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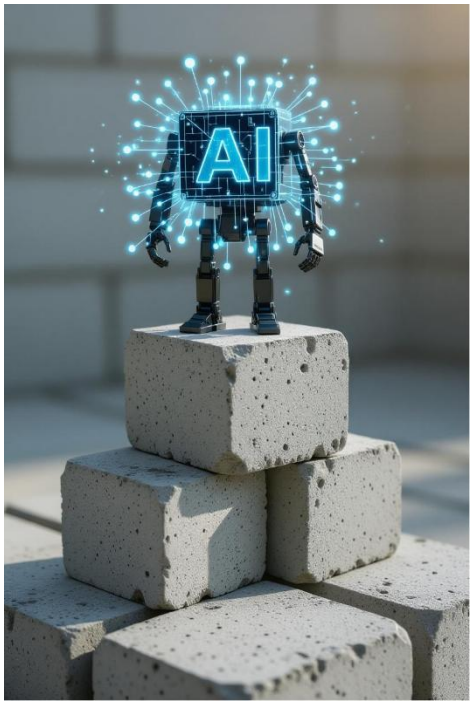
October 22, 2025

Global Cement Industry



Cementing Value
and
Building AI Data Centers

Companies	Ticker	Exchange	Price
Amrize	AMRZ	NYSE / SW	$48.72 / CHF38.72
CRH Plc	CRH	NYSE	$118.73
Eagle Materials	EXP	NYSE	$242.95
Heidelberg Materials	HEI	GY	€194.60
Holcim	HOLN	SW	CHF68.32

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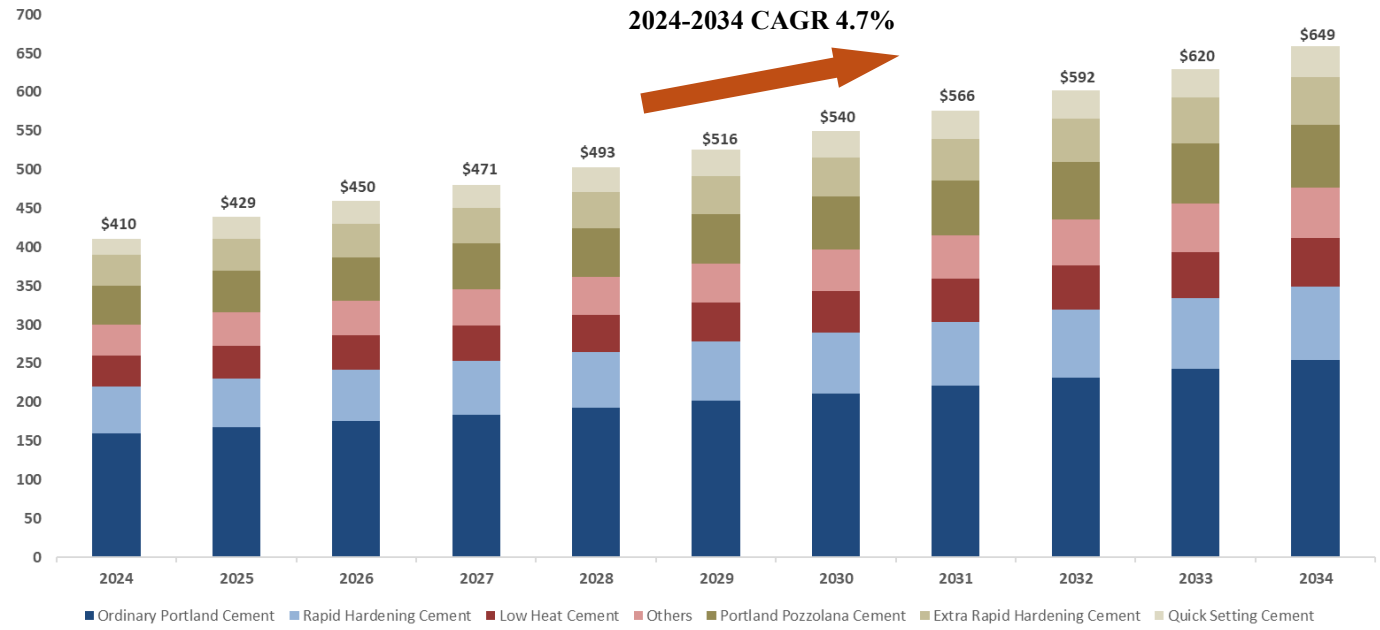
Global Cement Industry

In 2024 global cement consumption reached 4.2 billion tons and was valued at $410 billion. It has grown 5.2% annually since 2010. The United States cement demand reached 103 million tons with an estimated value of $16 billion and is expected to grow 6% annually to 2031.

Cement is a basic ingredient for the construction industry. Cement is made out of limestone and clay mined out of a quarry close to the plant. The raw material is crushed and then heated at temperatures in excess of 1800 ºF in a rotating kiln to become clinker. The clinker is then mixed with gypsum and ground to a fine powder to produce final grade of cement. It is a continuous process and is highly energy intensive. The cost of cement production can be split into approximately 30-40% energy, 20-25% raw materials, freight and distribution 20-25%, maintenance and other operating expenses 15-25% and labor 5-10% and other costs 5-10% according to CemBureau. These numbers fluctuate depending on geographic location, technology and efficiency of the kiln, fuel and power source, as well as the regulatory environment the plant operates in.

Exhibit 1 **Global Cement Consumption ($ Billions)**



Source: Cement Market 2025 Report - MarketUS

Global Demand

The global cement market is driven by fundamental drivers that include global population growth, rapid urbanization in emerging economies, and significant government investments in infrastructure projects worldwide. As populations grow and shift to urban centers, the demand for residential, commercial, and public structures increases, making cement a foundational commodity for economic development. Historically, cement production per capita shows a strong correlation with GDP per capita, growing as a region urbanizes and modernizes its infrastructure before leveling off as economies mature.

The per capita cement consumption shows large differences between regions. The average per capita cement consumption globally was around 549 kg in 2020, whereas China had a 1,700 kg per capita and in the United States it is 310 kg per capita. It is considered a key indicator of economic growth and development, especially in emerging economies. Higher per capita cement use often points to more intensive infrastructure development and urbanization.

United States – Cement: Key Demand Drivers

- **Public Demand - Roads and Bridges - (43% 2024 US Cement Demand)**
  In the United States, demand will largely be driven by public spending with the building of highways, roads and bridges in the US. The American Society of Civil Engineers in its 2025 report card has given the overall American infrastructure a C Grade, Bridges a C Grade and Roads a D+ Grade. This highlights the continued need for increased spending on the aging US infrastructure. The Infrastructure Investment and Jobs Act (IIJA) which was passed in August 2021, provided $1.2 trillion in total funding, with around $500 billion allocated for roads, bridges and major infrastructure projects. As of September 2025, only 40% of that money has been spent. This provides cement demand for the next several years. And discussions have already started in Washington with bipartisan support about a new Highway Bill that will allocate more capital to Roads and Bridges rather than some of the green initiatives in the current IIJA.

