VALUE FOCUS

CONSTRUCTION & BUILDING MATERIALS INDUSTRY

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FIRST QUARTER 2025 | SECTOR FOCUS: RESIDENTIAL CONSTRUCTION

Executive Industry Trends

- During Q1 2025, real GDP fell 0.07%, marking the first quarterly decrease since the beginning of 2022. This was driven by a decrease in government spending as well as a surge in imports as domestic companies stocked inventory in anticipation of tariffs.
- Growth in residential and non-residential building sectors has slowed, with Value Put-in-Place up 2.8% and 2.9% Y-o-Y, respectively, on a seasonally adjusted annual basis.
- Residential building sentiment has slowed, as the NAHB Housing Market and Remodeling Market Indices have fallen 23.5% and 4.6% Y-o-Y as of Q1 2025.
- The presence of a new presidential administration and policy will have a significant impact on the industry. The Trump administration has indicated plans to cut government spending, lower inflation and interest rates, and increase existing or levy new tariffs, all of which will have various impacts on industry input prices, borrowing costs, and competitiveness. Q1 2025 saw the beginning of this process, with global steel and aluminum tariffs, blanket tariffs on Chinese goods, and blanket tariffs on Canada and Mexico. Tariff policy has been highly fluid, generating increased volatility in both domestic and global financial markets.

In This Issue

Construction Overview

Construction & National GDP

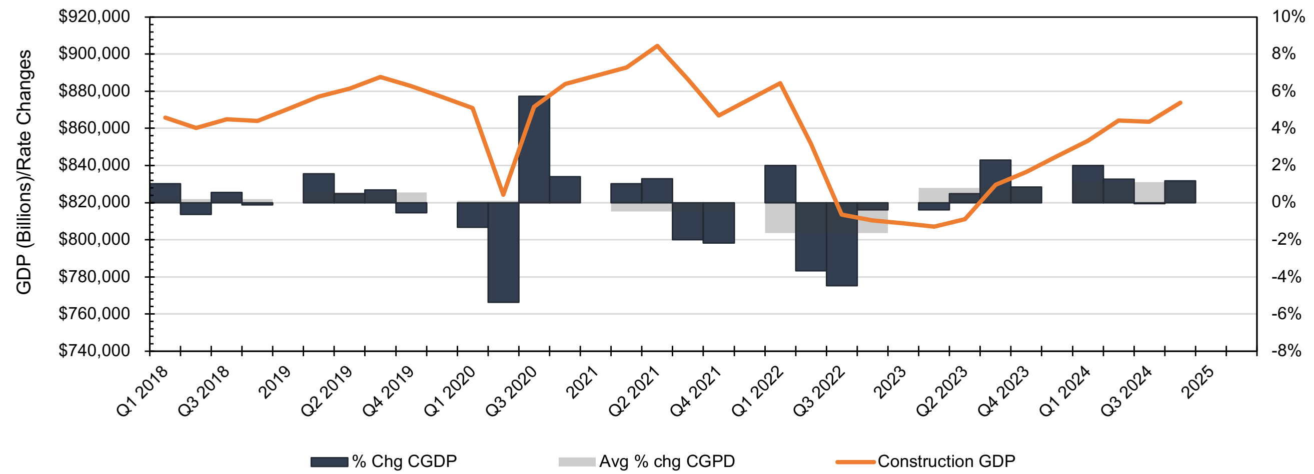
National GDP growth slowed to 2.04% on a Y-o-Y basis and fell 0.07% on a quarterly basis. Resilient consumer spending has supported continued recovery and growth in the years after the pandemic, though elevated interest rates and inflationary pressures have presented a ceiling on expansion. Q1 GDP contraction was largely attributable to cuts in defense spending and abnormal import activity, as companies rushed to secure inventory prior to the implementation of the Trump Administration's tariff policy, which has been a centerpiece of President Trump's economic agenda. While initial effects of the implementation of this policy included increased market volatility, the full effects were felt beginning in early Q2 2025 and must be continually analyzed as administration fiscal policy evolves.

The new administration has also emphasized a desire for lower interest rates and policies that will lower inflation, which could indicate further rate cuts and a more consumer-friendly environment in the long term; however, the Federal Reserve held rates constant at its most recent meeting and Chair Jerome Powell indicated that the administration's tariffs had been larger than they had projected. While the administration has indicated a desire to cut spending, preliminary estimates indicate a greater budget deficit in Q1 2025 compared to Q1 2024 and Q1 2023. It is worth noting that it is still early in a new administration and new spending policies may yet to have had an effect on spending; however, accelerating costs associated with interest payments on the national debt may absorb the benefits of any updates to fiscal policy. Government spending has historically been an important driver of industry demand and revenue. Therefore, it will be important to follow how the new administration's interest rate, spending, tariff, and broader economic policies interact and the net effect they have on both the construction and building materials industry and the wider U.S. and global economies.

Construction Overview

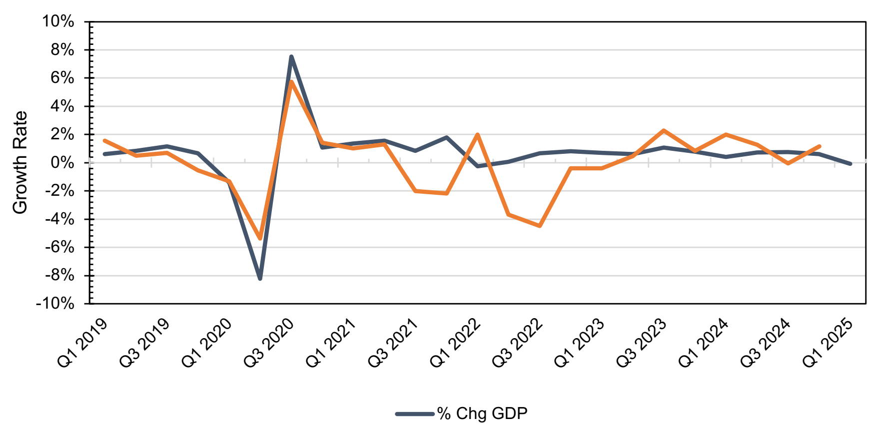
Construction & National GDP (cont.)

