



Seale & Associates

CONSTRUCTION INDUSTRY
Q3 2024
VALUATION UPDATE

25 years

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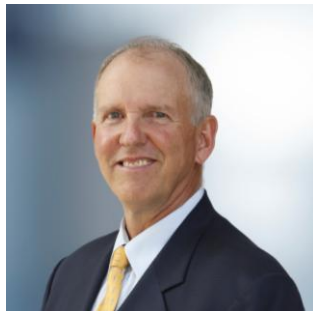
Introduction

We are pleased to share our Construction Industry Valuation Multiples Update for Q3 2024.

At Seale & Associates, we are committed to providing process-driven solutions designed to optimize value and achieve our client’s strategic objectives in a range of transactions, including **Mergers, Acquisitions, Divestitures and Carve-Outs, Business Sales, Recapitalizations, and Joint Ventures**, among other corporate finance and strategy consulting services.

Over the course of 25+ years, we have successfully served clients all over the world, and we are delighted to continue providing investment banking advisory services to our clients who are looking to grow through acquisitions or optimize their portfolios through strategic divestitures.

Seale has extensive experience advising leading multinational companies, private equity firms, and family-owned businesses across a wide range of industries.



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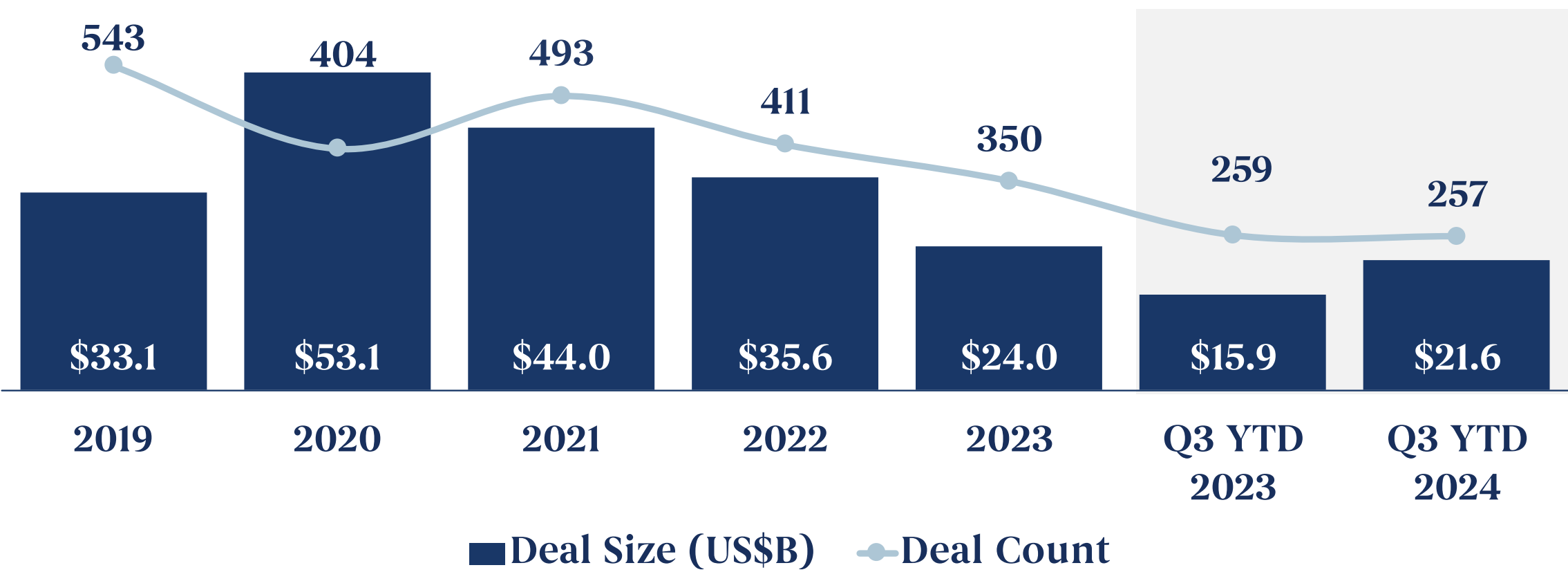
Construction Industry Overview, M&A Trends and Market Intelligence

