased parts, net	105,042	71,414	75,053
Total inventory value before LIFO adjustment	217,939	144,941	153,316
Less adjustment to LIFO value	(22,373)	(8,340)	(8,072)
Inventories, net	$ 195,566	$ 136,601	$ 145,244

Note 6 – Long-Term Debt

The following table sets forth the outstanding principal balances of the Company's long-term debt as of the dates shown:

($ in thousands)	May 31, 2022	May 31, 2021	August 31, 2021
Series A Senior Notes	$ 115,000	$ 115,000	$ 115,000
Elecsys Series 2006A Bonds	985	1,203	1,148
Total debt	115,985	116,203	116,148
Less current portion	(221)	(216)	(217)
Less unamortized debt issuance costs	(380)	(430)	(417)
Total long-term debt	$ 115,384	$ 115,557	$ 115,514

Principal payments on the debt are due as follows:

Due within	$ in thousands
1 year	$ 221
2 years	225
3 years	229
4 years	234
5 years	76
Thereafter	115,000
	$ 115,985

Note 7 – Fair Value Measurements

The following table presents the Company's financial assets and liabilities measured at fair value, based upon the level within the fair value hierarchy in which the fair value measurements fall, as of May 31, 2022, May 31, 2021, and August 31, 2021. There were no transfers between any levels for the periods presented.

	May 31, 2022			
($ in thousands)	**Level 1**	**Level 2**	**Level 3**	**Total**
Cash and cash equivalents	$ 81,757	$ —	$ —	$ 81,757
Marketable securities:				
Corporate bonds	—	10,754	—	10,754
U.S. treasury securities	—	3,176	—	3,176
Derivative asset	—	1,080	—	1,080

	May 31, 2021			
($ in thousands)	**Level 1**	**Level 2**	**Level 3**	**Total**
Cash and cash equivalents	$ 120,801	$ —	$ —	$ 120,801
Marketable securities:				
Corporate bonds	—	15,114	—	15,114
U.S. treasury securities	—	4,549	—	4,549
Earn-out liability	—	—	(1,098)	(1,098)

	August 31, 2021			
($ in thousands)	**Level 1**	**Level 2**	**Level 3**	**Total**
Cash and cash equivalents	$ 127,107	$ —	$ —	$ 127,107
Marketable securities:				
Corporate bonds	—	15,484	—	15,484
U.S. treasury securities	—	4,120	—	4,120
Earn-out liability	—	—	(250)	(250)

The Company's investment in marketable securities consists of United States treasury bonds and investment grade corporate bonds. The marketable securities are classified as available-for-sale and are carried at fair value with the change in unrealized gains and losses reported as a separate component on the condensed consolidated statements of comprehensive income until realized. The Company determines fair value using data points that are observable, such as quoted prices and interest rates. The amortized cost of the investments approximates fair value. Investment income is recorded within other (expense) income on the condensed consolidated statements of earnings. As of May 31, 2022, approximately 44% of the Company's marketable securities investments mature within one year and 56% mature within one to five years.

The Company enters into derivative instrument agreements, to manage risk in connection with changes in foreign currency. The Company only enters into derivative instrument agreements with counterparties who have highly rated credit and does not enter into derivative instrument agreements for trading or speculative purposes. The fair values are based on inputs other than quoted prices that are observable for the asset or liability and are determined by standard calculations and models that use readily observable market parameters. These inputs include foreign currency exchange rates and interest rates. Industry standard data providers are the primary source for forward and spot rate information for both interest rates and foreign currency exchange rates.

On March 28, 2022, the Company entered into a fixed-to-fixed cross currency swap with a notional amount of $50.0 million, or €45.6 million, that is set to mature on March 30, 2027. The Company elected the spot method for designating this contract as a net investment hedge. Changes in the fair value of the this contract is reported in accumulated other comprehensive loss on the condensed consolidated balance sheets. The fair value of this contract as of May 31, 2022, is disclosed in the table above, and is recorded within other noncurrent assets on the condensed consolidated balance sheets.

The Company's earn-out liability relates to its acquisition of Net Irrigate, LLC during the third quarter of fiscal 2020 and was settled in full during the first quarter of fiscal 2022.

There were no required fair value adjustments for assets and liabilities measured at fair value on a non-recurring basis for the nine months ended May 31, 2022 or 2021.

Note 8 – Commitments and Contingencies

In the ordinary course of its business operations, the Company enters into arrangements that obligate it to make future payments under contracts such as lease agreements. Additionally, the Company is involved, from time to time, in commercial litigation, employment disputes, administrative proceedings, business disputes and other legal proceedings. The Company has established accruals for certain proceedings based on an assessment of probability of loss. The Company believes that any such currently-pending proceedings are either covered by insurance or would not have a material effect on the business or its consolidated financial statements if decided in a manner that is unfavorable to the Company. Such proceedings are exclusive of environmental remediation matters which are discussed separately below.

Infrastructure Products

The Company is currently defending a number of product liability lawsuits arising out of vehicle collisions with highway barriers incorporating the Company's *X-Lite*® end terminal. Despite the September 2018 reversal of a sizable judgment against a competitor, the Company expects that the significant attention brought to the infrastructure products industry by the original judgment may lead to additional lawsuits being filed against the Company and others in the industry.

The Company, certain of its subsidiaries, and certain third parties which originally designed the X-Lite end terminal have also been named in a lawsuit filed on June 9, 2020 in the Circuit Court of Cole County, Missouri by Missouri Highways and Transportation Commission ("MHTC"). MHTC alleges, among other things, that the X-Lite end terminal was defectively designed and failed to perform as designed, intended, and advertised, leading to MHTC's removal and replacement of X-Lite end terminals from Missouri's roadways. MHTC alleges strict liability (defective design and failure to warn), negligence, breach of express warranties, breach of implied warranties (merchantability and fitness for a particular purpose), fraud, and public nuisance. MHTC seeks compensatory damages, interest, attorneys' fees, and punitive damages.

