

# The 2018 Paving 75

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Are paving-only sales settling in to a "norm" for the list?

**THE 2018 PAVING 75** contractors generated \$633,745,590 in paving-only sales, down from almost \$713 million in 2016 and from \$875 million in 2015, but up from and \$621 million in 2014 -- the last three years the list included 75 companies. (The 2017 list generated a bit more than \$503 million in paving-only sales from 50 companies.)

The step-back to slightly above 2014 levels could represent a more accurate level for this group. As we've speculated in the past, paving-only sales in 2016 and 2015 almost certainly spiked as a result of pent-up demand from the Great Recession. It's likely that delayed work has now been completed and customers are settling into a more "normal" level of reconstruction and overlays.

Not surprisingly, paving-only sales continue to dwarf sales of other industry segments, with pavement repair-only sales coming in second at \$265 million, followed by sealcoating-only sales at \$171 million and striping-only sales at \$143 million.

## Total Sales for Paving 75

Total sales for all the work the 2018 Paving 75 did was \$1,342,851,729 – surpassing 2014's \$1.122 billion yet staying below \$1.649 billion in 2015 and \$1,548 billion in 2016. (The 2017 Paving 50 reported \$962,411,076 – the lowest total since we began reporting this information in 2014.)

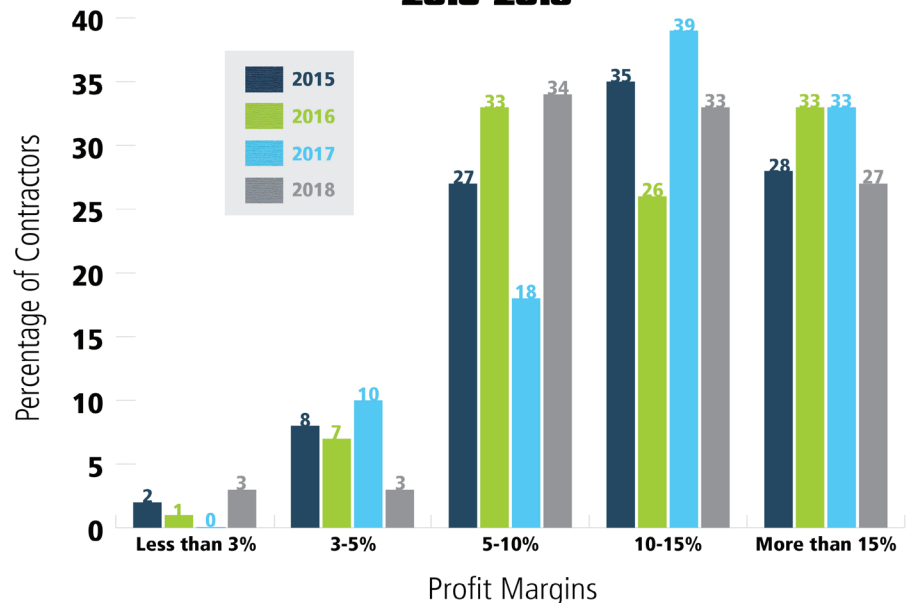
So the 2018 paving-only sales represent 47% of total list sales, up from 46% in 2016, down from 53% in 2015 and from 55% in 2014.

The remaining 53% of sales come from a broad mix of other pavement maintenance services:

- 69 companies perform sealcoating work (92%)
- 56 companies perform striping (75%, though 40 of those companies generate 5% or less of sales from striping)

## Paving Profit Margins

2015-2018



- 64 companies perform pavement repair work (85%)

## Profit Margins Decline

As the chart on this page shows, contractor profit margins within the Paving 75 shifted noticeably lower. The percentage of Paving 75 contractors reporting margins of greater than 15% declined to 27% from 33% in both 2016 and 33% in 2017.

Margins in the 10-15% range remained static at 33%, but margins in the 5-10% range jumped dramatically to 34% from 18% last year and slightly above the 33% reported in 2016.

