

# M&A Market Activity

Aggregates Industry Update

FYE 2022



March 2023

Member  
FINRA/SIPC

**Griffin** Financial  
Group

## Disclaimer

Any projections or recommendations contained herein involve many assumptions regarding trends, company-specific operating characteristics, financial market perceptions and the general state of the economy as well as internal factors within management control, such as capital investment. As such, any projections contained herein represent only one of an infinite number of outcomes and should not be construed as the only possible outcome.

The information contained in this presentation and attached exhibits have been obtained from sources that are believed to be reliable. Griffin makes no representations or warranties as to the accuracy or completeness of the information herein.

All terms and conditions contained herein are based upon current market conditions and are estimates based upon prevailing market rates. Any or all estimates may or may not change as market conditions dictate. As such, any or all terms and conditions presented herein are preliminary in nature and should not be construed, either in whole or in part, as a commitment to perform or provide any specific services. Any and all services that may be provided by Griffin or any other entity referred to in this discussion outline will be contingent upon the signing of a proposal or contract.

Griffin does not provide legal, tax or accounting advice. Any statement contained in this communication (including any attachments) concerning U.S. tax matters was not intended or written to be used, and cannot be used, for the purpose of avoiding penalties under the Internal Revenue Code, and was written to support the promotion or marketing of the transaction(s) or matter(s) addressed. Clients of Griffin should obtain their own independent tax and legal advice based on their particular circumstances.



## Table of Contents

- 4. Introduction
- 6. Griffin Case Studies
- 9. Key Trends in the Aggregate Industry
- 14. Select U.S. Public Company Analysis
- 16. Select International Public Company Analysis
- 17. Construction Materials Economic Heat Map
- 18. Aggregate Industry M&A Highlights
- 19. Select M&A Transaction Analysis
- 22. Aggregate Material Volume and Prices
- 23. Construction Materials Experience
- 25. Appendix

## Contact Our Aggregates and Construction Materials Experts



### **John A. Lee**

Head, Commercial, Industrial and Services  
(CIS)  
610-205-6106  
[john.lee@griffinfinancialgroup.com](mailto:john.lee@griffinfinancialgroup.com)



### **Andrew D. Rudner**

Vice President  
610-205-6102  
[andrew.rudner@griffinfinancialgroup.com](mailto:andrew.rudner@griffinfinancialgroup.com)

## Introduction

In this quarterly report, Griffin Financial Group provides analysis and commentary on capital markets and valuation trends, mergers & acquisitions (M&A), and market research within the aggregates and construction materials industry. It should be noted that this analysis and research only focuses on companies that produce crushed stone, sand, or gravel, hot mix asphalt, or ready-mix concrete, and may or may not have downstream construction operations. Throughout the report, these products and companies will be referred to colloquially as “aggregates”. Producers of veneer stone, landscaping stone, or dimension stone have been excluded from the analysis.

Griffin Financial Group is an investment bank that provides merger and acquisition advisory, capital raising, ESOP, management buyout, structured finance and strategic consulting services to the business services, commercial/industrial, financial institutions, health care, insurance, private equity, retail and technology sectors, in addition to assisting businesses facing special situations. Griffin is part of a multidisciplinary family of companies with over 250 employees

## Investment Banking Services Include:

### M&A Advisory Services

- Sale and merger transactions (sell side)
- Acquisitions (buy side)
- Recapitalizations
- Management buyouts
- Divestitures
- Going private transactions

### Capital Raise Services

- Senior debt
- Subordinated debt
- Equity capital
- Bridge Loans
- Units of limited partnership interests on behalf of financial sponsors
- Secondary investment and co-investments advisory

### Consulting Services

- Strategic alternatives studies
- Review of strategic and business plans
- Outsourced corporate development
- Capital planning alternatives
- Capital study and analysis
- Review of capital plans

### Deal size parameters: M&A

- Smallest: \$15 million
- Typical: \$25-100 million
- Largest: \$800 million

### Deal size parameters: Capital Markets

- Smallest: \$5 million
- Typical: \$10-50 million
- Largest: \$2.3 billion

## Platform Affiliated Businesses

# Stevens & Lee

**SES** ESOP  
Strategies

**FSL** Public  
Finance

**GSL** Government  
Consulting

**Reliance** Search and  
Settlement

Stevens & Lee  
**Public Affairs**

**Pinnacle** Risk  
Services

**Griffin** Financial  
Group

## Griffin Case Studies: Aggregates Producer



Was acquired by



September 2022

### Key Transaction Points

- ◆ Union Quarries, Inc. (“Union” or the “Company”) is a privately held aggregates producer headquartered in Carlisle, PA, and has been providing crushed stone, asphalt and ready-mix concrete to the central Pennsylvania market since 1961
- ◆ Its customers consist of regional contractors engaged in a variety of building construction, paving, road construction and related infrastructure projects
- ◆ Over the course of the past decade, senior management at Union was able to significantly expand operational efficiencies and capacities through organic growth initiatives
- ◆ After being owned equally by two families for more than 60 years, one of the family shareholder groups elected to seek liquidity
- ◆ The selling Union shareholder group engaged Griffin Financial Group, LLC as its investment banker to assist in the sale of their 50% equity stake in the Company
- ◆ Griffin managed a competitive sale process involving a select group of strategic buyers, which ultimately resulted in the remaining family shareholder group electing to sell their shares as well, and engaged Griffin for that purpose
- ◆ Ultimately, 100% of the Company’s equity was sold to York Building Products Co., Inc., a strategic competitor based in York, PA

**Union Quarries, Inc.**

**Transaction Type:** Sell-Side Advisory

**Industry:** Aggregates Producer



## Griffin Case Studies: Aggregates Producer



Was acquired by



April 2021

### Key Transaction Points

- ◆ Hempt Bros., Inc. (“Hempt” or “the Company”) is a privately held, regional highway/roadway infrastructure materials producer and construction services company based in Camp Hill, PA
- ◆ The Company produces a variety of construction materials, including stone, sand, asphalt, and concrete. These materials are produced at three active quarries. It also offers road construction, paving, and other services
- ◆ After successfully operating for almost a century as a family business, the Company’s shareholder group elected to seek liquidity
- ◆ Griffin was engaged by Hempt as its exclusive investment banker to solicit interest in acquiring the Company
- ◆ Despite the pandemic and associated government shutdowns significantly impacting construction projects, Griffin managed a competitive sale process involving a select group of domestic and international strategic buyers, which ultimately resulted in Hempt being sold to New Enterprise Stone & Lime Co., Inc., a strategic competitor based in New Enterprise, PA

**Hempt Bros., Inc.**

**Transaction Type:** Sell-Side Advisory

**Industry:** Aggregates Producer & Construction Services

## Griffin Case Studies: Construction Materials

### 2022 In Process Transaction

#### Key Transaction Points

- ◆ The Company is a manufacturer of precast, tilt-up, and poured-in-place concrete wall molds and formliners used to create architectural panels
- ◆ The formliners come in several shapes and designs and can produce a variety of results on precast concrete. The forms can be single-use or reusable
- ◆ The Company is headquartered in the mid-Atlantic U.S. and its products are used in civil and commercial construction projects including highways, parking garages, institutional buildings, offices, hospitals, and stadiums

#### **Precast Concrete Mold Manufacturer**

**Transaction Type:** Sell-Side Advisory

**Industry:** Construction Materials & Services

### 2022 In Process Transaction

#### Key Transaction Points

- ◆ The Company is a manufacturer of precast concrete wall systems used to build foundations for residential homes
- ◆ The Company also provides related support services including drafting, transportation of molds, installation and inspection. The Company has sold and installed over 40,000 foundations
- ◆ The Company is headquartered in the northeast U.S. and its primary customers are residential builders that construct detached, single-family homes

#### **Precast Concrete Manufacturer**

**Transaction Type:** Sell-Side Advisory

**Industry:** Construction Materials & Services



## Key Trends in the Aggregates Industry

### The Aggregates Industry Still Has Significant Tailwinds, Despite a Weak Macroeconomic Outlook

- ◆ Investments in our nation's infrastructure maintains broad public support, a trend that has significantly enhanced the level of federal, state, and local investment, which should result in multi-year demand for aggregate products, supporting the basis for continued upward pricing momentum for producers through the remainder of 2023
  - The Infrastructure, Investment, and Jobs Act ("IIJA") provided the largest increase to the federal-aid highway fund since the late 1950's, allocating ~\$365 billion in investment in highway programs through September 2026
  - Additionally, the Inflation Reduction Act ("IRA") and the CHIPS and Science Act ("CHIPS") are expected to generate additional demand for building products needed for nonresidential construction, but there are stipulations that certain tax benefits of the IRA are only available for firms that ensure Davis-Bacon Act prevailing wages are paid to workers on qualifying projects<sup>1</sup>
  - In December 2022, President Biden signed the 2023 fiscal spending package, which included the Cornyn-Padilla amendment, allowing states and local municipalities to use unused COVID-19 relief dollars for infrastructure projects<sup>2</sup>
  - During the November 2022 election, voters nationwide approved 88% of 380 transportation-related state and local ballot initiatives, representing approximately \$20 billion of additional infrastructure funding<sup>3</sup>
- ◆ Funding from proposed policies has begun to be allocated to 2023 budgetary resources, but it is important to note that actual infrastructure spending is more volatile, and largely dependent on project timing
- ◆ Rising construction costs, home prices, and interest rates have been a drag on single-family starts, as well as public valuations of producers, but strong investment in multi-family, as well as infrastructure and commercial projects will largely insulate aggregate shipments from softer residential markets
  - Additionally, the underlying demographics and employment growth for certain markets continue to support household formation and the growing need for additional housing in the future
- ◆ Although capital markets were in turmoil for much of 2022 with inflation at a 40-year high, the aggregates industry demonstrated greater resilience than the broader market as many producers were able to offset margin compression with consistent, double digit price increases across all materials in the year
  - The outlook for 2023 continues to be positive as companies are expected to maintain, or even enhance, profitability with additional price increases that have been announced or will be in 2023

## Key Trends in the Aggregates Industry

### Unlike Broader Capital Markets, M&A Activity and Valuation Multiples in the Aggregates Industry Held Strong Through the Remainder of 2022

