



Seale & Associates

CONSTRUCTION INDUSTRY
Q2 2024
VALUATION UPDATE

25 years

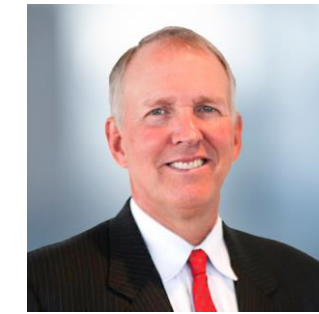
Introduction

We are pleased to share our Construction Industry Valuation Multiples Update for Q2 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.

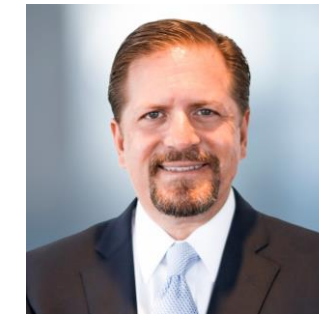
Over the course of 25+ years, we have successfully served clients all over the world, and we are delighted to continue providing investment banking advisory services to our clients who are looking to grow through acquisitions or optimize their portfolios through strategic divestitures.

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



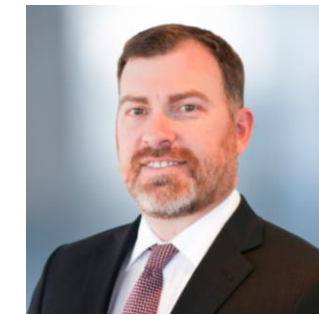
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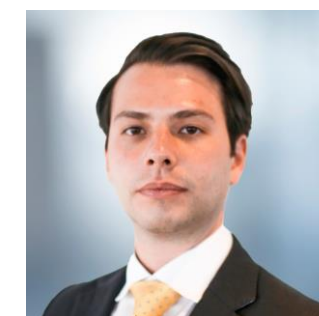
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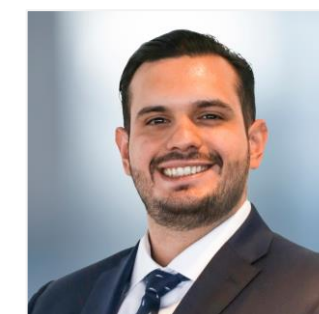
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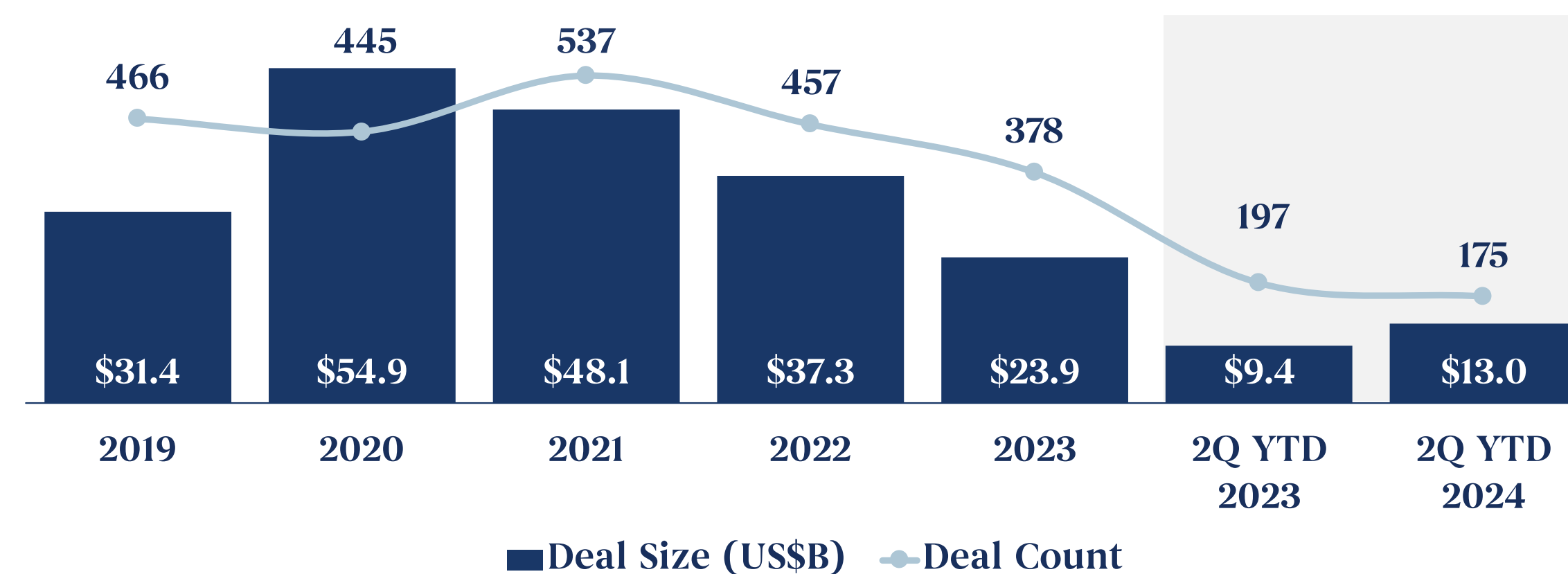
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Construction Industry Overview, M&A Trends and Market Intelligence