So contractors reporting margins of greater than 10% was 60% – compared to 55% in 2013, 54% in 2014, 63% in 2015 and 59% in 2016. (Last year with 50 companies 72% reported margins greater than 10%).

Only 6% of the Paving 75 reported generating less than 5% profit margin.

## Where Pavers Work

There's no question that the Paving 75 emphasize off-road work, with 11% reporting 100% of sales from parking lots, 22% reporting 90% or more of sales from parking lots, and 56% reporting sales from driveway paving.

All of the Paving 75 indicated they generate sales from parking lot work. Still, 69% report sales from work on streets and 19% report they work on highways.

## The Paving 50's Customers

- 72 contractors work for commercial/ industrial customers (96%)
- 64 contractors work for multi-family residential customers (85%)
- 50 contractors work for municipal clients (66%)
- 41 contractors work for single-family homeowners (55%) **PVM**

\* = Did Not Answer

	Year in Business	Sales Composition (%)						Where We Work (%)					Customer Mix (%)				
		Paving	Sealcoating	Striping	Sweeping	Pavement Repair	Other	Highways	Streets/Roads	Parking Lots	Driveways	Other	Commercial	Municipal	Multi-family	Single-family	Other
<b>A&amp;A Paving</b> - Roselle, IL	58	60	9	1	0	20	10	0	8	80	12	0	60	0	40	0	0
<b>ACE Asphalt</b> - Phoenix, AZ	51	28	23	5	0	16	28	0	10	90	0	0	80	7	13	0	0
<b>ACE Paving &amp; Maintenance</b> - Alpharetta, GA	11	65	8	2	0	25	0	0	18	80	2	0	80	5	5	10	0
<b>ACI Asphalt &amp; Concrete Inc</b> - Maple Grove, MN	24	50	14	0	0	18	18	0	0	90	9	1	82	3	15	0	0
<b>ADC Paving</b> - Louisville, KY	59	70	15	0	0	15	0	0	10	50	40	0	45	0	20	35	0
<b>Allied Construction Co., Inc</b> - Clarkston, MI	46	93	1	1	0	5	0	0	25	67	8	0	58	16	20	4	2
<b>American Asphalt Repair &amp; Resurfacing Co., Inc.</b> - Hayward, CA	35	30	9	5	0	30	26	0	45	44	1	10	42	30	19	2	7
<b>American Parking Control</b> - Houston, TX	*	24	5	1	0	40	25	1	25	74	0	0	83	15	2	0	0
<b>American Pavement Specialists, LLC</b> - Danbury, CT	25	75	0	0	0	0	0	5	35	60	0	0	0	0	0	0	0
<b>Area Asphalt</b> - Eden, WI	33	70	20	5	0	5	0	0	10	30	60	0	25	10	5	60	0
<b>ASAP Asphalt Sealing And Paving Co. LLC</b> - Meadow Lands, PA	13	40	30	10	0	20	0	0	0	90	10	0	70	0	20	10	0