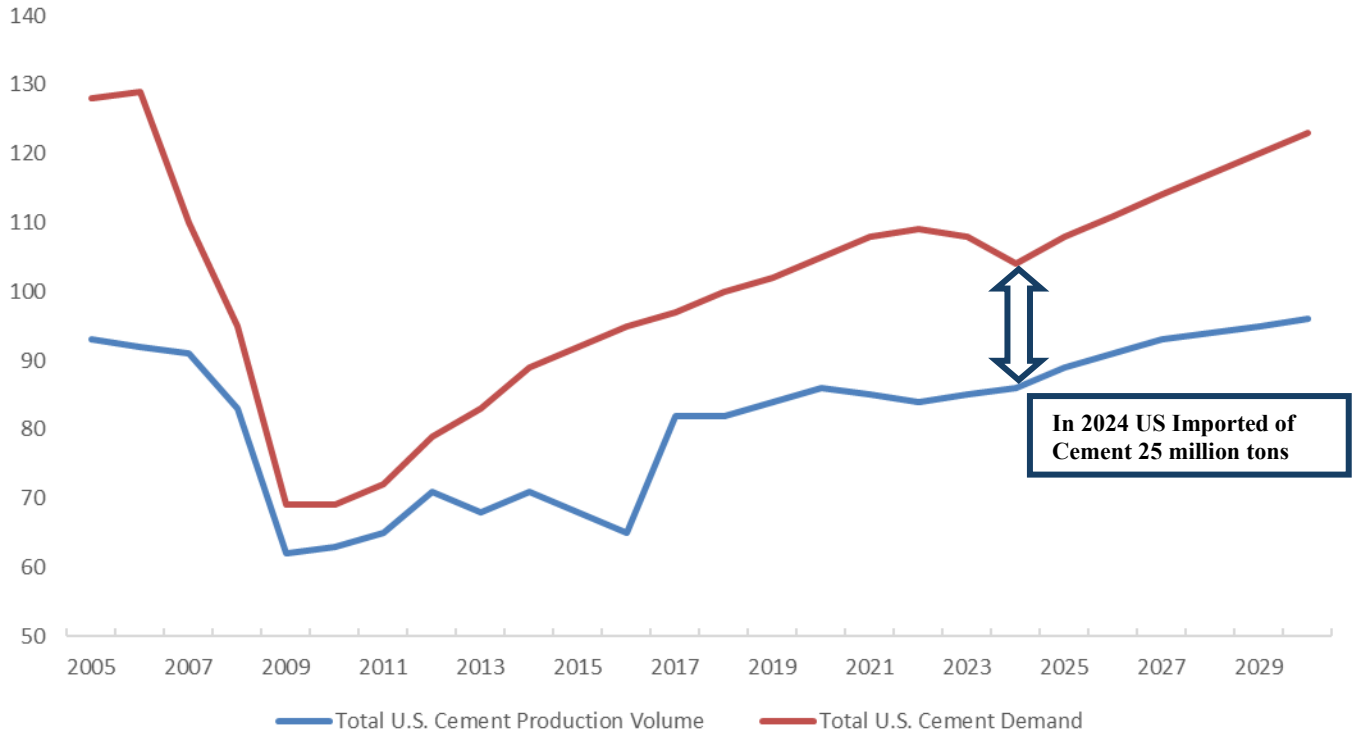
- **Non- Residential Demand – (19% 2024 US Cement Demand)**
  AI Data Centers built by Cement
  The rapid expansion of US data centers is expected to significantly increase cement demand, requiring nearly 1 million tons over the next three years, according to the American Cement Association (ACA). Data centers are projected to consume about 247,000 million tons of cement in 2025. As of March 2025, there are 5,426 operational data centers in the US, according to the ACA's Data Center Market Analysis, which projected the number of facilities will approach 6,000 by the end of 2027.

  In July 2025, Amrize (AMRZ-NYSE) and Meta (META-NASDAQ) have partnered to develop a first-of-its-kind, AI-optimized concrete mix tailored to meet the specific needs of Meta's data center in Rosemount, Minnesota. This customized solution was designed to deliver high strength, maintain set-time and reduce carbon load, meeting Meta's high performance, speed and sustainability targets. Using AI, they can optimize their specialized concrete formulations for data center requirements, from performance needs like strength and durability to thermal regulation and energy-efficiency. And the use of the ECOPact mix (Amrize low Carbon Concrete) in the data center currently under construction is estimated to reduce the total carbon footprint of the concrete by 35%.

  Reshoring
  Between January and September 2025, companies announced over $1.2 trillion in investments towards building out U.S. production capacity led by electronics, pharmaceuticals, and semiconductors industries. This will be a significant driver of cement demand over the coming years.

- **Residential Demand - (28% 2024 US Cement Demand)**
  The housing deficit in the United States is estimated to be 4.7 million in July 2025, according to Zillow. Affordability has been a major concern, with the average 30-year mortgage rate as of October 16th 2025 at 6.31% versus October 2023 peak of 7.8% and January 2021 trough of 2.65%. The National Association of Homebuilders (NAHB) estimates that every 25bps move in mortgage rate prices out 1.31 million households. If rates get lower, we expect this pent-up demand to increase cement consumption from the residential sector, with an average new built single family house in the US requires 20 tons of cement.

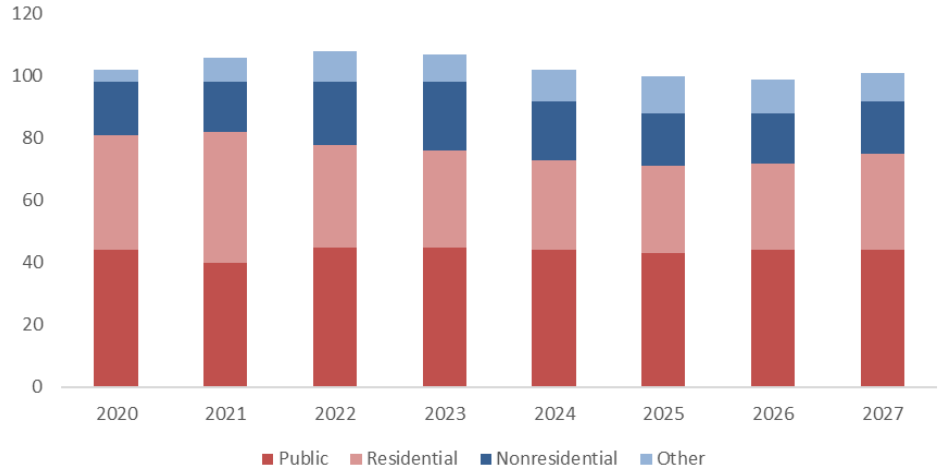
Exhibit 2 **U.S. Cement Production Volume and Demand (Million Tons)**



Source: Portland Cement Association forecasts, US International Trade Commission

US imports of cement and clinker have climbed sharply in the past 10 years, though they have shown more stability in the past two years, according to US International Trade Commission data.

Exhibit 3 **US Cement Consumption - By Segment (million tons)**

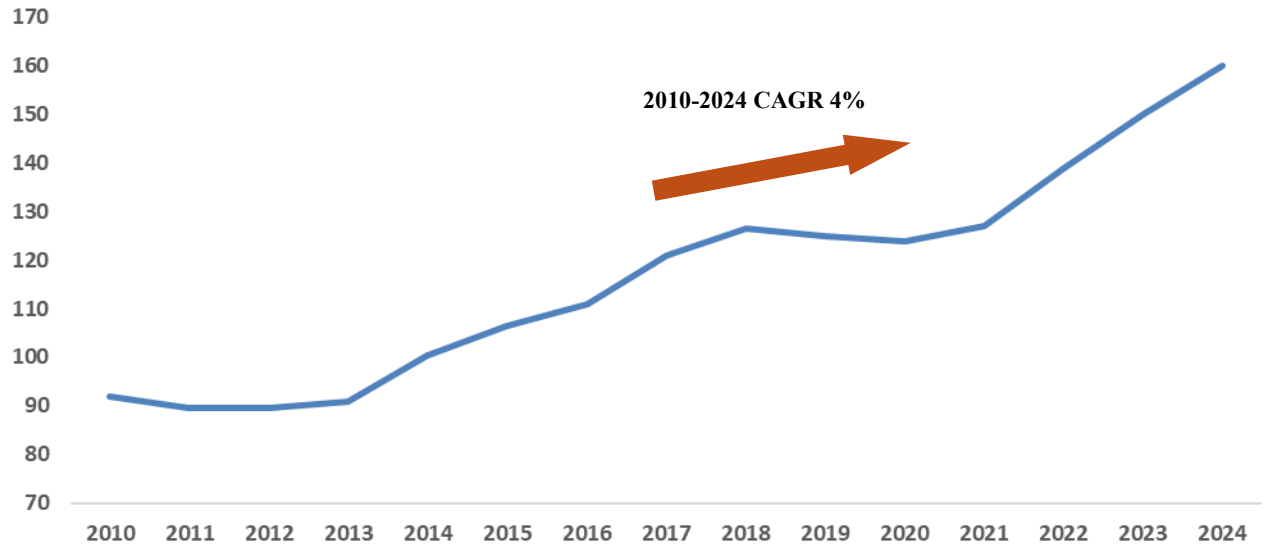


Source: American Cement Association

Cement Prices

Cement prices as of December 2024 reached $160 per metric ton, up from $92 per ton in 2010, growing at a compounded annual growth rate of 4%. The industry expects 3% to 4% price increases in most European markets and in the United States mid-single digits for 2026. This should be able to cover the cost inflation (especially energy costs) and recover some of their margins.

