

# STRATEGICS DRIVE M&A TRANSACTION ACTIVITY TO CLOSE 2023

ROCK PRODUCTS SECTOR UPDATE | FEBRUARY 2024



**CAPSTONE  
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# Rock Products

## Strategics Drive M&A Transaction Activity to Close 2023

### KEY SECTOR TAKEAWAYS

Capstone Partners' [Building Products & Construction Services Team](#) is pleased to share its Rock Products report. Aggregates sector players have continued to seek attractive consolidation opportunities through year-to-date (YTD) 2023. While elevated interest rates have challenged the sector, demand has remained robust for many market participants. Several additional key takeaways are outlined below.

1. Backlogs have largely remained healthy across the Aggregates space which has fueled optimism for continued growth in 2024.
2. Public companies in the sector have outperformed broader markets, benefiting from a healthy aggregates pricing backdrop.
3. Merger and acquisition (M&A) activity has moderated compared to the prior year, however, large strategics have continued to optimize their business portfolios and create acquisition opportunities.
4. While aggregates shipments have tracked lower for many sector participants, increases in materials prices have helped drive robust revenues.

Capstone Partners has developed a full suite of corporate finance solutions, including M&A advisory, debt advisory, financial advisory, and equity capital financing to help privately owned businesses and private equity firms through each stage of the company's lifecycle, ranging from growth to an ultimate exit transaction.

To learn more about Capstone's wide breadth of advisory services and Building Products & Construction Services industry knowledge, please [contact us](#).

## INTRODUCTION

In this quarterly report, also published by Rock Products, Capstone Partners provides insight into recent mergers & acquisitions, capital markets trends, aggregates production, and pricing data.

Capstone’s Building Products & Construction Services Team advises industry business owners, entrepreneurs, executives, and investors in the areas of M&A, capital raising, and various special situations. Due to our extensive background and laser focus within the industry, Capstone is uniquely qualified and has an unparalleled track record of successfully representing Building Products & Construction Services companies.

## PUBLIC COMPANY COMMENTARY

Aggregates players have demonstrated healthy returns in public markets with many leading sector participants’ stock prices trading near 52-week highs.

Company	Price	% 52 Wk	Market	Enterprise	LTM			EV / LTM	
	01/02/24	High	Cap	Value	Revenue	EBITDA	Margin	Revenue	EBITDA
Holcim Ltd	\$78.40	97.6%	\$45,405.1	\$59,742.5	\$30,814.9	\$5,062.0	16.4%	1.9x	11.8x
CRH plc	\$68.28	98.3%	\$47,117.4	\$54,711.4	\$33,861.0	\$5,960.0	17.6%	1.6x	9.2x
Martin Marietta Materials, Inc.	\$491.03	98.0%	\$30,349.2	\$34,429.6	\$6,215.3	\$2,022.8	32.5%	NM	17.0x
Vulcan Materials Company	\$223.60	97.3%	\$29,710.5	\$33,875.2	\$7,679.5	\$1,896.4	24.7%	4.4x	17.9x
Heidelberg Materials AG	\$88.32	97.3%	\$16,443.3	\$25,089.8	\$23,678.4	\$3,323.7	14.0%	1.1x	7.5x
CEMEX, S.A.B. de C.V.	\$0.76	91.7%	\$11,061.6	\$18,519.2	\$17,041.1	\$2,851.1	16.7%	1.1x	6.5x
Grupo Argos S.A.	\$3.32	99.2%	\$2,657.6	\$8,448.1	\$5,614.5	\$1,545.6	27.5%	1.5x	5.5x
Eagle Materials Inc.	\$200.47	97.1%	\$6,993.8	\$8,067.0	\$2,205.4	\$766.3	34.7%	3.7x	10.5x
MDU Resources Group, Inc.	\$19.71	60.6%	\$4,013.7	\$6,453.3	\$7,376.5	\$961.2	13.0%	0.9x	6.7x
Summit Materials, Inc.	\$38.27	96.7%	\$4,571.8	\$5,932.5	\$2,511.6	\$535.3	21.3%	2.4x	11.1x
Buzzi S.p.A.	\$30.64	97.4%	\$5,673.3	\$5,686.2	\$4,658.9	\$925.8	19.9%	1.2x	6.1x
Arcosa, Inc.	\$82.03	97.4%	\$3,999.8	\$4,392.7	\$2,226.0	\$323.9	14.6%	2.0x	13.6x
<b>Mean</b>							<b>21.1%</b>	<b>2.0x</b>	<b>10.3x</b>
<b>Median</b>							<b>18.7%</b>	<b>1.6x</b>	<b>9.9x</b>
<b>Harmonic Mean</b>							<b>19.1%</b>	<b>1.6x</b>	<b>8.9x</b>

EV = enterprise value; LTM = last twelve months  
 \$ in millions, except per share data  
 NM = Not Meaningful

Source: Capital IQ as of January 2, 2024



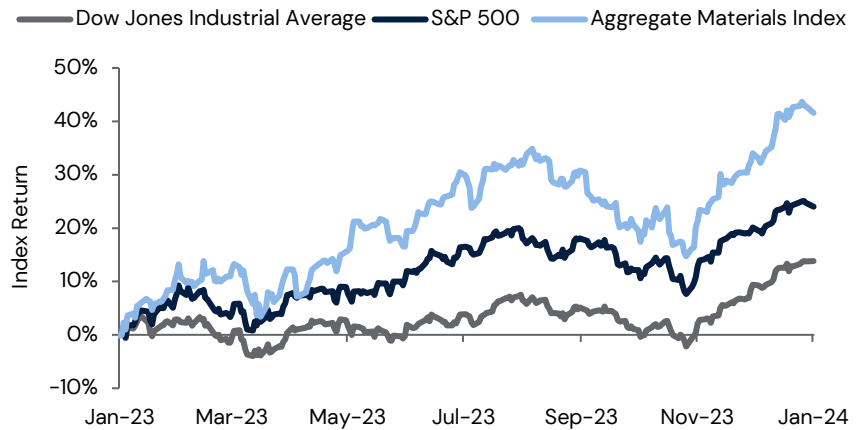
**Darin Good**  
 Managing Director, Head of Building Products & Construction Services