<b>Asphalt Contractors, Inc.</b> - Union Grove, WI	39	53	8	2	1	5	33	10	15	60	15	0	60	15	10	15	0
<b>Asphalt Solutions Inc.</b> - youngstown, OH	19	25	45	25	0	5	0	0	0	100	0	0	85	0	15	0	0
<b>Associated Paving Contractors</b> - Warminster, PA	46	40	5	5	0	50	0	0	20	70	10	0	35	50	10	5	0
<b>Atlantic Southern Paving and Sealcoating</b> - Sunrise, FL	26	37	15	8	0	20	20	10	35	55	0	0	65	10	35	0	0
<b>Beiler Paving</b> - Ronks, PA	53	90	2	0	0	6	2	0	2	48	48	0	45	5	20	30	0
<b>Bel Rock Asphalt Paving Inc</b> - Belvidere, IL	13	75	15	3	0	7	0	0	5	80	15	0	80	0	10	10	0
<b>Birmingham Sealcoat</b> - Oxford, MI	35	18	16	5	0	16	45	0	0	30	30	40	30	0	40	30	0
<b>Black Diamond Paving and Concrete</b> - Hayward, CA	23	50	12	0	0	0	38	0	30	40	0	30	60	0	40	0	0
<b>Brahney Paving / www.fixasphalt.com</b> - Mullica Hill, NJ	17	65	20	5	0	10	0	0	0	98	2	0	80	0	18	2	0
<b>Brothers Paving &amp; Concrete</b> - Manassas, VA	20	50	28	2	0	0	20	0	32	68	0	0	45	0	55	0	0
<b>Brown Brothers Asphalt &amp; Concrete</b> - Centennial, CO	24	47	5	2	2	7	37	0	0	90	0	10	70	0	30	0	0
<b>C&amp;R Asphalt</b> - Lexington, KY	25	67	16	4	0	2	11	0	5	82	3	5	51	0	11	3	5
<b>Caldwell Paving</b> - Charleston, TN	*	80	20	0	0	0	0	0	20	70	10	0	80	10	0	10	0
<b>California Pavement Maintenance Co.</b> - Sacramento, CA	39	34	10	3	0	0	53	0	60	40	0	0	59	34	7	0	0
<b>Central Paving, LLC</b> - Ellensburg, WA	4	53	16	6	0	25	0	0	20	60	20	0	50	20	15	15	0
<b>Cincinnati Asphalt Co.</b> - Cincinnati, OH	7	75	10	3	0	12	0	0	5	90	5	0	85	5	5	5	0
<b>Collegiate Sealers &amp; Paving</b> - Chantilly, VA	30	47	20	1	0	0	2	0	0	8	92	0	3	0	5	92	0
<b>Concept Paving Solutions, Inc</b> - Orange, CA	7	40	25	5	0	10	20	0	5	85	5	5	73	2	20	0	5
<b>Daniel B. Krieg, Inc.</b> - Harrisburg, PA	85	50	20	5	0	5	20	40	20	20	20	0	35	58	4	3	0
<b>Dapa Construction</b> - Wolcott, CT	40	55	2	0	2	13	28	58	14	14	14	0	0	0	0	0	0
<b>Diamond Constructors, Inc.</b> - Fayetteville, NC	16	40	20	20	0	20	0	0	30	50	20	0	40	40	10	10	0
<b>Dominion Paving &amp; Sealing</b> - Purcellville, VA	35	52	7	6	0	22	13	0	30	70	0	0	28	7	65	0	0
<b>EastCoat Pavement Services</b> - Clinton, CT	13	27	13	10	0	30	20	0	0	100	0	0	80	0	20	0	0
<b>Ellsworth Construction LLC</b> - Tulsa, OK	45	15	1	0	0	10	74	0	65	15	0	10	52	38	10	0	0
<b>Erickson Asphalt Services</b> - Princeton, MN	28	75	15	0	0	10	0	0	0	25	75	0	15	0	15	70	0