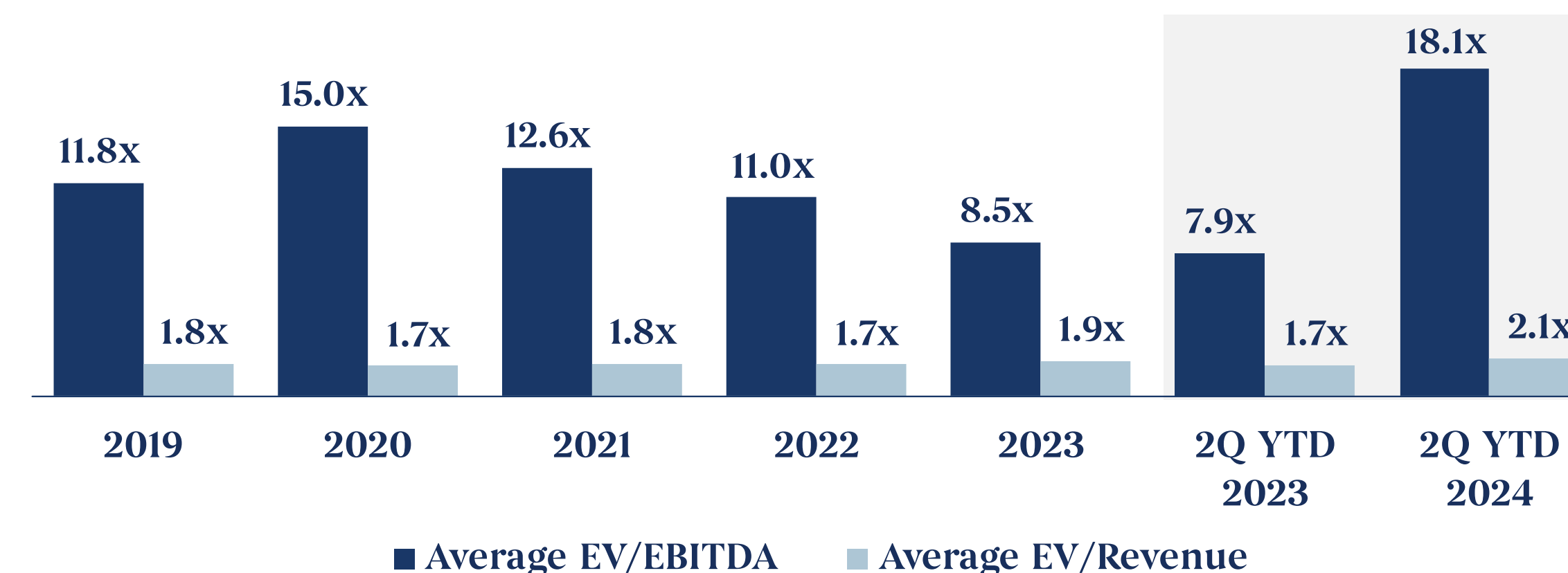
Construction Industry Overview

- 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

Construction Industry M&A Deal Size and Volume




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



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





Construction Global Comparable Public Companies

Company	Country	Market Cap. US\$M	Enterprise Value US\$M	Revenue US\$M	EBITDA Margin	Annual Average EV/EBITDA		Second Quarter Jun. 30, 2024		
						2022	2023	EV/EBITDA	EV/Revenue	
ACS, Actividades de Construcción y Servicios, S.A.		ESP	\$11,725	\$15,184	\$38,931	4.7%	4.4x	6.6x	8.3x	0.4x
AECOM		USA	\$11,998	\$13,836	\$15,350	5.9%	11.3x	13.6x	15.3x	0.9x
Bouygues SA		FRA	\$12,121	\$25,523	\$60,395	8.6%	4.2x	5.3x	4.9x	0.4x
Eiffage SA		FRA	\$8,639	\$22,059	\$23,968	17.1%	6.5x	6.2x	5.4x	0.9x
Kajima Corporation		JPN	\$8,144	\$9,830	\$16,568	6.3%	5.6x	8.0x	9.5x	0.6x
Obayashi Corporation		JPN	\$8,522	\$8,699	\$14,454	4.6%	10.1x	8.7x	13.1x	0.6x
Quanta Services, Inc.		USA	\$37,196	\$40,682	\$21,485	14.3%	10.2x	11.3x	13.3x	1.9x
Skanska AB (publ)		SWE	\$7,388	\$8,071	\$16,052	4.6%	7.3x	7.4x	10.8x	0.5x