- ◆ Given the capital-intensive nature of the industry, strategic buyers have driven most the M&A activity announced in the fourth quarter of 2022, accounting for almost all acquisitions
- ◆ M&A transaction volume continued at a blistering pace in 2022, but pulled back slightly in the second half of the year
  - Despite any slowdown, activity level still outpaced historical levels as premiums paid for companies with above-average profitability and assets continue to lead private business owners to consider a liquidity event
  - As funding continues to be allocated from the IIJA and the market continues to gain a deeper understanding of the legislation, multiples have normalized from 2021 peaks, indicating that many of the tailwinds announced in 2021 may have been fully priced into public markets
- ◆ Major crushed stone producers in the industry continue to divest of noncore, downstream businesses which tend to be more cyclical and project-based, yielding lower valuations
  - However, smaller, privately owned producers and private equity firms have demonstrated a willingness to step in and make acquisitions to capitalize on favorable tailwinds within the construction materials industry
- ◆ Privately owned construction materials companies like Smyrna Ready Mix, LLC (“SRM”), Cheney Enterprises, Inc., and Rogers Group Inc. continue to be active acquirers as they aim to roll-up certain regions or subsectors within the aggregates industry
  - SRM had a busy year in 2022, announcing 11 acquisitions of ready-mix producers, gaining an additional ~100 plants across Colorado, Florida, New Jersey, New York, North Carolina, Pennsylvania Texas, and Wyoming
- ◆ Although PE and-PE backed strategic buyers continue to account for the minority of total M&A activity, 2022 saw several firms, including MAG Capital Partners and Soundcore Capital Partners complete their first acquisitions of asphalt and concrete services providers
  - Additionally, SCF Partners, Harbor Beach Capital, and Shoreline Equity Partners continue to make add-on acquisitions via established platform companies including Capital Sand Proppants, Atlantic Southern Paving and Sealcoating, and Paving Partners
- ◆ M&A activity is expected to continue to be strong through 2023, but buyers will be highly selective of acquisition opportunities and only execute deals for companies in markets and customer exposure with proven success

## Key Trends in the Aggregates Industry

### Environmental, Safety, and Governance (“ESG”) Initiatives Continue to Play a Role in Capital Markets Strategies

- ◆ Cement production is one of the highest-emitting industries accounting for 7% of all global CO<sub>2</sub> emissions, with clinker accounting for most emissions in the process<sup>4</sup>. As a result, many producers have been making more private placements, minority investments, and forays into venture capital to focus on developing substitutes for clinker
  - Several European producers, including CRH, Holcim, HeidelbergCement, and Cemex have all launched venture capital or incubator/accelerator programs which aim to invest in sustainable building technologies including low carbon cement mixes, 3D printing, and tech-enabled services
  - In November 2022, CRH Ventures announced it made an investment in AICrete, a “recipe-as-a-service” platform that uses data and artificial intelligence (“AI”) to optimize local materials and minimize the amount of cement used. This reduces both the carbon footprint, as well as the cost of production<sup>5</sup>
  - U.S.-based producers have not gone as far as establishing separate venture subsidiaries, but many pursue private placement investments in similar start-ups. Biomason, Inc., a producer of biocement materials grown from microorganisms secured \$65 million in series C funding from investors, including Martin Marietta in 2022<sup>6</sup>
- ◆ Companies have also turned to acquiring asphalt and concrete recycling operations to achieve ambitious self-imposed climate targets
  - Recycling demolition waste helps preserve natural aggregate sources, which has become a necessity as greater environmental protections have made permitting new greenfield sites harder, or in markets where there is a low supply of natural material
  - There were several acquisitions of recycled aggregate and concrete producers, including, but not limited to JEV Recycling, Inc., Cornejo & Sons, Recycled Aggregate Materials Company, Inc. (“RAMCO”), Varra Companies, Inc., and Horsfield Construction, Inc.
- ◆ Aggregate producers, especially those with extensive cement or concrete operations, have launched sustainability-linked bonds which aim to meet specific CO<sub>2</sub> emissions standards
  - In January 2023, Heidelberg Materials placed its first sustainability-linked 10-year bond with a fixed rate of 3.75% and volume of €750 million, which was oversubscribed 4.6x upon issue. If the company is unable to reduce CO<sub>2</sub> emissions within the defined period and in the specified amount, a donation must be made to a non-profit organization promoting biodiversity



## Key Trends in the Aggregates Industry

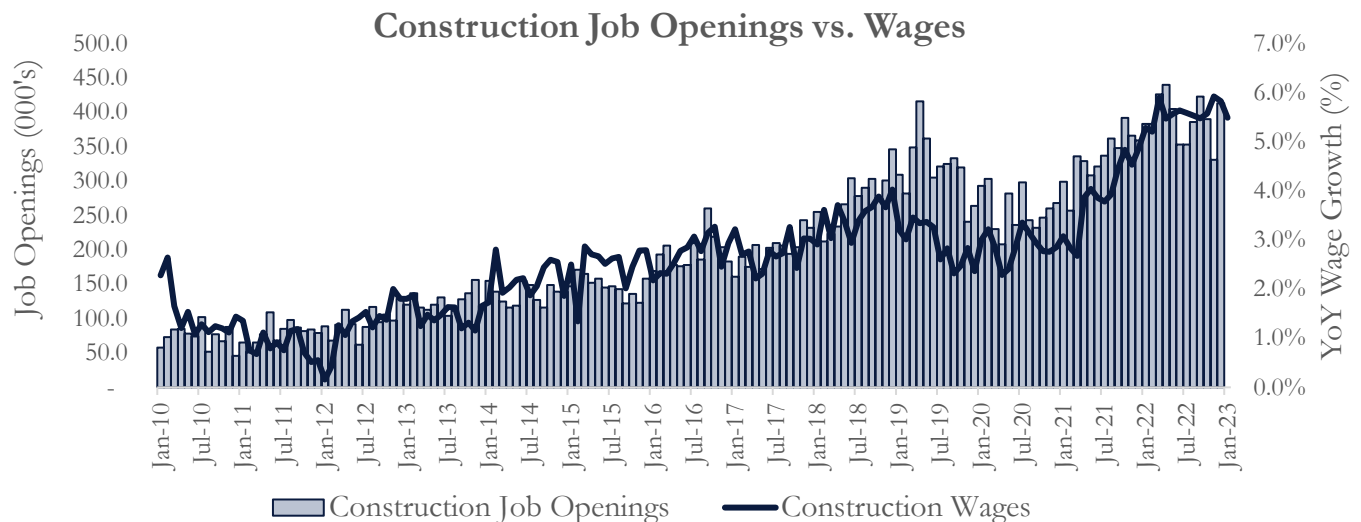
### Cement Producers Continue to Experience Robust Demand and Tight Supply Amid Sold-Out Conditions

- ◆ Customers have largely accepted price increases as producers continue to face cement shortages, which spread from a few sunbelt states in 2021 to 43 in October 2022<sup>7</sup>
  - Producers, including Martin Marietta, Summit Materials, and Eagle Materials all announced double digit increases in cement average sales prices (“ASPs”), ranging from ~\$15.00 to \$21.00/ton, year-over-year
- ◆ Although this has given cement producers extraordinary pricing power in the market, this has also capped sales volume of aggregates and ready-mixed concrete
- ◆ The cement shortage is driven by several factors, including:
  - Unreasonably warm and dry weather in winter 2021 extended the construction season later, but also resulted in producers being too busy to build inventories needed to meet demand in peak seasons
  - Production capacity is constrained as cement is only manufactured and distributed from ~105 production facilities in the U.S.
  - The transition to renewable energy has significantly reduced the fly ash market, a primary binding material added to structural concrete that gives it strength and durability, as the shutdown of several coal-fired powerplants are no longer producing it as a byproduct
- ◆ Following continued research, testing, and approval of new Portland-limestone cement (“PLC”) by almost all state transportation authorities, many producers have completed or announced plans to transition to PLC to increase production capacity
  - By the end of 2022, several producers, including Buzzi Unicem, Titan America, and Summit Materials, all converted their U.S.-based cement plants to producing PLC<sup>8,9,10</sup>
  - In addition, Argos announced that its Roberta Plant in Calera, AL had transitioned 100% to producing PLC, and expects to convert all plants by the end of 2023<sup>11</sup>
- ◆ More and more producers have been able to convert operations to PLC production, reflecting that at least some of the supply chain bottlenecks for parts and mechanical components have improved since the beginning of 2022
  - It is expected that additional cement supply will be provided with capacity added to existing facilities and less unplanned downtime in 2023 due to PLC conversion projects

## Key Trends in the Aggregates Industry

### Aggregate Producers are Starting to See Some Relief From Inflationary Pressures, But Both Labor Market Dynamics and Supply Chains Remain Fragile

- ◆ There are still approximately twice as many construction job openings in December 2022 (413,000) as compared to a pre-pandemic 5-year average of monthly openings from 2015 – 2019 (227,330)
  - The Associated Builders and Contractors' ("ABC") Construction Backlog Index is currently 9.0 months in January 2023 and is well above pre-pandemic levels due to a widening labor shortage
- ◆ With new funding from the IIJA, IRA, and CHIPS Act, there has been an influx of demand for building materials, as well as infrastructure, commercial, and utility construction services, which may result in longer construction delays and higher project costs as competition for hiring and retaining top talent increases
  - There may not be enough employees to meet the increase in demand as lower rates of apprenticeship after the 2008 Global Financial Crisis ("GFC") and lower net migration have caused a widening labor shortfall in the U.S. construction industry
  - Historical data shows that the total number of job openings is highly correlated with wage inflation, indicating that the additional jobs expected to be created with the IIJA could further oversaturate the market, resulting in reduced purchasing power of federal stimulus programs
- ◆ Supply chains remain fragile and can be easily disrupted by escalating tensions between the U.S. and China, natural disasters, such as hurricanes, flooding, or freezing weather, or labor disruptions such as strikes or lockouts of trucking, rail, or port workers
  - However, contractor confidence in sales, profit margins, and staffing levels are at their highest levels since the beginning of 2022, reflecting that industry participants believe that their fully booked backlogs, coupled with an abundance of new federal funding, should help offset the impact of rising material prices and delays caused by labor constraints