*“Robust demand and potential interest rate cuts in 2024 are expected to fuel demand and M&A appetite in the Aggregates space. Sector players are likely to actively pursue consolidation opportunities to achieve scale, synergies, and greater market share.”*

## AGGREGATES PLAYERS OUTPACE BROADER MARKETS IN 2023



One-Year Index Return Comparison



Aggregate Materials Index includes: LHN, CRG, HEI, VMC, CEMEX CPO, MLM, MDU, EXP, BZU, SUM, USCR, ACA, GRUPOARGOS  
 Source: Capital IQ as of January 2, 2024

Public companies in the Aggregates sector have continued to outperform broader equity markets with Capstone’s Aggregate Materials index climbing 41.6% over the past one-year period. While broader equity markets have registered healthy performance, favorable pricing dynamics and persistent construction demand have propelled Aggregates sector players above many other industries.

## FAVORABLE PRICING AND AGGREGATES SPENDING DRIVES DEMAND

A favorable pricing environment and steady demand for aggregates-intensive projects have fueled growth in the Aggregates space through year end. Leading public companies have captured elevated revenues through YTD and cost control initiatives have yielded healthy levels of profitability. Leading aggregates and heavy building materials supplier, Martin Marietta (NYSE:MLM), grew gross profit in its Aggregates segment by 32.1% year-over-year (YOY) in Q3, supported by a 20% increase in prices, according to its earnings release.<sup>1</sup> Martin Marietta’s Cement segment experienced a similar trend with gross profit rising 61.5% YOY as pricing growth of 18.9% YOY offset relatively flat shipments. The pricing power of leading Aggregates players has demonstrated the sector’s defensibility—with large players able to capture outsized profit growth despite lower volume levels. Moving into 2024, substantial infrastructure funding and healthy state and local budgets are expected to drive continued demand for Aggregates sector players.

Construction backlogs have remained healthy approaching year-end, rising to 8.5 months in November from 8.4 months in October, according to Associated Builders and Contractors.<sup>2</sup> However, compared to the prior year, backlog levels have fallen 0.7 months. While the Commercial and Institutional and Heavy Industrial segments have registered declines in contracted work YOY, the Infrastructure segment has benefited from robust project visibility. In November, Infrastructure backlogs rose 1.2 months YOY to 7.9 months.

Despite elevated interest rates, contractors expect sales, profit margins, and staffing levels to expand over the next six months—supporting sector optimism heading into the new year. Sector players are expected to continue to actively manage their business portfolio to drive efficiencies, which is likely to provide ample M&A opportunities. Privately-owned players with strong gross margins, substantial revenue visibility, and a footprint in attractive regions, are poised to continue to garner buyer interest.

## M&A VOLUME SLOWS, STRATEGICS CONTINUE TO SEEK ACQUISITIONS

M&A volume in the Aggregates sector has moderated through YTD 2023, falling 35.7% YOY to 83 transactions announced or completed. An elevated cost of capital has encouraged greater discipline and selectivity among buyers in their acquisition pursuits. However, favorable infrastructure spending and the need for aggregates-intensive projects have contributed to steady cash flows for many potential target companies. As valuable construction bidding opportunities have continued to come to market, sector players have recognized the need to scale capabilities, often through inorganic growth.

Strategic acquirers have continued to drive the majority of deal activity, comprising 74.7% of YTD transaction volume. Public strategics have actively pruned their portfolios to create more streamlined, optimized business segments—which has given rise to significant acquisition opportunities for other sector players. Notably, CRH (NYSE:CRH) announced its acquisition of a portfolio of cement and ready-mixed concrete assets from Martin Marietta (NYSE:MLM) for an enterprise value of \$2.1 billion, equivalent to 12.4x EV/EBITDA (more details on next page). Large public strategics are expected to remain ready buyers for divested assets of other sector players as they continue to seek cost synergies to drive economies of scale.

Financial buyers have found it difficult to compete with strategics in the M&A market and have comprised a modest 25.3% of YTD transactions. Private equity buyers typically plan to realize their investments within a five to seven year time horizon—which is often not conducive to the time period required to drive profits from a newly constructed aggregates production plant. Sponsors have typically focused on businesses with an established footprint, further downstream from the production process. Notably, Clayton, Dubilier & Rice-backed White Cap acquired Form Tech Concrete Forms, a provider of concrete forming and shoring rental equipment (July, undisclosed).

## PRIVATE EQUITY ACTIVITY

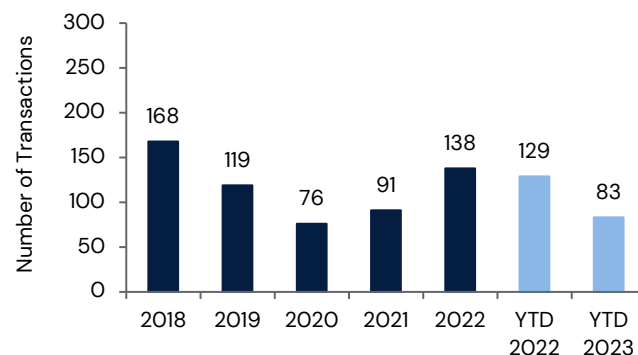
GF Data® provides quarterly data from over 200 private equity firm contributors on the number of completed transactions. The data, although not industry specific, demonstrated a continued decline in Total Debt/EBITDA multiples, which fell to 3.7x through Q3. However, TEV/EBITDA multiples appreciated quarter-over-quarter (QoQ) to 7.5x.

### Private Equity Valuations & Leverage

	Q4 2021	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1 2023	Q2 2023	Q3 2023
Transactions	195	100	76	75	80	84	63	56
TEV/EBITDA	7.8x	7.7x	7.4x	8.2x	6.9x	7.6x	6.7x	7.5x
Total Debt/EBITDA*	4.0x	4.0x	4.1x	4.0x	3.9x	3.8x	3.8x	3.7x
Senior Debt/EBITDA*	3.3x	3.2x	3.2x	3.3x	3.2x	3.1x	3.0x	3.0x

Note: \* indicates rolling four quarter average  
Source: GF Data®

**Aggregates Sector M&A Volume Declines Year-over-Year**



Year-to-date (YTD) ended December 11  
Source: Capital IQ, FactSet, PitchBook, and Capstone Partners

## LEADING STRATEGICS TURN TO PORTFOLIO MANAGEMENT

Large public companies in the Aggregates space have increasingly examined their business segments to create more optimized and streamlined operations. This has spurred transaction activity as sector players have continued to drive consolidation of the market.



