

CVA BIC | Building, Infrastructure & Construction

CVA BIC SPOTLIGHT

Thriving Value Creation across Materials, Solutions and Builders

CVA BIC value dynamics study | 2012-2022 | Extract of the first ed. (2023)

Benchmarking of 30 listed players from CE- and NA-origins across Materials, Solutions and Builders

CVA BIC value dynamics study | 2012-2022 | Scope of the 1st edition

Sectors	Materials	Solutions	Builders
Descriptions	Heavy building materials players with cement and/or aggregate/RMC (Ready-Mix Concrete) as core business	Building products & systems (insulation, flooring, roofing...) players in light building materials	General contractor majors in buildings (excl. individual home builders) & infrastructures (road, rail, water/energy...)
Player examples	Cemex (MX) CRH (IE) Heidelberg M. (DE) Holcim (CH) Martin Marietta M. (US) Vicat (FR) Vulcan M. (US) ...	Kingspan (IE) Owens Corning (US) Rockwool (DK) Saint-Gobain (FR) Sika (CH) Tarkett (FR) Wienerberger (AT) ...	Balfour Beatty (GB) Ferrovia (ES) Hochtief (DE) SNC Lavalin (CA) Skanska (DK) Strabag (AT) Vinci (FR) ...
Geographies	Listed players of CE-origin (Central Europe) and NA-origin (North America))		

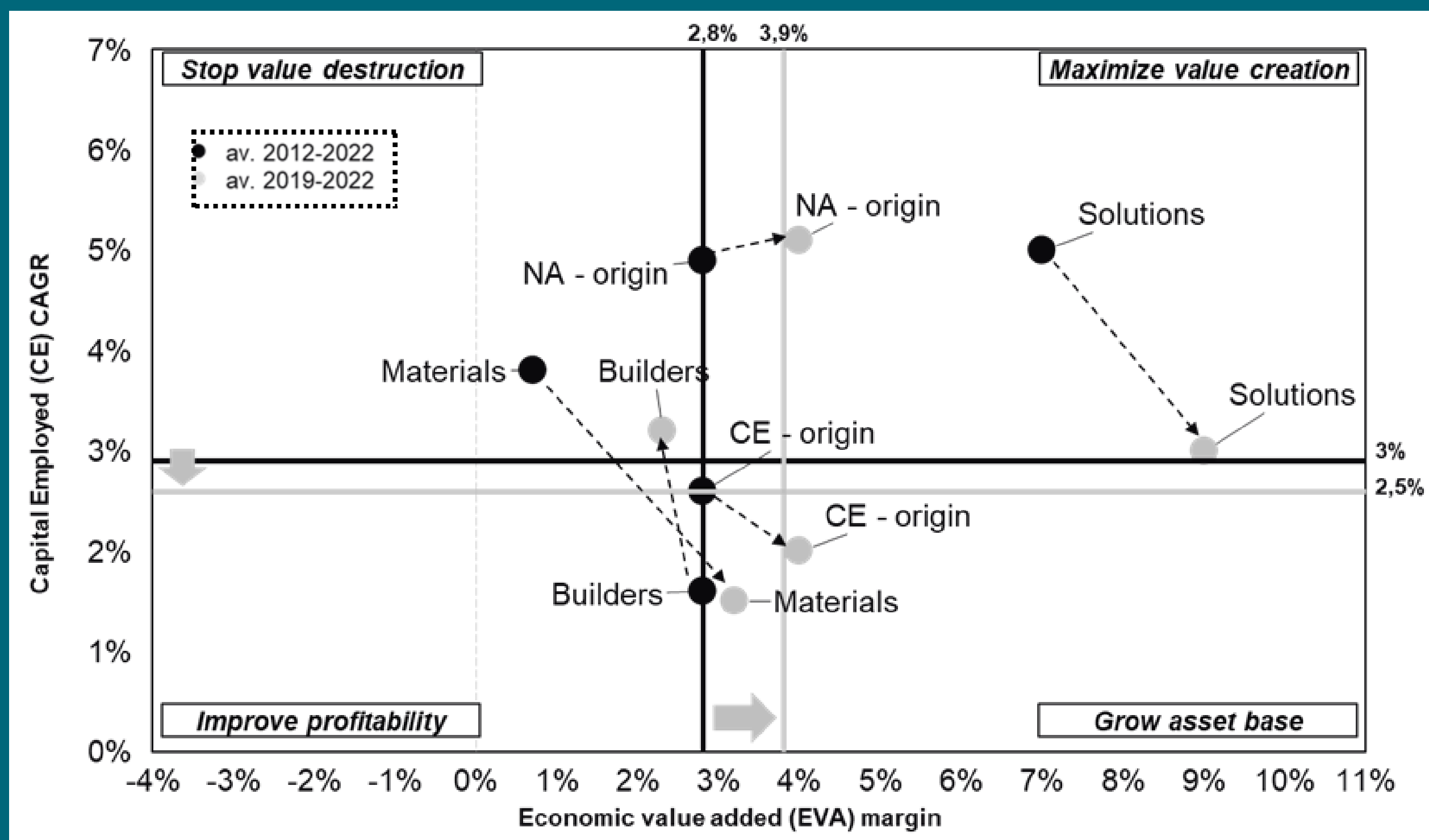
Note: M. = Materials

Metrics considered: EVA margin = ROCE – WACC and ROCE = $\frac{EBIT}{CE}$
with CE Capital Employed = net Fixed Assets (excl. goodwill) + net Working Capital