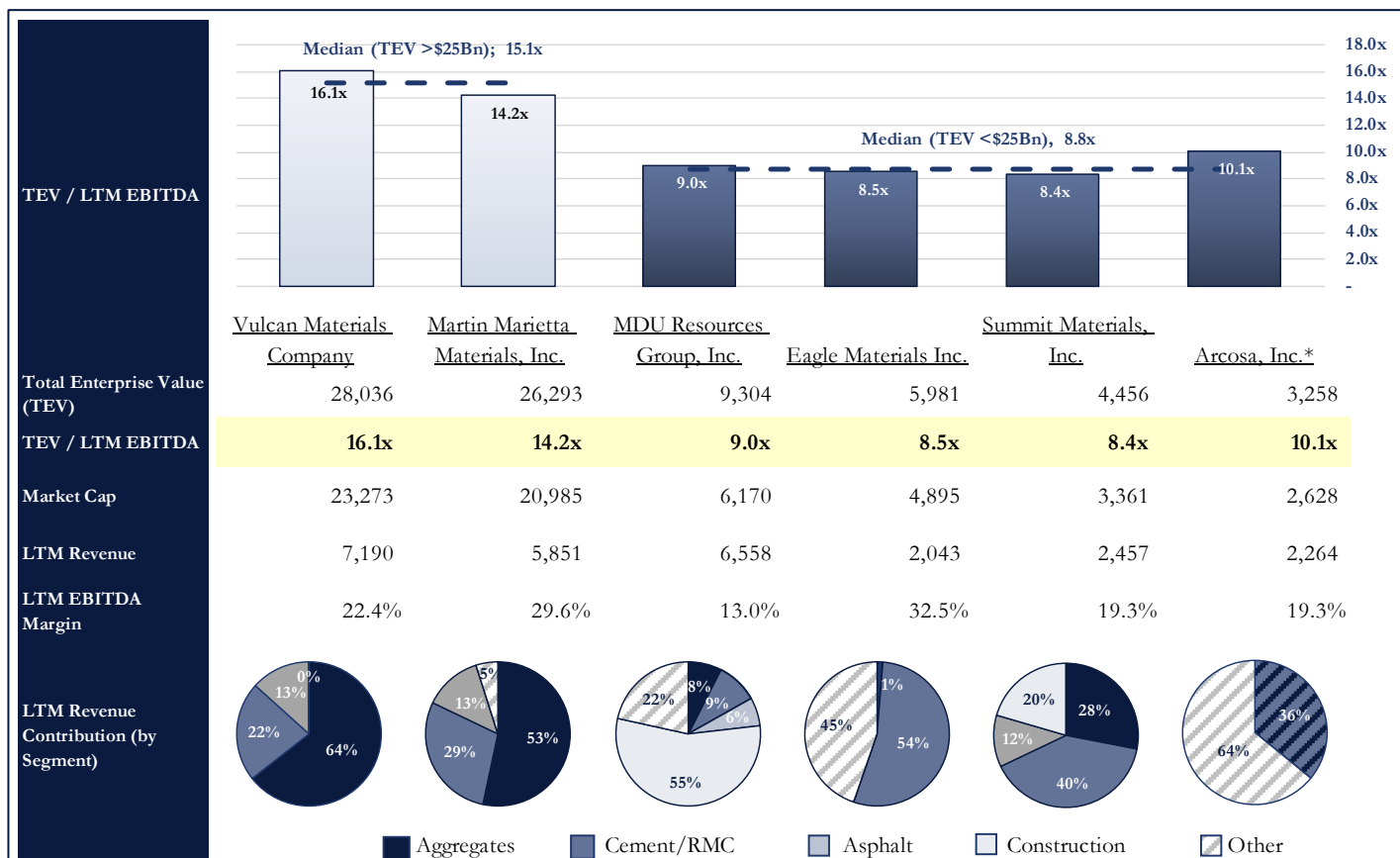


Source: Bureau of Labor Statistics, January 2023, Job Openings Labor Turnover Survey ("JOLTS") & The Employment Situation

# Select U.S. Public Companies Analysis

## Recent Median EBITDA Valuations of U.S. Publicly Traded Companies Equaled 9.5x

- There is a noticeable valuation premium given to companies with enterprise values of \$10 billion or more. In addition, part of the premium for Vulcan Materials and Martin Marietta is driven by the companies' aggregate focused business models
- Upstream aggregates businesses tend to warrant higher valuation multiples as prohibitively high start up costs and regulations provide the industry with several barriers to entry for market participants, providing greater pricing power
  - Crushed stone businesses tend to have higher margins and better profitability than ready-mix producers or construction contractors, which are more susceptible to price swings for input materials
  - If too much of the business' revenue and EBITDA is generated from downstream construction operations, this will begin to dilute the enterprise value of the company



Note: Aggregates, Cement/RMC, and Asphalt figures based on reported revenue by segment in each company's most recent 10Q; Arcosa does not disaggregate revenue from building products among aggregates, ready-mix, and asphalt

Source: Capital IQ, PitchBook, Griffin Financial Group Research

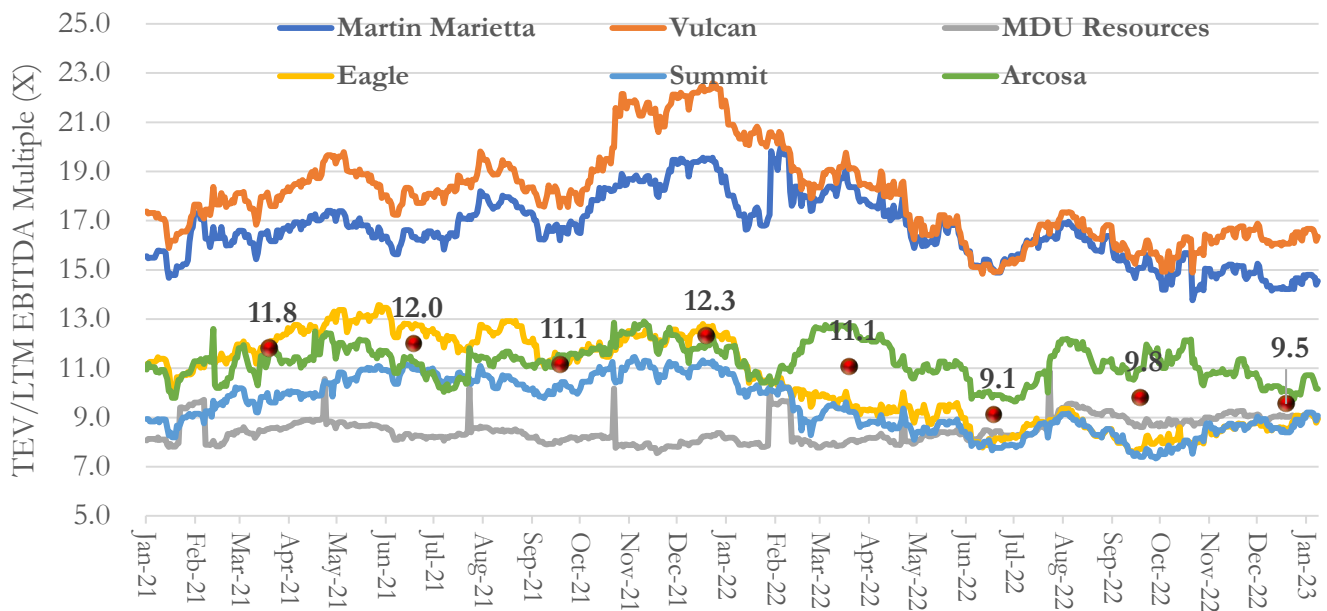


## Select U.S. Public Companies Analysis (Cont.)

### Valuations of Publicly Traded Companies Have Continued to Rebound From Recent Trough in 2Q 2022, But 4Q 2022 Multiples Remain Below 2021 Average

- Valuation multiples decreased 26.0% from peak levels in December of 2021, to trough in June 2022, following the broader contraction of public equity markets
- Multiples have rebounded 4.4% over the last six months as allocated funds from the IIJA began to be distributed in July 2022
- It is expected that as companies such as Martin Marietta and Vulcan Materials divest of underperforming assets to focus on higher margin, upstream operations, multiples should expand with EBITDA margins
- Additionally, favorable macroeconomic tailwinds should provide support for continued momentum to increase ASPs on aggregates, leading to continued revenue growth if production volume remains at current levels
- Valuation multiples expanded in 4Q 2021 leading up to the announcement of the IIJA's passage, which could reflect that any premiums investors are willing to pay has already been priced in during 2021
- Multiples expanded again in July 2022 when Key Notices of Funding Opportunity (NOFOs) had been released for portions of the bill that fund projects in the transportation, broadband, energy, and environmental sectors

