

Construction Materials

1H 2022 Review and Year End Outlook

October 2022

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A Note from Managing Director, Dennis Coker

Despite macroeconomic challenges, many companies have seen positive financial results so far this year. We have continued to see a steady pace of M&A activity within the construction materials universe throughout 2022. Companies have doubled down on their strategic plans, with both large acquisitions and sizable divestitures. This review includes some of the highlights from what the major construction materials companies achieved in the first half of 2022, as well as insight into how they see the rest of 2022 developing, and an overview of recent M&A activity and trends.

We hope you enjoy this update and look forward to working with you in the future. Please reach out to us if you have any questions.

Warmest regards,



Dennis Coker



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How did the major construction materials companies navigate macroeconomic challenges in 1H 2022?

Arcosa Inc.

Arcosa saw double-digit YoY growth in revenue (+17%) and adjusted EBITDA (+26%) across all three of its segments, led by performance in its Construction Products and Engineered Structures business lines. Record adjusted EBITDA margin (+120 bps YoY) as a result of favorable infrastructure-related demand dynamics, proactive pricing actions and management of inflationary cost pressures. Continued execution on its strategic transformation, moving towards a 2H close of its \$275 million storage tanks divestiture and supported by the \$75 million acquisition of a leading southern California-based recycled aggregates producer (RAMCO).

CEMEX SAB

CEMEX saw double-digit growth in sales (+11% YoY), with all regions contributing, with mid-teen percentage price growth for cement (+16%), ready-mix (+12%), and aggregates (+14%). Year to date, price increases have covered cost inflation. Cement volumes saw a pullback (-5%), reflecting bagged cement rebalancing and supply chain disruptions. CEMEX continued to execute on its growth strategy, with ~\$1.2 billion approved bolt-on investment pipeline, ~\$100 million of incremental EBITDA for 2022, and portfolio optimization through its pending divestment of Costa Rica & El Salvador and expansion of its aggregates business in Germany.

Construction Partners Inc. (CPI)

Construction Partners' fiscal year end is September 30. Through Q3, the company saw double digit YoY growth in revenue (+45%) and adjusted EBITDA (+30%). CPI continues their southeastern US expansion, making three strategic acquisitions YTD, with expansions in the Carolinas and in the Florida panhandle. At last year end, CPI had 57 HMA plants, 14 aggregate facilities, and 1 liquid asphalt terminal.

CRH PLC/Oldcastle

Higher YoY sales revenue (+14%), EBITDA (+21%), and expansion of margin (+90 bps) driven by continued reshaping and repositioning of business. Strong performance driven by integration of materials, products & services to an Integrated Solutions Strategy (~65% of sales), helping to offset inflationary pressures. In the Americas, strong YoY price increases across aggregates (+9%), asphalt (+15%), cement (+11%), and RMC (+12%). CRH has continued to reallocate capital for growth, with the \$3.8 billion Building Envelope divestment (10.5x) and the \$1.9 billion acquisition of Barrette Outdoor Living (<8x post-synergies). CRH completed \$0.9 billion of bolt-on acquisitions YTD at an average multiple of 8x.

Eagle Materials Inc.

Eagle's fiscal year-end is March 31. For the quarter ending June 30, Eagle achieved record revenue (+18% YoY), driven by higher sales prices in each business unit and increased Wallboard sales volume, with growth in adjusted EBITDA (+13% YoY). Eagle took pricing actions to help mitigate increasing energy costs and expanded its footprint with the acquisition of a concrete and aggregates business in northern Colorado. In its heavy materials business, Eagle implemented a second round of cement price increases in early July given the strong demand environment and its sold-out position.

Granite Construction

Granite saw an 8.0% decrease in revenue YoY, led by declines in its California and Central groups, as project timelines were delayed and legacy projects wrapped up, which were partially offset by growth in its Mountain group and Materials Segment. Gross profit suffered (-20.1%) due to unfavorable oil-related inflation costs, higher Old Risk Portfolio ("ORP") write downs, and lower California revenue. Granite made strategic divestitures to focus on its core civil construction and materials business.

What Happened – 1H 2022 (cont.)