Construction Gross Domestic Product



Source: Federal Reserve Economic Data

% Change in GDP



Source: Federal Reserve Economic Data

Construction GDP	
Period	**% Change**
Y-o-Y	4.11%
Q-o-Q	-0.06%

National GDP	
Period	**% Change**
Y-o-Y	2.04%
Q-o-Q	-0.07%

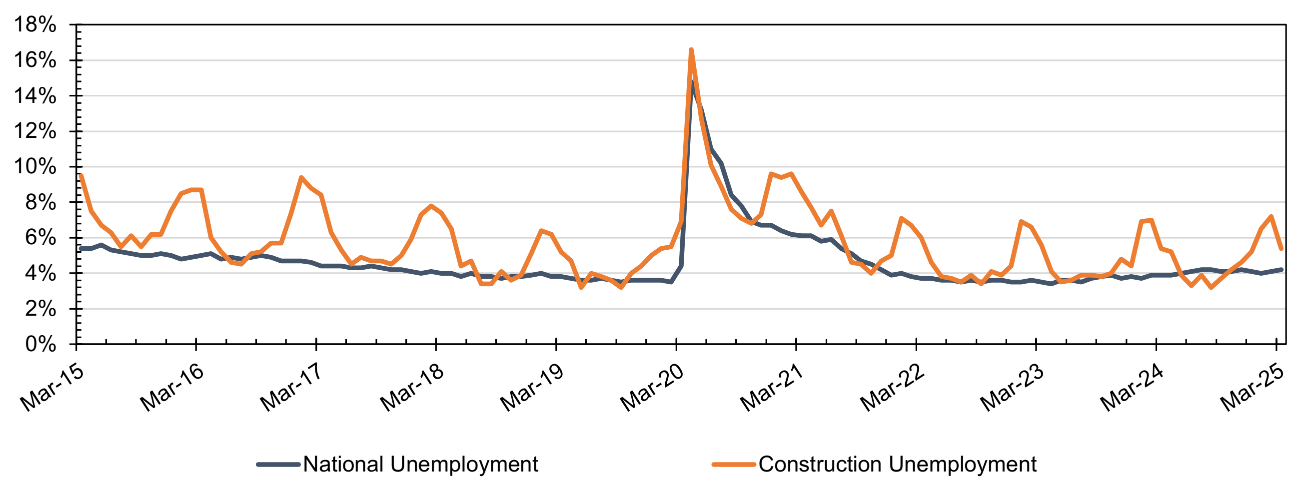
Construction Overview

Construction & National Unemployment

There are differing opinions on what exactly qualifies as a healthy unemployment rate, but general consensus is that it ranges between 3% and 6%. Unemployment was down approximately three basis points from Q4 2024 to Q1 2025, from an average of 4.13% to 4.10%. Unemployment has been largely flat since mid-2024, staying towards the middle of the "natural" unemployment rate range.

The unemployment rate in the construction industry experiences high seasonality, as the industry is both cyclical and seasonal, as variables like weather, commodity prices, regulation, and available demand for capital projects all affect construction industry activity. Construction unemployment follows seasonal trends as production of materials and fulfillment of projects typically stall during the winter. Construction unemployment was flat at 5.4% from March 2024 to March 2025. It reached a seasonal high of 7.2% in February 2025 (up 2.9% from 2024's February seasonal high), which is in line with previous seasonal peaks in January or February of 2024 (7.0%), 2023 (6.9%), and 2022 (7.1%). Higher interest rates might have been a headwind for the industry, but rate cuts in September, November, and December and anticipated future cuts could boost project activity and labor demands in the industry.

National and Construction Unemployment Rates



Source: Federal Reserve Economic Data

Construction Overview

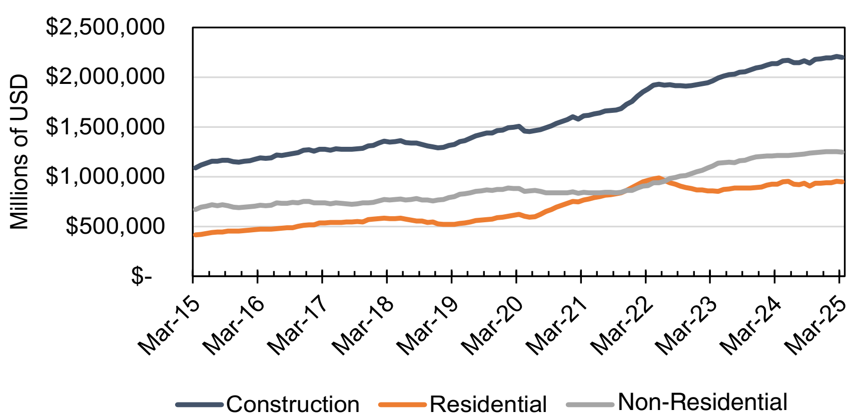
Value of Construction Put-in-Place

The value of construction put-in-place (PIP) is a measurement of the total value of construction work performed in the U.S. during a specified time period. The U.S. Census Bureau tracks this data and reports the results monthly. This value includes, but is not limited to, building materials costs, labor costs, profit, engineering costs, interest, and taxes. Over the past year, the United States has seen robust growth across both residential and non-residential projects.