Source: CVA analysis, Refinitiv Reikon (N = 30 listed companies)

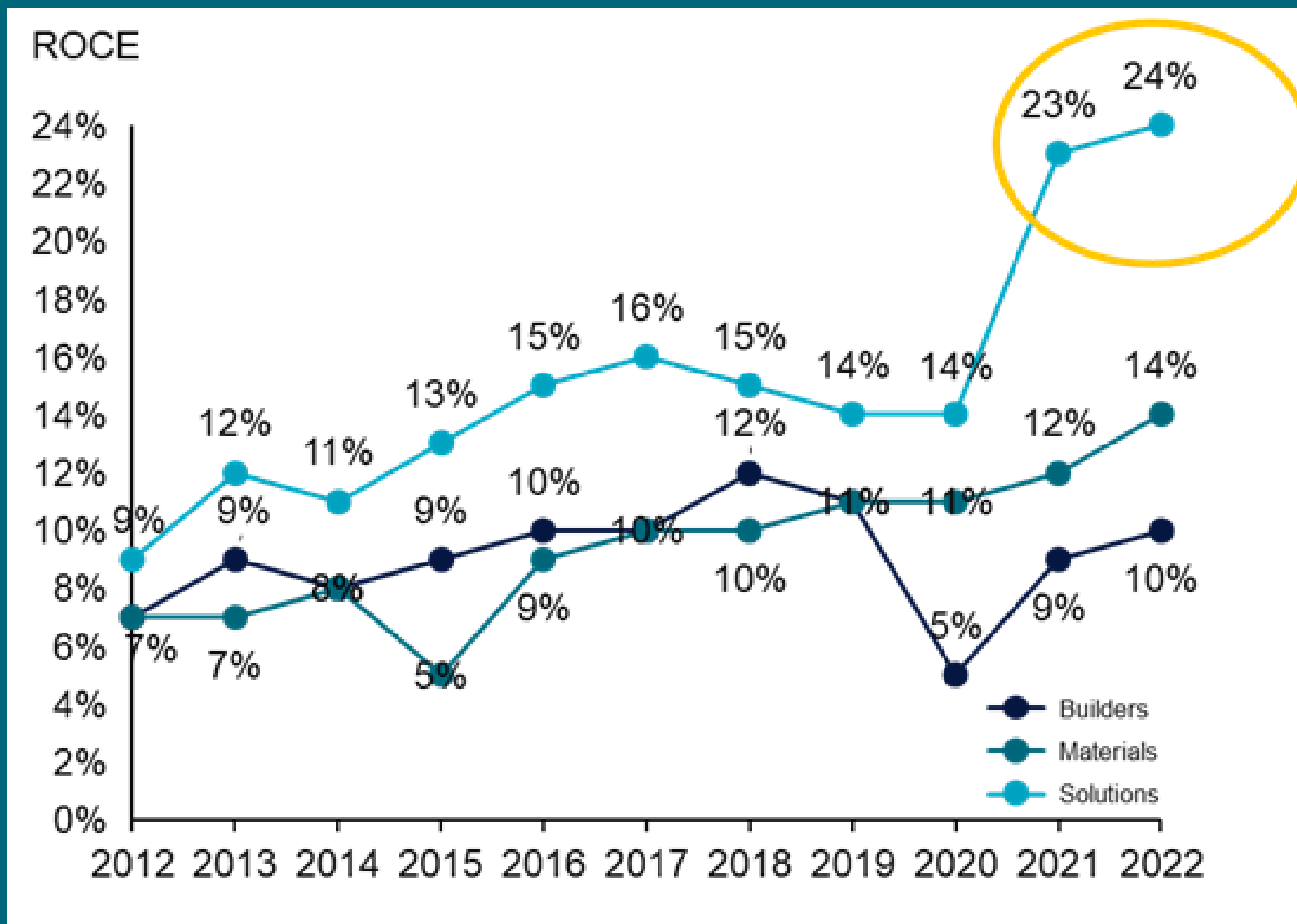
Materials and Builders under pressure, while sustainable value creation for Solutions

