CRH plc (NYSE: CRH)

March 16th, 2026 - Jose Neto, Jack Bach, Suanshi Kachapur, Evan Waters

Agenda

Company Overview

CRH

Founded 1970

Headquarters: Dublin, Ireland

NYSE: CRH

Operations in 29 countries

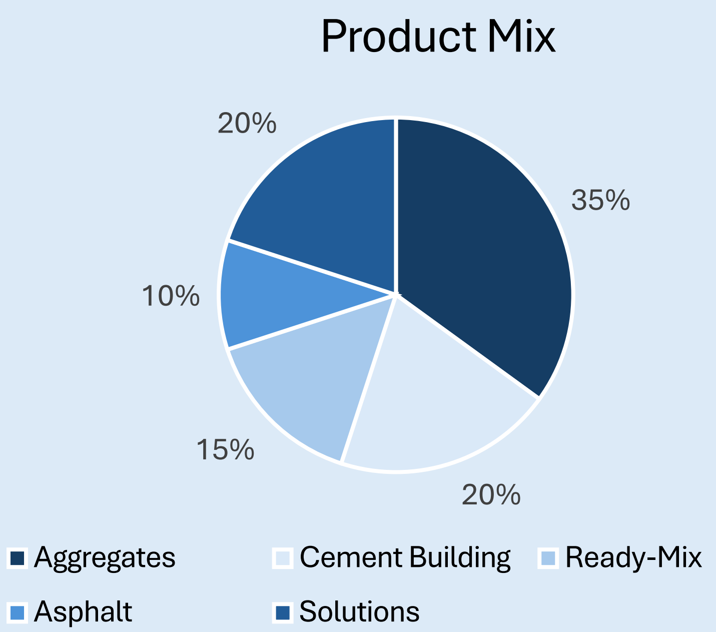
78,500 employees

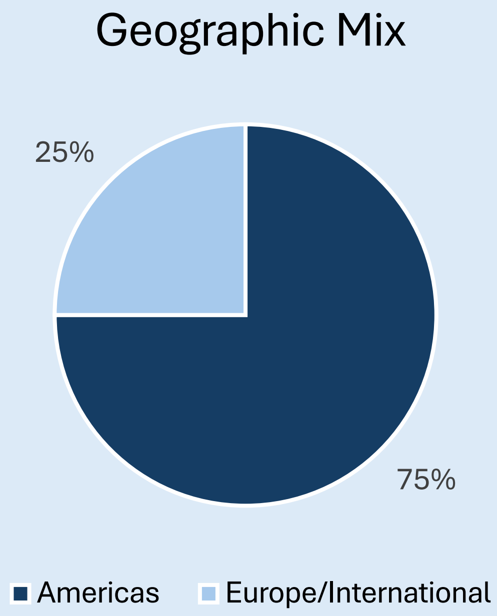
38 Acquisitions in 2025

North America's leading heavy-side building materials company

Revenue: $37.4B (2025)

EBITDA: $7.7B





CRH manufactures and supplies the aggregates, asphalt, cement, and other building products that underpin every major infrastructure and construction project in North America and Europe

Why Now?

Macro Tailwinds

- Federal infrastructure spending (IIJA) peaks in 2026–2027, creating a multi-year surge in demand for aggregates, cement, and asphalt.
- State transportation budgets growing ~6% YoY, supporting steady, recurring demand for roadbuilding and civil construction
- Data-center construction boom (AI + cloud) requires massive site-prep and materials volumes, directly benefiting CRH's core products.

Company-Level Catalysts

- S&P 500 inclusion still attracting passive inflows, improving liquidity and lowering CRH's cost of capital over time.
- Eco Material fully integrated by 2026, unlocking cost efficiencies, operational synergies, and better vertical integration
- Management guiding another year of margin expansion, supported by pricing discipline and a higher-margin U.S. revenue mix

Valuation Setup

- Stock has pulled back from 52-week highs, creating a more compelling entry point relative to fundamentals
- DCF and sector-median multiples both indicate upside, giving confidence across valuation frameworks
- Peers have rerated ahead of CRH, leaving room for CRH to "catch up" as its catalysts play out in 2026–2027