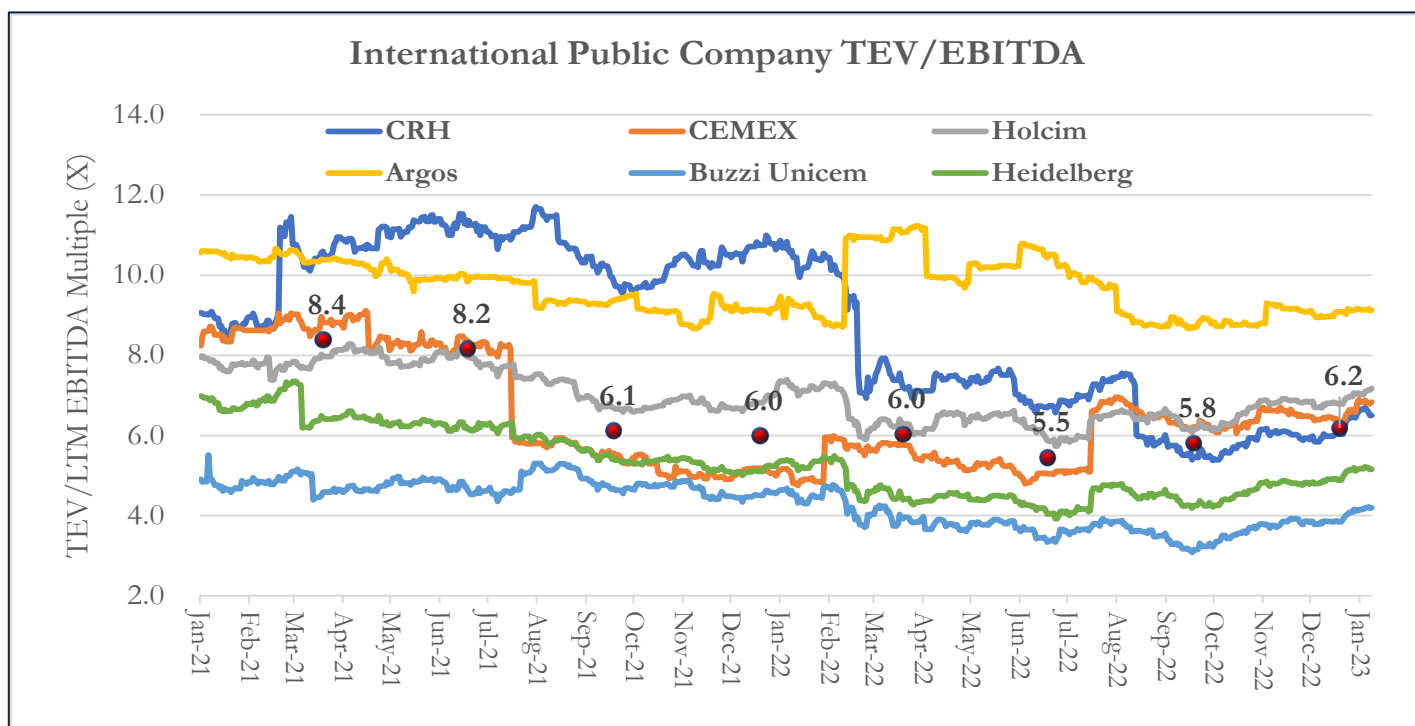
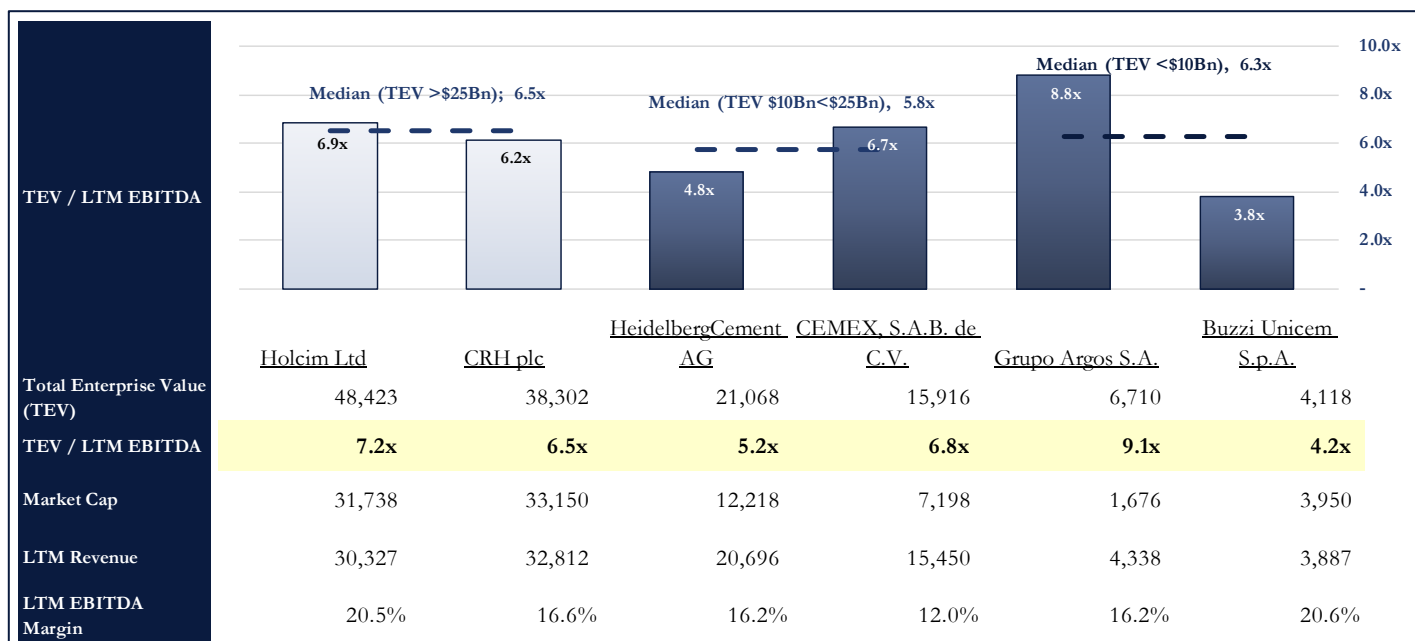
#### U.S. Public Company TEV/EBITDA



Source: Capital IQ, PitchBook, Griffin Financial Group Research

## Select International Public Companies Analysis

**EBITDA Valuation Multiples for International Companies Lag Their U.S. Peers at 6.2x. Many of These Producers Are Predominantly Ready-Mix Concrete Producers or Provide Construction Services, Which Tend to Yield a Lower EBITDA Multiple**



Source: Capital IQ, PitchBook, Griffin Financial Group Research

# Construction Materials Economic Heat Map

Construction Materials End-Use Markets Demand Heatmap

	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23
<b>General</b>													
ABI Billings	51	51.3	58	56.5	53.5	53.2	51	53.3	51.7	47.7	46.6	47.5	49.3
YoY Pct. Change	13.6%	-3.8%	4.3%	-2.4%	-8.5%	-6.8%	-6.6%	-4.1%	-8.7%	-12.2%	-8.6%	-8.7%	-3.3%
Dodge Momentum Index	151.90	160.30	155.00	165.20	173.10	173.60	174.00	173.40	182.20	199.70	207.20	222.20	
YoY Pct. Change	9.2%	7.6%	3.7%	1.2%	-1.1%	5.3%	13.0%	17.2%	10.7%	12.1%	21.4%	35.7%	n/a
Total Construction Spending	1,726.6	1,753.1	1,768.2	1,780.9	1,793.8	1,803.8	1,817.9	1,797.8	1,807.5	1,808.3	1,840.3	1,827.5	1,825.7
YoY Pct. Change	9.0%	11.7%	10.5%	10.7%	10.6%	10.8%	11.0%	9.5%	10.7%	10.0%	10.5%	8.7%	5.7%
ABC Backlog	8.00	8.00	8.30	8.80	9.00	8.90	8.70	8.70	9.00	8.80	9.20	9.20	9.00
YoY Pct. Change	6.7%	-2.4%	6.4%	11.4%	12.5%	4.7%	2.4%	13.0%	18.4%	8.6%	9.5%	12.2%	12.5%
Regular Gasoline (All Formulations)	3.32	3.52	4.22	4.11	4.44	4.93	4.56	3.98	3.70	3.82	3.69	3.21	3.34
YoY Pct. Change	42.0%	40.6%	50.2%	43.8%	48.9%	60.9%	45.4%	25.9%	16.5%	15.9%	8.5%	-2.9%	0.7%
Diesel	3.72	4.03	5.11	5.12	5.57	5.75	5.49	5.01	4.99	5.21	5.26	4.71	4.58
YoY Pct. Change	38.9%	41.6%	62.0%	63.6%	73.2%	75.1%	64.3%	49.6%	47.5%	44.3%	41.0%	29.5%	22.9%
WTI Crude	86.51	97.13	117.25	104.58	113.34	122.71	111.93	100.45	89.76	93.33	91.42	80.92	82.50
YoY Pct. Change	58.0%	56.0%	79.3%	61.4%	65.4%	67.7%	48.9%	42.0%	20.5%	11.7%	12.8%	9.1%	-4.6%
Brent Crude	83.22	91.64	108.50	101.78	109.55	114.84	101.62	93.67	84.26	87.55	84.37	76.44	78.12
YoY Pct. Change	60.0%	55.2%	74.1%	64.9%	68.1%	60.9%	40.2%	38.3%	17.6%	7.4%	6.6%	6.6%	-6.1%
<b>Residential</b>													
New Housing Permits	1,841.0	1,857.0	1,879.0	1,823.0	1,695.0	1,696.0	1,685.0	1,542.0	1,564.0	1,512.0	1,351.0	1,337.0	1,339.0
YoY Pct. Change	-0.1%	6.5%	6.0%	3.3%	0.2%	2.1%	1.8%	-13.0%	-3.2%	-11.0%	-21.9%	-29.5%	-27.3%
New Housing Starts	1,666.0	1,777.0	1,716.0	1,805.0	1,562.0	1,575.0	1,377.0	1,508.0	1,465.0	1,426.0	1,419.0	1,371.0	1,309.0
YoY Pct. Change	4.0%	24.3%	0.3%	19.9%	-2.7%	-5.3%	-12.5%	-4.3%	-6.0%	-8.8%	-16.8%	-22.5%	-21.4%
ABI Billings - Residential	50.1	52.6	57.2	57.2	54.5	52.6	52.8	52	47.9	46.1	46.1	44.3	45.9
YoY Pct. Change	12.8%	8.9%	8.7%	0.5%	-8.4%	-9.2%	-3.5%	-4.2%	-14.6%	-17.4%	-10.3%	-10.0%	-8.4%
Construction Spending - Residential	890.8	912.0	929.0	940.6	954.5	946.8	937.0	905.1	889.0	874.1	869.3	861.7	856.9
YoY Pct. Change	19.6%	22.0%	21.0%	20.6%	19.6%	17.1%	14.9%	10.3%	8.0%	5.8%	4.4%	1.1%	-3.8%
Mtg. Rates - 30 Year Fixed	3.5	3.8	4.2	5.0	5.2	5.5	5.4	5.2	6.1	6.9	6.8	6.4	6.3
YoY Pct. Change	25.9%	33.8%	35.4%	62.7%	76.7%	85.2%	88.5%	83.8%	110.7%	124.8%	121.8%	105.2%	81.7%
Mtg. Rates - 5/1 ARM	2.6	2.9	3.2	3.7	4.1	4.3	4.3	4.4	4.9	5.7			
YoY Pct. Change	-10.5%	1.4%	14.7%	31.7%	55.0%	67.2%	72.3%	80.2%	98.8%	124.8%	n/a	n/a	n/a
<b>Non-Residential &amp; Commercial</b>													
ABI Billings - Commercial	54.2	55.4	55.3	60.7	57.7	52.5	52.2	51.2	49.6	46.1	44.2	45.2	46.8
YoY Pct. Change	22.3%	9.7%	-3.0%	2.7%	-4.8%	-13.9%	-10.6%	-6.4%	-14.6%	-19.7%	-12.5%	-8.1%	-13.7%
Dodge Commercial Building Index	174.80	181.20	174.00	188.70	198.10	206.90	210.90	214.20	218.90	247.30	256.90	281.00	
YoY Pct. Change	-5.1%	-1.6%	0.8%	7.7%	-0.5%	9.5%	15.8%	21.0%	9.3%	11.1%	26.0%	44.8%	n/a
Construction Spending - Nonresidential	499.8	503.2	500.6	499.5	501.1	514.3	526.9	532.4	552.2	561.4	594.0	589.9	595.2
YoY Pct. Change	3.5%	5.7%	2.9%	3.1%	4.4%	6.2%	7.8%	9.5%	14.6%	15.3%	19.8%	19.0%	19.1%
ABC Backlog - Commercial	8.20	8.60	8.60	9.30	9.10	9.40	8.90	9.10	9.40	9.60	9.60	9.40	9.20
YoY Pct. Change	6.5%	3.6%	11.7%	16.3%	13.8%	10.6%	7.2%	16.7%	20.5%	15.7%	10.3%	10.6%	12.2%
<b>Heavy Industrial &amp; Infrastructure</b>													
ABI Billings - Institutional	47.3	47.2	50.5	51.8	51.7	53.5	49.6	52.6	58.9	54.3	47.7	47.3	48.6
YoY Pct. Change	18.5%	-1.3%	-7.2%	-8.6%	-9.5%	-6.6%	-10.5%	-3.3%	10.1%	5.6%	-4.8%	-0.6%	2.7%
Dodge Institutional Building Index	123.60	134.40	131.50	136.00	142.10	132.30	128.40	122.80	136.90	140.90	145.70	149.30	
YoY Pct. Change	48.0%	27.5%	8.8%	-8.4%	-2.3%	-2.0%	-7.7%	9.4%	13.5%	14.5%	12.3%	18.3%	n/a
Construction Spending - Infrastructure	336.0	337.9	338.6	340.8	338.2	342.7	354.0	360.3	366.3	372.8	377.0	376.0	373.5
YoY Pct. Change	-5.5%	-2.4%	-2.1%	-0.9%	-1.7%	2.3%	6.3%	7.6%	11.7%	12.4%	12.1%	12.8%	11.2%
Highway & Street	100.8	101.5	100.2	102.6	100.5	99.1	107.7	110.5	116.8	116.9	116.3	118.4	117.3
YoY Pct. Change	-1.9%	2.7%	0.7%	1.4%	-3.9%	0.7%	9.4%	10.3%	17.1%	14.9%	15.7%	15.5%	16.4%
Transportation	41.2	40.4	40.1	40.1	40.6	40.5	40.8	41.0	40.4	41.3	41.3	41.6	42.5
YoY Pct. Change	-6.0%	-5.4%	-9.3%	-5.8%	-4.0%	-2.5%	0.4%	1.9%	3.8%	2.8%	2.4%	5.0%	3.1%
Water Supply	18.2	18.9	19.0	19.5	19.7	23.5	23.7	24.8	24.7	24.5	23.4	22.8	21.4
YoY Pct. Change	2.4%	4.3%	0.2%	4.2%	3.9%	27.1%	29.6%	28.7%	30.8%	32.7%	26.2%	25.6%	17.0%
Sewage & Waste Disposal	28.0	28.6	29.4	30.0	30.0	31.0	31.7	32.6	32.5	32.4	33.2	33.2	32.4
YoY Pct. Change	3.6%	8.7%	9.2%	8.2%	9.3%	10.1%	12.1%	13.8%	18.3%	18.0%	20.8%	24.5%	16.0%
Educational	80.5	80.5	79.7	79.3	77.9	78.4	78.3	78.5	79.8	83.7	85.2	84.6	84.1
YoY Pct. Change	-11.2%	-9.9%	-8.5%	-8.1%	-7.5%	-3.8%	-0.6%	-1.8%	1.1%	8.6%	6.3%	5.7%	4.5%
All Other	67.3	68.0	70.1	69.3	69.5	70.2	71.8	72.8	72.0	74.1	77.7	75.3	75.8
YoY Pct. Change	-8.5%	-3.8%	1.4%	2.8%	4.4%	4.9%	4.9%	9.6%	12.4%	10.9%	12.0%	13.8%	12.6%
ABC Backlog - Heavy Civil	7.60	6.60	6.30	6.80	8.80	7.70	6.60	7.40	8.50	9.50	9.50	8.20	8.40
YoY Pct. Change	16.9%	1.5%	-25.9%	-6.8%	35.4%	67.4%	-18.5%	37.0%	13.3%	25.0%	-4.0%	6.5%	10.5%
ABC Backlog - Infrastructure	8.70	6.30	8.20	8.70	9.30	7.90	9.30	8.20	7.20	6.70	6.70	10.00	8.60
YoY Pct. Change	24.3%	-30.8%	-1.2%	10.1%	6.9%	-22.5%	-17.7%	6.5%	-2.7%	-14.1%	-22.1%	37.0%	-1.1%