Value creation quadrant analysis (average last 3 years vs past 10 years)



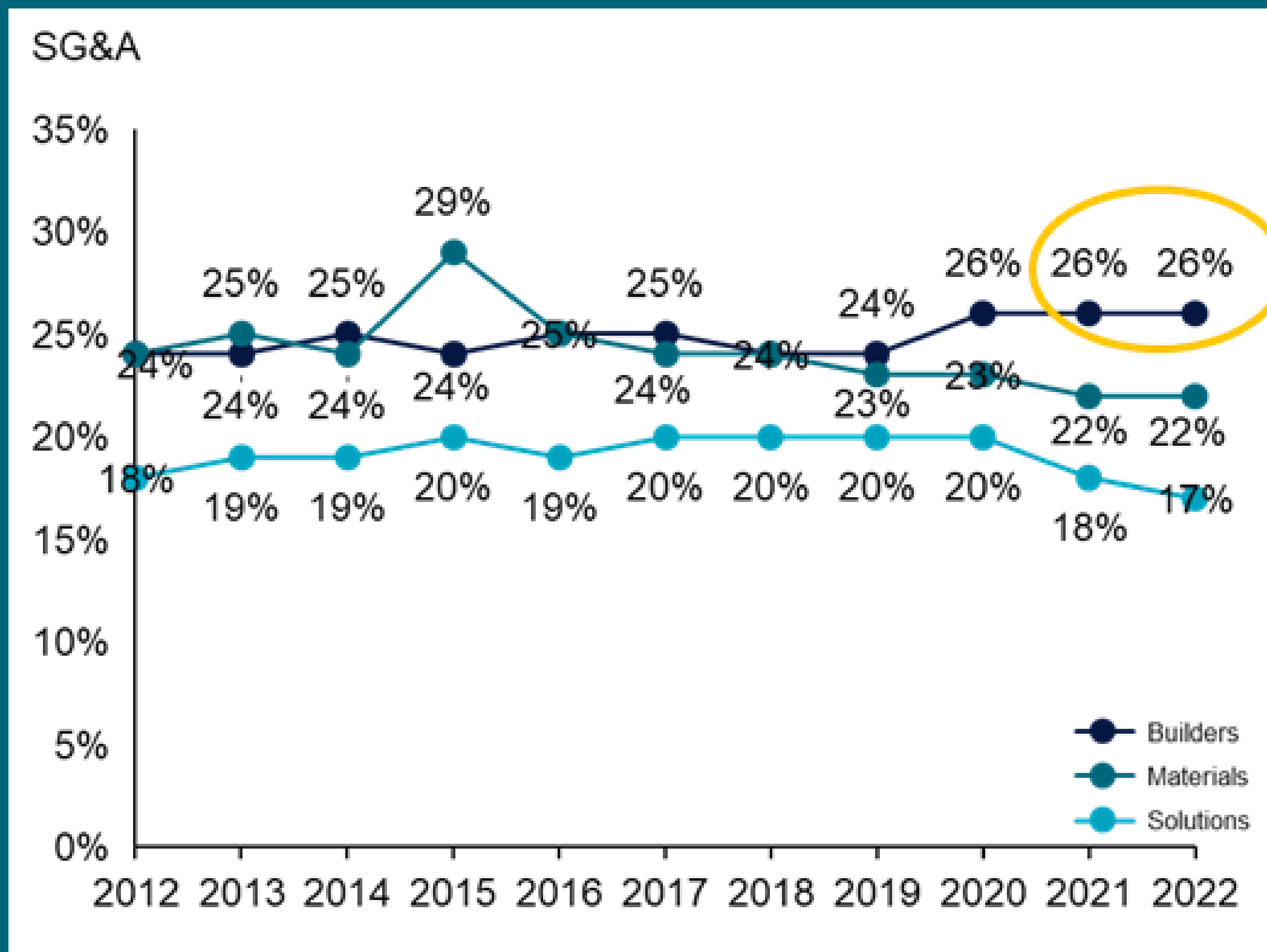
Solutions have increased economic performance capitalizing on RENO demand and higher pricing power

Cyclicality analysis across sectors (2012-2022)