As of Q1 2025, residential construction value PIP has seen a 2.8% increase year-over-year, and a 1.0% increase from the previous quarter. In Q1 2025, residential home prices remained elevated above pre-pandemic levels. Some prices could begin falling as current and future rate cuts increase supply, though greater demand should support prices above pre-pandemic trends.

Non-residential construction value PIP has seen a year-over-year increase of 2.9% and a Q1 2025 decrease of 0.4%. Residential construction has historically lagged non-residential construction, yet in 2020, while the residential construction market experienced significant growth, non-residential construction value stagnated. It wasn't until June of 2022 that non-residential construction began to see increases in value PIP, at which point it once again eclipsed the value of residential construction value PIP. In this period of growth, the U.S. has seen an increase in reconstruction projects, which include renovations, expansions, and preservations of current buildings, rather than new construction projects. Private non-residential value PIP has decreased while public value PIP has increased amid $1.25 trillion allocated for investment into public non-residential projects by both the CHIPS and Science Act in 2022 and the Bipartisan Infrastructure Act of 2021.

Value of Construction Put-in-Place



Residential	
Period	**% Change**
Y-o-Y	2.8%
Q-o-Q	1.0%

Non-Residential	
Period	**% Change**
Y-o-Y	2.9%
Q-o-Q	-0.4%

Source: US Census Bureau

Construction Overview

Value of Construction Put-in-Place

(cont.)

The Trump administration has frozen disbursements related to the Bipartisan Infrastructure Act, and as of early March Mr. Trump had also indicated a desire for Congress to roll back the CHIPS Act. While Congressional support for these actions looks to be mixed—especially in the case of the CHIPS Act, which has been widely popular—these actions do introduce material volatility and uncertainty to government-driven industry growth. On the other hand, the Trump administration has indicated strong support for domestic energy production and recently announced Stargate, a $500 billion joint venture project with OpenAI, Oracle, and Softbank designed to drive investment in American dominance in the artificial intelligence industry. Looking forward, the administration's approach to spending and investment will drive material changes to non-residential construction activity domestically. Additionally, the funding freeze has already faced several challenges in court and may not be permanent.

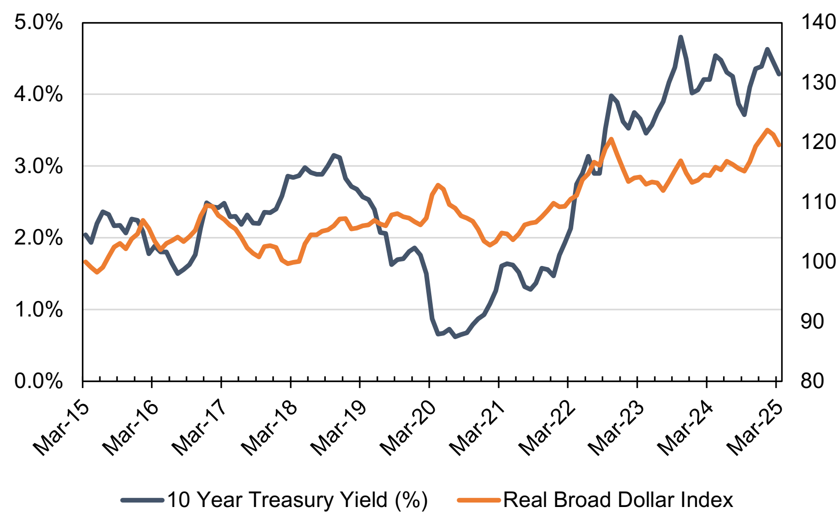
Construction Overview

10-Year Yield and Real Broad Dollar Index

The yield on 10-year treasury bonds indicates investor sentiment and provides a benchmark for financial markets. Elevated interest rates contribute to higher development costs for construction projects as borrowing becomes more expensive. At the same time, an increase in 10-year yields may signal an increased optimism in the overall market and expectations for elevated economic growth. The 10-year yield graph shows a sharp decline through the COVID-19 pandemic in 2020 followed by a quick recovery through 2021. Growth remained strong through 2022 and 2023, rising 304 BPS from 1.8% in January of 2022 to a high of 4.8% in October of 2023. The 10-year yield has begun to stabilize since the end of 2023, generally oscillating between 3.5% and 4.8% during 2024. It fell from 4.58% at the end of Q4 2024 to 4.23% at the end of Q1 2025.

The spread between 10-year yields and 2-year yields can often be a good indication of what the future holds. A 2-year yield in excess of a 10-year yield, also called an inverted yield curve, has historically been a leading indicator for recessions and indicates that investors view the near term as riskier than the long term. After initially inverting in mid-2022, the yield curve returned to having a positive spread between the 10-year and 2-year yields towards the end of Q3 2024. Historically, the future recessionary environment indicated by a yield curve inversion has fully developed in the months after the yield curve reverts to a positive spread.

10-Year Treasury Yield/Real Broad Dollar Index



10-Year Treasury Yield	
Period	**% Change**
Y-o-Y	0.1%
Q-o-Q	-0.1%

Real Broad Dollar Index	
Period	**% Change**
Y-o-Y	4.5%
Q-o-Q	-0.9%

Source: Federal Reserve Economic Data

Construction Overview

10-Year Yield and Real Broad Dollar Index

(cont.)

The Real Broad Dollar Index is a type of trade weighted index, which measures the relative strength of the U.S. Dollar compared to foreign currencies, emphasizing the weight of our most common trade partners and largest economies. When the dollar is strong, trade becomes much more advantageous for the U.S. Imports become cheaper and the status of the dollar as the world reserve currency is bolstered. However, exporters suffer as domestically produced goods become more expensive abroad. Based on the real broad dollar index, the dollar has strengthened 4.5% year over year but weakened 0.9% quarter over quarter as of Q1 2025. This benefits construction industry operators reliant on imports but may harm industry operators that rely heavily on exporting end goods or services. An additional consideration is that while tariffs typically strengthen a domestic currency, domestic tariffs are expected to weaken the U.S. dollar through slowing GDP growth and increased volatility surrounding the dollar.