How did the major construction materials companies navigate macroeconomic challenges in 1H 2022?

HeidelbergCement/LehighHanson

Heidelberg saw revenue growth (+12%) driven by strong pricing but saw the impact of inflation with modest declines in EBITDA (-6%) and Results from Current Operations (-6%). Price over cost was largely stable and turned positive for the month of June, with Q2 domestic cement price increase vs. the prior year at +22.1%. The company saw a modest decline in volumes across cement (-6.7%), aggregates (-1.0%), and ready mix (-2.4%).

Holcim

Holcim had a record H1, with growth in net sales (+16.9%) and recurring EBIT (+9.6%). Continued double-digit net sales growth in its roofing business and 19% recurring EBIT margin. The company accelerated its portfolio transformation, signing the divestment of its India operations, expansion of roofing, insulation and specialty building solutions & 8 bolt-on acquisitions. Notably, the Company acquired Malarkey Roofing Products and SES Foam, substantially expanding its US roofing business.

Martin Marietta Materials

Martin Marietta delivered 2Q records for aggregates (+9%) and cement shipments (+20%), revenues (+18%), gross profit (+10%), and adjusted EBITDA (+9%). Pricing growth accelerated across aggregates (+8%), cement (+15%), ready mix concrete (+9%), and asphalt (+24%). The company continued to execute on its portfolio improvements to simplify an aggregates-led business model, divesting its Colorado and Central Texas ready mix assets as well as certain West Coast cement and ready mix assets.

Summit Materials

Summit saw growth across net revenue and adjusted EBITDA despite reductions due to divestitures. West Segment supported growth with strong revenue (+12.4%) and adjusted EBITDA (+7.5%), supported by growth in the Cement Segment with revenue (+9.1%) and adjusted EBITDA (+9.7%). Solid pricing growth across aggregates (+4.7%), cement (+7.5%), ready mix (+9.7%) and asphalt (+18.9%). Volume growth was impacted by divestitures, but underlying demand conditions remain healthy.

Vulcan Materials

Vulcan saw strong results reflecting price momentum and execution in aggregates, with growth in revenue (+44%) and adjusted EBITDA (+8%), supported by growth in the legacy business as well as the addition of U.S. Concrete operations. In aggregates, Vulcan saw increases in volume (+9%), pricing (+9%), and gross profit (+2%) despite significantly higher cost (+16%). Pricing momentum in asphalt (+19%) and concrete (+14%) helped offset cost increases related to inflation (energy, etc.).

Key Trends

Construction materials companies saw strong pricing momentum in the first half of the year, underpinned by strong demand dynamics, which in many cases, helped to mitigate rising costs stemming from inflation, supply chain disruptions, and labor market shortages. Companies benefited from increased construction spending and tailwinds stemming from the Infrastructure Investment and Jobs Act (IIJA), paired with many state-specific infrastructure spending packages. M&A activity continued at a steady pace, despite the macroeconomic challenges, as companies continued to focus on execution of their strategic initiatives.

What the Majors Predict – 2022

*Notwithstanding the inflationary input cost environment and some ongoing uncertainties with regards to the wider macroeconomic conditions, overall, we expect the positive underlying demand environment across our key markets to continue for the remainder of the year. – **Albert Manifold, Chief Executive Officer of CRH***

Arcosa Inc.

Arcosa raised its full year revenue and adjusted EBITDA guidance ranges based on its strong 1H 2022 performance. Strong outlook for its growth businesses, offsetting cyclical challenges from wind towers and barge. Anticipate ~27% increase in adjusted EBITDA from growth businesses in 2022, with its cyclical businesses at ~25% of their combined 2018 adjusted EBITDA levels. Expectation for the \$1T infrastructure bill to create multi-year tailwinds for many of Arcosa's business lines.

CEMEX S.A.B.

Anticipate low- to mid-single digit EBITDA growth, driven by volume increases in ready mix and aggregates. Planning ~\$1.3 billion of capital expenditures in 2022, split between ~\$800 million of maintenance and ~\$500 million of growth capital.

Construction Partners Inc.