The Company believes it has meritorious factual and legal defenses to each of the lawsuits discussed above and is prepared to vigorously defend its interests. Based on the information currently available to the Company, the Company does not believe that a loss is probable in any of these lawsuits; therefore, no accrual has been included in the Company's consolidated financial statements. While it is possible that a loss may be incurred, the Company is unable to estimate a range of potential loss due to the complexity and current status of these lawsuits. However, the Company maintains insurance coverage to mitigate the impact of adverse exposures in these lawsuits and does not expect that these lawsuits will have a material adverse effect on its business or its consolidated financial statements.

In June 2019, the Company was informed by letter that the Department of Justice, Civil Division and U.S. Attorney's Office for the Northern District of New York, with the assistance of the Department of Transportation, Office of Inspector General, are conducting an investigation of the Company relating to the Company's X-Lite end terminal and potential violations of the federal civil False Claims Act. Depending on the outcome of this matter, there could be a material adverse effect on the Company's business or its consolidated financial statements. Given the current posture of the matter, the Company is unable to estimate a range of potential loss, if any, or to express an opinion regarding the ultimate outcome.

Environmental Remediation

In previous years, the Company committed to a plan to remediate environmental contamination of the groundwater at and adjacent to its Lindsay, Nebraska facility (the "site"). The current estimated aggregate accrued cost of $16.1 million is based on consideration of remediation options which the Company believes could be successful in meeting the long-term regulatory requirements of the site. The Company submitted a revised remedial alternatives evaluation report to the U.S. Environmental Protection Agency ("EPA") and the Nebraska Department of Environment and Energy (the "NDEE") in August 2020 to review remediation alternatives and proposed plans for the site. While the proposed remediation plan is preliminary and has not been approved by the EPA or the NDEE, they have recently approved an in situ thermal remediation pilot study to be conducted by the Company at a specific location on the site. The Company expects to begin implementation of the pilot program in the second half of calendar 2022. Of the total liability as of May 31, 2022, $11.0 million was calculated on a discounted basis using a discount rate of 1.2%, which represents a risk-free rate. This discounted portion of the liability amounts to $12.4 million on an undiscounted basis.

The Company accrues the anticipated cost of investigation and remediation when the obligation is probable and can be reasonably estimated. While a definitive plan has not been formally approved by the EPA, the Company believes the current accrual is a good faith estimate of the long-term cost of remediation at this site; however, the estimate of costs and their timing could change as a result of a number of factors, including but not limited to (1) EPA input on the proposed remediation plan and any changes which the EPA may subsequently require, (2) effectiveness of the in situ thermal pilot remediation pilot study, (3) refinement of cost estimates and length of time required to complete remediation and post-remediation operations and maintenance, (4) effectiveness of the technology chosen in remediation of the site as well as changes in technology that may be available in the future, and (5) unforeseen circumstances existing at the site. As a result of these factors, the actual amount of costs incurred by the Company in connection with the remediation of contamination of its Lindsay, Nebraska site could exceed the amounts accrued for this expense at this time. While any revisions could be material to the operating results of any fiscal quarter or fiscal year, the Company does not expect such additional expenses would have a material adverse effect on its liquidity or financial condition.

The following table summarizes the undiscounted environmental remediation liability classifications included in the condensed consolidated balance sheets as of May 31, 2022, May 31, 2021, and August 31, 2021:

($ in thousands)	May 31, 2022	May 31, 2021	August 31, 2021
Other current liabilities	$ 4,934	$ 971	$ 965
Other noncurrent liabilities	10,967	15,155	15,128
Total environmental remediation liabilities	$ 15,901	$ 16,126	$ 16,093

Note 9 – Warranties

The following table provides the changes in the Company's product warranties:

	Three months ended		Nine months ended	
($ in thousands)	May 31, 2022	May 31, 2021	May 31, 2022	May 31, 2021
Product warranty accrual balance, beginning of period	$ 12,818	$ 11,786	$ 12,736	$ 10,765
Liabilities accrued for warranties during the period	3,317	2,883	7,536	6,864
Warranty claims paid during the period	(2,600)	(1,062)	(6,601)	(4,081)
Changes in estimates	(58)	—	(194)	59
Product warranty accrual balance, end of period	$ 13,477	$ 13,607	$ 13,477	$ 13,607

Note 10 – Share-Based Compensation

The Company's current share-based compensation plans, approved by the stockholders of the Company, provides for awards of stock options, restricted shares, restricted stock units ("RSUs"), stock appreciation rights, performance shares, and performance stock units ("PSUs") to employees and non-employee directors of the Company. The Company measures and recognizes compensation expense for all share-based payment awards made to employees and directors based on estimated fair values. Share-based compensation expense was $1.7 million and $1.0 million for the three months ended May 31, 2022 and 2021, respectively, and $4.3 million and $5.3 million for the nine months ended May 31, 2022 and 2021, respectively.

Note 11 – Other Current Liabilities

($ in thousands)	May 31, 2022	May 31, 2021	August 31, 2021
Other current liabilities:			
Contract liabilities	$ 33,833	$ 34,072	$ 36,060
Compensation and benefits	18,243	19,558	21,623
Warranties	13,477	13,607	12,736
Tax related liabilities	7,730	3,547	1,072
Dealer related liabilities	7,046	3,902	3,971
Accrued environmental liabilities	4,934	971	965
Operating lease liabilities	3,329	3,955	3,991
Accrued insurance	1,274	1,068	1,123
Deferred revenue - lease	1,022	4,206	3,456
Other	10,355	9,703	7,817
Total other current liabilities	$ 101,243	$ 94,589	$ 92,814

Note 12 – Share Repurchases

There were no shares repurchased during the three and nine months ended May 31, 2022 and 2021 under the Company's share repurchase program. The remaining amount available under the repurchase program was $63.7 million as of May 31, 2022.