Sources: American Institute of Architects, Associated Builders and Contractors, Dodge Data Analytics, Freddie Mac, U.S. Census, U.S. Energy Information Administration



## Aggregates Industry M&A Highlights



Has Acquired  
Sand & Gravel Pit From



Dec 2022

### Key Transaction Points

Holcim U.S. acquired an aggregates operation from J-2 Contracting Co., one of Colorado's largest general contracting companies. The transaction includes substantial aggregate reserves along with operational sand & gravel operations, near Greeley, CO. Holcim will rename the site the Scout Island Facility. With this strategic transaction, Holcim gains a large volume of high-quality aggregate reserves and strengthens its place as a long-term, reliable aggregate supplier in Colorado, one of its fastest-growing markets in the US. Terms of the deal were not disclosed.



Has Acquired  
USC Atlantic, Inc., a  
Subsidiary of U.S.  
Concrete, which is owned  
by Vulcan Materials

Nov 2022

### Key Transaction Points

Smyrna Ready Mix, LLC ("SRM Concrete") has acquired USC-Atlantic, LLC, a subsidiary of U.S. Concrete, which is wholly owned by Vulcan Materials Corporation. USC-Atlantic comprises the operations of 28 ready-mix concrete plants and over 600 new employees serving northern New Jersey, New York, and Pennsylvania markets, and is one of SRM's largest acquisitions to date. The company expects that the divestiture of its USC Atlantic business should help offset the impact of slowing residential construction activity. Terms of the deal were not disclosed.



Has Acquired



Oct 2022

### Key Transaction Points

Lehigh Hanson, Inc., a subsidiary of Heidelberg Cement Group, has acquired JEV Recycling, Inc. a recycler of concrete and asphalt products. JEV Recycling operates a single facility in Woodinville, WA. With the addition of JEV Recycling, Lehigh Hanson continues to strengthen its portfolio of recycled materials in the Greater Seattle area to better meet the increasing need for more sustainable construction materials. Heidelberg has announced that "By 2050 at the latest, we want to be carbon neutral across our entire product portfolio and achieve "Net Zero" emissions". Terms of the deal were not disclosed.

Source: Capital IQ, PitchBook, Griffin Financial Group Research

# Select M&A Transaction Analysis

Announced Date	Target	Target Business Description	Buyer / Investor	Buyer Type	Purchase Price (\$mm)	Purchase Price / LTM Revenue	Purchase Price / LTM EBITDA
1/24/23	Atlantic Minerals Limited	Atlantic Minerals Limited produces high-calcium limestone, dolomite, and construction aggregates	CEMEX, S.A.B. de C.V. (BMV:CEMEX CPO)	Strategic Buyer	n/a	n/a	n/a
1/23/23	Agg Division of Pioneer Landscape Centers	13 sand and aggregates quarries located in Denver, Colorado Springs, and Phoenix	Holcim Ltd (SWX:HOLN)	Strategic Buyer	n/a	n/a	n/a
1/13/23	Kalamazoo Materials, Inc.	Owens quarries and manufactures landscape rocks, boulders, and decorative stones	Rock Pros USA LLC	Strategic Buyer	n/a	n/a	n/a
12/15/22	TriCounty Materials	Sand and gravel producer operating 1 pit that serves the greater Dallas metropolitan areas with 20 employees	Rogers Group Inc.	Strategic Buyer	n/a	n/a	n/a
12/15/22	Granbury Excavating	Sand and gravel producer operating 2 pits that serves the greater Lubbock and Dallas metropolitan areas with 20 employees	Rogers Group Inc.	Strategic Buyer	n/a	n/a	n/a
12/12/22	Hutcheson Sand & Gravel	Producer of crushed stone and aggregate products that operates a single 640 acre quarry in Huntsville, Ontario	Muskoka Rock Co.	Strategic Buyer	n/a	n/a	n/a
12/2/22	Ferebee Corporation	The Company operates three asphalt plants in Charlotte, NC and offers stone base and asphalt paving services	Construction Partners, Inc. (NasdaqGS:ROAD)	Strategic Buyer	n/a	n/a	n/a
12/2/22	J.K. Merrill & Sons	Aggregates producer located in Pocatello, Idaho that operates a single quarry	Sunroc Corporation	Strategic Buyer	n/a	n/a	n/a
12/1/22	Scout Island Facility	The location consists of a single sand & gravel site near Greeley, CO sold by J-2 Contracting Co. Holcim gains a large volume of high-quality aggregate reserves and strengthens its place as a long-term, reliable aggregate supplier in Colorado, one of its fastest-growing markets in the U.S.	Holcim Ltd (SWX:HOLN)	Strategic Buyer	n/a	n/a	n/a
12/1/22	Brown Brothers Sand Company	Operator of two sand & gravel pits around Junction City, GA	Smyma Ready Mix, LLC	Strategic Buyer	n/a	n/a	n/a
11/25/22	USC Atlantic, Inc.	USC is a subsidiary of U.S. Concrete with 28 ready-mix locations in NY, NJ, and PA, with over 600 employees	Smyma Ready Mix, LLC	Strategic Buyer	n/a	n/a	n/a
11/22/22	Daurity Springs Quarry	Daurity Springs Quarry, a 220 acre property in Goldston, NC, was sold by Construction Partners, Inc.	Blue Water Industries LLC	Strategic Buyer	\$24.1	n/a	n/a
11/21/22	Three HMA Plants Owned by Blue Water Industries LLC	Three hot-mix asphalt plants in the Nashville, Tennessee was acquired by Construction Partners, Inc.	Construction Partners, Inc. (NasdaqGS:ROAD)	Strategic Buyer	n/a	n/a	n/a
11/2/22	SCI Materials	Aggregates producer based out of Florida	Summit Materials, Inc. (NYSE:SUM)	Strategic Buyer	n/a	n/a	n/a
10/17/22	Paradise Asphalt Maintenance, LLC	Offers commercial clients asphalt services, such as installation, repair, and maintenance	Atlantic Southern Paving and Sealcoating, LLC	PE Platform (Harbor Beach Capital)	n/a	n/a	n/a
10/4/22	JEV Recycling Inc.	Operator of a recycling facility primarily focused on crushed concrete that is used as solid base course and fill, as well as recycling asphalt for use in top course, roadways, driveways, and parking lots	Lehigh Hanson, Inc.	Strategic Buyer	n/a	n/a	n/a
9/30/22	Huddy's Aggregate Materials	The company provides building materials, construction, general freight and sand, gravel, and crushed rock to local contractors and the general public	Smyma Ready Mix, LLC	Strategic Buyer	n/a	n/a	n/a
9/22/22	Edge Aggregates, LLC	Edge Aggregates supplies sand and gravel for construction market. It provides sand and rock processing, fills dirt, fills sand, topsoil, and landscaping rock	Blue Ridge Construction Capital LLC	Financial Buyer	n/a	n/a	n/a
9/22/22	Matthews Sand and Gravel	Producers and suppliers of aggregates for construction, roads and landscaping intended to serve construction companies and ready-mix plants in the Raleigh area	Blue Ridge Construction Capital LLC	Financial Buyer	n/a	n/a	n/a
9/20/22	Assets of Comejo & Sons	The acquisition includes construction, asphalt production, asphalt paving and recycling divisions. The acquisition will add 130 employees to Pearson's workforce	Pearson Construction, LLC	Strategic Buyer	n/a	n/a	n/a
9/16/22	Cement Distribution Terminal	Eagle Materials acquired a cement distribution terminal located in Nashville, TN for \$39.5 million	Eagle Materials Inc. (NYSE:EXP)	Strategic Buyer	n/a	n/a	n/a
9/12/22	Union Quarries Inc.	Union Quarries Inc. manufactures crushed stone, asphalt, and ready-mix concrete products	York Building Products Co., Inc.	Strategic Buyer	Redacted		
8/25/22	Sanderson Concrete Inc.	Manufactures standard and custom precast concrete products catering to engineers, architects, and contractors	BM Group of Companies	Strategic Buyer	n/a	n/a	n/a
8/25/22	14 Bolt-On Acquisitions	Through YTD 2Q 2022, CRH plc invested \$903 million on 14 small and medium sized bolt-on acquisitions	CRH plc (LSE:CRH)	Strategic Buyer	\$64.5	n/a	8.0x
8/24/22	Cincinnati Asphalt	Provider of pavement repair and maintenance services, including commercial, municipal and industrial asphalt paving, concrete, excavation, utility and drainage services	Finley Asphalt & Concrete, LLC	PE Platform (Shoreline Equity Partners)	n/a	n/a	n/a
8/23/22	Coastal Carolina Pumping	Provider of concrete pumping services, including boom inspection, equipment placing and structural repair services along with retailing spare pumping parts	Concrete Pumping Holdings (NAS: BBCP)	Strategic Buyer	n/a	n/a	n/a