Sector Focus

Residential Construction

The residential construction sector encompasses the building, renovation, and remodeling of single family homes and multi-family units. The sector plays a substantial role in the national economy. Residential spending on a seasonally adjusted annual basis is approaching $1 trillion per the U.S. Census Bureau, and comprises about 65% of total construction industry spending. Housing activity is a significant contributor to GDP on a direct (appr. 5%, per the NAHB) and indirect basis, as consumption spending on housing services, including gross rents and utilities, averages a contribution of approximately 12%-13% of GDP on an annual basis. The central role of residential housing in driving the U.S. economy is also supported by the large-scale economic downturns precipitated by housing market crashes.

The sector is driven by population growth and urbanization, as a larger domestic population and the increased development of urban and suburban areas creates greater demand for both single family and multifamily housing. Government stimulus and incentives like low interest rates, rent subsidies, and tax credits further support demand. A current shortage of homes following depressed builder activity in the wake of the 2008 Great Financial Crisis has helped drive both higher home prices and increased demand for new builds. The sector faces potential headwinds from larger economic downturns, as its significant role in the domestic economy leaves it exposed to wider macroeconomic trends like recessions, unemployment, elevated interest rates, and reduced consumer spending. It also faces headwinds from rising material and labor costs. Competition in the industry is intense- margins can be pressured by new entrants, as well as innovations in technology including building information modeling, 3D printing and modular construction, and smart home integration. Regulatory changes like stricter building codes, updates to zoning laws, and environmental regulations can further create headwinds for sector operators and lead to material adverse effects on profitability.

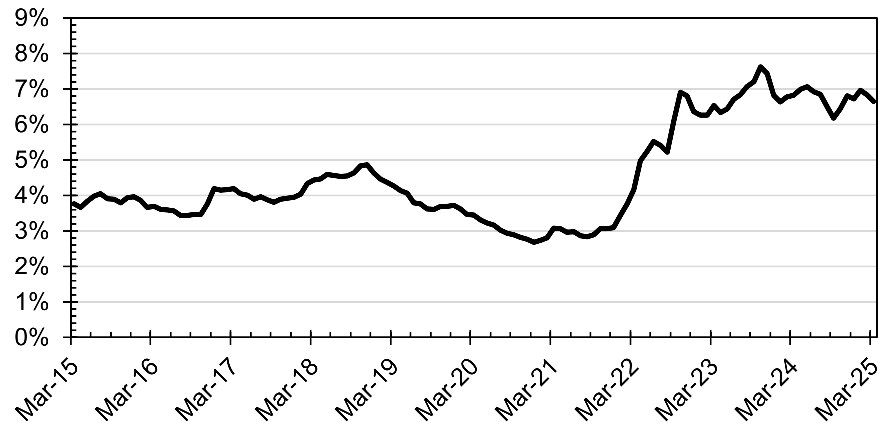
In the short-term, several factors affect demand for the housing market, including the affordability ratio, which is the average size of a loan compared to the average salary, and the overall cost of renting compared to buying. Currently, the market favors rentals, which reduces demand for new homes being built. Elevated rates also hurt demand. Not only do elevated rates increase the monthly cost for new homebuyers, but they also reduce supply as homeowners with lower mortgage rates will be less likely to sell. In the long term, rising population and standard of living should continue to drive both increased demand and price of residential construction.

Residential Construction

30-Year Mortgage Rates

The 30-year fixed mortgage rate is the most common financing tool that home buyers use in the United States. Rising mortgage rates can cause a decrease in demand for homes stemming from a higher overall cost to consumers. Mortgage rates have fallen seventeen basis points over the past year and 7 basis points over the first quarter of 2025. However, rates are still above pre-pandemic levels, as of March 2025, the 30-year rate was 6.65%, compared to 3.72% at year-end 2019 and a low of 2.68% at year-end 2020. Over the last three years, rates have stabilized between 6.0% and 7.0% (average of 6.47% over this period) and peaked at 7.79% in October 2022. The elevated rates have made borrowing more expensive, with median monthly mortgage payments rising nearly 50%-60% from 2021 to 2024 per data from Bankrate, the U.S. Census Bureau, and Redfin. These costs can cause prospective buyers to delay or cancel purchase plans, creating headwinds for the industry.