CPI updated its full-year 2022 guidance to reflect the strong project demand environment and the continued inflation and elevated energy costs that it believes will persist during the fiscal year. Backlog increasing to over \$1.3bn as of 3Q '22. The National Asphalt Pavement Association (NAPA) estimates ~\$38 billion in infrastructure spending in CPI's five states from FY22 – FY26.

CRH PLC/Oldcastle

CRH continues to have a positive outlook despite a challenging cost environment. In North America, expectation for strong underlying demand amid inflationary pressures and in Europe, activity levels remain resilient despite energy cost volatility and the ongoing conflict in Ukraine. Go-forward focus on commercial management, cost control and continued execution on its strategy.

Eagle Materials Inc.

Eagle expects demand for cement to remain strong with infrastructure investment increasing with funds from the IIJA. The company recognizes that increased interest rates will have an impact on residential construction activity in the future, impacting its light materials sector, but expects current backlog to support demand through year end.

Granite Construction

Granite reaffirmed revenue guidance, despite YTD revenue decrease compared to the prior period as the portfolio shifts to smaller, less risky projects. ORP burn for 2022 remains on track. The company remains optimistic about the overall environment as it moves into the busiest part of the year in Q3.

HeidelbergCement/Lehigh Hanson

HeidelbergCement confirmed its outlook for strong revenue growth, but with a slight decline in results from current operations expected for full year 2022. The unprecedented increase in energy prices has had a major impact on results.

What the Majors Predict – 2022 (cont.)

Holcim

Holcim upgraded its full year 2022 outlook, expected net sales growth of at least 10%. The roofing and insulation business is on track to reach pro forma net sales of ~\$3.5 billion in 2022.

Martin Marietta Materials

Martin updated its full year 2022 guidance to reflect expected second-half pricing changes, ongoing inflationary pressures and volume constraints driven by supply chain and logistics challenges. The company expects strong tailwinds in infrastructure from IIJA funding, continued demand in nonresidential construction stemming from the acceleration of U.S.-based manufacturing / data centers, and residential construction based on historically underbuilt conditions.

Summit Materials

Summit expects high-single-digit EBITDA growth on a pro forma basis in 2022. It anticipates mid- to high-single digit % price increases and is positioned to hold or expand margins in the back half of the year. End-market outlook across residential, nonresidential, and public is strong, supported by fundamentals.

Vulcan Materials

Vulcan updated its full-year adjusted EBITDA guidance to reflect the strong pricing momentum in its aggregates business as well as its higher than anticipated energy-related cost inflation. Additionally, its updated outlook reflects the impact of its closure of its Mexico operations (\$80 to \$100 million potential EBITDA impact) for the balance of 2022. The company sees strong underlying demand dynamics.

Key Trends

Overall, the outlook for 2022 remains favorable for construction materials companies. Although rising input costs, supply chain headwinds and labor shortages remain issues for all producers. The passage of the IIJA has increased line of sight to continued construction materials demand, with over \$80 billion of the \$1.2 trillion package already allocated to states for roads and highways, bridges, ports, airports and water systems. Increases to interest rates in the back half of 2022 paired with rising inflation has introduced some uncertainty around cost of capital for construction projects and its possible impact to M&A activity. However, as many construction materials producers focused on right-sizing their portfolios and spinning off non-core assets in 1H 2022, they are looking for opportunities to redeploy that capital. Based on early 2022 activity, we expect to see strong M&A activity through the end of the year.

Valuation and Trading Statistics for Major Players

Ticker	Company Name	Stock Price 10/21/2022	% of 52-Week		Market Cap	Enterprise Value	LTM Revenue	LTM EBITDA	Enterprise Value /	
			High	Low					LTM Revenue	LTM EBITDA

(All \$ in MM except for Stock Price)