Note 13 – Industry Segment Information

The Company manages its business activities in two reportable segments: irrigation and infrastructure. The Company evaluates the performance of its reportable segments based on segment revenues, gross profit and operating income, with operating income for segment purposes excluding unallocated corporate general and administrative expenses, interest income, interest expense, other income and expenses and income taxes. Operating income for segment purposes includes general and administrative expenses, selling expenses, engineering and research expenses and other overhead charges directly attributable to the segment. There are no inter-segment sales included in the amounts disclosed. The Company had no single customer who represented 10 percent or more of its total revenues during the three or nine months ended May 31, 2022 or 2021.

Irrigation - This reporting segment includes the manufacture and marketing of center pivot, lateral move and hose reel irrigation systems and large diameter steel tubing as well as various innovative technology solutions such as GPS positioning and guidance, variable rate irrigation, remote irrigation management and scheduling technology, irrigation consulting and design and industrial internet of things, or "IIoT", solutions. The irrigation reporting segment consists of one operating segment.

Infrastructure – This reporting segment includes the manufacture and marketing of moveable barriers, specialty barriers, crash cushions and end terminals, and road marking and road safety equipment. The infrastructure reporting segment consists of one operating segment.

($ in thousands)	Three months ended May 31, 2022	Three months ended May 31, 2021	Nine months ended May 31, 2022	Nine months ended May 31, 2021
Operating revenues:				
Irrigation:				
North America	$ 96,153	$ 87,364	$ 275,601	$ 220,332
International	92,540	52,811	239,759	125,772
Irrigation total	188,693	140,175	515,360	346,104
Infrastructure	25,566	21,761	65,187	67,894
Total operating revenues	$ 214,259	$ 161,936	$ 580,547	$ 413,998
Operating income:				
Irrigation	$ 39,567	$ 23,925	$ 81,513	$ 52,603
Infrastructure	3,779	3,767	6,869	14,364
Corporate	(8,184)	(6,351)	(21,521)	(22,283)
Total operating income	35,162	21,341	66,861	44,684
Interest and other expense, net	394	(187)	(2,625)	(2,087)
Earnings before income taxes	$ 35,556	$ 21,154	$ 64,236	$ 42,597

ITEM 2 - *Management's Discussion and Analysis of Financial Condition and Results of Operations*

Concerning Forward-Looking Statements

This Quarterly Report on Form 10-Q contains not only historical information, but also forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Statements that are not historical are forward-looking and reflect information concerning possible or assumed future results of operations and planned financing of the Company. In addition, forward-looking statements may be made orally or in press releases, conferences, reports, on the Company's web site, or otherwise, in the future by or on behalf of the Company. When used by or on behalf of the Company, the words “expect,” “anticipate,” “estimate,” “believe,” “intend,” “will,” “plan,” “predict,” “project,” “outlook,” “could,” “may,” “should” or similar expressions generally identify forward-looking statements. The entire section entitled “Executive Overview and Outlook” should be considered forward-looking statements. 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.

Forward-looking statements involve a number of risks and uncertainties, including but not limited to those discussed in the “Risk Factors” section in the Company’s Annual Report on Form 10-K for the fiscal year ended August 31, 2021. Readers should not place undue reliance on any forward-looking statement and should recognize that the statements are predictions of future results or conditions, which may not occur as anticipated. Actual results or conditions could differ materially from those anticipated in the forward-looking statements and from historical results, due to the risks and uncertainties described herein and in the Company’s other public filings with the Securities and Exchange Commission, including the Company’s Annual Report on Form 10-K for the Company’s fiscal year ended August 31, 2021, as well as other risks and uncertainties not now anticipated. The risks and uncertainties described herein and in the Company’s other public filings are not exclusive and further information concerning the Company and its businesses, including factors that potentially could materially affect the Company's financial results, may emerge from time to time. Except as required by law, the Company assumes no obligation to update forward-looking statements to reflect actual results or changes in factors or assumptions affecting such forward-looking statements.

COVID-19 Impact

In March 2020, the World Health Organization declared the 2019 coronavirus disease (COVID-19) a global pandemic. This outbreak has adversely affected workforces, customers, economies, and financial markets globally, leading to economic uncertainty. Shelter-in-place or stay-at-home orders have been implemented from time to time in many of the jurisdictions in which the Company operates. However, the Company’s manufacturing facilities worldwide have remained open throughout the outbreak with limited exceptions. Accordingly, COVID-19 has had a limited impact on the Company’s manufacturing operations to date, although the Company continues to experience supply chain challenges, including increased lead times and limited availability of certain components, raw material price increases, and labor and transportation logistical constraints that have contributed to cost increases. The pandemic has not had a material adverse effect on the overall demand for the Company’s irrigation or infrastructure products. However, the pandemic has resulted in a slowdown of some road construction activity and delays in certain project implementations. While the Company has implemented new procedures to protect the health and well-being of employees and customers, costs associated with these procedures have not been material.

The ongoing impact of COVID-19 on the Company’s business, results of operations, or cash flows remains uncertain and depends on numerous evolving factors that the Company may not be able to accurately predict or effectively respond to, including, without limitation, the duration and scope of the outbreak, mutations of COVID-19, actions taken by governments, businesses, and individuals in response to the outbreak, the effect on economic activity and actions taken in response, the effect on customers and their demand for the Company’s products and services, and the Company’s ability to manufacture, sell, distribute and service its products, including without limitation as a result of supply chain challenges, facility closures, social distancing, restrictions on travel, fear or anxiety by the populace, and shelter-in-place orders. As such, the full financial impact of COVID-19 on the Company’s business is difficult to estimate.