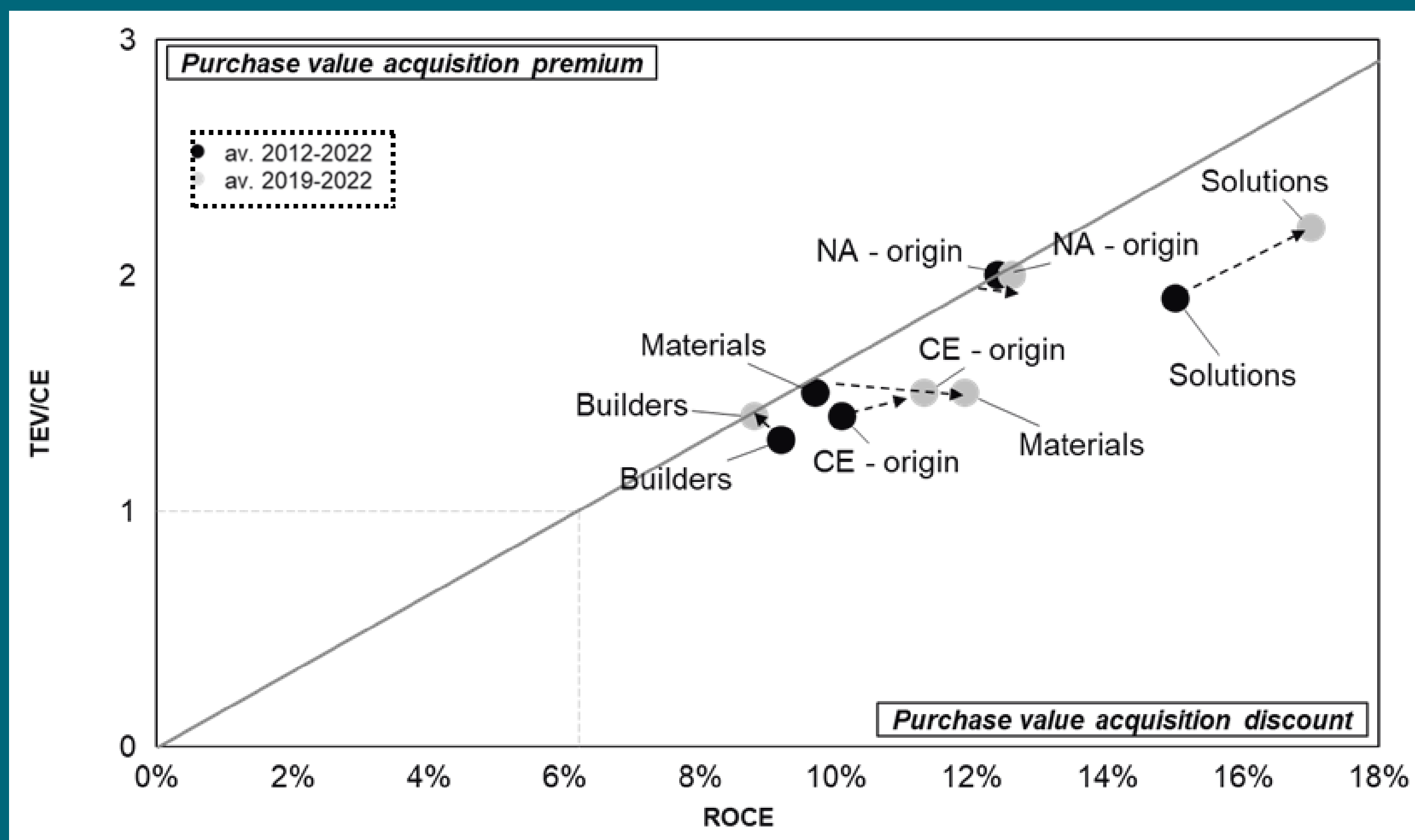
Efficiency improvements higher on productive assets than SG&A: automation+GenAI levers to roll out

Productivity analysis across sectors (2012-2022) - SG&A as %sales



Despite performance enhancement Materials not able to increase “perceived” value unlike Solutions

Purchase valuation analysis (average last 3 years vs past 10 years)