Construction Materials Product Index

NYS: ACA	Arcosa	\$ 58.4	89%	135%	\$ 2,904	\$ 3,540	\$ 2,220	\$ 321	1.6x	11.9x
NYS: CX	Cemex	\$ 3.4	48%	106%	\$ 5,085	\$ 14,073	\$ 14,548	\$ 2,730	1.0x	5.2x
NAS: ROAD	Construction Partners	\$ 28.6	64%	152%	\$ 1,528	\$ 1,867	\$ 1,188	\$ 99	1.6x	20.5x
LON: CRH	CRH	\$ 33.8	62%	108%	\$ 25,368	\$ 30,391	\$ 31,037	\$ 5,739	1.0x	5.3x
NYS: EXP	Eagle Materials	\$ 111.3	66%	109%	\$ 4,267	\$ 5,354	\$ 1,947	\$ 686	2.7x	8.2x
NYS: GVA	Granite Construction	\$ 26.6	60%	105%	\$ 1,195	\$ 1,140	\$ 2,692	\$ 148	0.4x	12.9x
ETR: HEI	HeidelbergCement	\$ 43.1	56%	115%	\$ 8,353	\$ 16,795	\$ 22,221	\$ 3,650	0.8x	3.7x
SWX: HOLN	Holcim (LafargeHolcim)	\$ 42.3	73%	107%	\$ 25,939	\$ 43,422	\$ 31,064	\$ 7,633	1.4x	6.0x
NYS: MLM	Martin Marietta	\$ 304.2	68%	107%	\$ 19,544	\$ 24,229	\$ 5,926	\$ 1,559	4.1x	14.7x
NYS: SUM	Summit Materials	\$ 24.7	60%	112%	\$ 2,968	\$ 4,085	\$ 2,421	\$ 502	1.7x	6.1x
NYS: VMC	Vulcan Materials Company	\$ 149.2	70%	108%	\$ 20,569	\$ 25,167	\$ 6,511	\$ 1,545	3.8x	17.2x

Statistics

Min	\$ 3.4	48%	105%	\$ 1,195	\$ 1,140	\$ 1,188	\$ 99	0.4x	3.7x
Median	\$ 42.3	64%	108%	\$ 5,085	\$ 14,073	\$ 5,926	\$ 1,545	1.6x	8.2x
Mean	\$ 75.0	65%	115%	\$ 10,702	\$ 15,460	\$ 11,070	\$ 2,237	1.8x	10.2x
Max	\$ 304.2	89%	152%	\$ 25,939	\$ 43,422	\$ 31,064	\$ 7,633	4.1x	20.5x



