

Sector: Building Materials — United States

Update Note

CRH PLC (CRH)

Infrastructure Super-Cycle Beneficiary & Valuation
Dislocation

INVESTMENT THESIS

- Infrastructure Super-Cycle Beneficiary:

CRH is uniquely positioned to capitalize on peak funding years for the IIJA and CHIPS Act (2026-2027). Its integrated 'solutions' model—spanning aggregates, cement, and paving—captures higher share-of-wallet on complex public projects than pure-play peers.

- Valuation Dislocation Opportunity:

Despite transitioning its primary listing to the NYSE and becoming a U.S. domestic issuer, CRH trades at a ~6 turn discount to U.S. aggregates peers (MLM, VMC) on 2026E EV/EBITDA. We expect this gap to narrow as the market fully digests its re-rating as a U.S. infrastructure leader.

- Capital Allocation Discipline:

The company continues to compound value through accretive bolt-on M&A (\$3.5bn YTD) while simultaneously returning cash to shareholders via a reliable dividend and sequential buyback tranches.

KEY HIGHLIGHTS FROM RECENT RESULTS

- Strong Q3 Delivery:

CRH reported Q3 2025 revenue of \$11.1bn (+5% YoY) and Adjusted EBITDA of \$2.7bn (+10% YoY). EBITDA margins expanded 100bps to 24.3%, driven by pricing discipline and operational efficiencies.

- Guidance Raised:

Management raised the midpoint of FY25 Adjusted EBITDA guidance to a range of \$7.6-\$7.7bn (previously \$7.5-\$7.7bn), signaling confidence in Q4 backlog execution.

OVERWEIGHT**\$142.00**

PRICE TARGET (12-18M)

Current Price	\$108.35
Upside	+31%
Market Cap	\$73.8 bn
Ent. Value	\$88.8 bn
EV/EBITDA '26E	10.6x
P/E '26E	17.4x

FINANCIAL SUMMARY

(\$ in millions, except per share)

Year	2024A	2025E	2026E
Rev	34,950	36,200	40,100
EBITDA	6,200	7,650	8,420
Mrg %	17.7%	21.1%	21.0%
EPS	4.65	5.60	6.23
FCF/Sh	3.85	4.50	5.10

ANALYST

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RATING HISTORY

Init Overweight: Jun 2023 @ \$45

Raised PT: Mar 2025 @ \$95

Maintained: Nov 2025