Construction Industry Overview

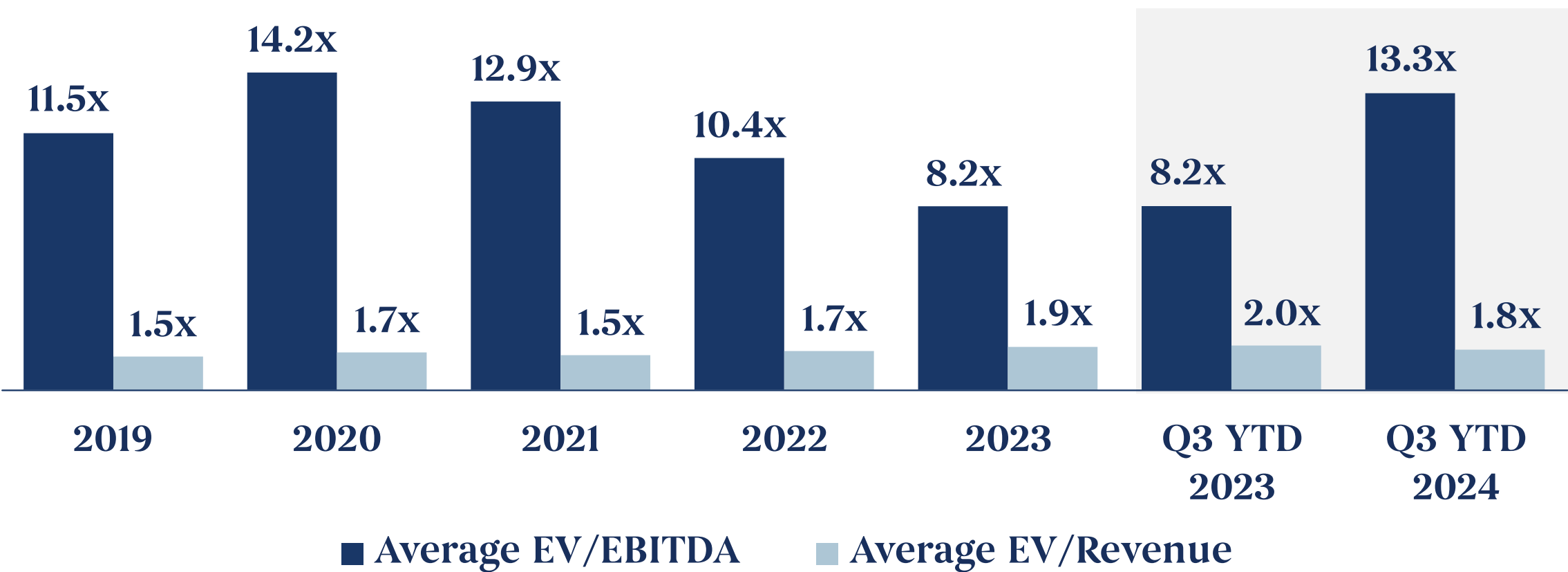
- The global construction **market** hit **US\$11,900 billion** in 2023 and is projected to reach approximately **US\$17,200 billion** by 2030, with an expected annual growth rate of **5.4%**
- Globally, building products companies that **engage in frequent and material acquisitions** significantly surpass inactive companies in terms of total shareholder returns, with a recorded performance of **9.6%** compared to **2.7%**
- Engineering and construction firms **are adopting AI and digital technologies**, including drones and autonomous guided vehicles, to enhance **productivity**, improve **safety**, and drive **sustainability**
- Companies **are strategically divesting** assets to clean up balance sheets and **reinvest** in core areas such as infrastructure projects like the grid and surface transport, while simultaneously allocating capital to high-value areas to bolster balance sheets and **improve overall profitability** amidst economic uncertainties
- Despite challenges like labor shortages and increasing sustainability efforts, the construction industry has a **promising future**, as global economic growth is expected to drive demand for infrastructure and construction