Data Center Advantage

85% of U.S. data centers are within <u>25 miles</u> of a CRH facility

- Data centers use 3–5× more concrete and aggregates per sq ft than traditional commercial buildings.
- U.S. data center capex expected to grow from $50B (2023) to $200B+ by 2028
- CRH benefits passively - their existing customers already win the data center contracts

Aggregates are a geographic monopoly. You cannot ship a ton of crushed stone for 50 miles

Data hub: CBRE's North American Data Center Trends, USDOT IIJA

Company SWOT Analysis

Strengths

- Dominant aggregates position
- Scale Advantage
- Geographical Moat

Weaknesses

- Highly cyclical industry
- Energy intensive production
- Lower growth profile

Opportunities

- U.S Infrastructure investment
- Overall Population growth
- Decarbonization innovation

Threats

- Economic Downturns
- Energy price volatility
- Environmental regulations

Industry Overview

Construction Materials Industry Outlook

Industry Growth Outlook

- Construction materials market projected to grow 4–6% annually.
- Strong growth from infrastructure and energy transition projects.
- Population growth
- Fragmented industry with high consolidation potential

Industry Risks & Headwinds

- Environmental regulations
- Interest rates impacting housing
- Rising energy and fuel costs
- Potential labor shortages

American Society of Civil Engineer Report Card 2025

Roads: D+

Transit: D

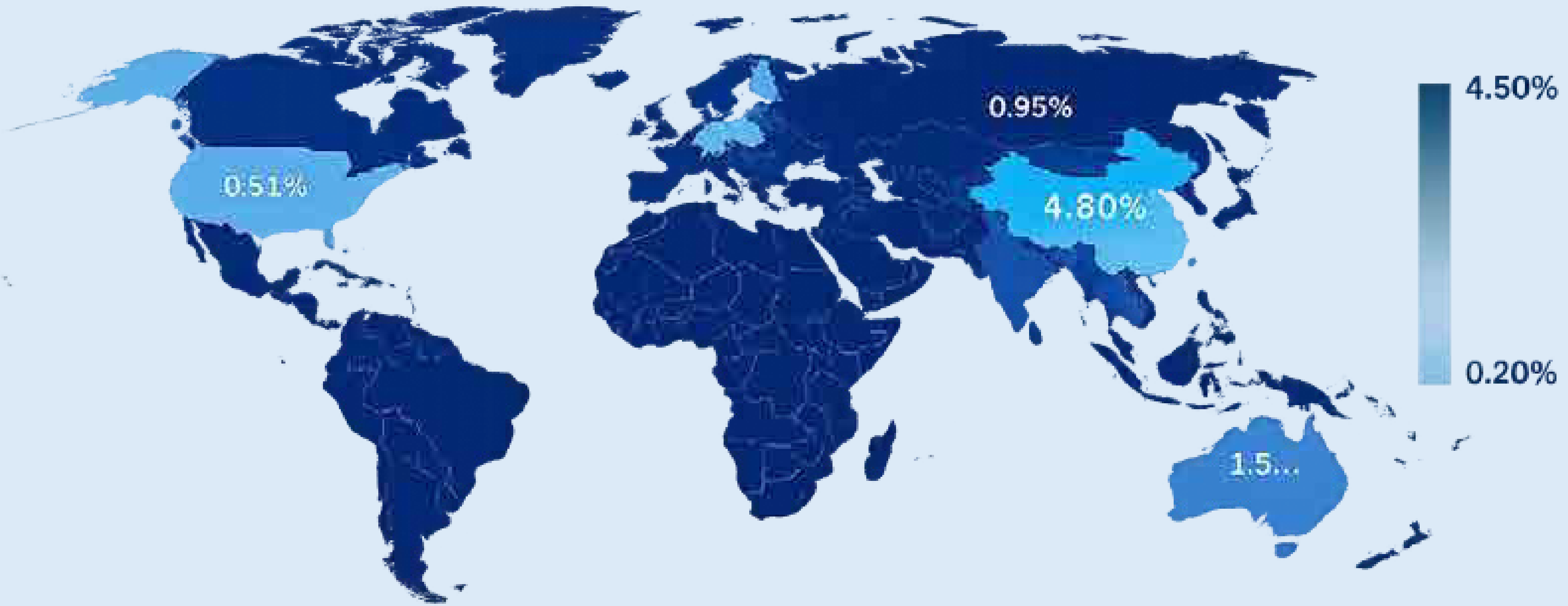
Bridges: C

Schools: D+

Energy: D+

Total Across 18 Sectors: C

Infrastructure Spending as a % of RGDP



USA lagging other major countries by over 50 bps

Repair & Maintenance demand always requires upkeep

Industry SWOT Analysis

Strengths

• Essential Industry • High barriers to entry
• Stable long-term demand

Weaknesses

• Capital-Intensive operations • Energy-Intensive operations
• Relatively low margins

Opportunities

• Government infrastructure spending • Industry consolidation • Expansion of public transportation

Threats

• Economic Cyclicality
• Labor Shortages
• Increase in local competition

Financials

Financial Snapshot (2024 – 2030E)

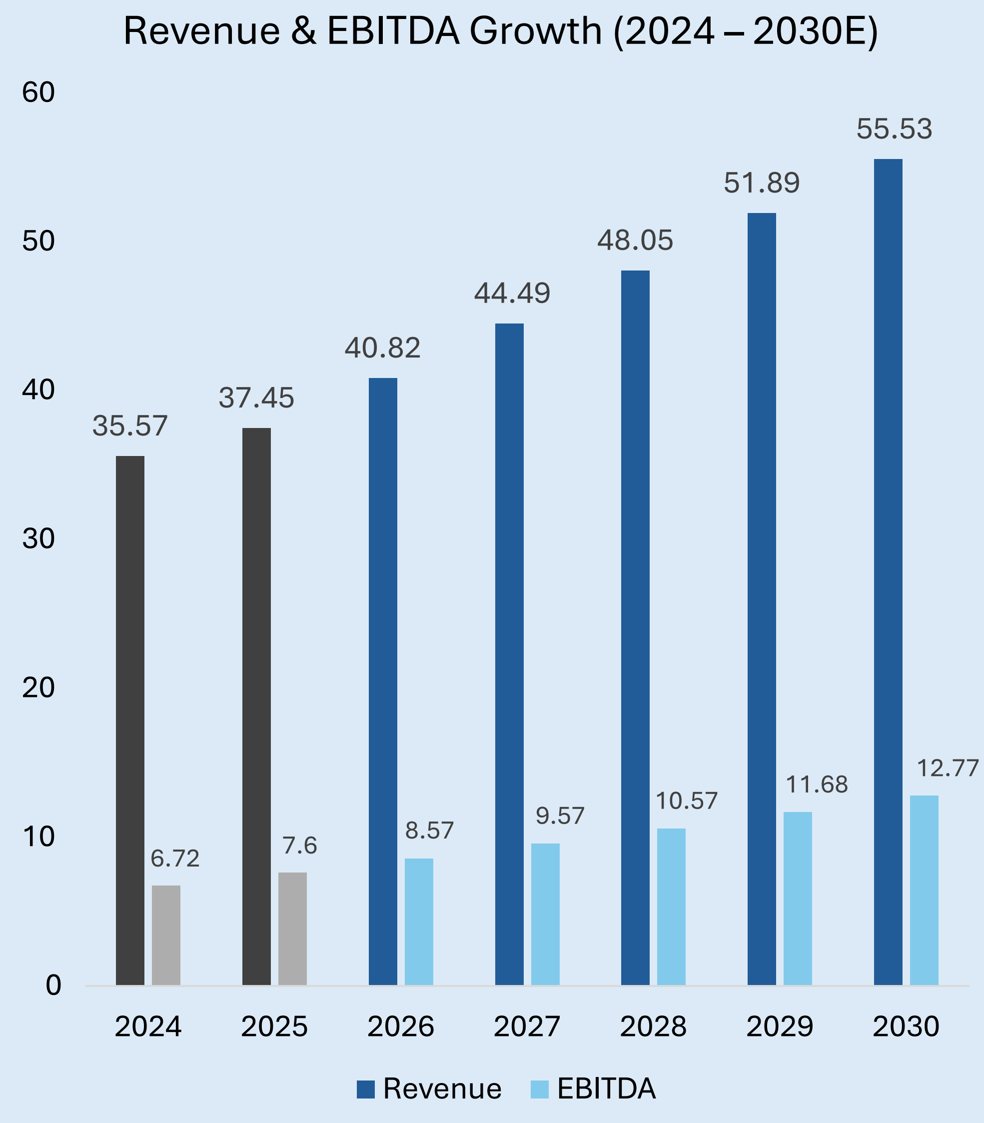
Financial Snapshot							
	2024	2025	**2026**	**2027**	**2028**	**2029**	**2030**
EBITDA Margin	18.90%	20.28%	21.00%	21.50%	22.00%	22.50%	23.00%
Net Income	3,492	3,753	3,987	4,313	4,745	5,210	5,666
EPS	5.06	5.54	**6.03**	**6.57**	**7.15**	**7.79**	**8.48**