Accounting Policies

In preparing the Company’s condensed consolidated financial statements in conformity with U.S. GAAP, management must make a variety of decisions which impact the reported amounts and the related disclosures. These decisions include the selection of the appropriate accounting principles to be applied and the assumptions on which to base accounting estimates. In making these decisions, management applies its judgment based on its understanding and analysis of the relevant circumstances and the Company’s historical experience.

The Company's accounting policies that are most important to the presentation of its results of operations and financial condition, and which require the greatest use of judgments and estimates by management, are designated as its critical accounting policies. See discussion of the Company's critical accounting policies under Item 7 in the Company's Annual Report on Form 10-K for the Company's fiscal year ended August 31, 2021. Management periodically re-evaluates and adjusts its critical accounting policies as circumstances change. There were no significant changes in the Company's critical accounting policies during the nine months ended May 31, 2022.

Recent Accounting Guidance

See Note 1 – Basis of Presentation and the disclosure therein of recently adopted accounting guidance to the condensed consolidated financial statements set forth in Part I, Item 1 of this Quarterly Report on Form 10-Q.

Executive Overview and Outlook

Operating revenues for the three months ended May 31, 2022 were $214.3 million, an increase of 32 percent compared to $161.9 million for the three months ended May 31, 2021. Irrigation segment revenues increased 35 percent to $188.7 million and infrastructure segment revenues increased 17 percent to $25.6 million. Net earnings for the three months ended May 31, 2022 were $25.1 million, or $2.28 per diluted share, compared to net earnings of $17.8 million, or $1.61 per diluted share, for the three months ended May 31, 2021.

The primary drivers for the Company's irrigation segment are the need for irrigated agricultural crop production, which is tied to population growth and the attendant need for expanded food production, and the need to use water resources efficiently. These drivers are affected by a number of factors, including the following:

- ***Agricultural commodity prices*** – As of May 2022, U.S. corn prices have increased approximately 18 percent and U.S. soybean prices have increased approximately 11 percent from May 2021. The sustained increases are due to constrained supply levels globally coupled with higher demand. The continued conflict between Ukraine and Russia has put additional pressure on the availability of agricultural commodities, further increasing corn, wheat and soybean prices.

- ***Net farm income*** – As of February 2022, the U.S. Department of Agriculture (the "USDA") estimated U.S. 2022 net farm income to be $113.7 billion, a decrease of 4.5 percent from the USDA's estimated U.S. 2021 net farm income of $119.1 billion. A projected increase in cash receipts has been more than offset by a decrease in government support payments and higher cash expenses. If the estimated 2022 net farm income is realized, such income would be at its second-highest level since 2013.

- ***Weather conditions*** **–** Demand for irrigation equipment is often positively affected by storm damage and prolonged periods of drought conditions as producers look for ways to reduce the risk of low crop production and crop failures. Conversely, demand for irrigation equipment can be negatively affected during periods of more predictable or excessive natural precipitation.

- ***Governmental policies*** – A number of governmental laws and regulations can affect the Company's business, including:

    - The Agriculture Improvement Act of 2018 (the "Farm Bill") was signed into law in December 2018. The Farm Bill provides a degree of certainty to growers, including funding for the Environmental Quality Incentives Program, which provides financial assistance to farmers to implement conservation practices, and is frequently used to assist in the purchase of center pivot irrigation systems.

    - Changes to U.S. income tax laws enacted in December 2017 increased the benefit of certain tax incentives, such as the Section 179 income tax deduction and Section 168 bonus depreciation, which are intended to encourage equipment purchases by allowing the entire cost of equipment to be treated as an expense in the year of purchase rather than amortized over its useful life.

•Biofuel production continues to be a major demand driver for irrigated corn, sugar cane and soybeans as these crops are used in high volumes to produce ethanol and biodiesel. In December 2021, the U.S. Environmental Protection Agency ("EPA") proposed the Renewable Fuels Standard (RFS) volume requirements for 2022, 2021, and 2020. The proposed volumes for 2022 are over 3.5 billion gallons higher than the volume of renewable fuel used in 2020. The EPA is proposing 2021 volumes at the level it predicts the market will use by the end of the year, while proposing revisions to the 2020 standards to account for market challenges, including the COVID-19 pandemic.

•Many international markets are affected by government policies such as subsidies and other agriculturally related incentives. While these policies can have a significant effect on individual markets, they typically do not have a material effect on the consolidated results of the Company.

•***Currency*** – The value of the U.S. dollar fluctuates in relation to the value of currencies in a number of countries to which the Company exports products and in which the Company maintains local operations. The strengthening of the dollar increases the cost in the local currency of the products exported from the U.S. into these countries and, therefore, could negatively affect the Company's international sales and margins. In addition, the U.S. dollar value of sales made in any affected foreign currencies will decline as the value of the dollar rises in relation to these other currencies.

Demand for irrigation equipment in the U.S. has remained robust over the same prior year period due to positive farmer sentiment resulting from strong agricultural commodity prices and a favorable outlook for net farm income. During this period supply chain constraints such as steel and other raw material costs as well as freight and logistics costs have continued to persist. These circumstances have continued to temper operating margins and are expected to continue to do so until these increased costs can be fully covered by increases in selling prices. In addition, supply chain constraints impacting availability of raw materials and trucking resources have contributed to cost increases and have resulted in extended lead times for deliveries.

The most significant opportunities for growth in irrigation sales over the next several years continue to be in international markets where irrigation use is less developed and demand is driven primarily by food security, water scarcity and population growth. While international irrigation markets remain active with opportunities for further development and expansion, regional political and economic factors, including armed conflict, currency conditions and other factors can create a challenging environment. The Company continues to monitor the Ukraine and Russia conflict for both short and long-term implications and has currently suspended new business activity in Russia and Belarus since February 2022. Sales with Russian and Ukrainian customers historically have represented less than 5% of consolidated revenues. Additionally, international results are heavily dependent upon project sales which tend to fluctuate and can be difficult to forecast accurately.