Source: Mordor Intelligence, Next Move Strategy Consulting, Bain & Company, John Burns Research & Consulting, CBIZ, McKinsey & Co., Deloitte











Construction Industry M&A Deal Size and Volume



Construction Industry M&A Average EV/EBITDA and EV/Revenue





Construction Global Comparable Public Companies

Company		Country	Market Cap. US\$M	Enterprise Value US\$M	Revenue US\$M	EBITDA Margin	Annual Average EV/EBITDA		Third Quarter Sep. 30, 2024 EV/EBITDA EV/Revenue	
							2022	2023		
ACS, Actividades de Construcción y Servicios, S.A.		ESP	\$11,778	\$15,396	\$43,549	3.6%			9.9x	0.4x
AECOM		USA	\$13,845	\$15,540	\$16,105	7.8%	11.3x	13.6x	12.3x	1.0x
Bouygues SA		FRA	\$12,647	\$27,618	\$63,195	8.5%	4.2x	5.3x	5.1x	0.4x
Eiffage SA		FRA	\$9,227	\$24,057	\$25,791	16.8%	6.5x	6.2x	5.6x	0.9x
Kajima Corporation		JPN	\$8,787	\$11,575	\$18,714	6.4%	5.6x	8.0x	9.6x	0.6x
Obayashi Corporation		JPN	\$9,074	\$10,346	\$17,341	4.8%	10.1x	8.7x	12.5x	0.6x
Quanta Services, Inc.		USA	\$43,926	\$47,239	\$22,903	13.7%	10.2x	11.3x	15.0x	2.1x
Skanska AB (publ)		SWE	\$8,578	\$9,419	\$16,982	4.1%	7.3x	7.4x	13.4x	0.6x
Taisei Corporation		JPN	\$8,020	\$8,659	\$13,815	NM	5.3x	10.7x	NM	0.6x
Vinci SA		FRA	\$66,656	\$100,856	\$79,631	17.2%	9.5x	8.4x	7.3x	1.3x
						Mean	7.0x	8.1x	8.9x	0.8x
						Median	6.9x	8.2x	9.9x	0.6x









Excluded from mean and median
NM: Not Measurable

Construction Materials Global Comparable Public Companies










Company		Country	Market Cap. US\$M	Enterprise Value US\$M	Revenue US\$M	EBITDA Margin	Annual Average EV/EBITDA		Third Quarter Sep. 30, 2024 EV/ EBITDA		EV/ Revenue
							2022	2023			
Ambuja Cements Limited		IND	\$18,555	\$17,980	\$3,921	18.3%	16.0x	20.4x	25.0x		4.6x
CEMEX, S.A.B. de C.V.		MEX	\$8,924	\$15,869	\$17,249	20.0%	5.8x	6.1x	4.6x		0.9x
CRH plc		IRL	\$63,088	\$75,386	\$35,387	19.8%	7.0x	7.9x	10.7x		2.1x
Grasim Industries Limited		IND	\$22,637	\$42,598	\$16,366	20.0%	9.7x	11.2x	13.0x		2.6x
GCC, S.A.B. de C.V.		MEX	\$2,460	\$2,125	\$1,371	35.8%	5.9x	6.6x	4.3x		1.5x
Heidelberg Materials AG		DEU	\$19,457	\$28,223	\$23,187	20.3%	4.6x	5.4x	6.0x		1.2x
Holcim AG		CHE	\$54,911	\$68,750	\$31,674	24.9%	6.6x	7.6x	8.7x		2.2x
James Hardie Industries plc		IRL	\$17,100	\$17,973	\$3,936	29.4%	12.9x	12.9x	15.5x		4.6x
Martin Marietta Materials, Inc.		USA	\$32,896	\$37,530	\$6,513	33.6%	16.4x	15.9x	NM		5.8x
Vulcan Materials Company		USA	\$33,072	\$36,994	\$7,398	29.1%	17.3x	16.6x	17.2x		5.0x
						Mean	8.0x	10.3x	11.9x		3.1x
						Median	8.3x	9.6x	10.7x		2.4x