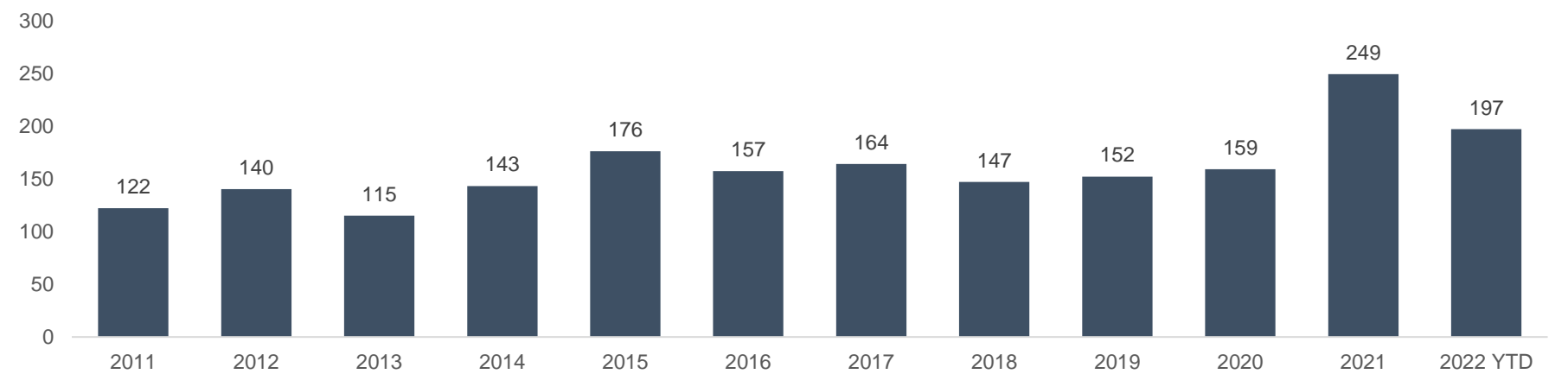
2022 YTD Transaction Trends

2022 has been an interesting year for M&A activity, thus far. We've seen the large public companies continue to execute on portfolio optimization with sizable divestitures including CRH's Building Envelope business segment (\$3.8 billion), Arcosa's storage tank segment (\$275 million), and Holcim's India operations, to name just a few. Companies have doubled down on executing their strategic plans with notable acquisitions such as CRH's \$1.9 billion acquisition of Barrette Outdoor Living and Holcim's roofing focus with acquisitions of Malarkey Roofing Products and SES Foam in the United States. An underlying theme we've seen with these companies realigning portfolios is towards more streamlined business models. An example of this is Arcosa's planned divestiture of its non-core barge business, and the acquisition of a core recycled aggregates business. We have also seen market specific strategies executed by some of the majors, not a "one-size fits all" model. Martin moving away from vertical integration in certain markets (i.e. Martin's select western US asset divestitures), and Summit spinoffs of downstream operations in some markets, while these same companies remained vertically aligned in other markets. Another example of the trend comes with the announcement that MDU Resources spin-off of Knife River, creating two focused, independent, publicly traded companies. This will establish Knife River as a standalone, aggregates-based, vertically integrated construction materials and contracting provider, and MDU will focus on regulated utilities, natural gas pipelines and infrastructure services.

Private construction materials companies continued to be active in expanding through acquisition. York Building Products (PA), Blue Ridge Construction Capital (Matthews-Edge-Sand), and SRM all completed acquisitions in the first half of 2022. SRM continued to lead the way in number of acquisitions, completing multiple deals, and has focused on expanding its logistics and aggregates capabilities for the larger ready mix business.


















Despite macroeconomic volatility, and increasing interest rates, M&A has continued at a strong pace so far in 2022

Historical M&A transaction count in the Building Materials Industry






















Source: Pitchbook

















2022 Notable Construction Materials Transactions

Companies		Rationale / Commentary
		MDU Resources has announced a plan to separate Knife River, creating two focused, independent publicly traded companies. The spinoff is expected to create financial and strategic flexibility for each company to focus on its core business opportunities and potentially unlock significant shareholder value.
Target	Buyer	Rationale / Commentary
 California Cement Plant and Related Terminals		Martin Marietta Materials entered into an agreement to sell its Tehachapi, California cement plant and related distribution terminals to CalPortland Company for \$350 million in cash. The transaction is expected to close in the first half of 2023, subject to regulatory approval and other customary closing conditions.
Polymers Sealants North America		Holcim acquired the Polymers Sealants North America (PSNA) division of Illinois Tool Works. PSNA is a leader in coating, adhesive, and sealant solutions with 2022 est. Net Sales of \$100 million. With more than 150 employees and manufacturing plants in California, Arizona, Texas, Georgia and Massachusetts, PSNA will accelerate the growth of Solutions & Products, especially in waterproofing and coatings.
		Lehigh Hanson acquired JEV Recycling, a recycler of concrete and asphalt with a facility in Woodinville, Washington. Lehigh Hanson says the addition strengthens its portfolio of recycled materials in the Seattle area, allowing the company to better meet the increasing need for more sustainable construction materials.
		SRM Materials, the aggregate division of SRM concrete, acquired Huddy's Aggregate Materials in Murray, Kentucky. This acquisition marks SRM Materials' first quarry in the state of Kentucky.
Matthews Sand & Gravel and Edge Aggregates		Blue Ridge Construction Capital acquired Matthews Sand & Gravel and Edge Aggregates, a pair of North Carolina-based construction materials companies. As part of the transaction, Blue Ridge Construction Capital combined Matthews Sand & Gravel and Edge Aggregates into Matthews-Edge Sand, a single entity that will serve the market in and around Raleigh, North Carolina with construction aggregates.
Wells Hauling		SRM Concrete acquired Wells Hauling, a materials transportation company in Pembroke, Georgia. Following Pyles Transport and Young Trucking, this acquisition marks the third transportation company acquired by SRM Concrete this year.
		York Building Products, a manufacturer of aggregates, concrete masonry products, retaining walls, lintels and colored masonry cements, acquired Pennsylvania-based Union Quarries. Union Quarries, which is based in Carlisle, Pennsylvania, produces crushed stone, asphalt and ready-mixed concrete products.
		Gulf Coast Sand (GCS), a producer and supplier of specialized and blended sands, abrasives and gravel, acquired the assets of Shale Support. With this move, GCS now has more than 900 mineable acres of aggregate reserves. The acquisition also provides GCS with increased specialty sand capabilities, including two fluid bed driers, 10 mineral separators and 24,000 tons of silo storage, all paired with truck and unit rail train load out.
		Vulcan Materials Co. purchased Syar Industries, a construction materials producer headquartered in Napa, California. Syar is one of the largest independently owned construction materials producers of scale in northern California. The company offers construction aggregates, recycled materials, hot-mix asphalt and ready-mixed concrete.
Strictly Confidential		9