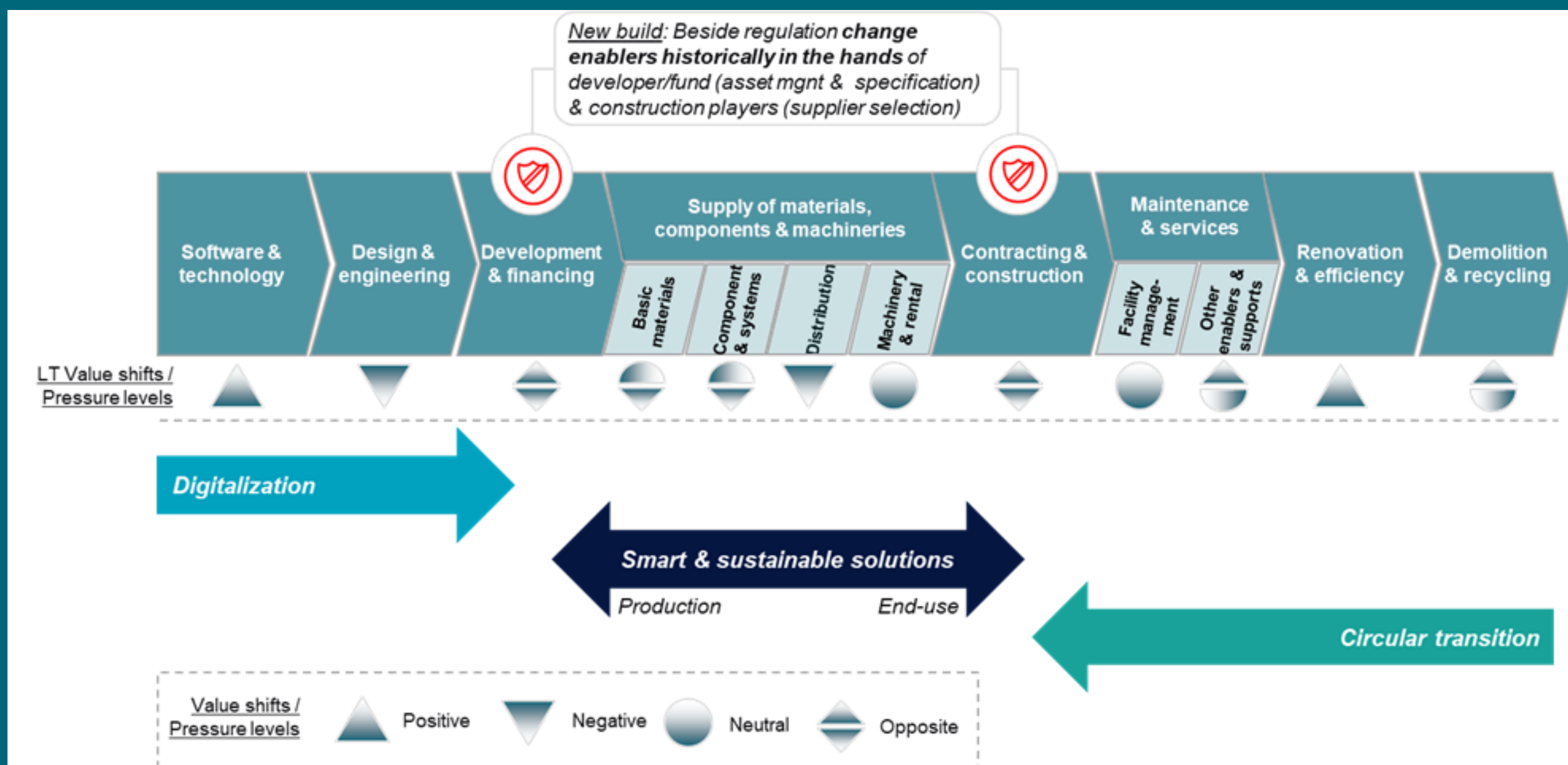


TEV = Transaction Enterprise Value = Market Capitalization + Long-term Debts

Source: CVA analysis, Refinitiv Reikon (N = 30 listed companies)

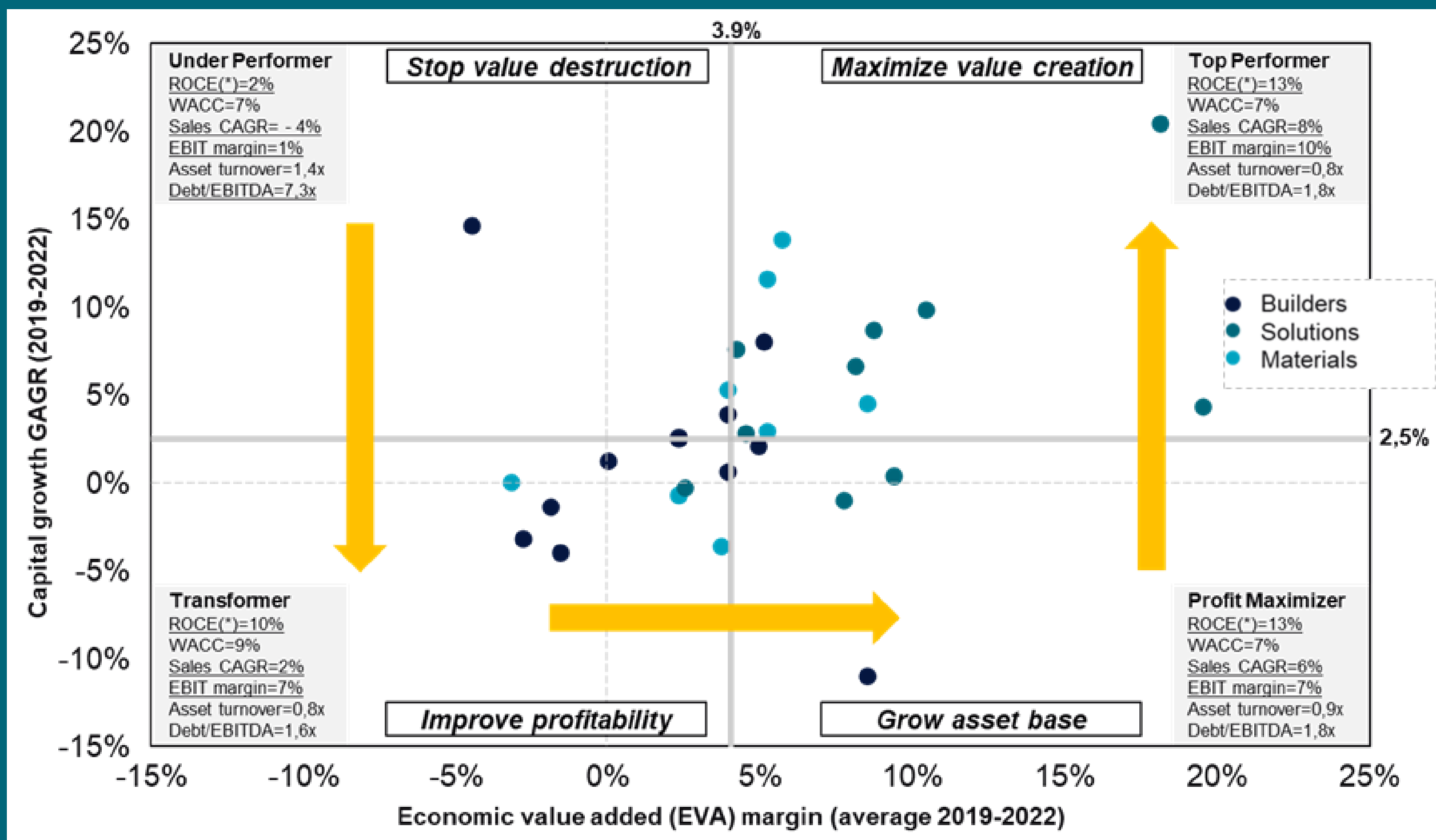
Value shifts have already started across the value chain with alliances in emerging ecosystems