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Finley Asphalt & Concrete Co. - Bristow, VA	53	41	4	2	1	42	10	3	25	70	0	2	31	37	30	0	2
Gann Asphalt & Concrete, Inc. - Riverside, MO	24	70	2	2	0	6	20	0	0	100	0	0	98	0	2	0	0
Harding Group - Indianapolis, IN	58	36	6	3	0	5	50	0	6	93	1	0	72	5	22	1	0
Hardrives inc - Billings, MT	29	25	35	10	0	20	0	35	35	20	10	0	35	35	25	5	0
Intercounty Paving Co. - Carmel, NY	63	78	5	5	0	12	0	0	70	24	6	0	0	10	85	5	0
J. Worden & Sons Paving - Chester, VA	*	55	20	10	0	15	0	0	0	90	10	0	85	0	0	15	0
Joliet Asphalt, LLC - Channahon, IL	9	30	0	0	5	15	50	20	60	20	0	0	30	70	0	0	0
Joseph McCormick Construction Company, Inc. - Erie, PA	115	70	5	3	2	10	10	30	50	20	0	0	30	60	10	0	0
K.A.I. Total Pavement Management - Bucyrus, KS	16	33	4	2	0	29	32	0	1	93	1	5	96	1	2	1	0
Lakeside Paving and Sealing Inc - Carnelian Bay, CA	18	79	21	0	0	0	0	0	0	5	95	0	5	10	20	65	0
Luizzi Bros. Sealcoating & Striping - Albany, NY	13	46	23	7	0	8	16	0	0	50	50	0	30	10	10	50	0
M&M Asphalt Maintenance Inc., DBA All County Paving - Delray Beach, FL	30	44	19	8	0	24	5	5	57	35	3	0	31	24	26	0	19
Magic Seal LLC - Hilton, NY	29	50	30	10	0	10	0	0	5	45	50	0	40	5	0	55	0
Maul Paving - Plainfield, IL	18	45	16	3	0	22	14	0	5	94	1	0	79	10	10	1	0
Neff Paving - Zanesville, OH	19	60	20	5	2	13	0	5	20	60	15	0	55	15	25	5	0
O'Leary Asphalt Inc. - Ijamsville, MD	33	40	10	5	0	35	10	0	20	80	0	0	50	0	50	0	0
Orion Construction Co. Inc - Shelby Twp, MI	20	100	0	0	0	0	0	0	20	70	10	0	60	15	20	5	0
Parker Line Striping, Inc. (DBA National Pavement) - Canton, NY	24	30	20	40	0	10	0	0	10	90	0	0	100	0	0	0	0
Pavecon - Grand Prairie, TX	25	20	20	10	0	40	10	0	0	100	0	0	30	10	60	0	0
Paving Associates LLC - Staten Island, NY	10	55	5	5	5	10	20	0	0	100	0	0	100	0	0	0	0
Pro-Pave Incorporated - Sterling, VA	17	53	8	2	1	36	0	5	27	66	0	2	60	10	40	0	0
Pro-Seal Services, Inc. - powhatan, VA	20	53	32	3	0	9	3	0	15	45	40	0	47	0	12	41	0
Rabine Group - Schaumburg, IL	37	75	10	1	0	13	1	0	0	95	5	0	90	8	2	0	0
Richards Paving, Inc. - New Castle, DE	40	60	5	2	0	5	28	0	0	65	25	10	40	20	5	35	0
Roccie's Asphalt Paving - Stamford, CT	62	70	5	0	0	0	25	0	0	20	80	0	20	0	0	80	0
Rose Paving LLC - Bridgeview, IL	44	57	10	10	0	19	4	0	0	100	0	0	68	0	7	0	25
Rowe Construction Group - Michigan City, IN	4	85	5	5	2	3	0	0	5	90	5	0	75	5	15	5	0
Ruston Paving Co., Inc. - Manassas, VA	75	65	0	0	0	30	5	0	0	100	0	0	90	0	10	0	0
Sanchez Paving Company - Markham, IL	19	75	0	0	0	0	25	5	30	65	0	0	65	30	5	0	0
Seal-O-Matic Pavement Solutions - OLATHE, KS	5	12	32	0	0	38	18	0	0	95	2	3	80	4	16	0	0
Superior Asphalt Paving Co. Ltd. - Winnipeg,	34	50	3	0	1	10	36	0	5	90	5	0	50	20	25	5	0
The Paving Lady - Boynton Beach, FL	30	50	30	5	0	15	0	0	35	65	0	0	40	20	40	0	0
The Surface Masters - Marietta, GA	7	48	37	5	0	10	0	0	0	100	0	0	50	10	40	0	0