30-Year Mortgage Rates



30-Year Rates	
Period	**% Change**
Y-o-Y	-17
Q-o-Q	-7

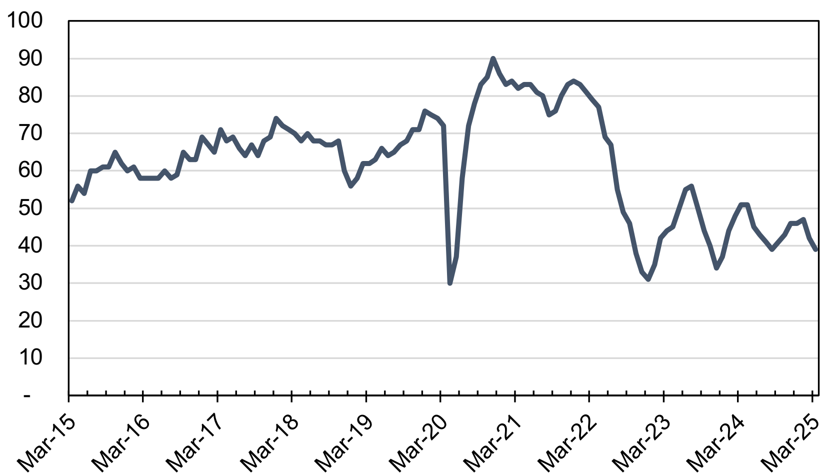
Source: Federal Reserve Economic Data

Residential Construction

NAHB Indices

The National Association of Home Builders (NAHB) conducts two separate surveys specifically targeted towards those who are NAHB members. The two surveys are the Housing Market Index (HMI) and the Remodeling Market Index (RMI), which are both distinct measurements of confidence in the home building industry. HMI is a weighted average of 3 components: present single-family home sales, next-six-months single-family home sales, and traffic of prospective buyers. Each respondent is asked to respond to each of these questions on a 3-level scale. They are then averaged. The HMI dropped to 30 at the start of the pandemic but quickly recovered across the rest of the year. It dropped to this level again in December of 2022 following an approximately 330 basis point increase in the 30-year mortgage rate. Despite some moderate recovery, the index has remained depressed relative to 2021 due to elevated borrowing rates, depressed supply, and volatile conditions, with the index down approximately 50% from the average for 2021. While the index has exhibited considerable volatility since Q3 2022, it has normalized around values of in the low-to-mid 40s (a monthly average of 44 going back to December 2022). As of March 2025 it sits at 39, approximately 30.0% above the pandemic-era low but 56.7% below the 2020 high and 36.7% below the ten-year average. The RMI has fared slightly better though it was down 4.6% Y-o-Y and 7.4% Q-o-Q. Taken together, these metrics indicate a volatile and tempered outlook for NAHB members.

NAHB Housing Market Index



RMI	
Period	**% Change**
Y-o-Y	-4.6%
Q-o-Q	-7.4%

HMI	
Period	**% Change**
Y-o-Y	-23.5%
Q-o-Q	-15.2%

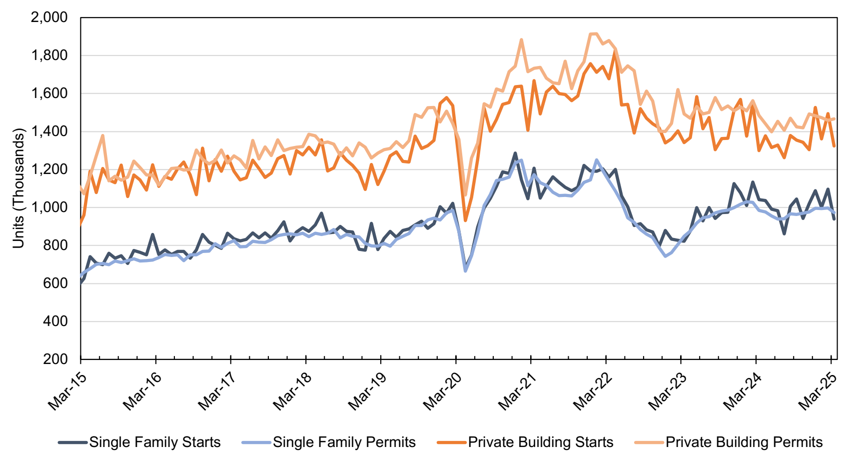
Source: National Association of Home Builders

Residential Construction

Housing Starts & Building Permits

Building permits and housing starts are important indicators for the residential construction industry. Both reflect demand, consumer confidence, and the feasibility of financing construction projects. Building permits can be issued and not started, so housing starts are a more accurate measure for current activity. However, building permits can be a relevant measure for future housing starts. From the period following the housing crash of 2008 up until COVID-19, housing starts and permits stayed relatively calm with a solid growth rate. Residential construction slowed during the COVID-19 pandemic, with both housing and permit numbers falling. After this initial downturn, however, the residential housing market saw record growth through 2020, 2021 and some of 2022. After peaking in late 2021/early 2022, housing starts and permit numbers began falling. Single family starts and permits hit a local low at the end of 2022 from which it recovered during early 2023, while private building starts and permits saw an uptick (appr. 1.51 million starts and 1.48 million permits for Q3 2024 on a seasonally adjusted rate basis) after oscillating between approximately 1.3 million and 1.6 million units from mid-2022 through early 2024, reflecting a potential turnaround in activity going into 2025. However, Q1 2025 saw a downturn in building and permitting activity, with single family starts and permits down 13.7% and 2.3% Q-o-Q and private starts and permits down 13.2% and 1.0% over the same time period. Activity is facing headwinds from higher borrowing rates, input cost increases, and macroeconomic uncertainty driven by trade wars between the United States and other countries.

Seasonally Adjusted Housing Starts and Building Permits



Source: Federal Reserve Economic Data

Single Fam.	Starts	Permits
Period	% Change	% Change
Y-o-Y	-9.7%	-1.1%
Q-o-Q	-13.7%	-2.3%