Revenue CAGR: 7.2%

EBITDA CAGR: 7.8%

EPS CAGR: 8.9%

EPS growth outpaces EBITDA due to **share repurchases**, creating incremental shareholder value and supporting long-term earnings expansion.



In $billions

Ratio Analysis

Liquidity Ratios	CRH	VMC	MLM	Competitor Mean
Current Ratio	1.74	2.69	3.57	3.13
Quick Ratio	1.06	1.12	0.88	1.00
Cash Ratio	0.47	0.19	0.07	0.13

Profitability Ratios	CRH	VMC	MLM	Competitor Mean
Operating Margin	15.06	20.40	23.37	21.89
Net Income Margin	10.02	13.56	18.49	16.03
EBITDA Margin	20.34	30.81	35.01	32.91

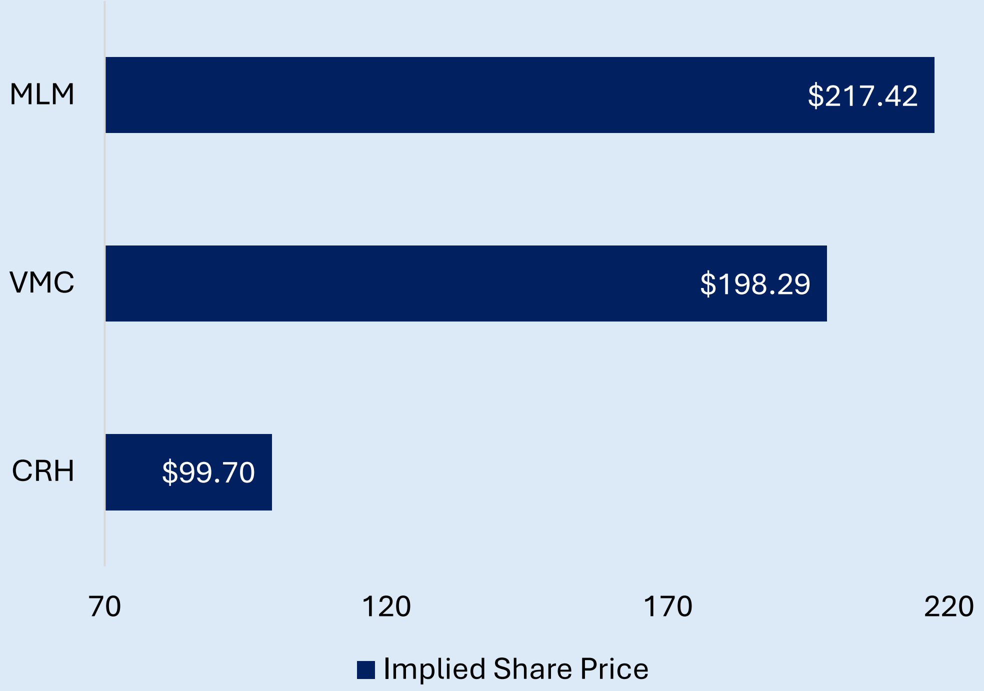
Leverage/Solvency Ratios	CRH	VMC	MLM	Competitor Mean
Total Debt-to-Equity Ratio	72.25	57.79	59.87	58.83
Times Interest Earned	6.72	6.76	6.25	6.51