Source: Capital IQ, PitchBook, Griffin Financial Group Research

# Select M&A Transaction Analysis

Announced Date	Target	Target Business Description	Buyer / Investor	Buyer Type	Purchase Price (\$mm)	Purchase Price / LTM Revenue	Purchase Price / LTM EBITDA
8/17/22	Syar Industries	Manufactures and supplies aggregate rock products and asphaltic paving materials in northern California, including rock, sand, gravel, ready mix concrete, and asphaltic concrete	Vulcan Materials Company (NYSE:VMC)	Strategic Buyer	n/a	n/a	n/a
8/12/22	VanHooseCo Precast, LLC	Provider of ready-mix concrete and precast products for utility, DOT, stormwater management, residential, and commercial applications	CXT, Inc. / L.B. Foster Company (Nasdaq: FSTR)	Strategic Buyer	\$50.5	1.8x	7.0x
8/9/22	Basic Construction Company	Distributor of sand and gravel products in Virginia. The transaction will add significant aggregate reserves for Holcim's Mid-Atlantic Region along with 230 acres of land	Holcim Ltd (SWX:HOLN)	Strategic Buyer	n/a	n/a	n/a
8/9/22	Tehachapi Cement Plant and Related Terminals	Cement Plant and Related Distribution Terminals in California of Martin Marietta Material comprises a cement plant and related distribution terminals	CalPortland Company	Strategic Buyer	\$350.0	n/a	n/a
8/3/22	Recycled Aggregate Materials Company, Inc.	Manufactures recycled aggregate materials for the construction industry, as well as concrete and asphalt disposal, slurry water recycling, and clean aggregate recycling services	Arcosa, Inc. (NYSE:ACA)	Strategic Buyer	\$75.0	n/a	7.8x
8/1/22	Louisiana Concrete Products	Manufactures precast and prestressed concrete products for use in bridges, roads, medical facilities, and commercial buildings	GKB Management, LLC	Strategic Buyer	n/a	n/a	n/a
7/29/22	B.E.T.-ER Mix	Supplier of ready-mixed concrete and concrete block intended for residential or commercial projects	Maschmeyer Concrete Company of Florida, Inc.	Strategic Buyer	n/a	n/a	n/a
7/26/22	Massey Asphalt Paving, Inc.	Asphalt paving contractor serving municipal, commercial, and residential customers in Trussville, Alabama	Atlantic Southern Paving and Sealcoating, LLC	PE Platform (Harbor Beach Capital)	n/a	n/a	n/a
7/22/22	ACI Asphalt & Concrete	The company offers asphalt paving, maintenance and repair services, concrete services, site and drainage improvements and site evaluation for the commercial property sector	Soundcore Capital Partners	Financial Buyer	n/a	n/a	n/a
7/11/22	Hamilton Redi-Mix	The company's operations includes three batch plants involved in the production of concrete, a sand and gravel operation and a fleet of late model mixer trucks, dump trucks and heavy equipment for delivery	The Rasmussen Group	Strategic Buyer	n/a	n/a	n/a
7/1/22	Saint-Eustache Quarry	The Mathers Group divested of their aggregate and asphalt operations which consist of 80 employees and is the largest producer of crushed stone in Quebec, Canada	Holcim Ltd (SWX:HOLN)	Strategic Buyer	n/a	n/a	n/a
6/30/22	North Alabama Paving, Inc.	The company offers asphalt paving, seal coating, excavation, parking lot striping, parking lots for industrial, commercial, and residential markets	CRH Americas Materials, Inc.	Strategic Buyer	n/a	n/a	n/a
6/30/22	Stones River Quarry, LLC	Aggregates producer based in Jacksonville, FL that operates a single quarry	Blue Water Industries LLC	Strategic Buyer	n/a	n/a	n/a
6/16/22	SP Silica of Monahans, LLC	Supplies sand and other aggregate products to customers in West Texas	ProFrac Holding Corp. (Nasdaq: PFHC)	Strategic Buyer	n/a	n/a	n/a
6/3/22	PB Materials	Producer and supplier of concrete and construction aggregates intended to serve the construction, petroleum, and other related industries	Unknown Buyer	Strategic Buyer	n/a	n/a	n/a
5/23/22	Cajun Ready Mix Concrete, LLC	Cajun Ready Mix Concrete, LLC manufactures and supplies ready-mix concrete products across eight concrete plants and 51 mixer trucks in Baton Rouge, LA	Ingram Readymix, Inc.	Strategic Buyer	n/a	n/a	n/a
5/22/22	10 Divestitures of Downstream Businesses	Since the start of its Elevate program, Summit Materials, Inc. has completed 10 divestitures for an aggregate sale price of \$470 million	Summit Materials, Inc. (NYSE:SUM)	Strategic Buyer	\$47.0	n/a	10.0x
5/16/22	Hinkle Contracting Company, LLC	The company offers asphalt paving, crushed stone and aggregates, asphalt, and ready mix. Hinkle also owns Kentucky Hauling, Bourbon Limestone, and Ohio Valley Asphalt	CRH Americas Materials, Inc.	Strategic Buyer	n/a	n/a	10.0x
4/28/22	Superior Concrete Products, LLC	Manufactures, engineers, and installs precast concrete screening, sound walls, rail fences, and barrier systems	MAG Capital Partners	Financial Buyer	n/a	n/a	n/a
4/27/22	Clinton Tecumseh Aggregates	Producer of sand, gravel and concrete products that operates two ready-mix concrete plants and a single quarry in Cement City, MI	Smyma Ready Mix, LLC	Strategic Buyer	n/a	n/a	n/a
4/22/22	Varma Companies, Inc.	Manufacturer of DOT spec, residential, ready-mix, and specialty concrete mixes along with sand & gravel and recycled aggregate it produces at two (2) pits and three (3) recycling locations	Eagle Materials Inc. (NYSE:EXP)	Strategic Buyer	\$121.2	Redacted	
4/11/22	Titan Ready Mix	Producer of ready-mix concrete that operates 1 plant with 30 employees	Smyma Ready Mix, LLC	Strategic Buyer	n/a	n/a	n/a
4/10/22	The Concrete Company	Manufacturer of mixed concrete based in Cresson, Texas.	Oaktree Capital Management, L.P.	Financial Buyer	n/a	n/a	n/a
4/4/22	Charley's Concrete Co., Ltd.	Operating 9 ready mix plants on 6 sites and a fleet of 114 mixers, Charley's produced over 1.1 million cubic yards of concrete in 2021, as well as 600,000 tons of high quality concrete sand	Smyma Ready Mix, LLC	Strategic Buyer	n/a	n/a	n/a
4/4/22	Darby Ready Mix	The company offers a ready mix of curb and gutter, flatwork, decorative, pavement, footings, driveway, structural and foundations as well as offers precast products and tools and supplies	Smyma Ready Mix, LLC	Strategic Buyer	n/a	n/a	n/a