Exhibit 4 **US Average Cement Prices ($ per ton)**



Source: U.S. Geological Survey

Local Monopolies - Transportation and High Barriers to Entry

The weight to price ratio of cement makes transportation costs very high. In the US, average transportation and distribution costs account for almost 25% of the cement price. The competitive radius of a typical cement plant for most common types of cement extends to no more than 200 miles. However, cement can be shipped economically by sea and inland waterway over greater distances, extending the competitive radius of cement plants with access to waterborne shipping lanes. This high transportation cost for cement, which makes it a locally only available product, and economies of scale in production make most cement plants local monopolies. It is also very difficult to build a new cement plant, as it not only requires significant amount of capital but also a lot of lengthy regulatory approvals, including National Emission Standards for Hazardous Air Pollutants (NESHAP) and state and local regulatory approvals. This has led to no new large-scale traditional greenfield cement plant being built in the US in the last 10 years.

Top US Cement Producers

The top 5 producers sold 75m tons in 2024, representing 56% of total US Cement shipments.

Table 1 **Top US Cement Producers**

	Million Tons Shipped 2024	% of Total US Cement shipped
Amrize (Holcim US)	25.0	17.4%
Heidelberg Materials (HEI-XE)	15.2	10.6
Cemex (CEMEX CPO.MX)	12.7	10.2
Quikrete (Private formerly Summit Materials)	12.0	9.7
CRH (CRH-NYSE)	10.0	8.1

Source: Company Filings

Sustainability

The sector is one of the world's largest industrial sources of carbon dioxide, responsible for an estimated 8% of total global carbon emissions. The emissions are linked to the fundamental chemistry and thermodynamics of cement production.

The production of clinker, the primary binding agent in cement, accounts for estimated 85% of cement manufacturing emissions:

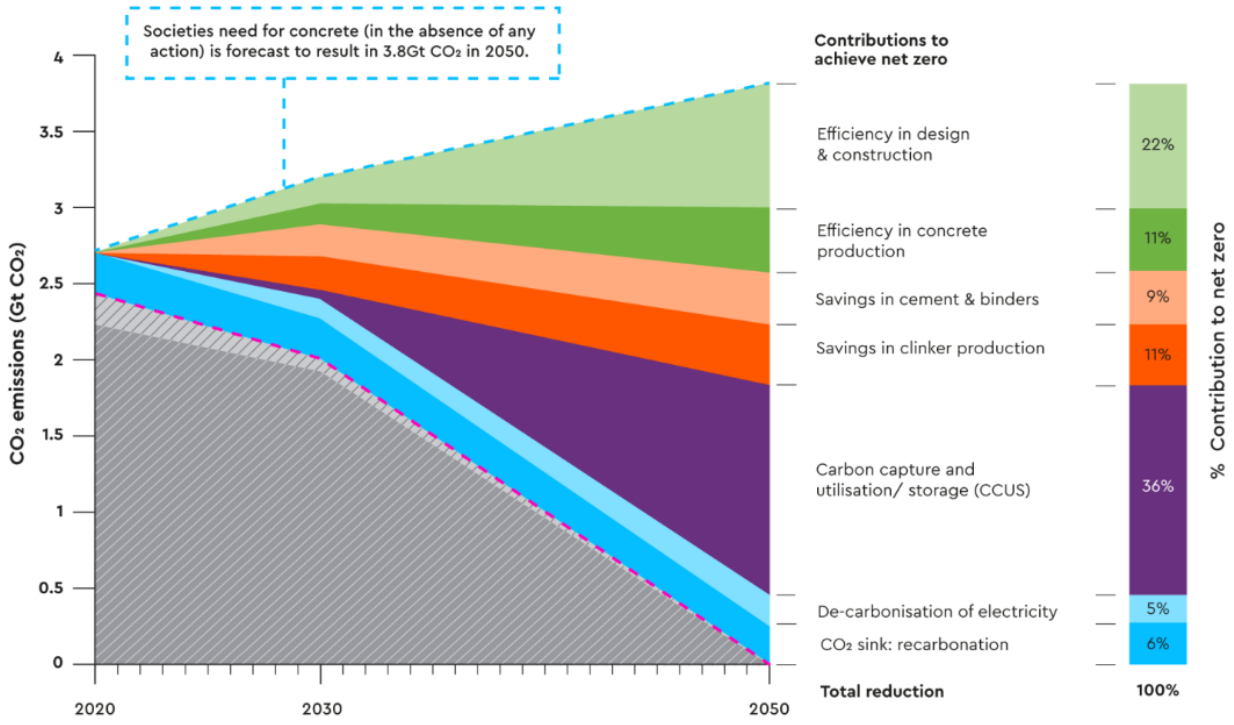
- **Process emissions from calcination of limestone to make clinker (~50 to 60%):** It is an unavoidable byproduct of the chemical reaction of calcination. In this process, limestone is heated to over 1,600°F to produce lime, the essential binding agent in cement, releasing large quantities directly from the raw material.

- **Thermal emissions from combustion of fossil fuels to make clinker (~30 to 40%):** Is the result from the combustion of fossil fuels—predominantly coal and petroleum coke—required to heat cement kilns to the extreme temperatures of approximately 2,500°C needed for clinker production.

There are also indirect emissions from electricity usage for **transport and machinery which account for ~10%** of cement manufacturing emissions: Energy emissions from cement grinding (~5%) and Energy emissions from concrete mixing and transportation (~5%).

Global climate policy, tightening environmental regulations, investor-driven sustainability mandates, and the expansion of carbon pricing mechanisms has driven the industry to make substantial changes to address this.

Exhibit 5 **Pathways to Net-Zero: A Multi-Lever Strategy**



Source: Global Cement and Concrete Association

Strategies to lower carbon emissions in the Cement industry:

1. **Clinker Substitution (The Most Immediate Lever):** The most widely deployed decarbonization strategy is the reduction of the clinker-to-cement ratio. This is achieved by replacing a portion of carbon-intensive clinker with Supplementary Cementitious Materials (SCMs). Historically, the most common SCMs have been industrial byproducts such as fly ash from coal-fired power plants and granulated blast-furnace slag (GBFS) from steel manufacturing. The use of these materials not only reduces the need for new clinker production but also contributes to a circular economy by repurposing industrial waste streams. More recently, materials like calcined clay and ground limestone are gaining prominence as viable SCMs, particularly in regions where traditional byproducts are less available. There is a significant difference between the clinker factor in the United States and the rest of the world. The average clinker to cement ratio in the US is 0.88 (880 kilograms of clinker per metric ton of cement, the world average clinker to cement ratio is 0.76. Europe has shown for many years that a lower clinker factor 0.72 can be safe and help reduce emissions. But changing this requires modifications in building codes and regulations.
2. **Alternative Fuels (Tackling Thermal Emissions):** This lever addresses thermal emissions by substituting high-carbon fossil fuels with lower-carbon or carbon-neutral alternatives for heating kilns. A wide range of materials are utilized, including biomass (waste wood, sawdust), sewage sludge, and fuels derived from pre-processed municipal and industrial waste such as scrap tires and non-recyclable plastics. While this approach is effective at reducing reliance on fossil fuels, its net impact on emissions can be marginal—often in the range of 1-5%—unless the biogenic content of the fuel is considered fully carbon-neutral under regulatory frameworks.
3. **Green transportation:** Involves the optimization of the transportation of the cement. This can be achieved by moving to low emission trucks, dispatch optimization and by using rail and waterways.
4. **Optimize Building Design** It involves using material-efficient designs to minimize the total amount of concrete needed, such as using thinner slabs or incorporating hollow spaces. Other examples include the use of a steel or timber frame over a concrete podium or use steel-braced mass timber buildings.
5. **Carbon Capture, Utilization, and Storage (CCUS)** It is the only currently viable solution for capturing the process emissions released during calcination. The technology involves capturing from the plant's flue gas and either permanently sequestering it into deep underground geological formations (storage) or converting it into valuable products such as synthetic fuels, chemicals, or carbonated building materials (utilization). Key industry players are making significant capital investments in pilot and full-scale CCUS projects, which are expected to become operational in the coming years. Heidelberg Materials (HEI-GY) is the first company to have completed the first cement plant that uses CCUS, it is located in Brevik, Norway and went into operations in August 2025. Heidelberg Materials recently lost a $500 million grant by the Department of Energy to advance a similar industrial-scale carbon capture, transport, and storage system at its new state-of-the-art cement plant in Mitchell, Indiana, USA.
6. **Novel Chemistries (Long-Term Innovation):** In the long term, several startups are developing entirely new cement chemistries that aim to circumvent the limestone calcination process altogether, but this is still at its infancy. The startups working on this include:

    I. **Sublime Systems (Private)** based in Somerville, Massachusetts, Sublime Systems makes low-carbon cement, using electrochemistry instead of heat and combustion to transform minerals into the building material. The federal clean energy awards recently terminated by the Trump administration included $87 million for Sublime System's low carbon cement plant. The company has strategic partnerships with CRH (CRH-NYSE), Holcim (HOLN-EB), and Amrize (AMRZ-NYSE). These collaborations include equity investments, pre-paid offtake agreements, and joint project development teams focused on megaton-scale Sublime Cement plants. In May 2025 Microsoft (MSFT-NASDAQ) signed a binding agreement with Sublime Systems to purchase up to 622,500 tons of low-carbon cement over a six- to nine-year period.

    II. **Brimstone (Private)** is a low-carbon cement startup headquartered in Oakland, California. The company is developing a process that heats extracted oxides in a rotary kiln to produce cement with a lower carbon footprint.

III. **Fortera (Private)** California-based is a materials technology company, focused on lowering the carbon footprint of cement, utilizing an approach that transforms waste CO2 into feedstock, enabling plants to produce more from existing resources. According to the company, its "ReCarb" technology produces cement with 70% lower CO2 emissions compared with ordinary portland cement (OPC), and can integrate with existing cement facilities, allowing producers to keep their kilns and established distribution networks, while maintaining cost parity with OPC. In September 2025, Microsoft announced that it had made a strategic investment that supports construction of Fortera's full-scale 400,000 ton-per-year commercial facility. Microsoft secures procurement rights for Fortera's ReAct low-carbon cement and environmental attribute certificates to reduce Scope 3 emissions.

Regional Sustainability Efforts in the Cement Industry

Europe

The European cement industry has mapped a clear route to net zero in its 2050 Roadmap and now through the Cement Action Plan, detailing how the industry intends to reduce emissions by 78 per cent by 2040, and even become carbon negative by 2050. This has been fueled by European Regulations about emissions as well as federal subsidies.

United States

The Biden Administration had set 2035 climate targets, the emissions reduction strategy included investments from the Inflation Reduction Act and Bipartisan Infrastructure Law, complemented by federal standards. However, the Trump Administration removed those targets and revoked related funding for projects like the Heidelberg Materials (HEI-GY) Mitchell Plant CCUS and Sublime Systems. Meanwhile, several states, including California and New York, have been pushing forward independently. Another driving force for sustainability comes from cement customers such as Amazon (AMZN-NASDAQ) and Microsoft (MSFT-NASDAQ), which have set low-carbon targets for themselves while simultaneously building large numbers of new data centers that require significant amounts of cement. These Hyperscalers are demanding that their contractors use lower carbon cement. They are also investing and signing procurement rights in some of the low carbon cement startups. Several of them have also joined buyer alliances to push cement producers to become more sustainable, such as the Sustainable Concrete Buyers Alliance (SCoBA).

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AMRIZE
BUILD YOUR AMBITION

Amrize (AMRZ – $48.72 NYSE) / (AMRZ – SW $38.72) NR

Year	EPS	P/E	
2027P	$2.92	16.7x	Dividend: None Current Return: Nil
2026P	2.74	17.8	Shares O/S: 552 million
2025E	2.42	20.1	52-Week Range: $56.29 - $44.12
2024A	2.25	21.7	

COMPANY OVERVIEW

Amrize (AMRZ-NYSE/AMRZ-SW), headquartered in Zug, Switzerland with operational headquarters Chicago IL is a leading North American building materials company.

Amrize, formerly Holcim's US business, is a newly independent company following its successful spinoff on June 23, 2025. The company has established itself as a focused, North American leader in building solutions.

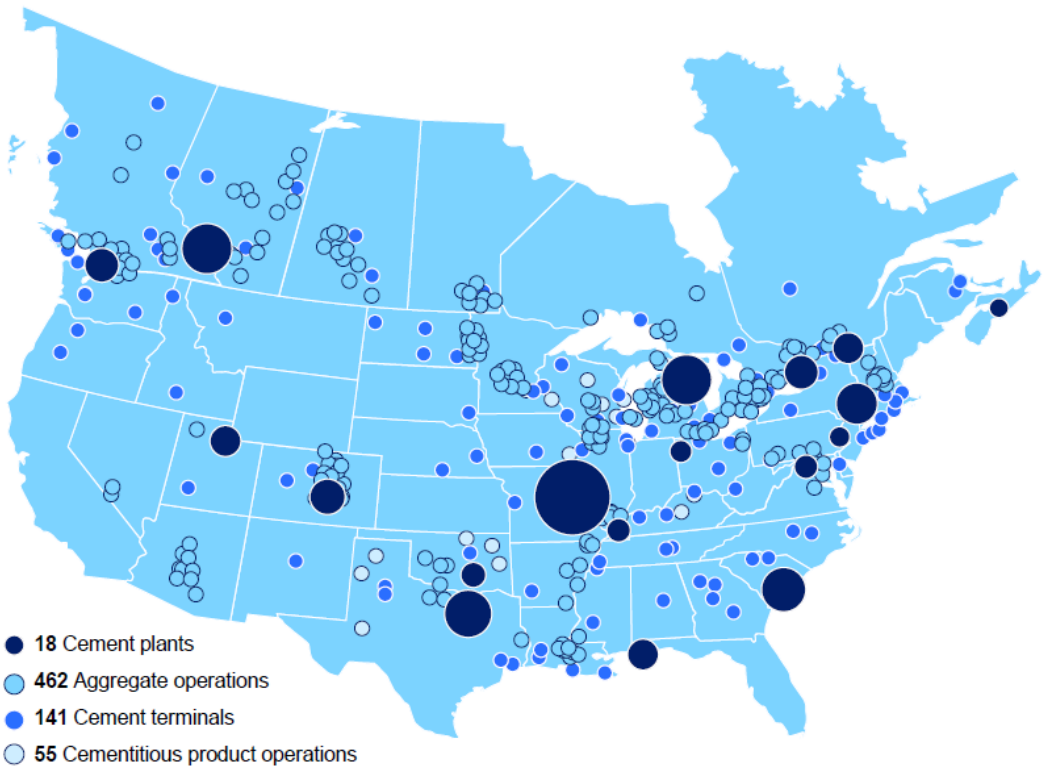
The primary reasons for the separation included the sheer scale of the US operations, which had become too large to operate effectively as a subsidiary. A dedicated, US-focused entity is now better positioned to capture the full spectrum of opportunities from the infrastructure to the residential markets. Furthermore, the spinoff provides Amrize with a US dollar-denominated currency and stock, which is advantageous for future acquisitions. The move also ensures that the board and the entire management team are singularly focused on the US market.

Amrize is now one of the largest building materials company in North America, holding several leading market positions. The company is number one in cement with an approximate 17% market share, number two in commercial flat roofing with an approximate 20% market share, and number five in aggregates. The company's Building Envelope segment, which accounted for 29% of 2024 revenues, was primarily constructed through a series of M&A transactions. These acquisitions involved companies with strong local brands and were secured at an attractive multiple of approximately 8x EBITDA including synergies, or 12x on a standalone basis. The top three states for Amrize's operations are Texas, noted for its growth and vertical integration; Colorado; and New York, where the company has a strong cement and aggregates presence.