Valuation Analysis

Price to Earnings Multiple

CRH Market Price: $99.70

CRH EPS: 5.54



Metric	Vulcan Materials (VMC)	Martin Marietta (MLM)
Peer P/E	35.77	39.22
Implied Share Price	$198.29	$217.42
Upside	**+99%**	**+118%**

Applying peer P/E multiples to CRH's EPS implies a valuation range of $198–$217 per share, versus the current market price of $99.70

DCF & EV/EBITDA

WACC: 7.91%

LTG: 3.00%

Implied Share Price: **$125.07**

Current Market Price: $99.70

Undervalued by **25.45%**

		WACC				
	125.07	7.00%	7.50%	8.00%	8.50%	9.00%
LTGR	2.00%	127	116	106	98	92
	2.50%	138	125	114	105	97
	3.00%	152	136	123	112	103
	3.50%	171	150	134	121	111
	4.00%	196	168	148	132	119

VMC EV/EBITDA (1Y Fwd): 16.9

CRH EBITDA (1Y Fwd): $8.29B

Implied Share Price **$186.87**

Current Market Price: $99.70

Undervalued by **87%**

MLM EV/EBITDA (1Y Fwd): 18.55

CRH EBITDA (1Y Fwd): $8.29B

Implied Share Price **$207.16**

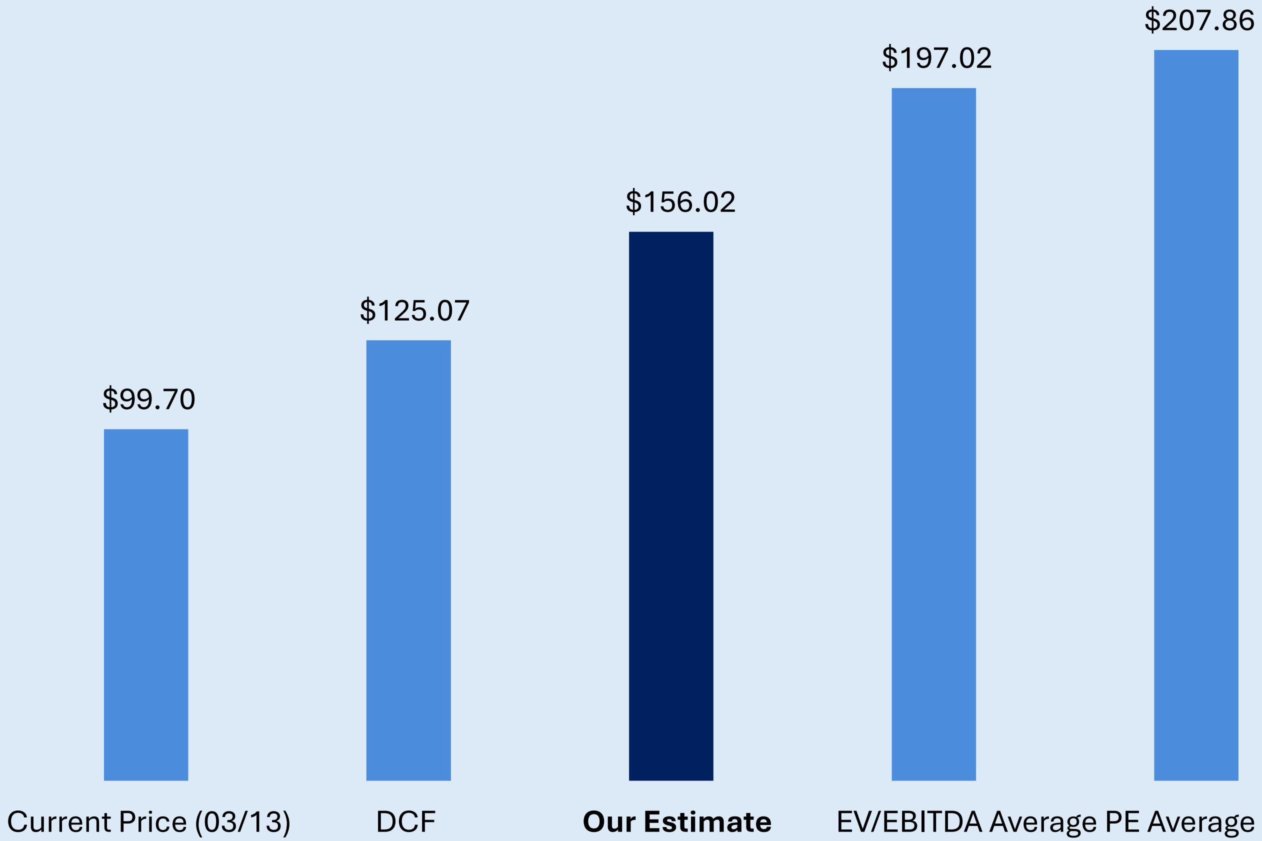
Current Market Price: $99.70

Undervalued by **108%**

		CRH 1Y FWD EBITDA				
	186.87	7.69B	7.99B	8.29B	8.59B	8.89B
EV/EBITDA	14.00	139	145	151	158	164
	15.50	156	163	170	177	184
	16.90	172	179	187	194	202
	18.55	191	199	207	215	224
	20.00	207	216	225	234	243

Valuation Range

Valuation Range



Our Estimate

60% DCF 20%

EV/EBITDA Average 20%

PE Average

Risks, Exit Strategy & Final Recommendation

Risks

Acquisition Model Stalls	8B+ liquidity buffer
Residential construction stays depressed	Infrastructure/Commercial > 65% of revenue
Interest rates above 5%	8.1yr avg debt maturity
IIJA successor bill fails	Maintenance backlog ($2.6T) sustains demand

Risk Metrics

Ratios	OLD	NEW
Sharpe	1.40	1.39
Sortino	2.62	2.59
Treynor	21.71%	21.49%
Alpha	9.43%	9.22%
Beta	1.05	1.05