### Transaction Overview

CRH agreed to acquire a portfolio of cement and ready-mixed concrete assets in Texas from Martin Marietta for an enterprise value of \$2.1 billion, equivalent to 12.4x EV/EBITDA (November). The assets comprise a 2.1 metric ton capacity cement plant, a network of terminals, and a portfolio of 20 ready-mixed concrete plants, according to a press release.<sup>3</sup>

Acquires

### M&A and Sector Takeaways

The acquisition strengthens CRH’s position in the high-growth Texas market and is expected to result in attractive synergies and self-supply opportunities. It also demonstrates CRH’s commitment to growing its U.S. footprint. Notably, following the announcement of the acquisition, CRH communicated plans to divest its lime operations in Europe to SigmaRoc (AIM:SRC) for an enterprise value of \$1.1 billion, equivalent to approximately 7.9x EV/EBITDA (November). As infrastructure spending and federal support for construction remains robust, leading strategics are expected to continue to expand their presence in the U.S.

Assets of



### Transaction Overview

Summit Materials (NYSE:SUM) entered into a definitive agreement with Cementos Argos (BVC:CEMARGOS) under which Summit will combine with Argos USA for an enterprise value of \$3.2 billion, equivalent to approximately 10.0x EV/EBITDA (September). Argos USA operates four integrated cement plants, nearly 140 ready-mix plants, and eight ports, according to a press release.<sup>4</sup>

To Combine With

### M&A and Sector Takeaways

The combination of Summit Materials and Argos USA will create a leading cement platform with over \$4 billion in revenue. The transaction provides Summit with a national footprint, geographic diversification, and enhanced capabilities. In addition, the transaction is expected to drive synergies in excess of \$100 million per year and increase Summit’s Aggregates and Cement EBITDA by 78% and 70%, respectively, according to the press release.



**Brian Krehbiel**  
Director

*“M&A volume in 2023 was notably down from the prior year but the prospects of long-term construction demand and anticipated interest rate cuts by the Fed provide significant optimism for M&A activity heading into 2024.”*



## SELECT TRANSACTIONS

Date	Target	Acquirer	Target Business Description	Enterprise Value (mm)	EV / LTM	
					Revenue	EBITDA
12/05/23	Memphis Stone & Gravel; Lehman-Roberts	Granite Construction (NYSE:GVA)	Provides asphalt paving and supplies and produces asphalt and aggregates.	\$278.0	-	-
11/27/23	Texas ready-mix assets of Vulcan Materials	SRM Concrete	Includes 82 read-mix plants and 11 volumetric locations in Texas.	-	-	-
11/21/23	Assets of Martin Marietta	CRH Americas	Comprises a 2.1 metric ton capacity cement plant and 20 ready-mixed concrete plants.	\$2,100.0	-	12.4x
11/08/23	Assets of Corpus Christi Sand & Gravel	Jarco Aggregates	Comprises sand and gravel operations.	-	-	-
11/01/23	Hot-mix asphalt plants	Construction Partners (Nasdaq:ROAD)	Includes three hot-mix asphalt plants in North Carolina and South Carolina.	-	-	-
10/03/23	Volunteer Materials	Armada Materials	Produces and sells construction materials including sand and gravel.	-	-	-
09/14/23	Roman Stone Construction	Cranbrook Partners	Manufactures and supplies precast concrete.	-	-	-
09/07/23	Argos USA	Summit Materials (NYSE:SUM)	Manufactures and markets cement, ready-mix concrete, masonry, and block products.	\$3,200.0	-	10.0x
09/07/23	Mpm Wizard	Materials Marketing	Provides ceramic tiles and glazed bricks.	-	-	-
08/29/23	Pioneer Sand	SiteOne (NYSE:SITE)	Distributes hardscaping materials including decorative stone, sand, gravel, and mulch.	-	-	-
08/24/23	Assets of Martin Marietta	UNACEM (BVL:UNACEMC1)	Comprises a cement plant.	\$317.0	-	-
08/22/23	Trajus Surfaces	International Designs Group	Distributes quartz and natural stone products.	-	-	-
08/18/23	New England Silica	SiteOne (NYSE:SITE)	Provides outdoor living, hardscaping, veneer stone, natural stone, and masonry services.	-	-	-
08/17/23	Green Drop Rock Products	Heidelberg Materials US	Produces aggregates materials.	-	-	-
07/31/23	Ready-mix business of Allied Concrete	Chaney	Comprises the ready-mix concrete business of Allied Concrete.	-	-	-
07/18/23	Raineri Building Materials	BMC Enterprises	Offers ready-mix concrete for projects including Commercial and Infrastructure.	-	-	-
06/14/23	The Rock Yard	GLM Landscape Supply	Provides manufactures stone, natural stone, belgard pavers, and natural stone flooring.	-	-	-
06/05/23	E. Tetz & Sons	Peckham Industries	Produces and distributes gravel, concrete, asphalt, aggregates, and crushed stone.	-	-	-
05/25/23	C&R Stone World	Outdoor Living Supply	Distributes masonry, stone, and landscape products.	-	-	-
05/18/23	Broome Bros	Breedon Group	Manufactures concrete blocks and ready-mixed concrete.	-	-	-
05/09/23	Tri-Boro Construction	White Cap Supply	Supplies sand, stone, and a variety of building and safety supplies.	-	-	-
05/03/23	Martin Marietta Cement Business	Eagle Materials (NYSE:EXP)	Provides cement import and distribution services.	-	-	-
04/25/23	Coast Mountain Resources	Granite Construction (NYSE:GVA)	Operates as a construction aggregate producer.	\$27.0	-	-