Taisei Corporation		JPN	\$6,811	\$6,659	\$10,972	2.5%	5.3x	10.7x	24.5x	0.6x
Vinci SA		FRA	\$59,764	\$83,898	\$74,879	17.0%	9.5x	8.4x	6.6x	1.1x
						Mean	7.4x	8.6x	9.0x	0.8x
						Median	6.9x	8.2x	10.2x	0.6x

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		Second Quarter Jun. 30, 2024	
						2022	2023	EV/EBITDA	EV/Revenue
Ambuja Cements Limited	 IND	\$19,801	\$19,223	\$3,978	19.5%	16.0x	20.4x	24.8x	4.8x
CEMEX, S.A.B. de C.V.	 MEX	\$9,287	\$16,288	\$17,517	19.4%	5.8x	6.1x	4.8x	0.9x
CRH plc	 IRL	\$51,293	\$62,905	\$35,055	19.6%	7.0x	7.9x	9.2x	1.8x
Grasim Industries Limited	 IND	\$21,738	\$41,473	\$15,712	20.8%	9.7x	11.2x	12.7x	2.6x
GCC, S.A.B. de C.V.	 MEX	\$3,074	\$2,660	\$1,389	35.0%	5.9x	6.6x	5.5x	1.9x
Heidelberg Materials AG	 DEU	\$18,803	\$25,722	\$22,778	19.6%	4.6x	5.4x	5.7x	1.1x
Holcim AG	 CHE	\$49,780	\$59,551	\$30,057	24.4%	6.6x	7.6x	8.1x	2.0x
James Hardie Industries plc	 IRL	\$13,615	\$14,474	\$3,936	29.2%	12.9x	12.9x	12.6x	3.7x
Martin Marietta Materials, Inc.	 USA	\$33,397	\$35,494	\$6,674	32.6%	16.4x	15.9x	16.3x	5.3x
Vulcan Materials Company	 USA	\$32,888	\$36,534	\$7,679	27.8%	17.3x	16.6x	17.1x	4.8x
					Mean	10.2x	10.0x	10.2x	2.9x
					Median	8.3x	9.6x	10.9x	2.3x