The infrastructure business continues to be driven by the Company's transportation safety products, the demand for which largely depends on government spending for road construction and improvements. The enactment of the Infrastructure Investment and Jobs Act in November 2021 marked the largest infusion of federal investment into infrastructure projects in more than a decade. This legislation introduced $110 billion in incremental federal funding, planned for roads, bridges, and other transportation projects, which the Company anticipates will translate into higher demand for its transportation safety products.

The backlog of unshipped orders at May 31, 2022 was $98.3 million compared with $120.8 million at May 31, 2021. The backlog in the prior year included an irrigation project order of $36 million. Excluding the impact of this order, the irrigation backlog is higher compared to the prior year while the infrastructure backlog is lower. The Company's backlog can fluctuate from period to period due to the seasonality, cyclicality, timing and execution of contracts. Backlog typically represents long-term projects as well as short lead-time orders, and therefore is generally not a good indication of the next fiscal quarter's revenues.

Results of Operations

For the Three Months ended May 31, 2022 compared to the Three Months ended May 31, 2021

The following section presents an analysis of the Company’s operating results displayed in the condensed consolidated statements of earnings for the three months ended May 31, 2022 and 2021. It should be read together with the industry segment information in Note 13 to the condensed consolidated financial statements:

($ in thousands)	Three months ended May 31, 2022	Three months ended May 31, 2021	Percent Change
Consolidated			
Operating revenues	$ 214,259	$ 161,936	32%
Gross profit	$ 61,680	$ 44,056	40%
Gross margin	28.8%	27.2%	
Operating expenses [(1)]	$ 26,518	$ 22,715	17%
Operating income	$ 35,162	$ 21,341	65%
Operating margin	16.4%	13.2%	
Other income (expense), net	$ 394	$ (187)	-311%
Income tax expense	$ 10,483	$ 3,357	212%
Overall income tax rate	29.5%	15.9%	
Net earnings	$ 25,073	$ 17,797	41%
Irrigation Segment			
Segment operating revenues	$ 188,693	$ 140,175	35%
Segment operating income	$ 39,567	$ 23,925	65%
Segment operating margin	21.0%	17.1%	
Infrastructure Segment			
Segment operating revenues	$ 25,566	$ 21,761	17%
Segment operating income	$ 3,779	$ 3,767	0%
Segment operating margin	14.8%	17.3%	

(1) Includes $8.2 million and $6.4 million of corporate operating expenses for the three months ended May 31, 2022 and 2021, respectively.

Revenues

Operating revenues for the three months ended May 31, 2022 increased 32 percent to $214.3 million from $161.9 million for the three months ended May 31, 2021, as irrigation revenues increased $48.5 million and infrastructure revenues increased $3.8 million. The irrigation segment provided 88 percent of the Company’s revenue during the three months ended May 31, 2022 as compared to 87 percent for the three months ended May 31, 2021.

North America irrigation revenues for the three months ended May 31, 2022 of $96.2 million increased $8.8 million, or 10 percent, from $87.4 million for the three months ended May 31, 2021. The increase resulted primarily from the impact of higher average selling prices which was partially offset by lower unit sales volume compared to the same prior year period. Demand for irrigation equipment is supported by favorable agricultural commodity prices and farm income, while higher average selling prices result from the pass through of higher raw material costs to customers.

International irrigation revenues for the three months ended May 31, 2022 of $92.5 million increased $39.7 million, or 75 percent, from $52.8 million for the three months ended May 31, 2021. The increase resulted from a combination of higher average selling prices and higher unit sales volumes in most international markets. Revenues in Brazil more than doubled compared to the same prior year period. These increases are the result of positive market fundamentals and from the pass through of higher raw material costs. Also contributing were favorable effects of foreign currency translation of approximately $2.5 million compared to the same prior year period.

Infrastructure segment revenues for the three months ended May 31, 2022 of $25.6 million increased $3.8 million, or 17 percent, from $21.7 million for the three months ended May 31, 2021. The increase resulted from increased sales of Road Zipper Systems and road safety products, which were partially offset by lower Road Zipper System lease revenue.

Gross Profit

Gross profit for the three months ended May 31, 2022 of $61.7 million increased 40 percent from $44.1 million for the three months ended May 31, 2021. The increase in gross profit resulted primarily from higher revenues in both segments along with improved gross margin. Gross margin was 28.8 percent of sales for the three months ended May 31, 2022 compared with 27.2 percent of sales for the three months ended May 31, 2021. Irrigation gross margin increased primarily due to improved price realization while infrastructure gross margin decreased due to a less favorable margin mix of revenues and under absorbed fixed overhead costs.

Operating Expenses

Operating expenses of $26.5 million for the three months ended May 31, 2022 increased $3.8 million, or 17 percent, compared with $22.7 million for the three months ended May 31, 2021. The increase resulted primarily from higher incentive expense attributable to improved business results and higher travel related expenses compared to the same prior year period.

Other Income (Expense), net

The Company recorded other income of $0.4 million for the three months ended May 31, 2022 compared to other expense of $0.2 million for the three months ended May 31, 2021. The change resulted primarily from higher foreign currency transaction gains compared to the same prior year period.

Income Taxes

The Company recorded income tax expense of $10.5 million and $3.4 million for the three months ended May 31, 2022 and 2021, respectively. The effective income tax rate was 29.5 percent and 15.9 percent for the three months ended May 31, 2022 and 2021, respectively. The higher effective tax rate reflects an increased proportion of earnings in higher rate foreign jurisdictions in the current year period. In addition, the same prior year period benefited from the impact of larger discrete items.