Source: Capital IQ, PitchBook, FactSet, and Capstone Partners

# VULCAN CONTINUES TO RECORD HEALTHY PROFITABILITY LEVELS



**Ticker:** NYSE:VMC  
**Headquarters:** Birmingham, Alabama  
**Markets:** Construction Materials  
**LTM Revenue:** \$7.7 billion  
**Market Capitalization:** \$29.9 Billion

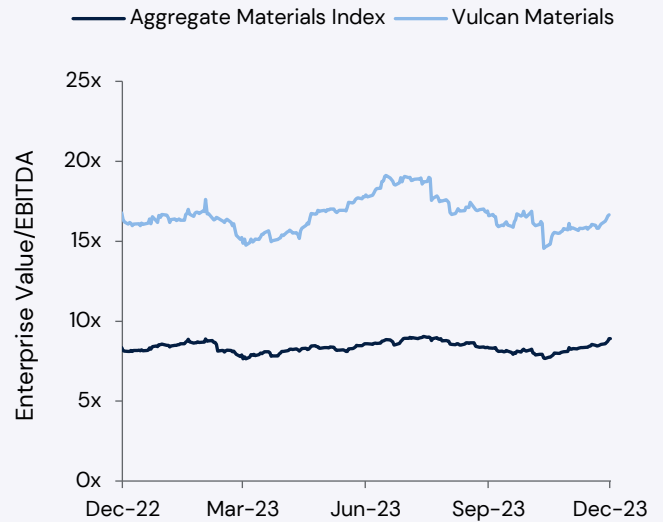
## Company Description

Robust pricing growth and steady end market demand have driven healthy operating performance for Vulcan Materials (NYSE:VMC) through YTD 2023. In Vulcan’s Aggregates segment, gross profit increased 17% YOY in Q3 with gross margin rising 200 basis points, according to its earnings release.<sup>5</sup> Favorable pricing momentum, evidenced by the freight-adjusted price of aggregates growing 15% YOY, helped drive strong segment results. Vulcan’s Asphalt segment experienced a similar trend, with gross profit margin expanding 660 basis points YOY.

“We expect 2024 to be another year of earnings growth and strong cash generation. Geographic footprint is important, from both a diversification and growth standpoint, and ours is unmatched. Leading indicators remain supportive of continued growth in public construction activity, and we are well positioned in high growth markets where the need is greatest,” commented Tom Hill, Vulcan Materials’ Chairman and CEO, in the company’s earnings release.

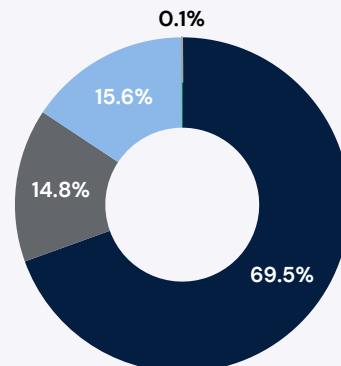
Vulcan has noted aggregates prices exceeding historic levels in recent quarters which has supported top line growth. In addition, its portfolio optimization initiatives, including its disposition of its Texas concrete assets, have been received favorably by public markets. Through YTD, Vulcan’s total return has amounted to 29.9%—outpacing the S&P 500 and in line with the broader Aggregate Materials Index. Moving towards 2024, Vulcan is expected to continue to benefit from a healthy backdrop of infrastructure spending and robust state and local government budgets.

## EBITDA Multiple Performance



## Q3 Revenue Breakdown

■ Aggregates ■ Asphalt ■ Concrete ■ Calcium



Source: Company earnings release and Capital IQ as of December 15, 2023

# EAGLE MATERIALS GARNERS STRONG PUBLIC MARKET PERFORMANCE



**Ticker:** NYSE:EXP  
**Headquarters:** Dallas, Texas  
**Markets:** Construction Materials  
**LTM Revenue:** \$2.2 Billion  
**Market Capitalization:** \$7.1 Billion

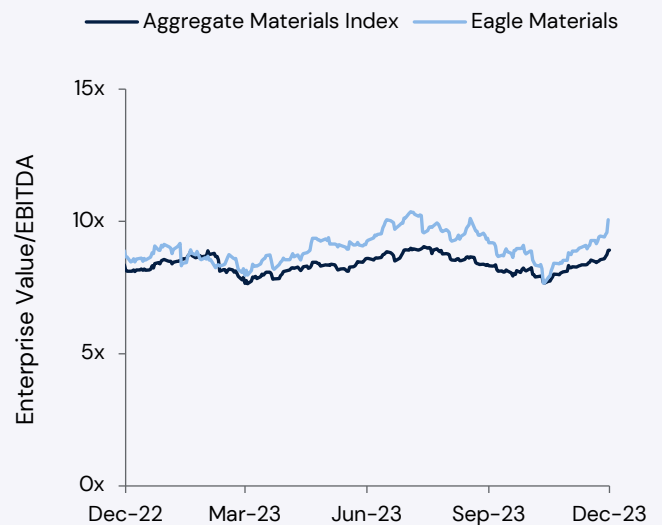
## Company Description

Robust infrastructure contract activity and manufacturing construction fueled record revenues for Eagle Materials, with sales rising 3% YOY to \$622.2 million in its fiscal Q2 2024, according to its earnings release.<sup>6</sup> Eagle Materials' Heavy Materials segment largely drove revenue gains, experiencing a YOY increase of 10%, mainly attributed to higher cement sales prices. Concrete and aggregates volumes experienced a deceleration, which led to revenue declines of 5%, which were slightly offset by elevated concrete pricing. Sales in Eagle Materials' Light Materials segment fell 8% YOY in its most recent quarter on the heels of lower wallboard and paperboard volumes and moderation in paperboard pricing.