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		Second Quarter Jun. 30, 2024		
						2022	2023	EV/EBITDA	EV/Revenue	
Caterpillar Inc.	 CATERPILLAR®	USA	\$162,903	\$196,399	\$66,997	24.2%	13.0x	11.6x	12.1x	2.9x
Deere & Company	 JOHN DEERE	USA	\$102,961	\$165,835	\$58,604	26.9%	17.5x	12.7x	10.5x	2.8x
Doosan Corporation	 DOOSAN	KOR	\$2,401	\$12,459	\$13,963	10.6%	9.1x	9.6x	8.4x	0.9x
Hitachi Construction Machinery Co., Ltd.	 HITACHI	JPN	\$5,696	\$8,975	\$8,740	17.1%	6.4x	6.4x	6.0x	1.0x
Komatsu Ltd.	 KOMATSU	JPN	\$27,290	\$33,700	\$24,027	20.9%	7.8x	6.6x	6.7x	1.4x
Sany Heavy Industry Co.,Ltd	 SANY	CHN	\$19,186	\$19,765	\$10,162	11.5%	19.5x	23.7x	16.9x	1.9x
Terex Corporation	 TEREX®	USA	\$3,691	\$4,050	\$5,208	14.4%	7.2x	6.9x	5.4x	0.8x
XCMG Construction Machinery Co., Ltd.	 XCMG	CHN	\$11,626	\$15,208	\$12,816	9.7%	10.5x	16.0x	12.2x	1.2x
						Mean	9.0x	9.0x	8.8x	1.4x
						Median	9.8x	10.6x	9.5x	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		Second Quarter Jun. 30, 2024		
						2022	2023	EV/EBITDA	EV/Revenue	
Ashtead Group plc	 GBR	\$29,128	\$39,880	\$10,859	45.1%	9.1x	8.5x	8.1x	3.7x	
Emeco Holdings Limited	 AUS	\$245	\$438	\$587	30.3%	2.8x	2.8x	2.5x	0.7x	
Finning International Inc.	 CAN	\$4,153	\$6,267	\$7,841	11.8%	7.7x	7.0x	6.8x	0.8x	
H&E Equipment Services, Inc.	 USA	\$1,594	\$3,290	\$1,518	23.7%	11.8x	10.4x	9.1x	2.2x	
Herc Holdings Inc.	 USA	\$3,781	\$8,335	\$3,392	25.6%	12.4x	10.0x	9.6x	2.5x	
Kanamoto Co.,Ltd.	 JPN	\$652	\$760	\$1,249	24.2%	1.9x	2.2x	2.5x	0.6x	
Speedy Hire Plc	 GBR	\$197	\$448	\$533	20.9%	3.6x	3.1x	4.0x	0.8x	
Tokyo Century Corporation	 JPN	\$4,594	\$33,941	\$8,368	27.4%	16.1x	15.5x	14.8x	4.1x	
United Rentals, Inc.	 USA	\$43,066	\$56,008	\$14,532	33.6%	10.2x	10.0x	11.5x	3.9x	
■ Excluded from mean and median						Mean	7.4x	6.7x	6.8x	2.1x
						Median	9.1x	8.5x	8.1x	2.2x

Construction Industry – Global Transactions

Date	Target	Country	Description	Buyer	Seller	% Acquired	Size US\$M	EV/ EBITDA	EV/ Revenue
Jun-24	 NORSJÖ BETONG AB	SWE	Manufactures concrete products for construction purposes	 Prefabmästarna	-	100.0%	-	-	-
Jun-24*	Asakura Fresh Concrete	JPN	Manufactures and sells ready-mixed concrete and ceramic building stones	 SAITA サイトホールディングス株式会社 SAITA CORPORATION	-	22.2%	-	-	-
Jun-24		GBR	Engages in the manufacture, wholesale, and supply of ready mix, sand, and natural stone		-	100.0%	-	-	-
Jun-24	Carter Concrete Products	USA	Manufactures and sells precast concrete products used in new construction	ALCRETE	-	100.0%	-	-	-
Jun-24		USA	Manufactures concrete construction supplies		-	100.0%	-	-	-
May-24	 RAKCC Ras Al Khaimah Cement Company	ARE	Manufactures and supplies white cement, lime products, and cement products	Ultratech Cement Middle East Investments Limited	-	25.0%	\$39.1	5.6x	1.2x
May-24	MX Pozzolan Mine	MEX	Comprises concrete mining operations		Petroblocks BC, S de RL de C.V.	49.0%	-	-	-
May-24	MEHTA and Associates	USA	Operates as a construction and engineering services company		-	100.0%	-	-	-
Apr-24*		AUS	Provides design, engineering, construction, and maintenance works for infrastructure, resources, energy, and construction sectors		T THORNEY	100.0%	\$81.9	44.4x	0.3x
Apr-24		USA	Provides construction and engineering services		-	100.0%	-	-	-

*Announced transactions pending approval and other customary closing conditions

Selected Transactions Commentary



“It feels absolutely right that one of Norsjö Betong's most loyal customers and partners throughout the years is becoming the owner of Norsjö Betong. There is great potential in Northern Sweden and with a strong ownership structure that possesses the necessary competence, we get better development opportunities and conditions for the business today and for the future.”