2022 Notable Construction Materials Transactions

Target	Buyer	Rationale / Commentary
 SOUTHERN ASPHALT Conway, South Carolina	 CPI CONSTRUCTION PARTNERS INC. A LEADING INFRASTRUCTURE COMPANY	The acquisition of Southern Asphalt, Conway, S.C., expands the CPI footprint into eastern South Carolina in the Myrtle Beach metro area, among the fastest growing markets in the nation. CPI added two hot-mix asphalt plants and more than 200 employees, presenting opportunities to bid on an attractive mix of public and commercial projects.
 Barrette OUTDOOR LIVING		CRH acquired Barrette Outdoor Living, Inc., North America's leading provider of residential fencing and railing solutions for an enterprise value of \$1.9 billion (<8x post-synergies). The acquisition enhances CRH's outdoor living solutions, with a comprehensive product offering, industry leading brands, and strong growth in its existing APG (Architectural Products Group) business.
 Martin Marietta West Coast Cement and Ready Mixed Concrete Operations		Martin Marietta sold certain West Coast cement and ready mixed concrete operations to CalPortland Company for \$250 million in cash. The operations include the Redding cement plant, related cement distribution terminals and 14 ready-mixed concrete plants located in California. The transaction is expected to close in the second half of 2022, subject to regulatory approvals and other customary closing conditions.
		Holcim acquired SES Foam, the biggest independent spray foam insulation company in the US with 2022 est. Net Sales of \$200 million. This transaction adds to Holcim's recent acquisitions, from Firestone Building Products to Malarkey Roofing, taking its pro forma 2022 Net Sales in roofing and insulation to \$3.5 billion.
		Arcosa acquired Recycled Aggregate Materials Company, Inc. ("RAMCO") for ~\$75 million. Headquartered in Simi Valley California, RAMCO is a leading independent producer of recycled aggregates serving the greater Los Angeles metro area from four strategic locations. RAMCO had a TTM Adj. EBITDA of \$9.6 million implying a ~7.8x EBITDA multiple.
		Holcim acquired Cajun Ready Mix Concrete, the largest in its sector in the Baton Rouge metropolitan area, Louisiana, USA. The transaction will integrate Cajun's eight ready-mix concrete plants, 108 employees, and 51 mixer trucks into the existing Holcim Louisiana business. This acquisition adds to Holcim's recent bolt-ons in ready-mix concrete.
Young Trucking		SRM Concrete acquired Young Trucking, the largest bulk cement distributor in Southwest Florida. This marks SRM's second acquisition of a cement distributor following the acquisition of Pyles Transport in Middle Tennessee.
		An affiliate of CRH Americas Materials acquired Kentucky-based Hinkle Contracting, an asphalt paving and production contractor, from Summit Materials for >10x EBITDA.
		An affiliate of CRH Americas Materials acquired Rinker Pipe reinforced concrete drainage structures in Houston, DFW and San Antonio from Quikrete. The deal continues Oldcastle Infrastructure's recent expansion of drainage structure capacity, underscored by the early-2021 acquisition of six-plant Minnesota operator Hancock Concrete Products.
		SRM Concrete acquired Titan Ready Mix in Covington, Georgia. The acquisition includes one ready-mix concrete plant and 30 skilled operators and staff.