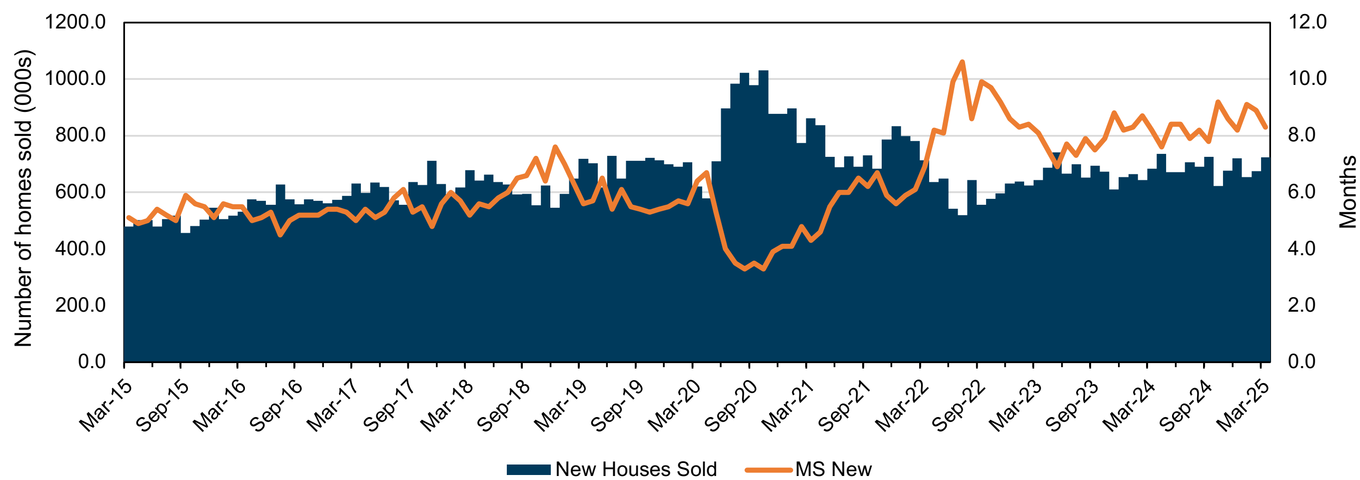
Private	Starts	Permits
Period	% Change	% Change
Y-o-Y	1.9%	-1.2%
Q-o-Q	-13.2%	-1.0%

Residential Construction

New and Existing Home Sales & Months of Supply

New home sales provide a sense of the market demand for residential housing. When new home sales increase, residential construction sees increased demand as homebuilders seek to meet consumer demand. Months' supply is a ratio of new houses for sale to new houses sold per month. On average, months' supply is usually around four to six months. A ratio above this leads to a seller's market, where home sellers hold pricing power due to low supply. A ratio above the normal range leads to a buyer's market, where the buyer holds the pricing power due to an oversupply of homes on the market. With the increasing prices of residential homes, expansion of multifamily housing, and higher mortgage rates, demand has decreased for new homes, which is reflected in a long-term upward trend in the months' supply ratio. Months' supply is up 1.2% Y-o-Y and Q-o-Q on a seasonally adjusted annual basis, signifying a moderate increase in buyer power. Home sales are down from pandemic highs and have typically been between 600,000-700,000 on a seasonally adjusted annual basis.

New Home Sales and Months Supply



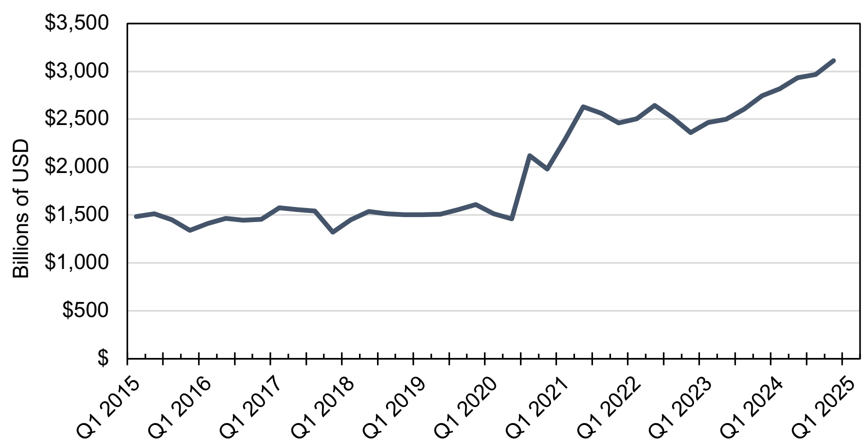
Months' Supply		Home Sales	
Period	**% Change**	**Period**	**% Change**
Y-o-Y	1.2%	Y-o-Y	6.0%
Q-o-Q	1.2%	Q-o-Q	0.6%

Sector Round-up

Non-Residential Construction

Corporate profits are an essential indication of a business' ability to expand. As corporate profits rise, so does capital spending, buoyed by an elevated capacity and willingness to open new branches and divisions, undertake expansion projects, and invest in products and new services, which consequently drives demand for commercial construction. As seen in the chart below, corporate profits expanded considerably during the end of 2020 and beginning of 2021 and have risen on a more consistent level afterwards. As of Q4 2024 (the most recently available quarterly dataset), profits were up 6.8% and 4.9% on a compound annual basis from local peaks in Q2 2022 and Q2 2021, respectively. The *Inflation Reduction Act*, signed into law in August 2022, included amendments that contributed to headwinds in corporate earnings, including raising the minimum tax on large corporations to 15%, while also imposing a 1% tax on stock buybacks. This policy was partially responsible for the moderation in corporate profit growth following excellent post-pandemic numbers, alongside higher input costs and elevated interest rates. Adjustments to federal spending and programs by the new administration will have an impact on these past headwinds, the full measure of which will likely require several quarters of observation of new policy-making and its economic impacts to properly quantify. Lower borrowing costs following ongoing future Fed rate cuts could work to free up capital for new corporate projects and development, further driving demand and activity for the construction and building materials sector. Persistent elevated tariff rates would have a material adverse effect on corporate profits, as many supply chains are highly globalized and even an efficient onshoring of manufacturing processes and supply chains would require significant capital expenditures.