Source: Capital IQ, PitchBook, Griffin Financial Group Research



## Select M&A Transaction Analysis (Cont.)

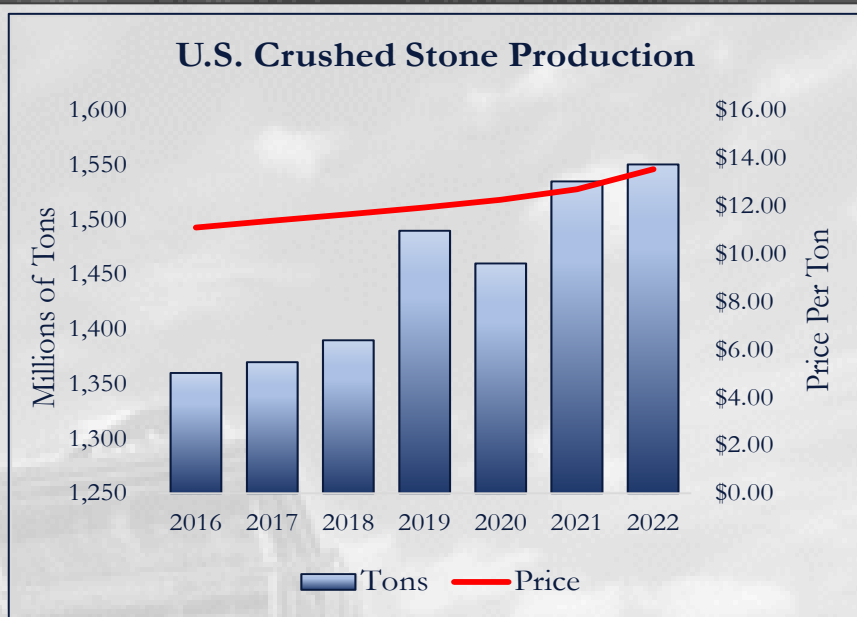
Announced Date	Target	Target Business Description	Buyer / Investor	Buyer Type	Purchase Price (\$mm)	Purchase Price / LTM Revenue	Purchase Price / LTM EBITDA
4/4/22	Meriwether Ready Mix, Inc.	Produces ready mix concrete via four ready-mix concrete plants and a fleet of mixer trucks and serves residential and commercial customers in the Atlanta Metro Area	Lehigh Hanson, Inc.	Strategic Buyer	n/a	n/a	n/a
4/2/22	Sub Business of Summit Materials, Inc.	Summit Materials divested of a materials business in the East segment, resulting in cash proceeds of \$47.8 million and a total gain on disposition of \$14.2 million	Unknown Buyer	Strategic Buyer	\$47.8	n/a	n/a
4/1/22	Environmental Concrete and Materials	Producer of ready-mix concrete that is the largest producer in Fort Myers	Smyrna Ready Mix, LLC	Strategic Buyer	n/a	n/a	n/a
3/31/22	Granby Sand & Gravel	Granby Sand and Gravel is a residential and commercial gravel supplier located in Granby, Colorado	CRH plc (LSE:CRH)	Strategic Buyer	n/a	n/a	n/a
3/29/22	Horsfield Construction, Inc.	Provides aggregate materials including crushed limestone, sand & gravel, recycled asphalt, concrete and mason sand, and pea gravel, as well as civil construction services	Bard Materials LLC	Strategic Buyer	n/a	n/a	n/a
3/24/22	CO. and TX Ready Mixed Concrete Operations	SRM Concrete has announced it is acquiring the Colorado and Central Texas ready mixed concrete operations of Martin Marietta Materials, Inc.	Smyrna Ready Mix, LLC	Strategic Buyer	n/a	n/a	n/a
3/23/22	Ready-Mix Concrete Assets	SRM Concrete has announced it is acquiring 23 ready-mix concrete batching plants North Carolina and Southwest Florida from Argos USA	Smyrna Ready Mix, LLC	Strategic Buyer	\$93.0	n/a	n/a
3/18/22	Marion County Paving, LLC	Marion County Paving offers asphalt paving services and also sells a range of aggregate materials including base rock, shot rock, rip rap, sand, clay, and topsoil	CRH plc (LSE:CRH)	Strategic Buyer	n/a	n/a	n/a
3/7/22	Southern Asphalt	Southern Asphalt, Inc. provides commercial, industrial and subdivision projects. It offers services in the areas of asphalt paving, resurfacing, pavement markings, sealcoating, and light grading	Construction Partners, Inc. (NasdaqGS:ROAD)	Strategic Buyer	n/a	n/a	n/a
3/1/22	Allstate Ready Mix, Inc.	Producer of ready-mix concrete that operates 10 plants in the Greater Louisville area	Smyrna Ready Mix, LLC	Strategic Buyer	n/a	n/a	n/a
3/1/22	West Coast Cement/RMC Operations of Martin Marietta, Inc.	Martin Marietta has agreed to sell several cement plants, distribution terminals and 14 ready mix concrete locations in California	CalPortland Company	Strategic Buyer	\$250.0	n/a	n/a
2/9/22	Mill Creek Dolomite, LLC	Mill Creek Dolomite, LLC operates in a dolomite business that manufactures glass, roofing materials, and aglime	United States Lime & Minerals, Inc. (NasdaqGS:USLM)	Strategic Buyer	\$5.6	1.5x	n/a
2/9/22	Coco Paving Inc.	Produces aggregate materials as well as provides heavy civil construction services, including asphalt paving and production, asphalt cement production, asphalt milling, recycling, concrete paving and production, and highway maintenance	Green Infrastructure Partners Inc.	PE Platform (PE Investment Partners, LLC)	n/a	n/a	n/a
1/31/22	Razorback Concrete Company	Aggregates producer serving the Little Rock, Jonesboro and West Memphis, Arkansas markets. The transaction includes 65 million tons of permitted aggregate reserves, 14 active ready-mix plants, 84 ready mix trucks, and 136 non-union employees	Capital Sand Proppants	PE Platform (SCF Partners)	n/a	n/a	n/a
1/10/22	Corliss Resources, Inc.	Corliss Resources, Inc. supplies the greater seattle area with ~2 million tons of aggregate annually (has reserves of ~170 million tons) and 0.3 million meters <sup>3</sup> of RMC from four ready-mix plants	Lehigh Hanson, Inc.	Strategic Buyer	n/a	n/a	9.0x
1/7/22	Benton Ready-Mix of Florence	Distributor of building materials including ready mixed concrete along with sand & gravel	Thomas Concrete Inc.	Strategic Buyer	n/a	n/a	n/a
1/6/22	Schlegel Sand and Gravel	Supplies aggregate material to the greater Lansing, MI area and has 10 sand & gravel pits, as well as asphalt and concrete recycling operations	Carause Americas	Strategic Buyer	n/a	n/a	n/a
1/4/22	Cowden Inc.	Cowden Inc. provides gravel and ready-mix products for commercial construction and residential projects	Holcim Ltd (SWX:HOLN)	Strategic Buyer	n/a	n/a	n/a
Selected Median					Purchase Price (\$mm)	Purchase Price / LTM Revenue	Purchase Price / LTM EBITDA
YTD Jan 2022					\$57.50	2.1x	9.3x
Transactions Since 2021					\$135.55	2.1x	9.8x
Transactions Since 2017					\$127.00	2.1x	9.0x
All Transactions					\$145.95	2.1x	9.3x

Source: Capital IQ, PitchBook, Griffin Financial Group Research

## Aggregate Materials Volume and Prices

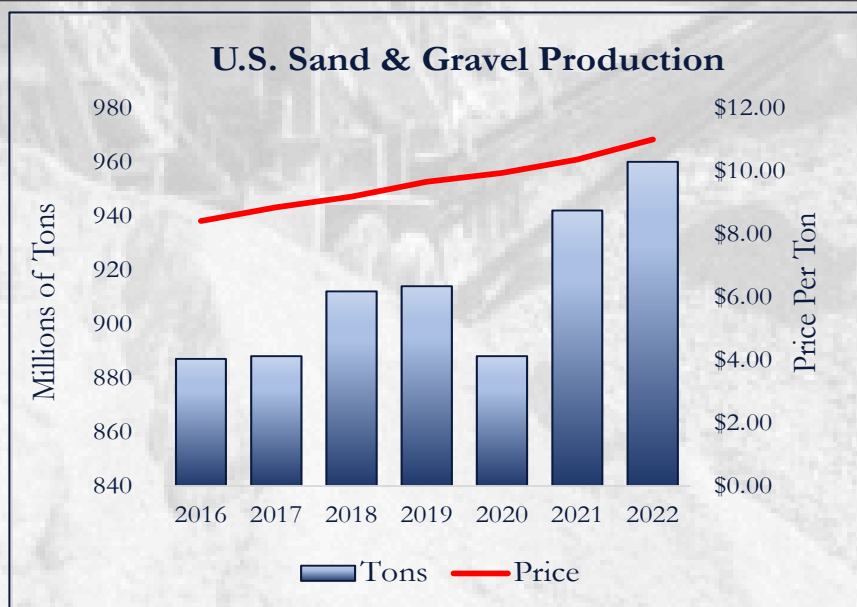
### Crushed Stone

- ◆ In 2022, 1.5 billion tons of crushed stone valued at over \$21 billion was produced by ~1,340 companies operating 3,290 quarries and 170 sales yards in the U.S.
- ◆ Production was relatively flat year-over-year, reflecting impact of adverse weather dampening tailwinds from additional infrastructure funding
- ◆ It is estimated that in 2022, 74% of crushed stone was used as construction aggregate (mostly for road construction), 17% for cement manufacturing, 5% for lime manufacturing, and the rest for agricultural or specialty uses























### Construction Sand & Gravel

- ◆ In 2022, 960 million tons of construction sand & gravel, valued at \$10 billion was produced by ~3,300 companies operating ~6,200 pits and 200 sales yards in the U.S.
- ◆ This represents an increase in sales of 18 million tons, or 1.9%, year-over-year
- ◆ It is estimated that in 2022, 42% of sand & gravel was used as Portland cement concrete aggregate, 26% for road base and coverings, 13% for construction fill, 10% in asphalt mixes, and the remainder in other, miscellaneous uses



## Griffin Transaction Experience: Construction Materials

Griffin Has Extensive Experience in the Building Materials, Construction, and Contracting Industries, Closing More Than 25 Transactions in This Sector. A Sample of Transactions are Presented Below

Company	Description	Company	Description
 STONE • CONCRETE • BLACKTOP	Vertically integrated aggregates producer	 HEMPT BROS., INC. FAMILY OWNED & OPERATED SINCE 1925	Vertically integrated aggregates producer and construction services
	Architecture, design, engineering, and construction services	 CUSTOM STEEL DOORS & FRAMES	Manufacturer of custom steel doors and frames for distribution
	Manufacturer and distributor of flooring products		Provider of monolithically poured concrete modular housing
	Building products distributor	 ARCHITECTURAL WINDOW MANUFACTURING CORPORATION	Designer, engineer, manufacturer, and installer of windows
 Because every "Welcome Home" moment should be extraordinary	Manufacturer of custom designed and built shutters		Manufacturer and distributor of precast concrete structures, pipes and related products
	Flooring manufacturer, distributor, and cleaning services		Building products distributor
 ORNAMENTAL METAL AND GLASS	Fabricator of architectural steel and glass systems for metropolitan structures		Building hardware distributor
	Upscale modular homebuilder	 CONSTRUCTION FASTENERS, INC.	Commercial building fastener manufacturer
 A Tradition of Excellence	Homebuilder		Lumber and millwork distributor, as well as window manufacturer
 BUYING AND SELLING "EVERYTHING"	Lumber and millwork distributor	 HLC Haddonfield Lumber Company	Distributor of lumber, millwork, and sheetrock