Excluded from mean and median
NM: Not Measurable



















Construction Machinery Global Comparable Public Companies

Company		Country	Market Cap. US\$M	Enterprise Value US\$M	Revenue US\$M	EBITDA Margin	Annual Average EV/EBITDA		Third Quarter Sep. 30, 2024 EV/EBITDA EV/Revenue	
							2022	2023		
Caterpillar Inc.		USA	\$189,653	\$223,489	\$65,664	25.1%	13.0x	11.6x	13.6x	3.4x
Deere & Company		USA	\$114,181	\$175,145	\$55,955	26.2%	17.5x	12.7x	12.0x	3.1x
Doosan Corporation		KOR	\$2,007	\$13,646	\$14,364	10.0%	9.1x	9.6x	9.5x	1.0x
Hitachi Construction Machinery Co., Ltd.		JPN	\$5,153	\$9,041	\$9,755	17.0%	6.5x	6.6x	5.5x	0.9x
Komatsu Ltd.		JPN	\$25,555	\$33,961	\$27,992	19.7%	7.9x	6.6x	6.2x	1.2x
Sany Heavy Industry Co.,Ltd		CHN	\$22,626	\$22,144	\$10,866	9.9%	19.5x	23.7x	20.6x	2.0x
Terex Corporation		USA	\$3,540	\$3,886	\$5,109	14.4%	7.2x	6.9x	5.3x	0.8x
XCMG Construction Machinery Co., Ltd.		CHN	\$13,072	\$16,685	\$12,817	10.8%	10.5x	16.0x	12.1x	1.3x
■ Excluded from mean and median						Mean	9.0x	10.0x	9.1x	1.7x
						Median	9.8x	10.6x	10.7x	1.3x

Construction Equipment Rental Comparable Public Companies

Company		Country	Market Cap. US\$M	Enterprise Value US\$M	Revenue US\$M	EBITDA Margin	Annual Average EV/EBITDA		Third Quarter Sep. 30, 2024 EV/EBITDA	
							2022	2023	EV/EBITDA	EV/Revenue
Ashtead Group plc		GBR	\$33,843	\$45,075	\$10,916	45.2%	9.1x	8.5x	9.1x	4.1x
Emeco Holdings Limited		AUS	\$271	\$465	\$570	32.9%	2.8x	2.8x	2.5x	0.8x
Finning International Inc.		CAN	\$4,548	\$6,567	\$8,140	11.4%	7.7x	7.0x	7.1x	0.8x
H&E Equipment Services, Inc.		USA	\$1,757	\$3,494	\$1,518	23.5%	11.8x	10.4x	9.8x	2.3x
Herc Holdings Inc.		USA	\$4,527	\$9,269	\$3,449	25.2%	12.4x	10.0x	10.7x	2.7x
Kanamoto Co.,Ltd.		JPN	\$734	\$894	\$1,425	24.5%	1.9x	2.2x	2.6x	0.6x
Speedy Hire Plc		GBR	\$222	\$489	\$558	22.6%	3.6x	3.1x	3.9x	0.9x
Tokyo Century Corporation		JPN	\$5,490	\$39,803	\$9,259	28.7%	16.1x	15.5x	15.0x	4.3x
United Rentals, Inc.		USA	\$53,552	\$66,962	\$14,978	33.2%	10.2x	10.0x	NM	4.5x
■ Excluded from mean and median						Mean	10.2x	9.2x	8.1x	2.3x
■ NM: Not Measurable						Median	9.1x	8.5x	8.1x	2.3x