Construction value chain: customer ownership, data access, value sharing



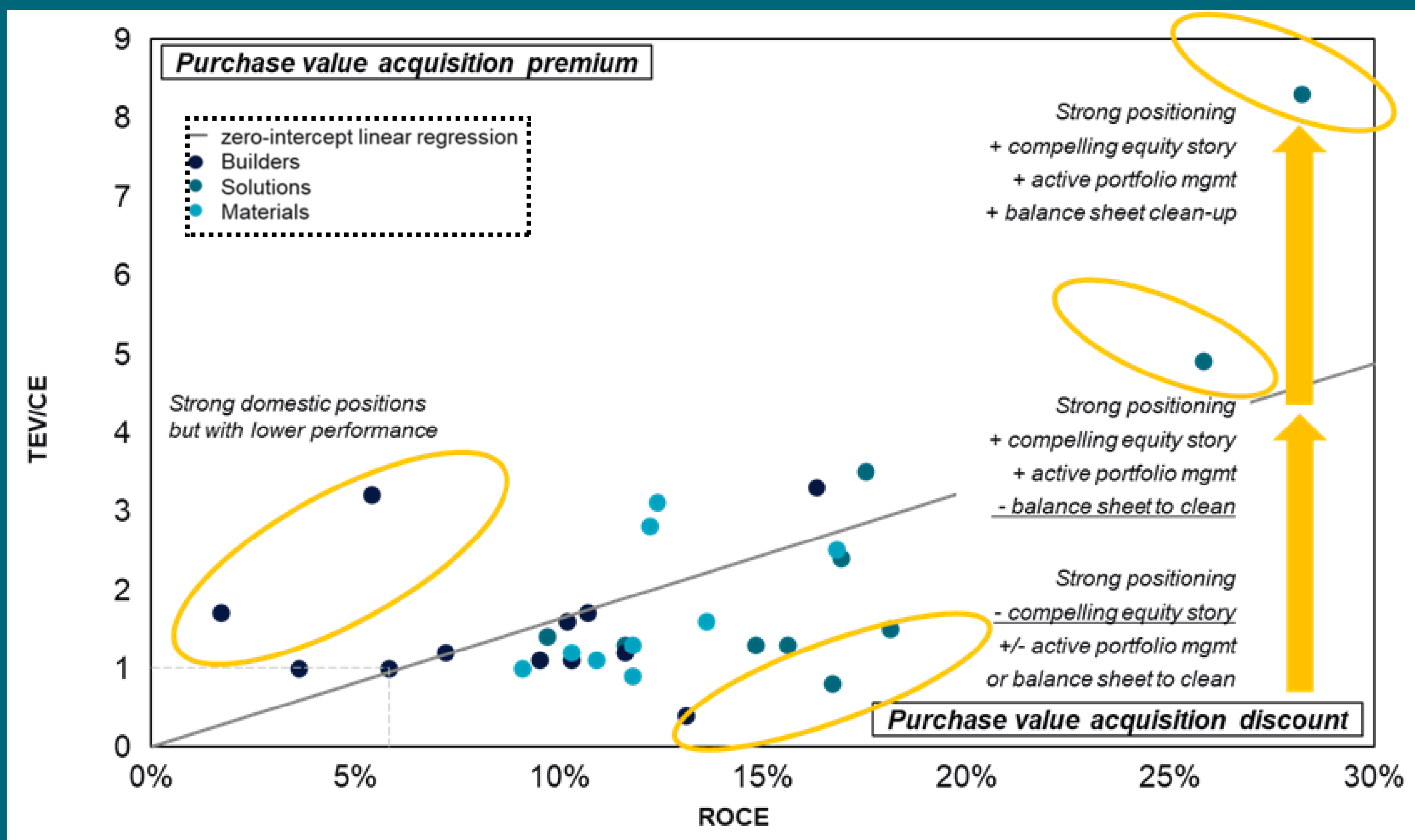
Top Performers harness business focus and adapted scale along with superior portfolio logic (coherence)