Amrize has outlined a capital allocation strategy. First, the company will prioritize investing in the business through capital expenditures to expand its footprint, increase production capacity, and enter new markets. Second, Amrize will pursue M&A and bolt-on acquisitions in attractive, fragmented building materials markets and will continue to expand the Building Envelope segment. Finally, the company plans to return cash to shareholders through a combination of dividends and opportunistic share buybacks.

Amrize has set several key financial targets for the medium term. The company is targeting a revenue CAGR between 5% and 8% and an EBITDA CAGR between 8% and 11%. Additionally, Amrize aims to generate over $8 billion in cumulative free cash flow and maintain a cash conversion rate of over 50%. These targets are inclusive of bolt-on acquisitions but exclude any potential transformational M&A.

Exhibit 1 **Amrize's US Building Materials Footprint**



Source: Company presentation, Gabelli Funds

Building Materials Segment

This segment generated $8.3 billion in revenue in 2024, which was split evenly between Cement and Aggregates/Ready Mix/Asphalt. It boasts 18 cement plants and is the number one cement company with 25 million tons sold in 2024, making it 1.7 times larger than its nearest competitor. The company holds 11 billion tons of proven aggregate reserves and maintains a number one or number two market position in 85% of the aggregate markets it serves. The market dynamics are highly favorable, characterized by limited natural resources, a stringent regulatory environment, and significant logistical advantages for local suppliers. Pricing has been strong, with cement prices growing at 9.4% CAGR since 2021 and aggregates at an 8.2% CAGR. The outlook for the cement market is particularly attractive, as demand is forecasted to outpace supply due to limited capacity increases.

Table 1 **Top US Cement and Aggregates Producers**

	Million Tons Shipped 2024	% of Total US Cement shipped
Amrize (Holcim US)	25.0	17.4%
Heidelberg Materials (HEI-XE)	15.2	10.6
Cemex (CEMEX CPO.MX)	12.7	10.2
Quikrete (Private formerly Summit Materials)	12.0	9.7
CRH (CRH-NYSE)	10	8.1

	Million Tons Shipped 2024	% of Total US Aggregates shipped	Aggregate Reserves Million tons
CRH (CRH-NYSE)	230.0	9.6%	17,812
Vulcan Material (VMC-NYSE)	219.9	9.2	16,454
Martin Marietta (MLM-NYSE)	191.1	8.0	16,561
Heidelberg Materials (HEI-XE)	125.0	5.1	11,900
Amrize (AMRZ-NYSE)	120	4.9	7,597

Source: Company data and Gabelli Funds estimates. Heidelberg Materials does not publish its Aggregates tonnage only revenue, estimate based on price per ton estimate in their markets.

In terms of bolt-on acquisitions, the aggregates business still has a lot of opportunities. The industry is still very fragmented; the top 5 companies have a 37% market share and Amrize is number 5. This leaves a lot of room for them to make value accretive acquisitions. In the cement business given their position, they have limited room to make further acquisitions.

Building Envelope Segment
This segment, which recorded $3.4 billion in revenue in 2024, was built in just four years. It focuses on commercial roofing advanced system selling, where system components account for 67% of revenue, increasing the dollar value per project. The business operates 45 manufacturing and distribution facilities, servicing 100% of North America. The demand outlook is robust, driven by a large stock of aging commercial buildings, as approximately 75% are over 25 years old, leading to strong re-roofing demand. This trend is further supported by an increase in severe weather events and a growing demand for energy-efficient and functional roofs, such as those incorporating solar, green, or cool technologies.

The company believes that it can realize synergies within their newly acquired companies of cumulative $250 million from 2025 to 2028 which according to the company will translate into 50 basis points margin improvement per year. Specifically, these synergies will come from the supply chain, raw materials: joint external sourcing and mineral materials insourcing opportunities, Services: digital procurement tools and cost benchmarking across 1,000+ sites and facilities, Logistics: translating our scale into cost leadership on inbound and outbound freight as well as equipment: driving synergies across operations by investing in technologies that improve efficiency.

They have built the Building Envelope Segment through acquisitions in commercial and residential roofing and plan further expansion via organic investments and M&A. Company has said that they would be interested in insulation and complementary technologies.

End Market Outlook
The company maintains a positive outlook across its key end markets. The infrastructure market outlook is strong, supported by the Infrastructure Investment and Jobs Act (IIJA), with over 200 projects already secured. In the industrial sector, improvements are being seen in high-growth areas such as data centers and warehouses. Finally, the residential market is expected to recover as interest rates stabilize.

The 5-8% revenue growth target will be achieved through a mix of volume, price, and acquisitions. The projected $8 billion in cumulative free cash flow will be prioritized for organic investments first, followed by M&A, with any remainder allocated to shareholder returns. For branding, Amrize will be the primary corporate brand, though existing brands in the Building Envelope segment will be retained. Finally, management expects to drive margin expansion through operating leverage, efficiency gains, and strong market positioning in both business segments.

Sustainability
While Amrize inherits the technological and ESG apparatus from its former parent, its post-spin-off corporate messaging reflects a strategic de-emphasis on sustainability as a primary brand pillar compared to Holcim. The company's strategic drivers are more squarely focused on its North American market leadership, profitable growth, and shareholder value creation. Although specific, independent sustainability targets for Amrize are still nascent, the company's portfolio includes Holcim's established lower-carbon product lines, such as ECOPlanet cement and ECOPact concrete. The company has announced partnerships on high-performance, AI-optimized concrete mixes for data centers, suggesting a focus on sustainability applications driven by technological innovation and performance rather than broad-based emissions marketing. Future sustainability reports will be critical for assessing its independent decarbonization trajectory.

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October 22, 2025

CRH plc (CRH - $118.73- NYSE) NR

Year	EPS	P/E	
2027P	$6.98	16.9x	Dividend: $1.48 Current Return: 1.3%
2026P	6.24	19.0	Shares O/S: 673 million
2025E	5.57	21.3	52-Week Range: $121.88 - $76.75
2024A	5.02	23.7	

COMPANY OVERVIEW
CRH, headquartered in Dublin, Ireland is a global leader in building materials, operating in over 30 countries with segments including Americas Building Solutions, Americas Materials Solutions and International Solutions. It provides essential products like aggregates, cement, and asphalt, leveraging an integrated model for construction and infrastructure projects. It is the largest aggregates company in the US, with over 230 million tons shipped in 2024, with locations in the northeast, the southeast and California.

CRH has established itself as the largest building materials company in North America, with an unmatched scale and a connected portfolio that includes aggregates, cementitious materials, roads, and water management products. The company emphasizes that this scale and integrated portfolio is "impossible to replicate" and cements its leading position.

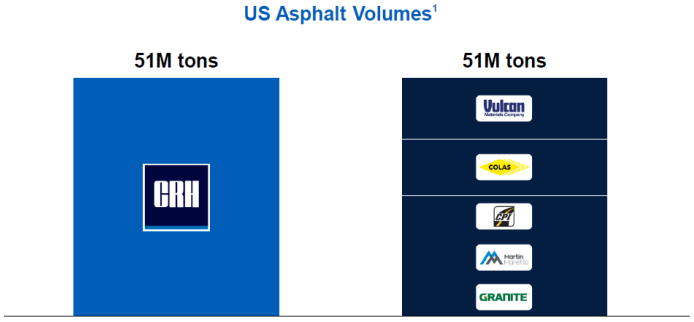
CRH has had 11 consecutive years of margin expansion, and a compound annual total shareholder return of over 16% since 1970. The company's strategy is aligned with three large and growing megatrends in North America: transportation infrastructure, water management, and re-industrialization (such as data centers and reshoring), all of which are expected to drive significant above-market growth.

CRH's M&A strength, with over 1,250 acquisitions in its history, allows it to remain the leading consolidator in highly fragmented markets like aggregates, roads, and water, often by retaining local brands and management teams to drive post-acquisition synergy and growth. The average acquisition multiple has been around 7x EBITDA in 2025.

CRH plans to accelerate its growth investment through aggressive and disciplined capital allocation, projecting the capacity to deploy $40 billion over the next five years, with approximately $70% (or $28 billion) allocated to high-return growth capital expenditure and strategic, value-accretive mergers and acquisitions.