Magnus Stenmark, CEO of Norsjö Betong



“We look forward to leveraging the strengths of Norman Emerson Group and Creagh together, to enhance our overall capabilities and provide an excellent service for our customers.”

George Emerson, Managing Director of Norman Emerson



“White Cap has relied on Dayton Superior as an established industry leader and close trusted partner for many years now. This transaction is both a continuation and deepening of this strong relationship to benefit our customers and associates.”










Alan Sollenberg, CEO of White Cap



“The acquisition of Decmil is a significant milestone in Macmahon delivering on its long stated strategy to diversify its earnings and deliver a more resilient, scalable business enabling greater returns to shareholders.”

Michael Finnegan, Managing Director and CEO of Macmahon

Private Equity Transactions

INDUSTRY CLASIFICATION	PERIOD	AVERAGE ENTERPRISE VALUE (IN USD)	REVENUE (IN USD)	TTM REVENUE GROWTH	ENTERPRISE VALUE / REVENUE	EBITDA MARGIN	ENTERPRISE VALUE /EBITDA	NUMBER OF TRANSACTIONS
 Construction of Buildings <i>NAICS 236 - Construction of Buildings</i>	 2019-2024	 \$73.7M	 \$44.9M	 23.0%	 1.5x	 21.7%	 6.7x	 16
Heavy and Civil Engineering Construction <i>NAICS 237 - Heavy and Civil Engineering Construction</i>	2019-2024	\$44.0M	\$40.6M	19.0%	1.3x	22.7%	5.5x	51

Notes:

- Data obtained via GF Data, a subscription-based information platform, offering detailed information and metrics about the transactions of Private Equity funds in the U.S.
- The data is provided under a blind confidential format. Users of the data are unable to identify the exact company and transaction corresponding to the transaction details. Given this blind approach, the data submitted is less likely to be biased or manipulated.

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”



has sold

its Concrete Pumping Business

to



“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"



has been acquired by



"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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Global M&A Representative Engagements

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



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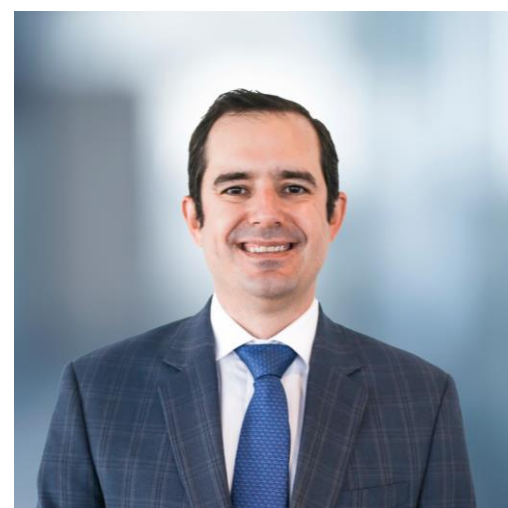


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The George Washington University - MBA International Business and MA - International Affairs
University of Florida - BA in Political Science with High Honors

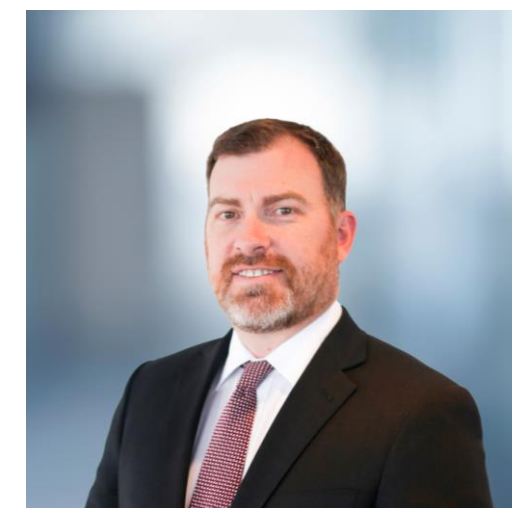


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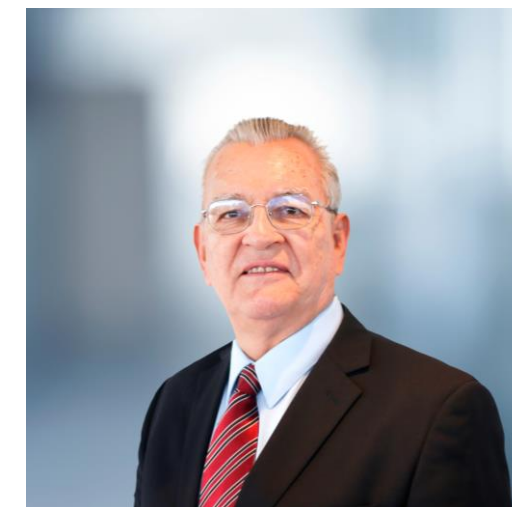