For the Nine Months ended May 31, 2022 compared to the Nine Months ended May 31, 2021

The following section presents an analysis of the Company’s operating results displayed in the condensed consolidated statements of earnings for the nine months ended May 31, 2022 and 2021. It should be read together with the industry segment information in Note 13 to the condensed consolidated financial statements:

($ in thousands)	Nine months ended May 31, 2022	May 31, 2021	Percent Change
Consolidated			
Operating revenues	$ 580,547	$ 413,998	40%
Gross profit	$ 142,061	$ 116,638	22%
Gross margin	24.5%	28.2%	
Operating expenses (1)	$ 75,200	$ 71,954	5%
Operating income	$ 66,861	$ 44,684	50%
Operating margin	11.5%	10.8%	
Other expense, net	$ (2,625)	$ (2,087)	26%
Income tax expense	$ 16,696	$ 5,829	186%
Overall income tax rate	26.0%	13.7%	
Net earnings	$ 47,540	$ 36,768	29%
Irrigation Segment			
Segment operating revenues	$ 515,360	$ 346,104	49%
Segment operating income	$ 81,513	$ 52,603	55%
Segment operating margin	15.8%	15.2%	
Infrastructure Segment			
Segment operating revenues	$ 65,187	$ 67,894	-4%
Segment operating income	$ 6,869	$ 14,364	-52%
Segment operating margin	10.5%	21.2%	

(1) Includes $21.5 million and $22.3 million of corporate operating expenses for the nine months ended May 31, 2022 and 2021, respectively.

Revenues

Operating revenues for the nine months ended May 31, 2022 increased 40 percent to $580.5 million from $414.0 million for the nine months ended May 31, 2021, as irrigation revenues increased $169.3 million and infrastructure revenues decreased $2.7 million. The irrigation segment provided 89 percent of the Company's revenue during the nine months ended May 31, 2022 as compared to 84 percent for the nine months ended May 31, 2021.

North America irrigation revenues for the nine months ended May 31, 2022 of $275.6 million increased $55.3 million, or 25 percent, from $220.3 million for the nine months ended May 31, 2021. The increase resulted primarily from the impact of higher average selling prices which was partially offset by lower unit sales volume compared to the same prior year period. Demand for irrigation equipment is supported by favorable agricultural commodity prices and farm income, while higher average selling prices result from the pass through of higher raw material costs to customers.

International irrigation revenues for the nine months ended May 31, 2022 of $239.8 million increased $114.0 million, or 91 percent, from $125.8 million for the nine months ended May 31, 2021. The increase resulted from a combination of higher average selling prices and higher unit sales volumes in most international markets, namely Brazil, Middle East and Europe. These increases are the result of positive market fundamentals and from the pass through of higher raw material costs. Also contributing were favorable effects of foreign currency translation of approximately $0.7 million compared to the same prior year period.

Infrastructure segment revenues for the nine months ended May 31, 2022 of $65.1 million decreased $2.7 million, or 4 percent, from $67.9 million for the nine months ended May 31, 2021. The decrease resulted from lower Road Zipper System sales and lease revenue, which was partially offset by increased sales of road safety products.

Gross Profit

Gross profit for the nine months ended May 31, 2022 of $142.1 million increased 22 percent from $116.6 million for the nine months ended May 31, 2021. The increase in gross profit resulted from higher irrigation segment revenues that were partially offset by lower infrastructure segment revenues. In addition, gross profit was reduced by the impact of higher costs of raw materials and other inputs, as well as approximately $8.8 million resulting from the impact of the LIFO method of accounting for inventory, of which $7.8 million impacted the irrigation segment and $1.0 million impacted the infrastructure segment. Under LIFO, higher raw material costs are recognized in cost of goods sold rather than in ending inventory values. Gross margin was 24.5 percent of sales for the nine months ended May 31, 2022 compared with 28.2 percent of sales for the nine months ended May 31, 2021. In addition to the factors noted above, lower gross margin in the current year period resulted in part from a higher proportion of irrigation revenues, which have a lower gross margin than infrastructure revenues, as compared to the same prior year period.

Operating Expenses

Operating expenses of $75.2 million for the nine months ended May 31, 2022 increased $3.2 million, or 5 percent, compared with $72.0 million for the nine months ended May 31, 2021. The increase resulted primarily from higher employee and travel related expenses, compared to the same prior year period. The prior year period also included a one-time expense of $1.5 million in equity awards related to the retirement of the Company's chief executive officer.

Other Expense, net

Other expense for the nine months ended May 31, 2022 increased $0.5 million compared to the nine months ended May 31, 2021. The change resulted primarily from higher foreign currency transaction losses compared to the same prior year period.

Income Taxes

The Company recorded income tax expense of $16.7 million and $5.8 million for the nine months ended May 31, 2022 and 2021, respectively. The effective income tax rate was 26.0 percent and 13.7 percent for the nine months ended May 31, 2022 and 2021, respectively. The higher effective tax rate reflects an increased proportion of earnings in higher rate foreign jurisdictions in the current year period. In addition, the same prior year period benefited from the impact of larger discrete items.

Liquidity and Capital Resources

The Company's cash, cash equivalents, and marketable securities totaled $95.7 million at May 31, 2022 compared with $140.5 million at May 31, 2021 and $146.7 million at August 31, 2021. The Company requires cash for financing its receivables and inventories, paying operating expenses and capital expenditures, and for dividends and share repurchases. The Company meets its liquidity needs and finances its capital expenditures from its available cash and funds provided by operations along with borrowings under its credit arrangements described below. The Company's investments in marketable securities are primarily comprised of United States government securities and investment grade corporate securities. The Company believes its current cash resources, investments in marketable securities, projected operating cash flow, and remaining capacity under its continuing bank lines of credit are sufficient to cover all its expected working capital needs, planned capital expenditures and dividends. The Company may require additional borrowings to fund potential acquisitions in the future.

The Company's total cash and cash equivalents held by foreign subsidiaries were approximately $37.5 million, $43.1 million, and $38.4 million as of May 31, 2022, May 31, 2021, and August 31, 2021, respectively. The Company considers earnings in foreign subsidiaries to be indefinitely reinvested and would need to accrue and pay incremental state, local, and foreign taxes if such earnings were repatriated to the United States. The Company does not intend to repatriate the funds and does not expect these funds to have a significant impact on the Company's overall liquidity.