Roads Business
CRH is the leader in an attractive, lower capital intensity roads business. The U.S. roads market represents a $145 billion total addressable market with recurring revenues driven by strong funding and an urgent need for maintenance, which is reflected by the D+ grade from the American Society of Civil Engineers (ASCE). CRH has scale, producing 51 million tons of asphalt annually, a volume equal to the next five largest players combined, and is active across 43 states.

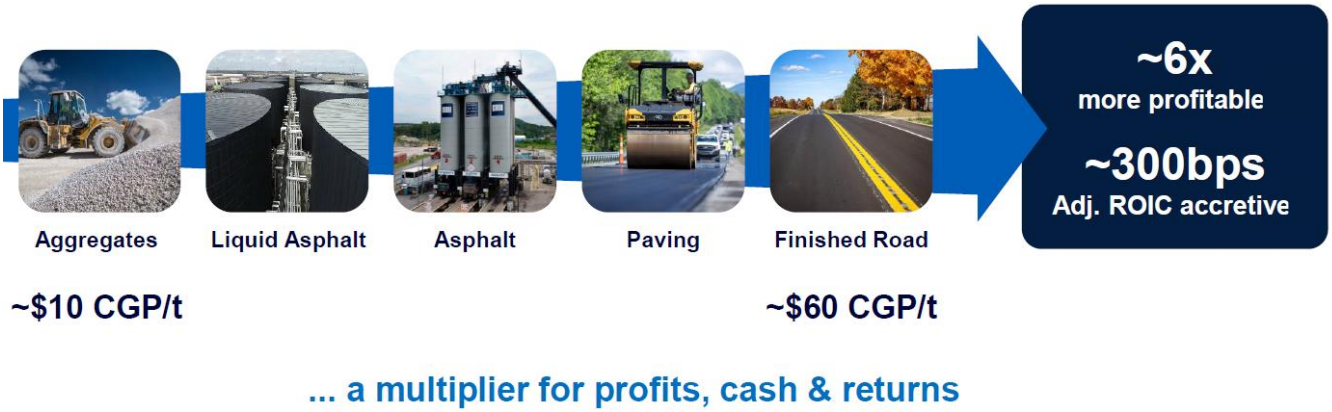
Exhibit 1 **Advantage of Their Scale**



Source: Company presentation

Management detailed how CRH's self-supplied, connected portfolio drives higher value, particularly in its roads business; by linking aggregates to asphalt production and paving, the company can convert an aggregate cash gross profit per ton of $10 into a $60 per ton cash gross profit through its integrated business model.

Exhibit 2 **Advantage of Their Vertically Integrated Business Model**



Source: Company presentation

The fully connected business model, which spans from aggregates through paving, drives superior economics, generating approximately six times the cash gross profit per ton compared to third-party aggregate sales and delivering an approximately 300 basis point accretion in Return on Invested Capital. The roads market remains highly fragmented, with 74% of the Hot Mix Asphalt industry still privately held, providing a long runway for continued inorganic growth and consolidation.

Leading Performance

The Leading Performance Model is the core engine for CRH's sustained margin expansion and value creation. CRH's performance model is "Locally Owned & Globally Enabled," combining the local accountability of its approximately 300 brands across roughly 4,000 locations with global resources, best practices, and technical expertise.

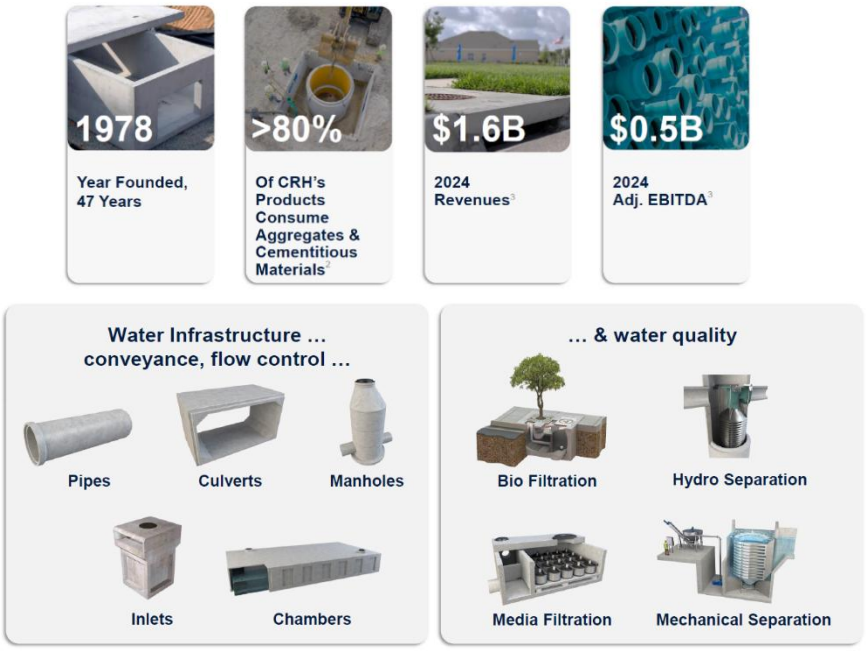
This discipline is applied through three main levers: Revenue Maximization (leveraging local brands and the connected portfolio), Margin Expansion (global benchmarking and operational optimization), and Scale & Replication. Case studies demonstrate this value: the Ash Grove Cement platform, for example, has seen approximately two times revenue and approximately three times EBITDA growth since acquisition, along with an approximately 1,500 basis point margin expansion.

Water Infrastructure

CRH is the leading U.S. water infrastructure player, strategically positioned to capitalize on non-discretionary funding needs. The Water platform is a leading player with $1.6 billion in 2024 revenues and $0.5 billion in EBITDA, demonstrating a strong 32% CAGR from 2019 to 2024. The market is driven by critical, non-discretionary funding needs for aging infrastructure. The ASCE gave Stormwater a 'D' and Drinking Water a 'C-', with over $1 trillion required in investment by 2033.

CRH highlighted its leading U.S. water infrastructure platform (with over $1.6 billion in annual revenue), noting the market is a $100 billion ecosystem with non-discretionary investment needs due to aging networks and climate resilience, thereby offering a significant long-term growth runway.

Exhibit 3 **US Water Infrastructure – Product Offering**



Source: Company presentation

CRH is strategically focused on the highest-growth segments—Flow Control (Capture, Conveyance, Storage) and Water Quality (Treatment, Separation)—and benefits significantly from its connected platform, where over $80% of its water products consume CRH aggregates and cementitious materials.

Growth Capabilities

CRH's unrivaled financial capacity and proven M&A track record positions it as a preferred acquirer and compounder. CRH has approximately $40 billion financial capacity to 2030, with approximately $28 billion expected to be allocated to value-accretive growth investments (CapEx and M&A). The company applies a deliberate strategy to build platforms in high-growth regions (e.g., the South and West U.S.) and focuses on a highly fragmented market where approximately 70% of U.S. asphalt players and approximately 75% of U.S. water players hold less than 1% market share.

In Texas, this approach has resulted in over 25 acquisitions since 2014, driving revenue growth of a 16% CAGR and EBITDA growth of a 24% CAGR over the decade to Trailing Twelve Months Q2 2025, successfully transforming the business into the leading building materials supplier in the state.

Sustainability

CRH's Sustainability framework centered on the global challenges of water, circularity, and decarbonization. In 2024, the company generated $14.6 billion in revenue from products with enhanced sustainability attributes. CRH has committed to a Science Based Targets initiative (SBTi)-validated target of a 30% reduction in absolute carbon emissions by 2030 (from a 2021 baseline) and holds a long-term ambition to become a net-zero business by 2050. The acquisition of Eco Material Technologies is a critical step in this journey, providing CRH with a substantial supply of fly ash and other SCMs essential for producing lower-carbon blended cements. This move exemplifies the company's strategy of using targeted M&A to achieve its decarbonization goals, as detailed in its 2024 Sustainability Performance Report.

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Eagle Materials (EXP - $242.95 - NYSE) NR

Year	EPS	P/E		
2027P	$15.12	16.1x	Dividend: $1.00	Current Return: 0.4%
2026P	13.98	17.4	Shares O/S: 32.6 million	
2025E	13.77	17.6	52-Week Range: $321.93 - $191.91	
2024A	13.61	17.9		

COMPANY OVERVIEW

Eagle Materials, headquartered in Dallas, TX is a building materials company that produces Cement, Concrete, Aggregates and Gypsum Wallboards.
The company operates two segments:

1. Heavy Materials which include Cement, Concrete and Aggregates
2. Light Materials which include Gypsum Wallboard and Recycled Paperboard.