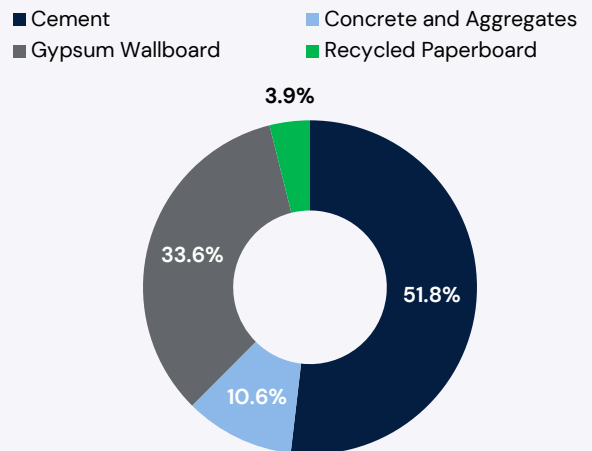
"Market conditions for our construction materials remained resilient during the quarter, even as the Fed continued to raise interest rates and tighten money supply to contain inflation," commented Michael Haack, President and CEO, in the company's earnings release.

Eagle Materials has been among the standouts in the Aggregates sector in the public markets, with total return amounting to 53.6% YTD. Eagle Materials has also engaged in inorganic growth to bolster its cement distribution network and production capacity. Notably, Eagle acquired Martin Marietta's cement import and distribution business in northern California in May. Terms of the transaction were not disclosed. M&A will likely serve as a key lever for strategics in the new year as sector players seek enhanced scale, capacity, and an expanded geographic footprint.

## EBITDA Multiple Performance



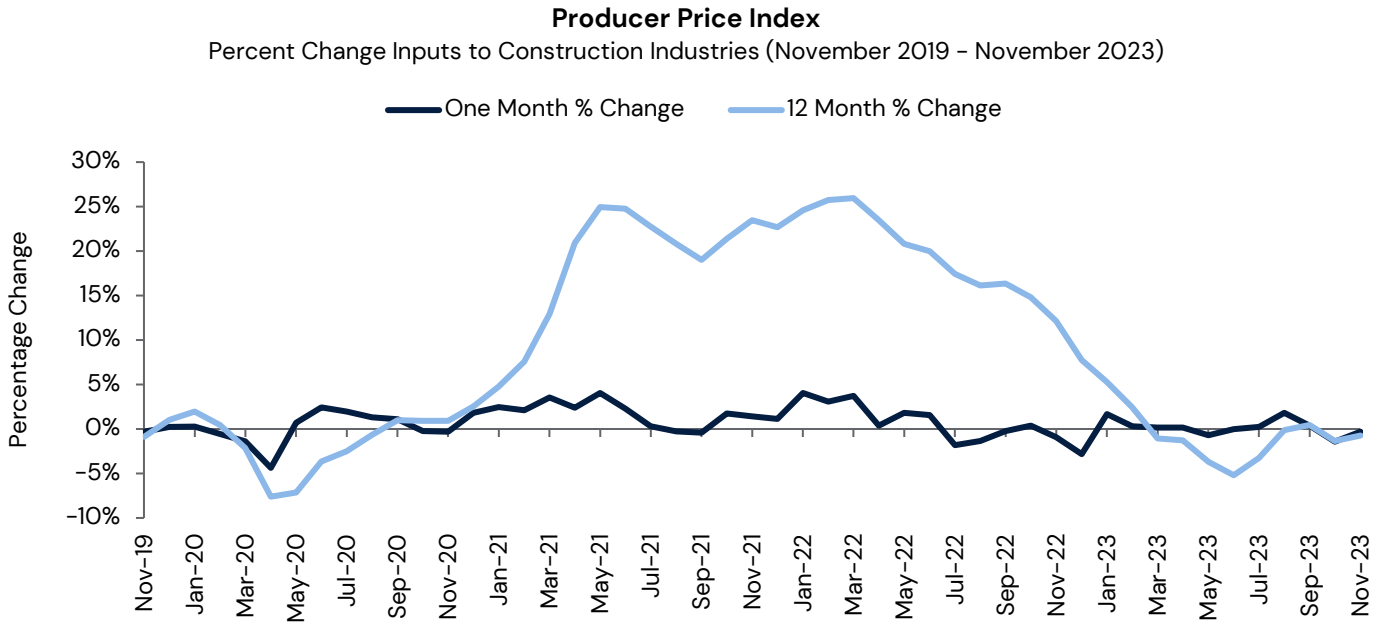
## Fiscal Q2 2024 Revenue Breakdown



Source: Company earnings release and Capital IQ as of December 15, 2023

## CONSTRUCTION MATERIALS UPDATE

Construction input prices have continued to moderate through November, falling 0.3% MoM and 0.8% YOY, according to the Bureau of Labor Statistics.<sup>7</sup>



Source: U.S. Bureau of Labor Statistics and Capstone Partners

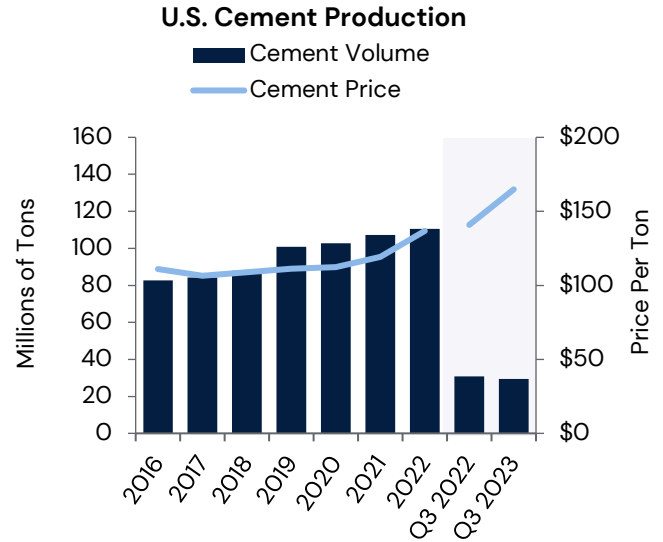


## AGGREGATE MATERIALS UPDATE

Pricing has improved across all aggregate materials through Q3, with cement prices experiencing the largest YOY expansion at 16.9%.