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<b>Top Job Asphalt</b> - Logan, UT	14	50	35	0	0	15	0	0	40	40	20	0	40	40	0	20	0
<b>U.S. Pavement Services Inc.</b> - Woburn, MA	33	48	18	5	1	28	0	0	5	93	2	0	72	5	12	1	0
<b>United Paving Co.</b> - Corona, CA	18	30	20	9	0	30	11	0	20	80	0	0	70	5	25	0	0
<b>Valley Blacktopping, Inc.</b> - Eagan, MN	42	95	0	0	0	0	5	0	0	70	25	5	5	5	65	20	5
<b>West Coast Paving, Inc.</b> - Reno, NV	15	61	3	1	0	30	5	0	30	69	1	0	69	30	0	1	0
<b>Yeager Asphalt</b> - Carrollton, MI	40	82	15	2	0	1	0	0	5	30	65	0	22	3	20	55	0

# 2018 Sealcoating 75

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List demonstrates diversity of work among contractors who sealcoat

**SEALCOATING-ONLY SALES** for the 2018 Sealcoating 75 totaled \$171,183,959 – continuing a downward trend from a peak of \$249 million in 2015 and just over \$201 million in 2016. (In 2017 the Sealcoating Top Contractor list contained only 50 companies so the sales figures really aren't comparable.)

However, total sales for all the work the 2018 Sealcoating 75 totaled \$1,249,301,245 – almost reaching the \$1.299 billion of 2016 (compared to \$1.531 billion in 2015, which was a more than 50% jump from \$1.058 billion in 2014).

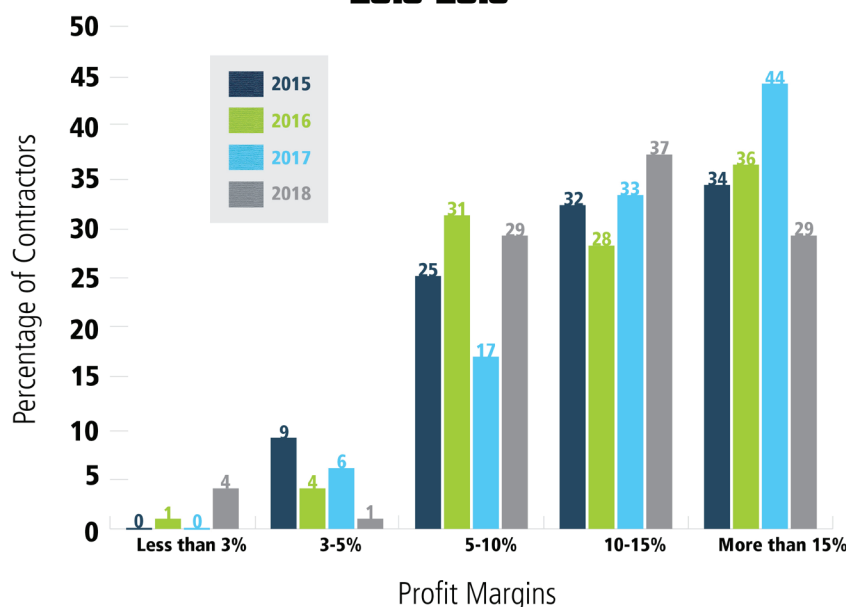
Sealcoating-only sales trailed all other industry segments, with paving-only sales surpassing \$633 million, pavement repair-only sales coming in second at more than \$265 million, and striping-only sales topping \$143 million.

Sealcoating-only sales represent 14% of total Sealcoating 75 list sales, up slightly from 13% in 2017 (50 companies) but down still from 15% in 2016. The remaining sales represent a broad mix of pavement maintenance-related work, including:

- 63 companies perform paving work (84%)
- 65 companies perform striping work (87%)
- 65 companies perform pavement repair work (87%)

As in the past, the sealcoating list results demonstrate the diversity within the

## Sealcoating Profit Margins 2015-2018



industry – in fact, none of the 75 companies on the list performs only sealcoating and only six of the companies generate 75% or more of sales from sealcoating.

### Profit Margins

Last year profit margins of the list tipped toward the high end – most likely because cutting the list back to 50 companies removed contractors with less sales volume.

This year 4% of contractors on the list

report margins of less than 3%; 1% report margins between 3-5%; 29% report margins of 5-10%; 37% report margins of 10-15%; and 29% report margins of greater than 15%. As the chart on this page shows, fewer contractors are earning the high-end margins while both the middle ranges increased.

Despite this shift downward from the highest margin levels, 65% of Sealcoating 75 contractors reported margins of 10% or