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FELIPE BUENO

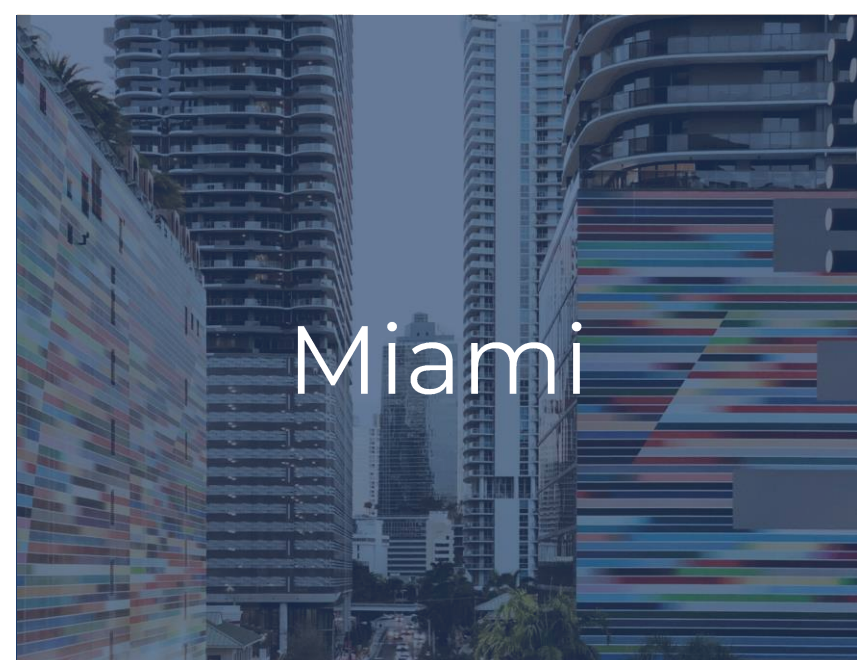
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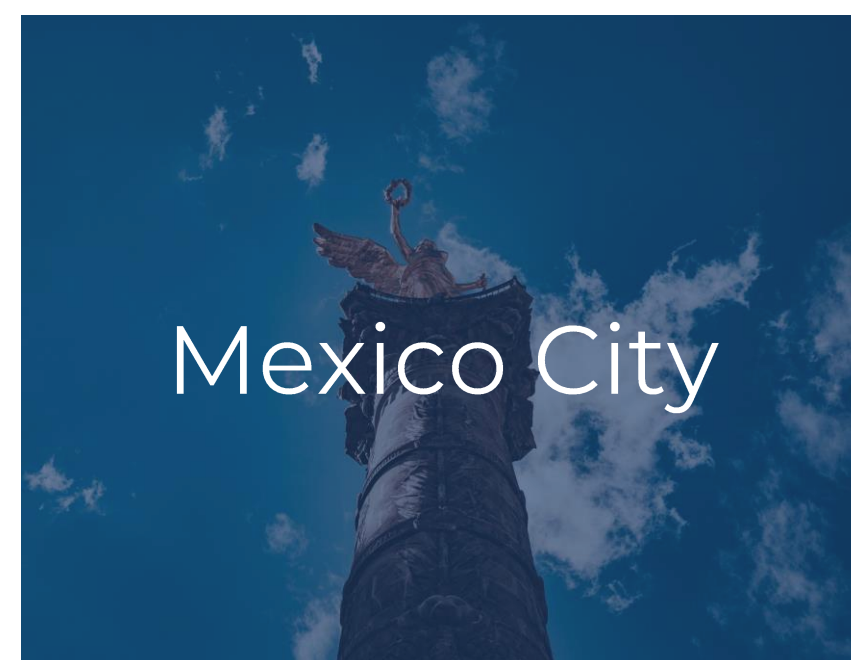
32+ years with Grupo Industrial Saltillo with experience as Director, Corp. Dev. and extensive global commercial experience
Instituto Tecnológico y de Estudios Superiores de Monterrey
MBA and BS in Industrial Engineering