### Cement

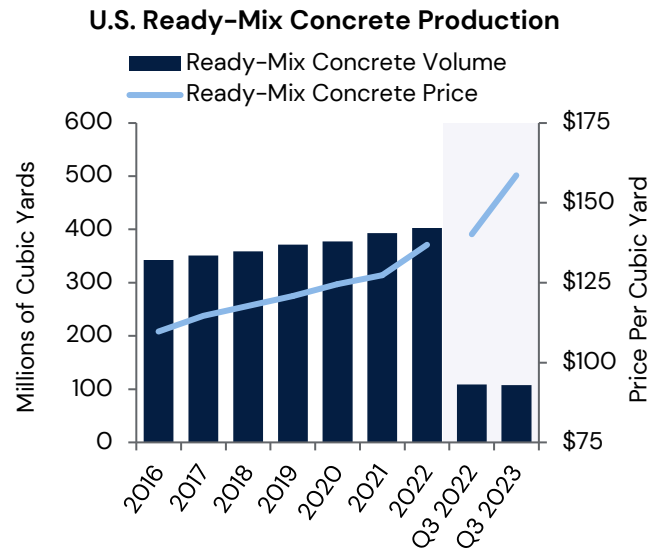
- U.S. cement production amounted to 29.4 million metric tons in Q3 2023, marking a 4.5% decline YOY. Cement volumes expanded 1.0% on a QoQ basis.
- The average net selling price per ton for Martin Marietta and Eagle Materials cement appreciated 16.9% YOY to \$164.7 per ton.



Source: U.S. Geological Survey and Capstone Partners

### Ready-Mix Concrete

- Ready-mix concrete prices increased 13.2% YOY in Q3 to \$158.6 per cubic yard. Price data is computed from the average ready-mix net selling prices of Vulcan Materials, Martin Marietta, and Eagle Materials.
- Ready-mix volume fell 1.1% YOY to 108 million cubic yards in Q3. Volume increased 0.7% on a QoQ basis.



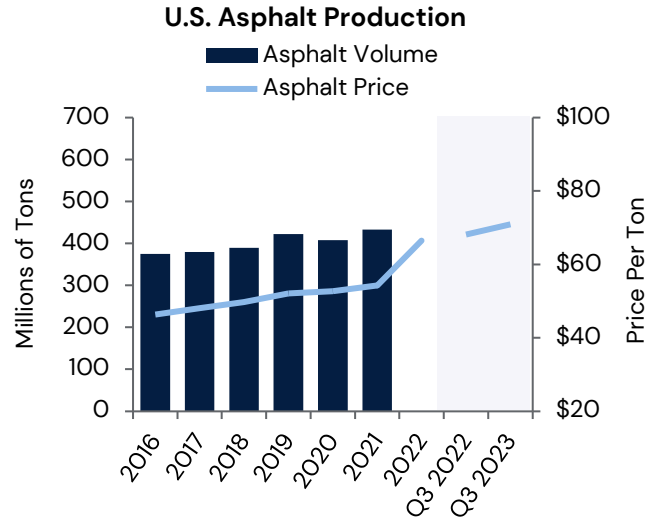
Source: NRMCA Industry Data Survey, Average ready-mix selling price of U.S. Concrete (not included after Q1 2021 due to acquisition by Vulcan), Vulcan Materials, Martin Marietta Materials, Eagle Materials, and Capstone Partners



## AGGREGATE MATERIALS UPDATE (CONTINUED)

### Asphalt

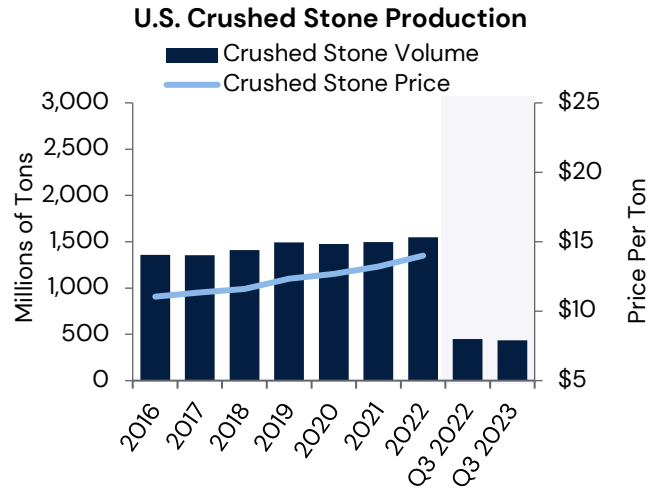
- Asphalt prices increased by 4.1% YOY in Q3 to \$70.9 per ton, measured by the average net asphalt selling prices of Vulcan Materials and Martin Marietta.
- Asphalt volume is reported on an annual basis. The most recent asphalt production amounted to nearly 432.4 million tons in 2021.



Source: NAPA Asphalt Pavement Industry Survey, Vulcan Materials, Martin Marietta Materials average of net asphalt selling prices, and Capstone Partners

### Crushed Stone

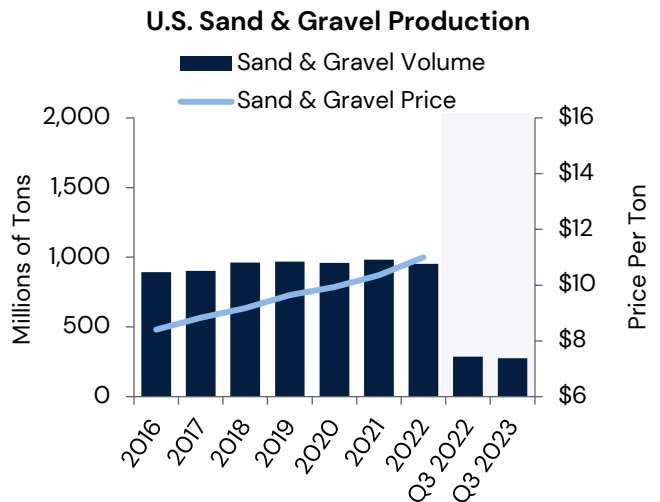
- Crushed stone production in Q3 decreased 2.9% YOY to 437 million metric tons. Production volume increased 3.3% compared to the prior quarter.
- Crushed stone prices are reported on an annual basis.