Net working capital was $301.6 million at May 31, 2022, as compared with $273.5 million at May 31, 2021 and $277.9 million at August 31, 2021. Cash used in operating activities totaled $24.9 million during the nine months ended May 31, 2022, compared to cash provided by operating activities of $30.7 million during the nine months ended May 31, 2021. This change was primarily due to increases in receivables and inventories, both resulting from increased irrigation demand, that were partially offset by changes in other current liabilities, compared to the same prior year period.

Cash flows used in investing activities totaled $10.1 million during the nine months ended May 31, 2022 compared to $25.0 million during the nine months ended May 31, 2021. Purchases of marketable securities increased $5.4 million compared to the same prior year period. Purchases of property, plant, and equipment were $12.2 million, compared to $22.5 million in the same prior year period, which included $8.5 million for the purchase of land and buildings in Turkey.

Cash flows used in financing activities totaled $9.0 million during the nine months ended May 31, 2022 compared to cash flows used in financing activities of $8.1 million during the nine months ended May 31, 2021. The change was primarily the result of lower proceeds from the exercise of stock options compared to the same prior year period.

Capital Allocation Plan

The Company's capital allocation plan is to continue investing in revenue and earnings growth, combined with a defined process for enhancing returns to stockholders. Under the Company's capital allocation plan, the priorities for uses of cash include:

- Investment in organic growth including capital expenditures and expansion of international markets,
- Dividends to stockholders, along with expectations to increase dividends over time,
- Synergistic acquisitions that provide attractive returns to stockholders, and
- Opportunistic share repurchases taking into account cyclical and seasonal fluctuations.

Capital Expenditures

Capital expenditures for fiscal 2022 are expected to be between $15.0 million and $20.0 million, including equipment replacement, productivity improvements and new product development. The Company's management does maintain flexibility to modify the amount and timing of some of the planned expenditures in response to economic conditions.

Dividends

In the third quarter of fiscal 2022, the Company paid a quarterly cash dividend to stockholders of $0.33 per common share, or $3.6 million, compared to a quarterly cash dividend of $0.33 per common share, or $3.6 million, in the third quarter of fiscal 2021.

Share Repurchases

The Company's Board of Directors authorized a share repurchase program of up to $250.0 million of common stock with no expiration date. Under the program, shares may be repurchased in privately negotiated and/or open market transactions as well as under formalized trading plans in accordance with the guidelines specified under Rule 10b5-1 of the Securities Exchange Act of 1934, as amended. There were no shares repurchased during the nine months ended May 31, 2022 or 2021. The remaining amount available under the repurchase program was $63.7 million as of May 31, 2022.

Long-Term Borrowing Facilities

Senior Notes. The Company has outstanding $115.0 million in aggregate principal amount of Senior Notes, Series A (the "Senior Notes"). The entire principal of the Senior Notes is due and payable on February 19, 2030. Interest on the Senior Notes is payable semi-annually at a fixed annual rate of 3.82 percent. Borrowings under the Senior Notes are unsecured. The Company used the proceeds of the sale of the Senior Notes for general corporate purposes, including acquisitions and dividends.

Revolving Credit Facility. The Company has outstanding a $50.0 million unsecured Amended and Restated Revolving Credit Facility (the "Revolving Credit Facility") with Wells Fargo Bank, National Association ("Wells Fargo") expiring August 26, 2026. The Company intends to use borrowings under the Revolving Credit Facility for working capital purposes and to fund acquisitions. At May 31, 2022 and 2021, the Company had no outstanding borrowings under the Revolving Credit Facility. The amount of borrowings available at any time under the Revolving Credit Facility is reduced by the amount of standby letters of credit issued by Wells Fargo then outstanding. At May 31, 2022, the Company had the ability to borrow up to $50.0 million under the Revolving Credit Facility. The Revolving Credit Facility may be increased by up to an additional $50.0 million at any time, subject to additional commitment approval. The Revolving Credit Facility was amended to transition the benchmark rate from the London Interbank Offered Rate ("LIBOR") to the Secured Overnight Financing Rate ("SOFR"). Borrowings under the Revolving Credit Facility bear interest at a variable rate equal to the SOFR plus a margin of between 100 and 210 basis points depending on the Company's leverage ratio then in effect (which resulted in a variable rate of 2.14 percent at May 31, 2022), subject to adjustment as set forth in the loan documents for the Revolving Credit Facility. Interest is paid on a monthly to quarterly basis depending on loan type. The Company currently pays an annual commitment fee on the unused portion of the Revolving Credit Facility. The fee is between 0.125 percent and 0.2 percent on the unused balance depending on the Company's leverage ratio then in effect (which resulted in a fee of 0.125 percent at May 31, 2022).

Borrowings under the Revolving Credit Facility have equal priority with borrowings under the Company's Senior Notes. Each of the credit arrangements described above include certain covenants relating primarily to the Company's financial condition. These financial covenants include a funded debt to EBITDA leverage ratio and an interest coverage ratio. In the event that the loan documents for the Revolving Credit Facility were to require the Company to comply with any financial covenant that is not already included or is more restrictive than what is already included in the arrangement governing the Senior Notes, then such covenant shall be deemed incorporated by reference for the benefit of holders of the Senior Notes. Upon the occurrence of any event of default of these covenants, including a change in control of the Company, all amounts outstanding thereunder may be declared to be immediately due and payable. At May 31, 2022 and 2021, the Company was in compliance with all financial loan covenants contained in its credit arrangements in place as of each of those dates.