The company's geographic footprint is concentrated in the U.S. heartland and sunbelt, with 70 production facilities located away from U.S. coastlines, which mitigates competition from imports. The business is centered on the production of basic building products used primarily in infrastructure, residential, and repair and remodel construction. The company's competitive advantage is further enhanced by its high degree of raw material self-sufficiency, with decades of supply located near its production facilities.

Eagle Materials is a low-cost producer: this operational advantage stems from its strategic model of vertical integration and its ownership of virtually all its raw material reserves. By controlling its supply chain from raw material extraction to finished product, the company secures cost stability and operational security. The company is able price its products on par with competitors and captures wider margins.

Sustainability
Eagle Materials is actively pursuing sustainability initiatives aimed at reducing the carbon intensity of its products. A significant milestone in fiscal 2024 was the increase in production and sales of blended cement products, including Portland Limestone Cement (PLC), which now account for 75% of its total manufactured cement sales. The company is also expanding its use of alternative fuels at three of its cement plants and is collaborating with the U.S. Department of Energy on a reduction study. A cornerstone of its future strategy is a $430 million investment to modernize and expand its Mountain Cement facility in Wyoming. This project is designed to lower manufacturing costs by approximately 25% while also significantly reducing the plant's carbon intensity, demonstrating a commitment to capital projects that yield both financial and environmental returns. The company's progress is detailed in its 2024 Sustainability Report.

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Heidelberg Materials (HEI-XE – €194.60) NR

Year	EPS	P/E	
2027P	€15.49	12.6x	Dividend: €3.30 Current Return: 1.7%
2026P	13.75	14.2	Shares O/S: 178 million
2025E	12.15	16.0	52-Week Range: €212.20– €96.16
2024A	9.87	19.7	

COMPANY OVERVIEW

Heidelberg Materials based in Heidelberg, Germany is a vertically integrated construction materials company with aggregates, cement, ready-mix concrete, asphalt paving mixes, and concrete products.

The company set several targets for 2030: They aim to achieve a growth rate of 7-10% per annum from current operations and a return on invested capital (ROIC) of up to 12%. Additionally, they plan to maintain leverage at around 1.5 times and reduce CO2 emissions per ton of cement to below 400 kilograms. Management is also targeting more than 50% of revenue to come from sustainable products, with an alternative fuel rate target exceeding 50% and a clinker rate target set at 64%. The company expects capital expenditures to average €1.3 billion per annum. The CFO stated that the company is aiming for a 250-basis points improvement in Europe. Furthermore, the collective rollout of a digital suite is expected to deliver annual potential savings of €50 million to the North America business.

Financial Capacity

Between 2025 and 2030, the company anticipates generating €15-17 billion in cash. Of this amount, €5-6 billion is expected to be spent on mergers and acquisitions, while another €5-6 billion will be allocated to dividends and the announced share buyback program. The company will have more than €10 billion of excess cash, which can be used for organic investments, further M&A, or opportunistic share buybacks.

Market Outlook

In Europe, management sees scope for a demand rebound and a further restructuring of the clinker asset base. They also anticipate an upward swing in profitability, supported by decarbonization efforts. In the US, management identifies pent-up demand and expects over-proportional growth through further infrastructure investment. They are also prepared for short-term volatility and can adjust the cost base accordingly. In emerging markets, management observed structural growth dynamics and believes the company has a superior asset-light model. They also note an over-proportional return on invested capital in these regions.

US Business

Aggregates - The company's US aggregates business includes 254 plants and 12 billion tons of reserves. Between 2019 and 2024, the price CAGR was 7%, and the EBITDA margin increased by 601 basis points to 30%.

Cement -The US cement business consists of 11 cement plants with a capacity of 16 million tons, along with 6 slag plants for supplementary cementitious materials (SCM). From 2019 to 2024, the price CAGR was 6.6%, and the EBITDA margin rose by 312 basis points to 32.3%.

End Market Outlook

Infrastructure - The company notes robust federal and state investments in infrastructure, with a positive short-term outlook driven by additional spending from the Infrastructure Investment and Jobs Act (IIJA). Congress is already starting conversations on renewing the surface authorization funding bill, and the industry is hopeful of achieving an uplift in funding to offset inflation in recent years. The company expects a significant amount of funding from the existing bill to be spent over the next two years.

Residential - Housing fundamentals remain intact, and the long-term outlook is positive. However, short-term pressure persists due to noticeable affordability challenges. The company highlights that approximately 100,000 new homes need to be built every day to address the significant housing shortage.

Commercial - There are significant investments in reshoring and AI-related infrastructure, with strong demand momentum expected to continue into 2025 and beyond. Notably, data centers require up to 50 times more concrete than a multi-family home.

Sustainability

The company offers Evobuild, which are low carbon products containing at least 30% less CO2, and Evozero, which are carbon capture products. They have a dedicated headquarters and country team for a targeted sales approach. Their customers include traditional and new clients, private and public asset owners, and development and project companies, while other stakeholders encompass governments, associations, NGOs, architects and investors. These products reduce the embodied carbon of a building, which is advantageous since roughly half of a building project's carbon footprint comes from cement. Benefits for customers include better loan terms, the ability to reach carbon reduction targets, and premiums for green occupancy and green rents or sales.

For carbon capture, only the Brevik and Padeswood projects are included in the company's 2030 goals. From these two projects, the company will ramp up cement production capacity from 100,000 tons in 2025 to 1,350,000 tons in 2030. They are already sold out for 2025, with demand coming from 11 countries—60% sold physically and 40% virtually. Although management did not provide details on the pricing premium for this product, they stated that margins are very attractive.

At the Brevik low carbon cement plant in Norway, management expects a 20-30% point higher margin by 2030 compared to a scenario where the company simply passes through CO2 costs without carbon capture and storage (CCS). The CCS operating expenses for the plants are largely covered by grants. Margins for Evozero products are expected to be significantly higher than those presented in the Brevik case, as Brevik operates at only half capacity. The company will also realize significant savings on European Union Emissions Trading System (ETS) costs from this plant.

The carbon price is one of many important datapoints for a carbon capture project. Management has taken a conservative approach, assuming a carbon price of under €100 by 2030. The Carbon Border Adjustment Mechanism (CBAM) was politically confirmed last week, with implementation set for 2026. While short-term changes are expected to be small, larger mid-term changes to the industry are expected. In terms of energy transition, the cement intensity of energy production is 25 times greater when using wind turbines compared to traditional power plants. Additionally, the US plans to build 10 new nuclear power plants, each requiring 4 million cubic meters of concrete.

Europe

The company holds around 25% market share in Europe and is either the market leader or holds a top 2 position in each significant country in the region. Management noted that cement volumes have declined by almost 20% since 2019, contributing to a loss of close to €500 million in recurring operating income (RCO). The company plans to reduce clinker capacity in Europe by an additional 12-17%, though this will not impact the group's overall cement capacity. Management is targeting a 250-basis points margin improvement by 2030. In Germany, the company has yet to see the full impact of the stimulus plan but reported strong performance in April and May. Furthermore, €20-30 billion will be spent on concrete-heavy infrastructure, driven by over €200 billion in defense spending. Regarding capacity reductions, clinker capacity in Europe has already been reduced by 13%, with further reductions of 12-17% anticipated, implying an overall reduction in the range of 25-30%. The company is confident that this will not affect their ability to benefit from an upswing in volumes, given the reduced clinker requirements expected due to the new, lower target clinker incorporation rate.

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Holcim (HOLN-EB – CHF68.32) NR

Year	EPS	P/E
2027P	CHF3.89	17.6x
2026P	3.46	19.7
2025E	3.26	21.0
2024A	3.07	22.3

Dividend: CHF1.24 Current Return: 2.4%
Shares O/S: 552 million
52-Week Range: CHF70.42 – CHF38.36

COMPANY OVERVIEW
Holcim AG (HOLN – SW), headquartered in Zug, Switzerland, Holcim AG, is a worldwide building materials and solutions company. The company recently spun-out its US business called Amrize (NYSE ticker will be: AMRZ).