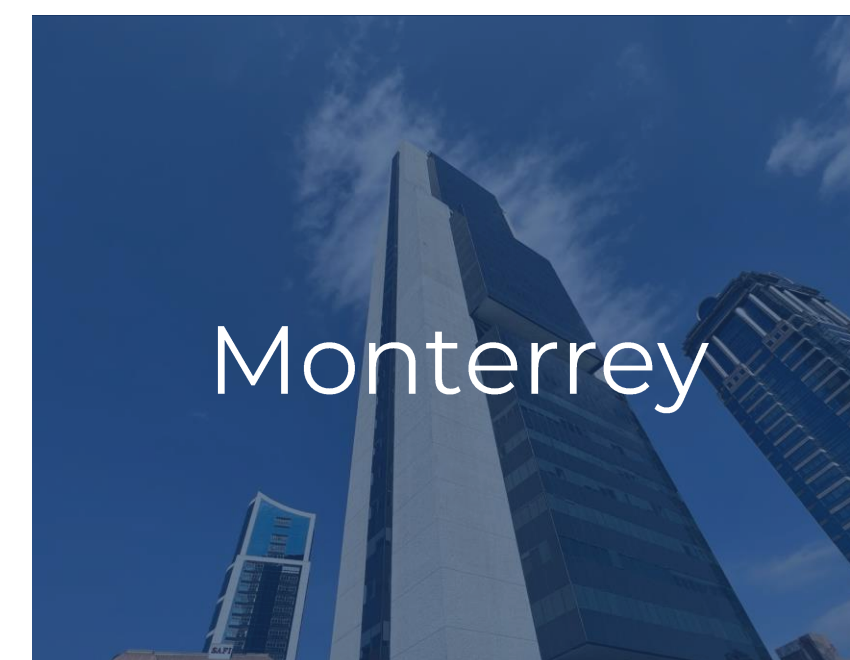
Washington D.C.



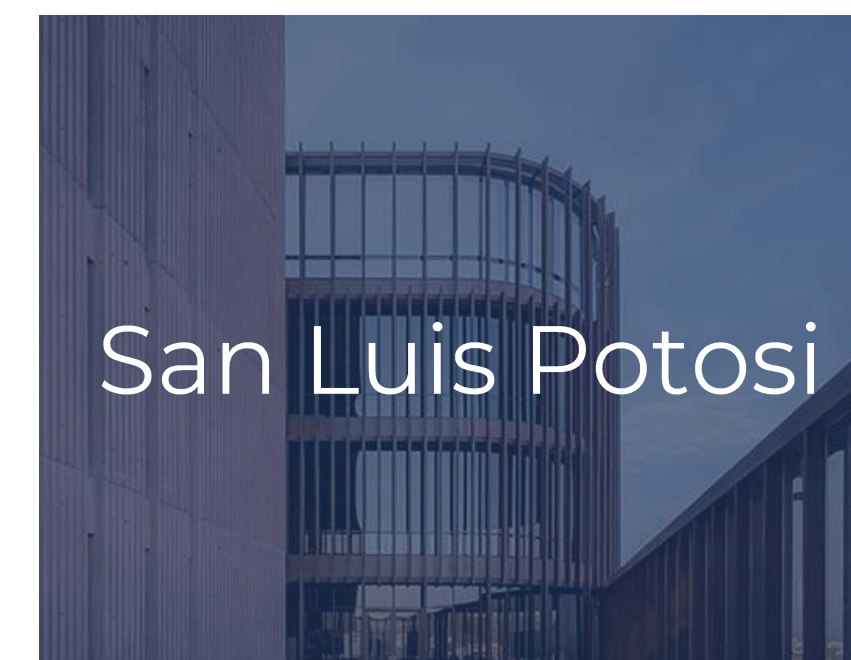
Miami



Mexico City



Monterrey



San Luis Potosi

Creative Solutions. Trusted Advice.

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

YEARS OF EXPERIENCE

\$50B+

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Recapitalizations

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We have worked repeatedly with many of the most well-known companies in the world...

...as well as with reputable funds, family-offices and privately held companies.





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Creative Solutions. Trusted Advice.