Series 2006A Bonds. Elecsys International LLC, a wholly owned subsidiary of the Company, has outstanding $1.0 million in principal amount of industrial revenue bonds that were issued in 2006 (the "Series 2006A Bonds"). Principal and interest on the Series 2006A Bonds are payable monthly through maturity on September 1, 2026. The interest rate is adjustable every five years based on the yield of the 5-year United States Treasury Notes, plus 0.45 percent (1.72 percent as of May 31, 2022). This rate was adjusted on September 1, 2021 in accordance with the terms of the bonds, and the adjusted rate will be in force through maturity. The obligations under the Series 2006A Bonds are secured by a first priority security interest in certain real estate.

Contractual Obligations and Commercial Commitments

There have been no material changes in the Company's contractual obligations and commercial commitments as described in the Company's Annual Report on Form 10-K for the fiscal year ended August 31, 2021.

ITEM 3 – Quantitative and Qualitative Disclosures About Market Risk

There have been no material changes from the Company's quantitative and qualitative disclosures about market risk previously disclosed in the Company's most recent Annual Report on Form 10-K. See discussion of the Company's quantitative and qualitative disclosures about market risk under Part II, Item 7A in the Company's Annual Report on Form 10-K for the fiscal year ended August 31, 2021.

ITEM 4 – ***Controls and Procedures***

Disclosure Controls and Procedures

The Company carried out an evaluation under the supervision and the participation of the Company's management, including the Company's Chief Executive Officer (CEO) and Chief Financial Officer (CFO), of the effectiveness of the design and operation of the Company's disclosure controls and procedures pursuant to Exchange Act Rules 13a-15(e) and 15d-15(e). Based upon that evaluation, the CEO and CFO concluded that the Company's disclosure controls and procedures were effective as of May 31, 2022.

Changes in Internal Control over Financial Reporting

The CEO and CFO determined that there has not been any significant change to the Company's internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) during the last fiscal quarter that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

Part II – OTHER INFORMATION

ITEM 1 – *Legal Proceedings*

See the disclosure in Note 8 – Commitments and Contingencies to the condensed consolidated financial statements set forth in Part I, Item 1 of this Quarterly Report on Form 10-Q, which disclosure is hereby incorporated herein by reference.

ITEM 1A – *Risk Factors*

There have been no material changes from risk factors previously disclosed in the Company's most recent Annual Report on Form 10-K. See the discussions of the Company's risk factors under Part I, Item 1A in the Company's Annual Report on Form 10-K for the fiscal year ended August 31, 2021.

ITEM 2 – *Unregistered Sales of Equity Securities and Use of Proceeds*

None.

ITEM 3 – *Defaults Upon Senior Securities*

None.

ITEM 4 – *Mine Safety Disclosures*

Not applicable.

ITEM 5 – *Other Information*

None.

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ITEM 6 – ***Exhibits***

Exhibit No.	Description
3.1	Restated Certificate of Incorporation of the Company, incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K filed on December 14, 2006.
3.2	Amended and Restated By-Laws of the Company, effective October 17, 2018, incorporated by reference to Exhibit 3.1 of the Company's Current Report on Form 8-K filed on October 19, 2018.
4.1	Specimen Form of Common Stock Certificate, incorporated by reference to Exhibit 4(a) of the Company's Quarterly Report on Form 10-Q for the fiscal quarter ended November 30, 2006.
10.1	Lindsay Corporation Nonqualified Deferred Compensation Plan, incorporated by reference to Exhibit 10.1 of the Company's Current Report on Form 8-K filed on May 3, 2022. †
10.2	Lindsay Corporation Nonqualified Deferred Compensation Plan Adoption Agreement, incorporated by reference to Exhibit 10.1 of the Company's Current Report on Form 8-K filed on May 3, 2022. †
31.1*	Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 18 U.S.C. Section 1350.
31.2*	Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 18 U.S.C. Section 1350.
32.1*	Certification of Chief Executive Officer and Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 18 U.S.C. Section 1350.
101*	Interactive Data Files pursuant to Rule 405 of Regulation S-T formatted in Inline Extensible Business Reporting Language ("Inline XBRL").
104*	Cover Page Interactive Data File (formatted in Inline XBRL and contained in Exhibit 101).

† Management contract or compensatory plan or arrangement required to be filed as an exhibit hereto pursuant to Item 6 of Part II of Form 10-Q.

* Filed herein.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized on this 30th day of June 2022.

	LINDSAY CORPORATION
By:	/s/ BRIAN L. KETCHAM
Name:	Brian L. Ketcham
Title:	*Senior Vice President and Chief Financial Officer*
	(on behalf of the registrant and as principal financial officer)

EXHIBIT 31.1

CERTIFICATION

I, Randy A. Wood, certify that:

1.I have reviewed this quarterly report on Form 10-Q of Lindsay Corporation;

2.Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3.Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4.The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a)Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b)Designed such internal control over financial reporting, or caused internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c)Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d)Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5.The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a)All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b)Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ RANDY A. WOOD	President and Chief Executive Officer
Randy A. Wood	June 30, 2022

EXHIBIT 31.2

CERTIFICATION

I, Brian L. Ketcham, certify that:

1.I have reviewed this quarterly report on Form 10-Q of Lindsay Corporation;

2.Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3.Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4.The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a)Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b)Designed such internal control over financial reporting, or caused internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c)Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d)Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5.The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a)All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b)Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ BRIAN L. KETCHAM	Senior Vice President and Chief Financial Officer
Brian L. Ketcham	June 30, 2022

EXHIBIT 32.1

CERTIFICATION

In connection with the accompanying Quarterly Report on Form 10-Q (the "Report") of Lindsay Corporation (the "Company") for the quarter ended May 31, 2022, I, Randy A. Wood, Chief Executive Officer of the Company and I, Brian L. Ketcham, Chief Financial Officer of the Company, hereby certify pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, to my knowledge, that:

(1)the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2)the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ RANDY A. WOOD
Randy A. Wood
President and Chief Executive Officer

/s/ BRIAN L. KETCHAM
Brian L. Ketcham
Senior Vice President and Chief Financial Officer

June 30, 2022

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.