2030 Financial Targets and Strategic Vision
At its recent investor day, Holcim confirmed its financial targets for 2030, projecting an average sales growth of 3% to 5% and an average EBIT growth of 6% to 10%. The company also aims for an average annual cash conversion rate of 50%. A key strategic goal is to achieve an even split in sales, with 50% coming from its traditional Building Materials segment and 50% from its high-value Building Solutions segment.

This growth will be guided by four strategic drivers: focused investment in attractive markets, using sustainability to drive profitable growth, expanding high-value Building Solutions, and maintaining a performance culture centered on value creation. The company also highlighted its geographically diversified footprint, with 54% of its business in Europe, 27% in Asia, the Middle East & Africa, and 19% in Latin America.

Sustainability as a Core Growth Driver
Holcim has placed sustainability at the heart of its strategy, setting ambitious 2030 targets. The company aims for its low-carbon ECOPact and ECOPlanet products to represent over 50% of its ready-mix concrete and cement net sales, respectively. It plans to triple its use of recycled construction and demolition materials to over 20 million tons, a significant increase from 2024 volumes. Furthermore, Holcim is targeting a 30% reduction in its scope 1 emissions to below 400 kg CO_2/t and a 33% reduction in freshwater withdrawal compared to 2020 levels.

The company emphasized that sustainability directly drives revenue and margin expansion. Net sales growth is propelled by its high-value, sustainable offerings, which command a price premium and meet rising demand from new building norms and sustainable procurement policies. Concurrently, costs are being optimized through technology and efficiency, including innovative formulations with new mineral components, a better energy mix with alternative fuels, and the avoidance of CO_2 costs in markets with carbon trading schemes.

As a proof of point, Holcim showcased its strong track record in Europe from 2020 to 2024, where improved sustainability drove EBIT margin expansion from 12.7% to 15.6%. During this period, the share of its sustainable offerings grew from zero to significant levels, while it dramatically increased the use of recycled materials and lowered its carbon emissions.

Building on this success, Holcim is scaling its sustainable offerings to meet customer demand. For instance, ECOPact, its green concrete, grew from 0% of ready-mix net sales in 2020 to 26% in 2024, with a target of over 50% by 2030. Similarly, the company is accelerating profitable growth in circular construction through its EcoCycle® technology platform, targeting CHF 800 million in net sales by 2030 from products containing recycled materials. Innovation in formulation, energy, and carbon capture technologies will further accelerate its decarbonization efforts.

Expansion into High-Value Building Solutions
Holcim is focused on expanding its portfolio of high-value Building Solutions across all applications. This includes roofing systems from its Elevate and ZinCo brands, foundation and structure solutions like ECOPact concrete, and walling and flooring systems from brands such as PRB and Tector. The company is capturing new growth in this area by meeting the rising demand for energy-efficient building systems, particularly in the repair and refurbishment market. These solutions offer attractive margins, high returns, and strong cash conversion, supported by excellent brand recognition and customer loyalty.

Capital Allocation Strategy
To fund its strategic priorities, Holcim detailed a growth-focused capital allocation plan with a deployment capacity of CHF 18 to 22 billion from 2025 to 2030. This capacity will be allocated across four key areas:

- CHF 4 to 5 billion for disciplined growth capital expenditures focused on high-return projects.
- CHF 3 to 4 billion for value-accretive M&A to strengthen market positions and enter new segments.
- CHF 7 billion for dividends, supported by a progressive dividend policy with an average payout ratio of 50%.
- CHF 4 to 6 billion of additional capacity reserved for large strategic M&A and opportunistic share buybacks.

Cement Industry

(in millions, except per share data)		Amrize AMRZ-NYSE	CRH plc CRH-NYSE	Eagle Materials EXP-NYSE	Heidelberg Materials HEI-GY	Holcim HOLN-EB
12-Month High/Low						
Capitalization		FYE 31-Dec	FYE 31-Dec	FYE 31-Mar	FYE 31-Dec	FYE 31-Dec
Balance Sheet as of:			6/30/25	6/30/2025	6/30/25	7/5/01
Shares Outstanding		552.0	672.7	33	178.4	552.0
Options/Converts						
Fully Diluted Shares Outstanding		552.0	672.7	32.6	178.4	552.0
Price as of 10/22/2025		$ 48.72 CHF 38.72	$ 118.73	$ 242.95	€ 194.60	CHF 68.32
Equity Market Capitalization		**$ 26,891 CHF 21,373**	**$ 79,865**	**$ 7,920**	**€ 34,717 $40,306**	**CHF 37,713 $43,784**
Total Debt and Preferred Stock		6,192	15,813	1,310	8,635	9,814
Minority Interest		Net Debt	Net Debt	Net Debt	Net Debt	Net Debt
Cash and Equivalents		(601) CHF 6,491	(776) $15,037	(60) $1,250	(1,804) $ 7,931	5,579 CHF 4,235
Hidden Assets						
Total Enterprise Value (TEV)		**$ 32,482 CHF 27,865**	**$ 94,902**	**$ 9,170**	**€ 41,548 $48,237**	**CHF 41,948 $48,701**
Consolidated:						
Net Revenues	2026P	$ 12,332 *5.2%*	$ 40,376 *6.3%*	$ 2,315 *2.0%*	€ 22,803 *4.5%*	CHF 16,457 *2.1%*
(growth)	2025E	$ 11,717 *0.1%*	$ 37,966 *6.7%*	$ 2,269 *0.4%*	21,820 *2.7%*	16,123 *-38.9%*
	2024A	$ 11,704	$ 35,572	$ 2,259	21,251	26,407
EBITDA	2026P	$ 3,252 *26.4%*	$ 8,319 *20.6%*	$ 810 *35.0%*	€ 5,030 *22.1%*	CHF 4,169 *25.3%*
(margin)	2025E	$ 3,021 *25.8%*	$ 7,626 *20.1%*	$ 829 *36.5%*	4,691 *21.5%*	4,026 *25.0%*
	2024A	$ 3,015 *25.8%*	$ 6,727 *18.9%*	$ 775 *34.3%*	3,921 *18.5%*	5,966 *22.6%*
EPS	2026P	$ 2.74 *13.2%*	$ 6.24 *12.0%*	$ 13.98 *1.5%*	€ 13.75 *13.2%*	CHF 3.46 *6.1%*
(growth)	2025E	$ 2.42 *7.7%*	$ 5.57 *11.0%*	$ 13.77 *1.2%*	12.15 *23.1%*	3.26 *6.2%*
	2024A	$ 2.25	$ 5.02	$ 13.61	9.87	3.07
TEV/EBITDA	2026P	10.0 x	11.4 x	11.3 x	8.3 x	10.1 x
	2025E	10.8	12.4	11.1	8.9	10.4
	2024A	10.8	14.1	11.8	10.6	7.0
P/E	2026P	17.8	19.0	17.4	14.2	19.7
	2025E	20.1	21.3	17.6	16.0	21.0
	2024A	21.7	23.7	17.9	19.7	22.3
Total Debt/EBITDA		2.1 x	2.4 x	1.7 x	2.2 x	1.6 x
EBITDA/Interest		9.8 x	13.0 x	21.2 x	13.8 x	13.1 x
Net Debt/TEV		17.2 %	15.8 %	13.6 %	16.4 %	36.7 %
Additional Information:						
Dividend		$ - *0.0%*	$ 1.48 *1.2%*	$ 1.00 *0.4%*	€ 3.00 *1.5%*	CHF 3.10 *4.5%*

2024					
Geographic Exposure Revenue North America	100%	65%	100%	€ 5,311 25%	
Cement North America Revenue/%Total	$4,481 38%	$ 4,793 20%	$ 1,083 48%	€ 2,050 39%	
Aggregates North America Revenue/% Total	$4,446 38%		$ 1,449 64%	€ 1,944 37%	
Cement Capacity (Million tons)			6.6	183	
EV/Cement Capacity			$1,389	€ 228 $264	
Cement and Clinker Sales Volume (m tons)		31.5	6.7		
Average Price per Cement ton ($ per ton)		$9.30	$ 156.67		

Source: CapitalIQ Consensus Estimates

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