Corporate Profits



Corporate Profits	
Period	**% Change**
Y-o-Y	13.4%
Q-o-Q	4.9%

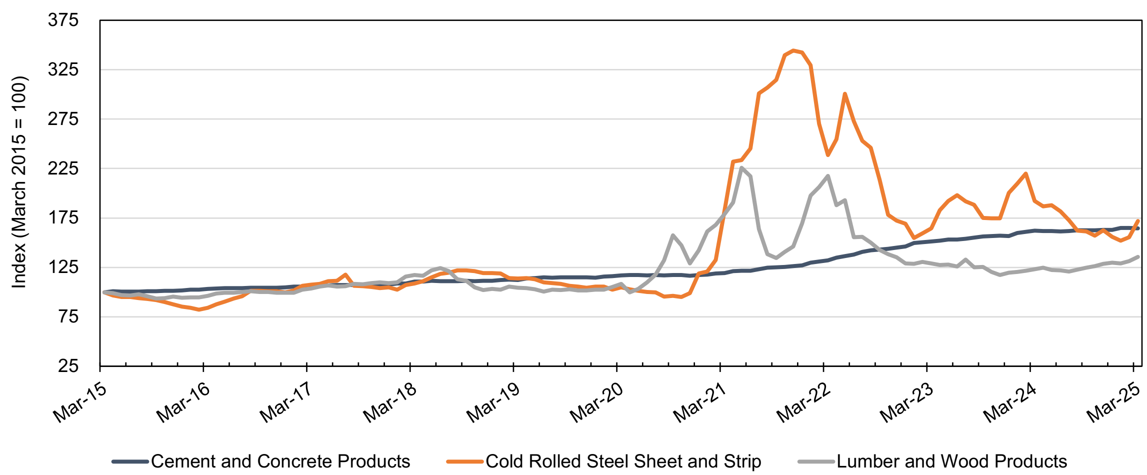
Source: Federal Reserve Economic Data

Sector Round-up

Building Materials

The building materials industry is highly reliant on the input price of commodities including concrete and cement, steel, and lumber. Indexed to Q1 2025, the price of inputs jumped following the pandemic and eventually recovered to a less volatile level, albeit above pre-pandemic trends. During the pandemic, steel was most impacted, while concrete and cement was the least, partially due to its ubiquity in worldwide building usage. Over the past year, indexed concrete and lumber prices have risen 1.4% and 10.2%, respectively, while indexed steel prices have fallen 10.5%. A headwind facing this industry is sustainability demands and regulations, as the procurement and development of building materials is a resource and emissions-intensive process, in addition to potential tariff-induced pricing pressures. For example, steel was up 10.3% Q-o-Q, line with a 10%-25% tariff on steel and aluminum products.

Commodity Input Price Index



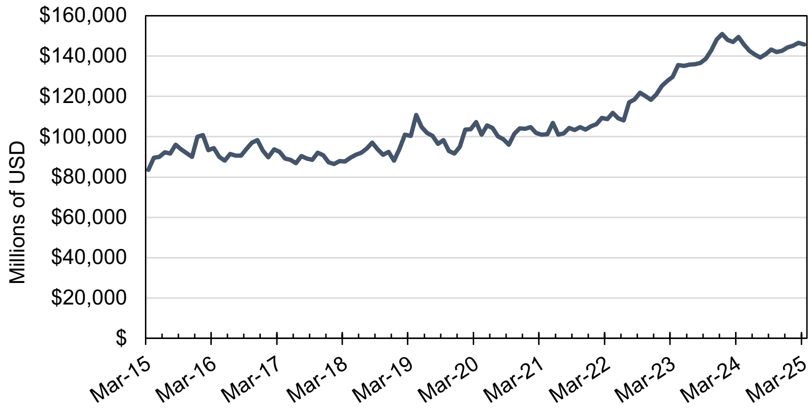
Source: Federal Reserve Economic Data

Sector Round-up

Roads, Bridges, and Highways

Total public spending on highway and street construction fell 2.4% year-over-year and rose 1.1% in Q1 2025 as headwinds from elevated rates began to subside following several cuts and the establishment of a more consistent rate environment. After peaking in April 2019, highway and street construction spending remained stable for several quarters before beginning to accelerate in the second half of 2021, fueled by the passing of the bipartisan infrastructure deal. Total public spending on highway and street construction has grown at a compound annual rate of approximately 10.2% since Q1 2025, reflecting a trend of strong public investment in critical transportation and trade infrastructure. Consistent, everyday wear and tear on street and highway infrastructure helps to support opportunities for construction and repair activities in these areas.

Total Public Spending: Highway and Street Construction



Source: Federal Reserve Economic Data

Highway/Street Construction Spending	
Period	**% Change**
Y-o-Y	-2.4%
Q-o-Q	1.1%

Bellwether Stocks & Industry Participants

	Ticker	Price at 3/31/25	52-Week Perf.	LTM Revenue	Enterprise Value	Debt / MVTC	EBITDA Margin	EV / EBITDA (x)	TEV / Next Yr EBITDA (x)	Price / LTM Earnings	Price / TBV
Residential											
Beazer Homes USA, Inc.	BZH	$32.80	106.5%	$2,146	$1,885	50.7%	8.3%	10.5x	7.0x	6.3x	0.9x
D.R. Horton, Inc.	DHI	$164.55	68.4%	$37,063	$58,272	9.7%	17.6%	8.9x	9.1x	11.2x	2.3x
KB Home	KBH	$70.88	76.4%	$6,494	$6,386	24.0%	12.5%	7.9x	6.9x	9.6x	1.4x
Lennar Corporation	LEN	$171.98	63.6%	$35,056	$45,005	8.4%	15.9%	8.1x	7.9x	12.0x	2.1x
LGI Homes, Inc.	LGIH	$116.37	2.1%	$2,262	$4,078	33.5%	10.9%	16.5x	12.5x	14.6x	1.5x
NVR, Inc.	NVR	$8,099.96	45.4%	$9,847	$23,895	3.5%	20.4%	11.9x	12.1x	16.9x	6.0x
PulteGroup, Inc.	PHM	$120.62	107.0%	$16,435	$26,230	9.0%	22.2%	7.2x	7.4x	9.7x	2.4x
Taylor Morrison Home Corporation	TMHC	$62.17	62.5%	$7,456	$8,174	24.0%	15.4%	7.1x	7.1x	8.9x	1.4x
Meritage Homes Corporation	MTH	$87.73	50.3%	$6,328	$6,443	13.6%	15.9%	6.4x	7.1x	8.2x	1.4x
Tri Pointe Homes, Inc.	TPH	$38.66	52.7%	$3,875	$4,150	27.2%	12.6%	8.5x	6.8x	10.3x	1.3x
Toll Brothers, Inc.	TOL	$129.37	115.5%	$10,163	$15,462	16.8%	19.4%	7.8x	7.6x	10.0x	1.9x
Median - Residential			**63.6%**	**$7,456**	**$8,174**	**16.8%**	**15.9%**	**8.1x**	**7.4x**	**10.0x**	**1.5x**