Source: U.S. Geological Survey and Capstone Partners

### Sand & Gravel

- An estimated 275 million metric tons of sand & gravel were produced and shipped for consumption in Q3, a decrease of 4.2% YOY.
- Sand & gravel prices are reported on an annual basis.



Source: U.S. Geological Survey and Capstone Partners

## FIRM TRACK RECORD

Capstone Partners' Building Products & Construction Services Team has represented clients across various construction specialties. Our deep industry focus allows us to provide our clients with real-time transaction feedback and immediate access to key decision makers among the most active acquirers and investors in the Construction industry. A sampling of closed transactions is shown below.



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AN EMPLOYEE STOCK OWNERSHIP PLAN (ESOP)



HAS BEEN ACQUIRED BY




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## ROCK PRODUCTS REPORT CONTRIBUTORS



### **Darin Good**

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Darin is an advocate for his clients, guiding them through the complex process of raising debt, equity or selling their company. During the past 25 years, Darin has led business owners and their board of directors through this process over 80 times. Courts, trade groups and national publications recognize Darin's expertise where he provides testimony as an expert witness and speaks about topics involving mergers and acquisitions. Prior to joining Capstone, Darin started, operated, made acquisitions and sold three successful companies in construction, import and distribution, and commercial real estate management. Three sell side transactions that Darin performed are published and taught in business schools around the globe. Darin teaches these cases at the University of Denver, where he received his Bachelor of Science in Finance.



### **Crista Gilmore**

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Crista started her career at KPMG LLP then accepted a Senior Associate role with a \$12 billion multi-strategy hedge fund managing the monthly PnL close process for several funds. She was promoted to Vice President, Valuations responsible for pricing the portfolio of over 8,000 securities monthly, as well as reporting to the Valuation Committee on a bi-monthly basis. At Capstone, Crista works with clients to improve their financial metrics and reporting capabilities. Additionally, she performs research, valuation analysis, prepares marketing documentation, manages client data rooms and responds to due diligence inquiries. Crista graduated summa cum laude from Drake University with a degree in Finance and Accounting. She also earned a Master's of Accounting degree from Drake University and is a CFA Charterholder.



### **Brian Krehbiel**

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Prior to joining Capstone Partners in 2011, Brian spent five years with a boutique investment bank performing sell-side transactions, financial modeling and value-add client services. At Capstone, Brian is a member of the Building Products & Construction Services team assisting clients with sell-side, buy-side and debt and equity raise transactions. Prior to his career in Investment Banking, Brian developed construction industry and operations experience owning and managing a successful family-owned residential construction company. His education and industry expertise are resources used in all aspects of the transaction process. Brian graduated from the University of Northern Colorado with a BS degree in Finance, and he is a CFA Charterholder.



### **Connor McLeod**

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Connor currently serves as Vice President of Market Intelligence at Capstone Partners. Connor provides M&A insights, capital markets analysis, and macroeconomic updates for C-suite middle market executives. Prior to joining the Market Intelligence Team at Capstone, Connor was a specialist with the Investor Services team at BlackRock. Connor holds a BA in Economics from Bates College. He is a Series 7 Registered Securities Representative and is a CFA Charterholder.