Construction Industry – Global Transactions

Date	Target	Country	Description	Buyer	Seller	% Acquired	Size US\$M	EV/ EBITDA	EV/ Revenue
Sep-24*	CEMEX Holdings Philippines	PHL	DMCI Holdings , announced a tender offer to acquire the remaining 10.1% stake in Cemex Holdings Philippines , aiming for full ownership of the company		-	10.1%	\$34.6	NM	2.2x
Sep-24	Guatemala Operations	GTM	Holcim , a global leader in construction solutions, acquired Cemex's operations in Guatemala , to strengthen its presence in Central America			100.0%	\$200.0	-	-
Aug-24*		KEN	Savannah Clinker Limited , a Kenyan building and construction firm, agreed to acquire Bamburi Cement , aiming to enhance its position in the cement industry	Savannah Clinker Limited		100.0%	\$197.5	4.3x	0.6x
Aug-24*		MEX	Saint-Gobain , a global leader in construction, acquired Cemix , a prominent brand specializing in construction chemicals, to strengthen its presence in Mexico and Central America		-	100.0%	\$815.0	13.1x	-
Aug-24	 	PER	Holcim , a global leader in construction solutions, acquired Comacsa and Mixercon , both prominent Peruvian companies in the construction industry		-	100.0%	\$100.0	-	-
Aug-24*	Dominican Republic Operations	DOM	Cementos Progreso Holdings , a cement and construction materials company, acquired Cemex's operations in the Dominican Republic and export businesses to Haiti, to expand its footprint in the Caribbean market			100.0%	\$950.0	-	-
Aug-24	Construction Materials Business	USA	Arcosa , a provider of infrastructure-related products and solutions, acquired the Construction Materials Business of Stavola Holding Corporation , an aggregates-led and vertically integrated construction materials company			100.0%	\$1,200.0	-	-
Jul-24*		FRA	Vossloh France , a subsidiary of Vossloh AG, signed an agreement to acquire Sateba Group , a leading European manufacturer of concrete ties, to expand its product portfolio and enhance its rail infrastructure solutions		TOWERBROOK	100.0%	\$486.1	-	-
Jul-24	Mark Desmedt	BEL	Holcim , a global leader in construction solutions, acquired Mark Desmedt to strengthen its aggregates business and strengthen its market presence in Belgium		-	100.0%	NA	-	-
Jul-24	Sand and Gravel Supply Business	USA	Holcim , a global leader in construction solutions, acquired the Sand and Gravel Supply Business of King William Sand & Gravel Co. to strengthen its aggregates portfolio and expand its footprint in the United States		King William Sand & Gravel Co.	100.0%	NA	-	-

*Announced transactions pending approval and other customary closing conditions

NM: Not Measurable

CEMEX

TARGET
Concrete Pumping
Business

TRANSACTION TYPE
Divestiture advisory

INDUSTRIES
Construction and
Building Products

GEOGRAPHY
Monterrey, Mexico

SITUATION

Seale & Associates acted as exclusive financial advisor to CEMEX (BMV: CEMEX CPO) in the divestiture of its Concrete Pumping Business to Pumping Team. The transaction value was US\$109 million, including US\$80 million at closing and an additional US\$29 million in purchase price contingent on future performance targets.

SEALE & ASSOCIATES’ APPROACH

Seale managed a competitive auction process with potential strategic and financial buyers. Seale’s disciplined approach allowed our client to maintain momentum and negotiating leverage throughout the process and ensure closing at a premium value and favorable terms.

OUTCOME

The process resulted in the successful acquisition of CEMEX’s Concrete Pumping Business by Pumping Team, which will become the supplier of ready-mix concrete pumping to CEMEX and its customers in Mexico.