All figures reported in millions, except per share data

Source: Capital IQ

Bellwether Stocks & Industry Participants

	Ticker	Price at 3/31/25	52-Week Perf.	LTM Revenue	Enterprise Value	Debt / MVTC	EBITDA Margin	EV / EBITDA (x)	TEV / Next Yr EBITDA (x)	Price / LTM Earnings
Building Materials										
Eagle Materials Inc.	EXP	$271.75	85.2%	$2,259.30	$10,420.23	10.5%	35.7%	12.9x	11.7x	20.0x
Martin Marietta Materials, Inc.	MLM	$613.94	72.9%	$6,674.00	$39,656.28	10.3%	30.4%	19.5x	17.4x	18.0x
Vulcan Materials Company	VMC	$272.92	59.1%	$7,678.60	$39,177.22	8.5%	25.9%	19.7x	17.5x	39.4x
CEMEX, S.A.B. de C.V.	BMV:CEMEX CPO	$0.89	61.5%	$16,549.02	$20,543.31	37.3%	17.7%	7.0x	5.8x	113.7x
CRH plc	LSE: CRH	$86.24	70.8%	$35,055.00	$10,237.00	94.6%	17.6%	1.7x	1.5x	18.7x
Heidelberg Materials AG	XTRA: HEI	$109.99	50.5%	$22,682.11	$28,504.85	30.6%	18.8%	6.7x	6.0x	9.7x
Holcim AG	SWX: HOLN	$90.53	40.3%	$29,801.01	$63,819.63	23.6%	23.3%	9.2x	8.5x	15.3x
Median - Building Materials			**61.5%**	**$16,549.02**	**$28,504.85**	**23.6%**	**23.3%**	**9.2x**	**8.5x**	**18.7x**
Roads, Bridges, and Highways										
Granite Construction Incorporated	GVA	$57.13	39.1%	$3,621.35	$2,617.24	17.7%	5.7%	12.6x	6.8x	70.4x
Sterling Infrastructure, Inc.	STRL	$110.31	191.2%	$2,009.01	$3,298.83	8.9%	13.8%	11.9x	11.3x	23.0x
Construction Partners, Inc.	ROAD	$56.15	108.4%	$1,664.85	$3,356.69	12.9%	11.3%	17.8x	15.3x	47.9x
Tutor Perini Corporation	TPC	$14.46	134.4%	$4,152.91	$1,191.35	51.7%	1.6%	18.0x	4.8x	nm
Median - Roads, Bridges, Highways			**121.4%**	**$2,815.18**	**$2,958.03**	**15.3%**	**8.5%**	**15.2x**	**9.1x**	**47.9x**

All figures reported in millions, except per share data
Source: Capital IQ

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Bellwether Stocks & Industry Participants

	Ticker	Price at 3/31/25	52-Week Perf.	LTM Revenue	Enterprise Value	Debt / MVTC	EBITDA Margin	EV / EBITDA (x)	TEV / Next Yr EBITDA (x)	Price / LTM Earnings
Non-Residential										
AECOM	ACM	$98.08	16.3%	$15,349.69	$14,529.69	13.9%	4.7%	20.3x	13.1x	115.5x
Dycom Industries, Inc.	DY	$143.53	53.3%	$4,175.57	$4,863.14	16.2%	11.6%	10.0x	8.8x	19.5x
EMCOR Group, Inc.	EME	$350.20	115.4%	$13,124.72	$15,647.49	0.0%	8.4%	14.2x	14.8x	23.1x
Fluor Corporation	FLR	$42.28	36.8%	$15,456.00	$6,025.35	13.6%	3.1%	12.8x	9.5x	26.4x
Jacobs Solutions Inc.	J	$153.73	30.8%	$8,631.83	$22,065.09	13.0%	9.7%	26.4x	13.8x	75.6x
MasTec, Inc.	MTZ	$93.25	-1.3%	$12,098.12	$9,736.83	27.2%	7.0%	11.5x	10.2x	nm
Quanta Services, Inc.	PWR	$259.80	55.9%	$21,485.20	$41,065.90	8.9%	8.3%	22.9x	18.6x	50.5x
Primoris Services Corporation	PRIM	$42.57	72.6%	$5,871.12	$3,054.40	29.4%	6.6%	7.9x	7.8x	16.0x
Median - Non-Residential Construction			**45.0%**	**$12,611.42**	**$12,133.26**	**13.8%**	**7.7%**	**13.5x**	**11.6x**	**26.4x**

All figures reported in millions, except per share data
Source: Capital IQ

Mercer Capital

Construction & Building Materials Industry Services

Mercer Capital provides valuation and transaction advisory services to the construction and building materials industries.

Industry Segments

Mercer Capital serves construction industry segments from commercial and civil to residential. We also serve the building materials sector from aluminum and steel to brick, glass, and lumber.

Mercer Capital Experience

- Family and management succession planning
- Buy-side and sell-side transaction advisory assistance
- Conflict resolution and litigation support
- Trust and estate planning
- Buy-sell agreement valuation, design, and funding advisory

Contact a Mercer Capital professional to discuss your needs in confidence.

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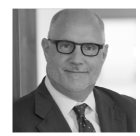

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