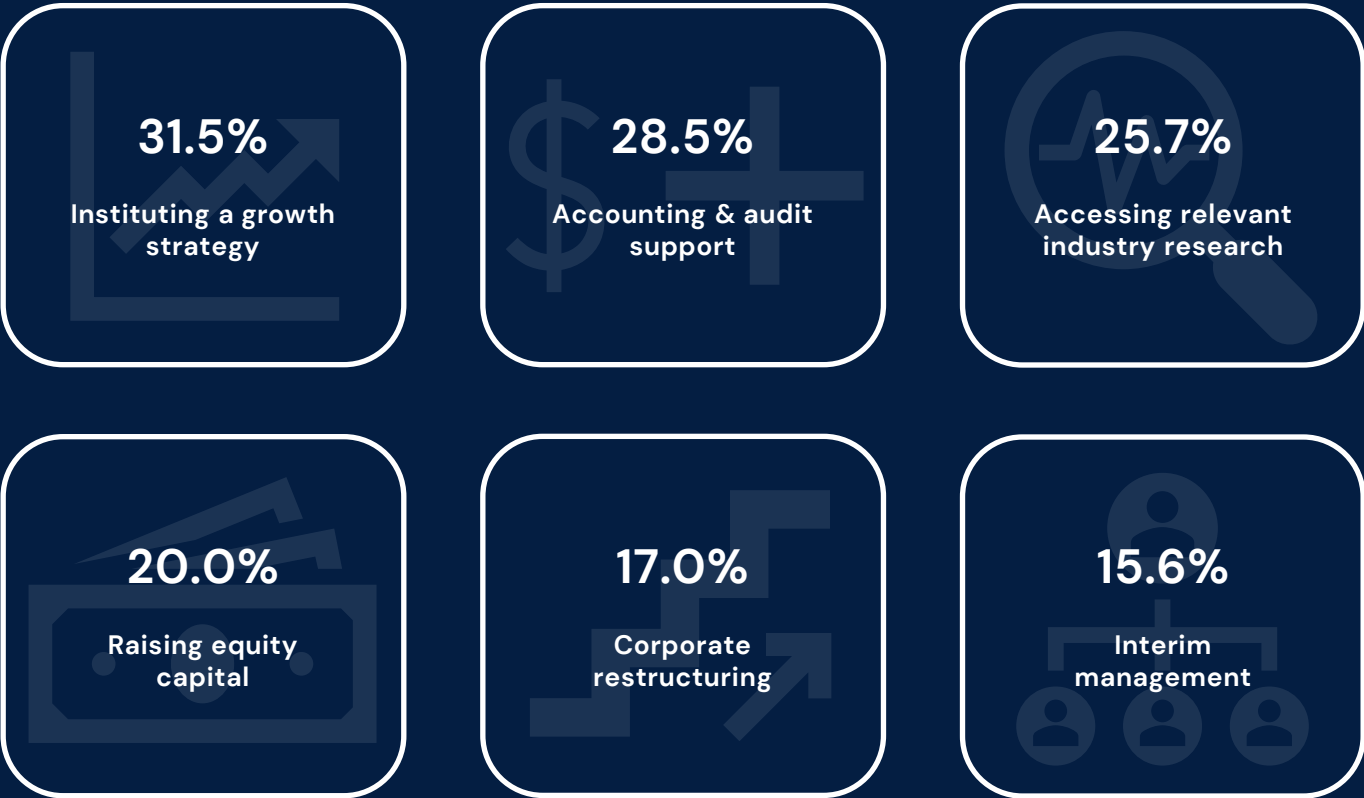


## CAPSTONE’S PROPRIETARY RESEARCH REVEALS TOP SERVICES IN DEMAND

The current stage and initiatives of a business often dictates which financial services are in demand. As the majority of CEOs polled in Capstone’s 2023 Middle Market Business Owners Survey indicated growth strategies are a priority for 2024, the lion’s share (31.5%) of owners anticipate a need for growth strategy support services. Similarly, 28.5% of owners require accounting and audit support to shore-up cash flows and establish financial stability. In addition, more than one-fourth of CEOs demonstrated an interest in accessing relevant industry research to keep up with emerging industry trends, complete competitor analyses, and track capital markets activity in their space.

Capstone has developed a full suite of [corporate finance solutions](#) to help privately owned businesses and private equity firms through each stage of the company’s lifecycle, ranging from growth to an ultimate exit transaction. In addition, we developed a specialty consulting practice to provide financial advisory services to companies experiencing distress or performance challenges. All of these capabilities are supported by 16 industry groups, an active sponsor coverage group, and a dedicated market intelligence team.

### Top Financial Services Required by Business Owners in 2024



Question: Have you ever had, or do you anticipate having, a need for any of the following services?  
 Source: Capstone Partners’ Middle Market Business Owner Survey, Total Sample Size (N): 435



## ENDNOTES

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### Disclosure

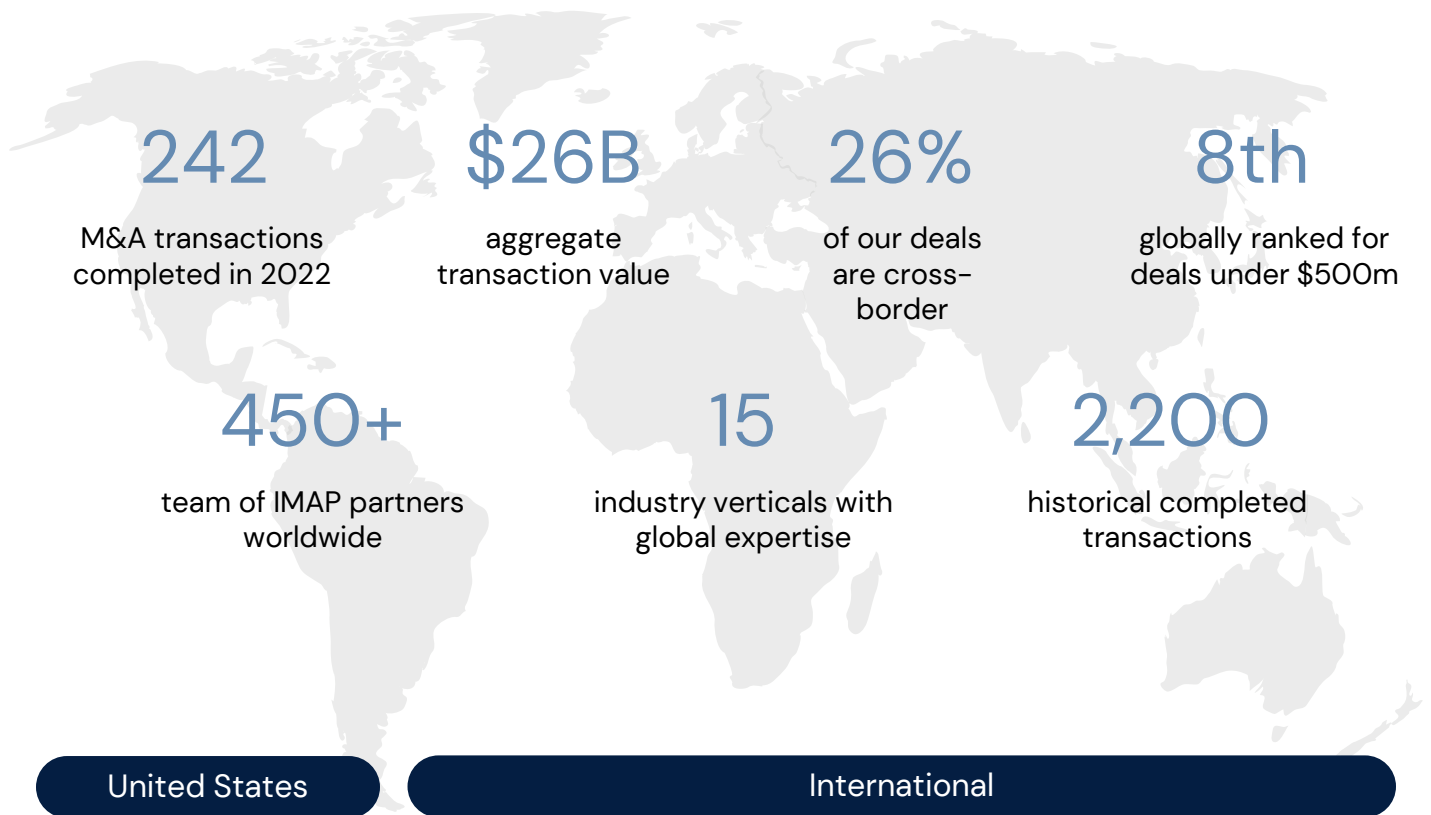
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# CAPSTONE PARTNERS

## Market Presence

With a long-established U.S. footprint, together with an international partner platform, we provide clients with broad expertise and access to key market relationships on a global basis. Our presence is backed by ~200 professionals in the U.S. with 450+ partners across 41 countries.



~200 professionals  
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Denver · Detroit · Irvine ·  
New York · Tampa

450+ partners  
60+ offices in 41 countries

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