2022 Notable Construction Materials Transactions

Target	Buyer	Rationale / Commentary
Darby Ready Mix and Clinton-Tecumseh Aggregates		SRM Concrete announced the acquisition of Darby Ready Mix in Southeast Michigan. This acquisition will add two new ready-mix concrete plants and a quarry to the family-owned company's 23 existing Michigan locations. In addition to the ready-mix plants, SRM Materials, the aggregate division of SRM Concrete, acquired Clinton-Tecumseh Aggregates, a sand and gravel quarry in Lenawee County. This addition marks the company's second quarry in Michigan and the 17th nationwide.
Meriwether Ready Mix		Lehigh Hanson, a North American subsidiary of HeidelbergCement, acquired the assets of Meriwether Ready Mix, a ready-mixed concrete producer for residential and commercial customers. Meriwether is based in Atlanta, the assets acquired include four ready-mix plants and a fleet of mixer trucks.
 Charley's Concrete Allstate Ready Mix		SRM made a series of concrete acquisitions this year. Martin Marietta sold its Colorado and Central Texas ready mixed concrete operations to Smyrna Ready Mix Concrete. SRM Concrete also acquired Charley's Concrete in the Dallas/Fort Worth market. This acquisition includes six concrete plants around the DFW area. SRM Concrete completed a transaction with Argos USA which includes 18 ready-mix concrete plants in North Carolina and five in Florida. SRM Concrete acquired Environmental Concrete & Materials in Fort Myers, Florida. Earlier in the year, SRM Concrete acquired Louisville-based Allstate Ready Mix.
		SRM Concrete acquired Pyles Transport Inc. Pyles Transport specializes in the transportation of dry bulk materials such as cement, fly ash, and lime. This acquisition will allow SRM Concrete to further control the logistics involved in the production of its ready-mix concrete.
		The acquisition provides enhanced vertical integration of construction services. GAC adds assets and crews, enhancing operational capabilities in an existing growth market. This acquisition allows CPI to bid on a wider array of projects in the surrounding Panama City market.
 Wilmington, NC		The bolt-on acquisition of Southern Asphalt, Wilmington, N.C., marks CPI's first entry into a this market, adding a team of experienced paving professionals.
		Oldcastle APG, a CRH company, acquired Calstone, a leading manufacturer of pavers, concrete masonry, segmental retaining walls and packaged products based in Northern California. Calstone serves high-demand markets including San Francisco, Sacramento, San José and the Central Valley-area.
		Holcim completed the acquisition of Malarkey Roofing Products, a rapidly growing player in the U.S. residential roofing market. Following on the heels of the Firestone Building Products acquisition, this is a significant bolt-on to a relatively new division. Malarkey has projected 2022 sales of \$600 million and EBITDA of \$120 million. The acquisition is a big step towards Holcim's goal of achieving \$4 billion in net sales in roofing by 2025.
		United States Lime & Minerals acquired Mill Creek Dolomite. Though a small acquisition, Mill Creek Dolomite adds high purity reserves to U.S. Lime, allowing them to sell higher value products into specialty markets such as roofing materials and glass.
Strictly Confidential		11

2022 Notable Construction Materials Transactions

Target	Buyer	Rationale / Commentary
 <p>SINCE 1892 CORLISS RESOURCES</p>	 <p>Lehigh Hanson HEIDELBERGCEMENTGroup</p>	<p>Lehigh Hanson acquired Corliss Resources, a bolt-on ready mix and aggregates acquisition to their Washington state business. The acquisition includes aggregate operations with annual sales volumes of about 2 million tons and reserves and resource tons of ~ 170 million tons, and four concrete plants selling ~390K cubic yards in the greater Seattle area.</p>
 <p>COWDEN GRAVEL & READY MIX</p>	 <p>HOLCIM</p>	<p>Holcim completed the acquisition of Cowden Inc., a leader in ready-mix concrete and aggregates in Bellingham, Washington. This acquisition expands Holcim's footprint in the Pacific Northwest region of the United States. Since 1945, Cowden has been a trusted building partner in its region, growing to include two ready-mix concrete plants, eight aggregate facilities and a hauling fleet.</p>

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