# Griffin Transaction Experience: 2022 - 2023

 <p>has been recapitalized and combined with</p>  <p>a portfolio company of Amersand Capital</p> <p>February 2023</p>	 <p>has raised growth capital from</p>  <p>January 2023</p>	 <p><b>SPS New England, Inc.</b></p> <p>The Shareholders of SPS sold 100% of their stock to a newly created ESOP</p> <p>December 2022</p>	 <p>has received investment from</p>  <p>Principals of Griffin served as financial advisor</p> <p>December 2022</p>	 <p>private placement of \$42 million of limited partnership interests</p> <p>December 2022</p>
 <p>has been acquired by</p>  <p>a portfolio company of</p>  <p>November 2022</p>	 <p>has been acquired by</p>  <p>November 2022</p>	 <p>has merged with</p>  <p>October 2022</p>	 <p>has received investment from</p>  <p>September 2022</p>	 <p>was acquired by</p>  <p>September 2022</p>
 <p>and its parent, <b>Altova, Inc.</b></p> <p>have been acquired by</p>  <p>August 2022</p>	 <p>has been acquired by</p>  <p>Principals of Griffin served as financial advisor</p> <p>July 2022</p>	 <p>has been acquired by</p>  <p>July 2022</p>	 <p>has been acquired by</p>  <p>April 2022</p>	<p>\$18,000,000</p>  <p>4.00% Fixed-to-Floating Rate Subordinated Notes Due April 1, 2032</p> <p>March 2022</p>
<p>2,050,000 shares of Common Stock \$10 per share</p>  <p>Amalgamated Casualty Insurance Company has converted from mutual to stock form, changed its name to Forge Insurance Company and has become a wholly owned subsidiary of Forge Group, Inc.</p> <p>March 2022</p>	 <p>has been acquired by</p>  <p>Principals of Griffin served as financial advisor</p> <p>January 2022</p>	 <p>has been acquired by</p>  <p>December 2021</p>	<p>Insurance Program Manager</p> <p>has been acquired by</p> <p>PE-Sponsored Insurance Distribution Company</p> <p>December 2021</p>	 <p>Self-funded TPA Program Provider</p> <p>has been acquired by</p>  <p>December 2021</p>
 <p>has been acquired by</p>  <p>December 2021</p>	 <p>fund formation sponsored by</p>  <p>December 2021</p>	 <p>has sold four Continuing Care Retirement Communities to</p> <p>affiliates of</p> <p><b>Lion Healthcare Management</b></p> <p>December 2021</p>	 <p>was acquired by</p>  <p>a portfolio company of</p>  <p>December 2021</p>	 <p>has sold four Continuing Care Retirement Communities to</p> <p>affiliates of</p> <p><b>Lion Healthcare Management</b></p> <p>December 2021</p>
 <p>has sold senior living community to</p> <p>affiliates of</p> <p><b>Lion Healthcare Management</b></p> <p>December 2021</p>	 <p>has sold senior living community to</p> <p>affiliates of</p> <p><b>Lion Healthcare Management</b></p> <p>December 2021</p>	<p>Insurance/Healthcare Services</p> <p>Sale Transaction</p> <p>Exclusive Financial Advisor</p> <p>December 2021</p>	 <p>was acquired by</p>  <p>December 2021</p>	 <p>has been acquired by</p>  <p>a portfolio company of</p>  <p>Principals of Griffin served as financial advisor</p> <p>December 2021</p>

## Appendix

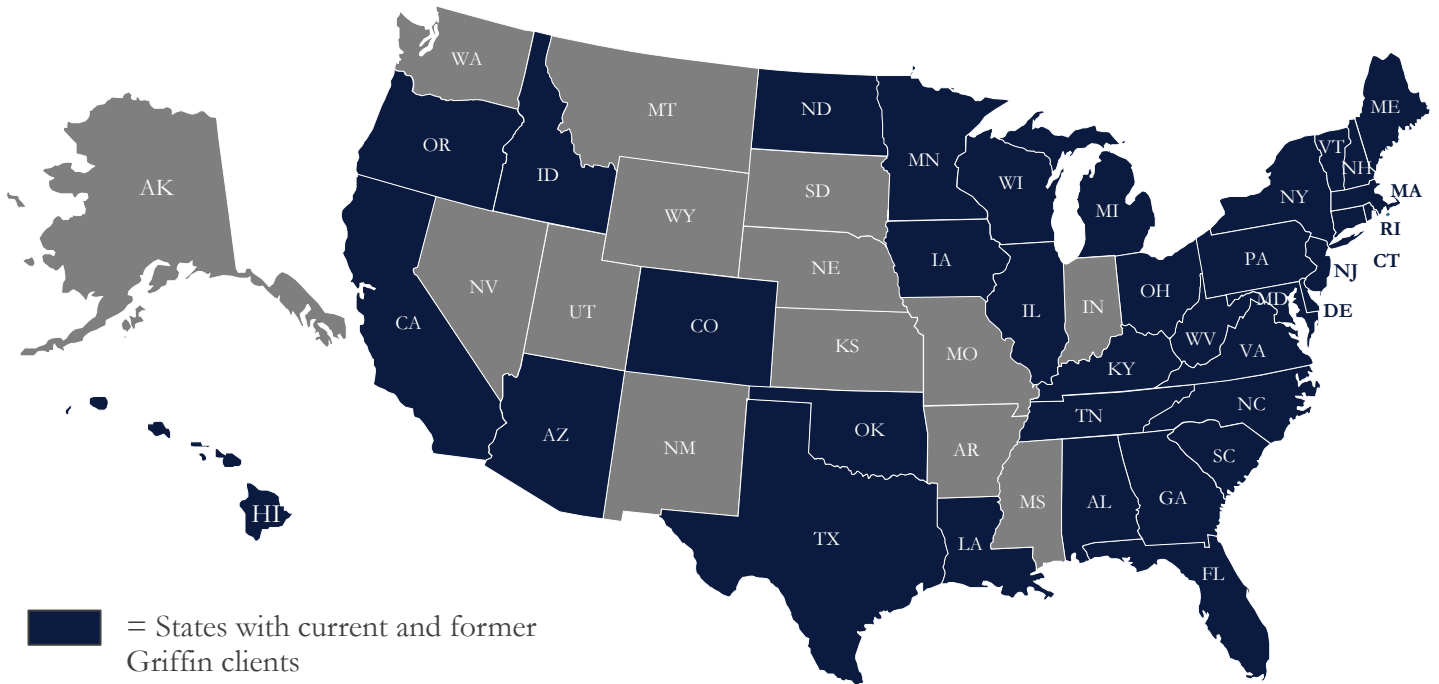
1. Associated Builders and Contractors. (2022, September 14). *DOC Releases CHIPS Act Implementation Strategy Including Davis-Bacon Construction Wage Requirements*. <https://www.abc.org/News-Media/Newsline/entryid/19599/doc-releases-chips-act-implementation-strategy-including-davis-bacon-construction-wage-requirements>
2. American Road & Transportation Builders Association. (2022, December 22). *FY 2023 Spending Package Clears Congress; Includes ‘Cornyn-Padilla’ Amendment*. <https://newsline.artba.org/2022/12/23/fy-2023-spending-package-clears-congress-includes-cornyn-padilla-amendment/>
3. Kramer Simons, Carolyn. Transportation Investment Advocacy Center of American Road & Transportation Builders Association (2022, November 9). *Public Support for State & Local Transportation Funding Improvements Remains Strong*. <https://transportationinvestment.org/2022/11/09/public-support-for-state-local-transportation-funding-improvements-remains-strong/>
4. Reiter, Sebastian. McKinsey Quarterly (2022, August 1). *Green Cement and the Net-Zero Transition*. <https://www.mckinsey.com/capabilities/sustainability/our-insights/spotting-green-business-opportunities-in-a-surging-net-zero-world/transition-to-net-zero/cement>
5. CRH Ventures. (2022, November 18). *CRH Ventures Invests in AICrete*. <https://www.crhventures.com/news/crh-ventures-invests-in-aicrete>
6. Biomason. (2022, February 28). *Biomason Raises \$65 Million Series C Round to Scale Biocement Technology*. [https://biomason.com/wp-content/uploads/2022/04/28-feb-22\\_biomason-press-release\\_series-c\\_updated.pdf](https://biomason.com/wp-content/uploads/2022/04/28-feb-22_biomason-press-release_series-c_updated.pdf)
7. Associated General Contractors of America (2022, December 20). *2022 Construction Inflation Alert*. [https://www.agc.org/sites/default/files/users/user21902/Construction%20Inflation%20Alert%20Dec%202022\\_V4.pdf](https://www.agc.org/sites/default/files/users/user21902/Construction%20Inflation%20Alert%20Dec%202022_V4.pdf)
8. Buzzi Unicem. (2023, February 10). *Buzzi Unicem USA and Alamo Cement Company Change Portland Cement Production to Enhance Sustainability In Their Operations*. <https://www.buzziunicemusa.com/media/news/buzzi-unicem-usa-and-alamo-cement-company-change-portland-cement-production-to-enhance-sustainability-in-their-operations>
9. Global Cement. (2022, November 30). *Titan America Completes Portland Limestone Cement Conversion*. <https://www.globalcement.com/news/item/14988-titan-america-completes-portland-limestone-cement-conversion>
10. CemNet (2022, August 25). *Summit Materials Hannibal Plant Converts Fully to PLC Production*. <https://www.cemnet.com/News/story/173320/summit-material-s-hannibal-plant-converts-fully-to-plc-production.html>
11. Cement Products News (2022, February 21). *Argos Continues PLC Transition in Southeast U.S.* <https://cementproducts.com/2022/02/21/argos-continues-plc-transition-in-southeast-u-s/>



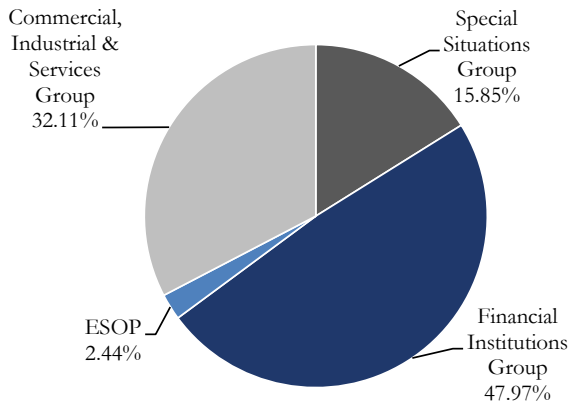
# Griffin Financial Group

◆ Powerful Partnerships. Standout Solutions

Griffin Has a National Client Base and Has Completed Over 320 Total Transactions Since Inception



Griffin Transaction Mix by Group



Griffin CIS/SSG Transaction Mix by Industry

