

# Machinery, E&C and Waste

## Infrastructure: contract awards off to a strong start in 2024 – positive sign

Industry Overview

### Contract awards: strong start to 2024: January up 27% YoY

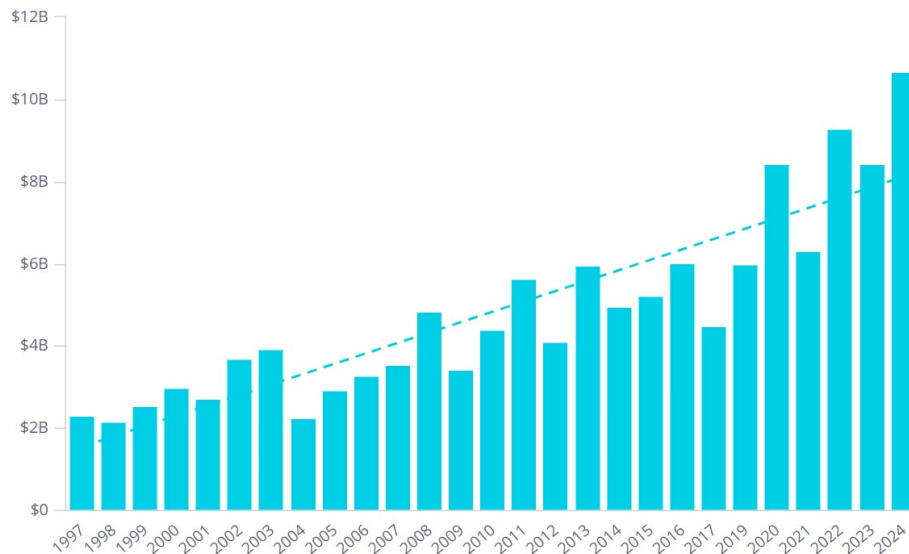
According to ARTBA, the total value of state & local government contract awards in January was \$10.7bn, up 35% MoM and up 27% YoY (see: exhibit 1). This is positive following some slowdown in awards into year-end 2023. In our view, this is a proxy of infrastructure construction as contract awards are a leading indicator of future construction work and backlogs. All modes were up YoY in January, including Highways & Pavements (+15%) and Bridges & Tunnels (+41%). Thirty-five states increased contract awards' values in January, with the largest increase observed in states like TX, CA, FL. Recall, contract awards finished 2023 at a new record (\$123.6bn, +9% YoY). This is encouraging for infrastructure-related areas of our Machinery, E&C, aggregates coverage.

### Martin Marietta at BofA event: signals runway into 2025

We hosted Martin Marietta (MLM), leading aggregates supplier, at the BofA conference yesterday. Some interesting takeaways on infrastructure: i) Q4 2023 was the first quarter MLM observed notable shipments to IJJA projects – somewhat surprising yet highlights the massive delay since Infrastructure legislation passed, ii) Infrastructure market is likely to grow again in 2025 (partly due to this delay and when dollars kick in), iii) DoT budgets remain healthy and broadly up 10% in 2024 – positive for infrastructure.

#### Exhibit 1: January Value of Highway Construction Awards (1997 – Present)

Total value of state & local government contract awards in January was \$10.7bn (+27% YoY)



Source: American Road & Transportation Builders Association (ARTBA)

BofA GLOBAL RESEARCH

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Equity  
Americas  
Machinery, E&C and Waste

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ARTBA = American Road & Transportation Builders Association,  
TX = Texas, CA = California, FL = Florida, ID = Idaho, NJ = New Jersey,  
IJJA = Infrastructure Investment and Jobs Act

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