“We look forward to maintaining a long-term win-win relationship”



“We are pleased to have been able to represent CEMEX in this strategic divestiture of its concrete pumping business in Mexico.

We wish the new owners of the Pumping Team and Nexxus Capital business every success.

We look forward to maintaining a long-term win-win relationship in their business relationship with CEMEX.”

Sergio Garcia del Bosque
Managing Director, Seale & Associates

FANOSA

TARGET

Fanosa, S.A. de C.V.
("FANOSA")

TRANSACTION TYPE

Divestiture advisory

INDUSTRIES

Construction and
Building Products

GEOGRAPHY

Hermosillo, Mexico

SITUATION

Seale & Associates acted as exclusive financial advisor to the Shareholders of Fanosa, S.A. de C.V. ("FANOSA"), a leading provider of solutions for the construction market on the sale of its business to Grupo Lamosa S.A.B. de C.V. (BMV: LAMOSA).

SEALE & ASSOCIATES' APPROACH

Seale managed a competitive process. Seale's disciplined approach allowed our client to maintain momentum and negotiating leverage throughout the process and ensure closing at a premium value and favorable terms.

OUTCOME

The process resulted in the successful acquisition of FANOSA by Grupo Lamosa strengthening the growth and diversification strategy that can create a more integral product offering focused on providing sustainable solutions for the construction market.

"We wish them continued
success and growth"



"FANOSA has built a great platform for the production and distribution of expanded polystyrene products with tremendous success in Mexico and the U.S.

We congratulate our client and the employees of FANOSA and we wish them continued success and growth after the acquisition by LAMOSA."

Sergio Garcia del Bosque
Managing Director, Seale & Associates

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<div><p>has been acquired by</p><div><p>HERITAGE DISTRIBUTION HOLDINGS</p></div></div>	<div><div><p>avangardinnovative MOVING THE CIRCULAR ECONOMY FORWARD</p></div><p>has sold a controlling interest to</p><div></div></div>	<div><div><p>ZINC NACIONAL</p></div><p>has sold</p><div><p>GSDK</p></div><p>Zinc Oxide Corporation a subsidiary of</p><div><p>Korea Zinc</p></div></div>	<div><div><p>Electrolux PROFESSIONAL</p></div><p>has acquired</p><div><p>unified brands a DOVER company</p></div><p>from</p><div></div></div>	<div><div><p>Port Contractors STEVEDORES - TERMINAL OPERATORS</p></div><p>has been acquired by</p><div><p>ENSTRUCTURE</p></div></div>	<div><div><p>Oxbow</p></div><p>Oxbow's Senior Subordinated debt issued by</p><div><p>H.J. BAKER ESTABLISHED 1880</p></div><p>was refinanced by</p><div></div></div>	<div><p>has acquired</p><div></div></div>
<div><div><p>Standex</p></div><p>has sold</p><div><p>Enginetics</p></div><p>to</p><div></div></div>	<div><div><p>ITT</p></div><p>has sold</p><div><p>BURNY KALIBURN PLASMA CUTTING INNOVATION</p></div><p>and</p><div><p>CMC Cleveland Motion Controls</p></div><p>to</p><div></div></div>	<div><div><p>Honeywell</p></div><p>has sold</p><div><p>TENSOR</p></div><p>to</p><div><p>GE Power Systems</p></div></div>	<div><div><p>TRIUMPH™</p></div><p>has sold</p><div><p>Triumph Processing - Embee Division</p></div><p>to</p><div><p>AMP ALL METALS PROCESSING</p></div></div>	<div><div><p>TRIUMPH™</p></div><p>has sold</p><p>Triumph Air Repair, the APU Overhaul Operations of Triumph Aviation Services – Asia, and Triumph Engines businesses</p><p>to</p><div><p>TGG THE GORES GROUP</p></div></div>	<div><div><p>Rheem</p></div><p>has acquired</p><div></div></div>	<div><div><p>GRACE</p></div><p>has sold its GRACE Membranes business</p><div><p>UOP</p></div><p>a subsidiary of</p><div></div></div>
<div><div><p>convatec — forever caring —</p></div><p>has sold</p><div><p>SENSI CARE</p></div><p>and</p><div><p>ALOE VESTA™</p></div><p>to</p><div></div></div>	<div><div><p>United Technologies</p></div><p>has sold</p><div><p>MobileView</p></div><p>to</p><div><p>SAFE FLEET Driving Safety Forward™</p></div></div>	<div><div><p>United Technologies</p></div><p>has sold</p><div><p>HTPG A division of Carrier Commercial Refrigeration, Inc.</p></div><p>to</p><div><p>MONOMOY CAPITAL PARTNERS</p></div><p>and</p><div><p>Starboard Capital Partners</p></div></div>	<div><div><p>LOCKHEED MARTIN</p></div><p>has sold</p><div><p>Commercial Flight Training Business</p></div><p>to</p><div><p>ALTEON A BOEING COMPANY</p></div></div>	<div><div><p>FLOWSERVE</p></div><p>has sold</p><div><p>D&B</p></div><p>to</p><div><p>DB DaviesBaird</p></div></div>	<div><div><p>KBR</p></div><p>has acquired</p><div><p>Wabi Wabi Development Corporation</p></div></div>	<div><div><p>HARRISON GYPSUM, LLC</p></div><p>has been recapitalized by</p><div><p>H. I. G. PRIVATE EQUITY</p></div></div>