Value creation quadrant analysis (average last 3 years)



Clear winners have higher externally “perceived” value: compelling equity story as a must!

Purchase valuation analysis (average last 3 years)

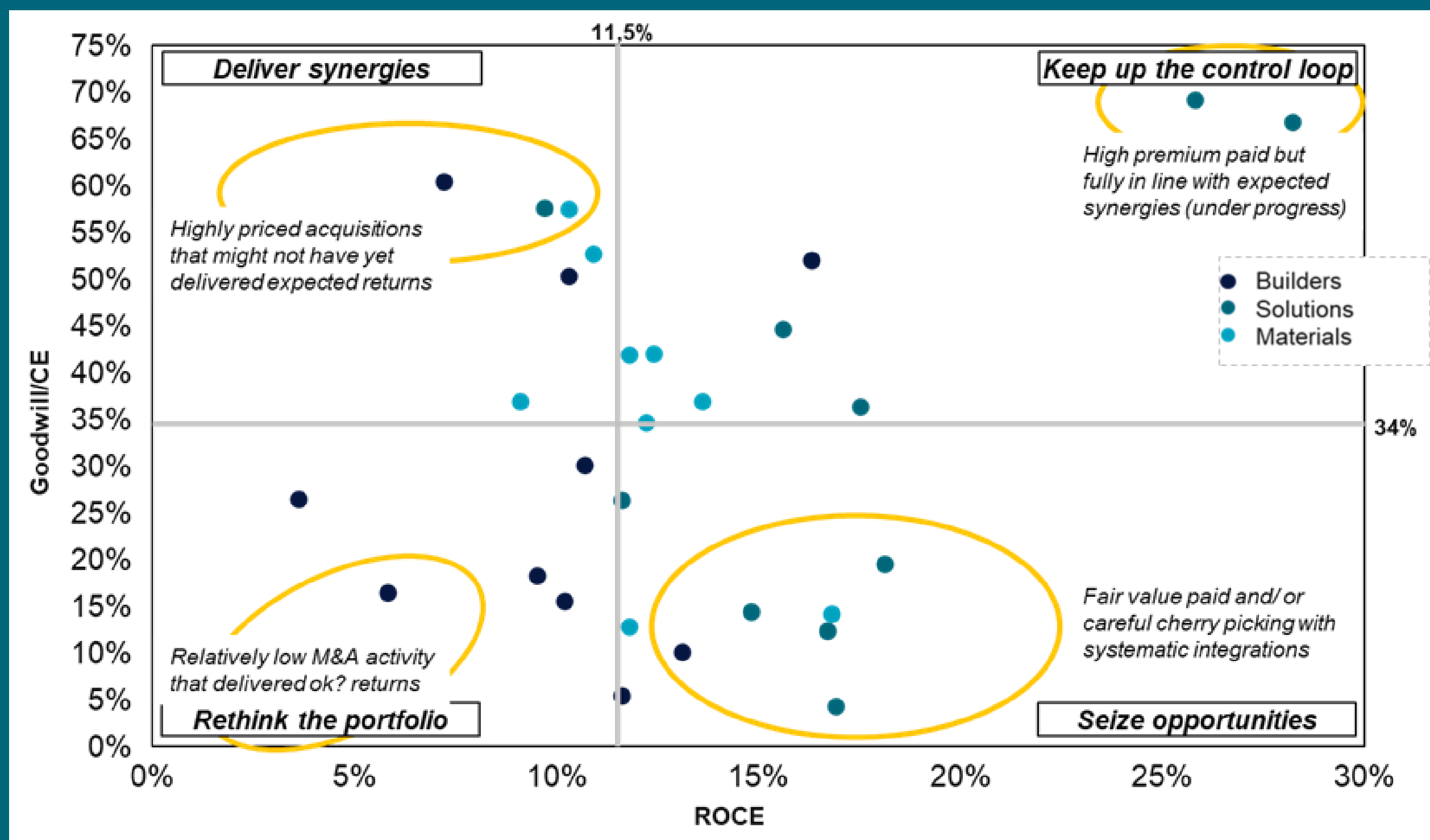


TEV = Transaction Enterprise Value = Market Capitalization + Long-term Debts

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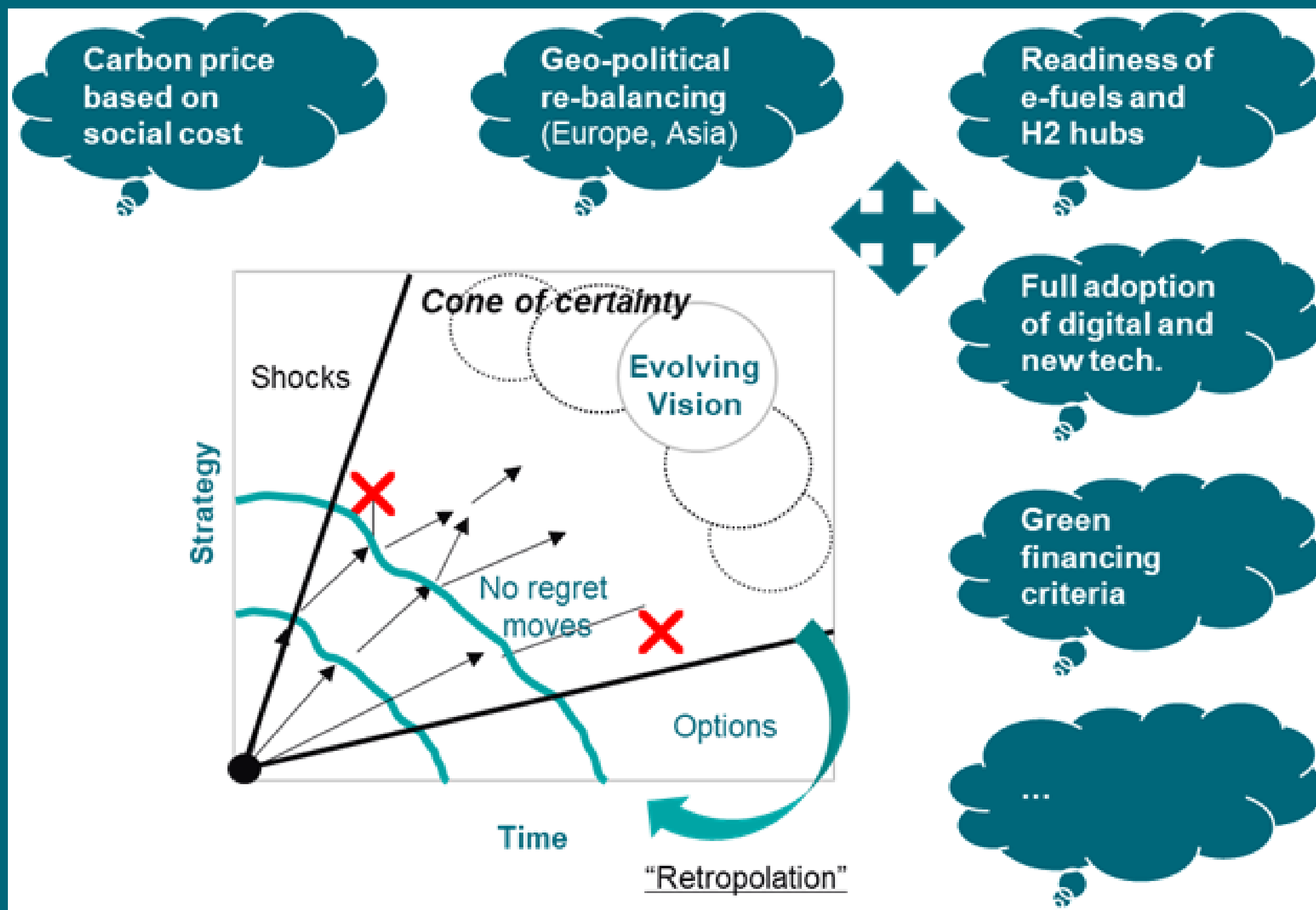
Active portfolio management not yet systematic: various inorganic strategies & synergy realisations

Merger & acquisition activity value analysis (average last 3 years)



Get prepared for the next structural changes since it takes 10-15 years to shape an industrial ecosystem

“Going forward”: How to adapt smoothly to an uncertain future



Explore the full details of this study by contacting our team for a discussion!



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