Upside Capture	135.87%	135.63%
Downside Capture	88.99%	89.77%
Maximum Drawdown	-20.49%	-20.85%

Weighting Changes

Sector	Celani Before	Celani After	Benchmark	Weight
Communication Services	4.03%	3.89%	10.47%	Underweight
Consumer Discretionary	13.06%	12.60%	10.24%	Overweight
Consumer Staples	11.58%	11.17%	4.83%	Overweight
Energy	7.80%	7.53%	2.86%	Overweight
Financials	13.58%	13.10%	12.83%	At weight
Health Care	4.89%	4.72%	9.36%	Underweight
Industrials	12.16%	11.73%	8.26%	Overweight
Information Technology	31.85%	30.74%	35.11%	Underweight
Materials	**-**	**3.50%**	**1.80%**	**Overweight**
Real Estate	-	-	1.82%	Underweight
Utilities	1.05%	1.01%	2.42%	Underweight

Exit Strategy

Reassess position at $156

Reassess position at the end of 2027

Reassess position at $60

Voting

Buy 1,113 shares of CRH, or roughly 3.5% of Celani ($114,769)

Or

Not Buy

Price Target: $156

Appendix

DCF

Free Cash Flow					
Forecasted Year	2026	2027	2028	2029	2030
Operating Income	5,717	6,232	6,730	7,269	7,777
Less Taxes	1,372	1,496	1,615	1,744	1,867
NOPAT	4,345	4,736	5,115	5,524	5,911
Add/Less NWC changes	1,232	1,343	1,301	1,406	1,328
Less capex and depreciation	(2,244)	(2,446)	(2,370)	(2,560)	(2,419)
Free Cash Flow	868	946	1,443	1,559	2,164

DCF Valuation	
Numerator	4,720
Denominator	5%
TV	96,161
PV of TV	65,723
Enterprise Value	71,118
Net Debt	13,557
Equity Value	84,675
Shares O/S	677
Share Price	125.07
Market Price	$99.70
Shares Undervalued	25.45%

Total Invested Capital	
Invested Capital	49,399
Debt	6,567
Total Invested Capital	55,965
ROIC	10.56%
LTG	3.00%

Smooth TY and NPV	
Smooth TY	4,583
NPV Next 5 Years	5,395
WACC	7.91%

Reinvestment	
NWC Investment	1,328
Capex Dep	2,419
Total Reinvestment	3,747
NOPAT	5,911
Net Reinvestment Rate	63%