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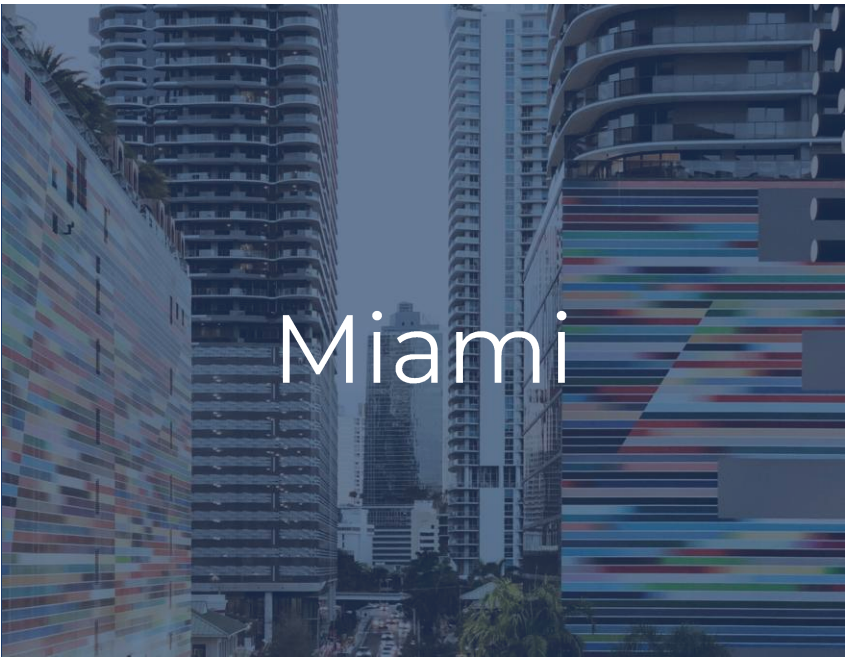


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For over 25 years, Seale & Associates has served leading public and private companies from around the world and operating in a broad range of industries with a high level of quality, integrity and independence while presenting innovative ideas and trusted solutions to address their most complex dealings.

25

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EXPERIENCE

\$50B+

TRANSACTIONS
GLOBALLY

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- Divestitures
- Joint Ventures / Alliances
- Recapitalizations
- Due Diligence / Support
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...as well as with reputable funds, family-offices and privately held companies.





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Creative Solutions. Trusted Advice.