

US CONCRETE INC
Form 10-K/A
April 27, 2016

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 10-K/A

Amendment No. 1
ý ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE
ACT OF 1934

For the fiscal year ended December 31, 2015

or

o TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT
OF 1934

For the transition period from _____ to _____.
Commission file number 001-34530

U.S. CONCRETE, INC.

(Exact name of registrant as specified in its charter)

Delaware

76-0586680

(State or other jurisdiction of incorporation or organization) (I.R.S. Employer Identification Number)

331 N. Main Street, Euless, Texas 76039

(Address of principal executive offices) (Zip code)

Registrant's telephone number, including area code: (817) 835-4105

Securities registered pursuant to Section 12(b) of the Act:

Title of each class Name of each exchange on which registered

Common Stock, par value \$.001 The Nasdaq Capital Market

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities
Act. Yes o No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the
Act. Yes o No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the
Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was
required to file such reports), and (2) has been subject to such filing requirements for the past

90 days. Yes No o

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if
any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T

(§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required
to submit and post such files). Yes No o

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§ 229.405 of this
chapter) is not contained herein, and will not be contained, to the best of the registrant's knowledge, in definitive proxy
or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this
Form 10-K. o

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer,
or a smaller reporting company. See the definition of "large accelerated filer," "accelerated filer" and "smaller reporting
company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer o Accelerated filer Non-accelerated filer o Smaller reporting company o

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Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act.) Yes No

Aggregate market value of the voting and non-voting common equity held by non-affiliates of the registrant computed by reference to the last reported sale price of \$37.89 of the registrant's common stock as of June 30, 2015, the last business day of the registrant's most recently completed second fiscal quarter: \$508,425,677. For purposes of this computation, all officers, directors and 10% beneficial owners of the registrant are deemed to be affiliates. Such determination should not be deemed an admission that such officers, directors or 10% beneficial owners are, in fact, affiliates of the registrant.

Indicate by check mark whether the registrant has filed all documents and reports required to be filed by Sections 12, 13 or 15(d) of the Securities Exchange Act of 1934 subsequent to the distribution of securities under a plan confirmed by a court. Yes No

There were 15,194,236 shares of common stock, par value \$.001 per share, of the registrant outstanding as of March 2, 2016.

DOCUMENTS INCORPORATED BY REFERENCE

None.

Explanatory Note

We filed our Annual Report on Form 10-K for the year ended December 31, 2015 on March 4, 2016 (the "Original Report"). This Amendment No. 1 on Form 10-K/A (this "Amendment") is being filed to restate our 2015 consolidated financial statements to:

eliminate from our consolidated balance sheet as of December 31, 2015, a \$24.8 million deferred tax asset (the "Deferred Tax Asset") related to our outstanding common stock purchase warrants (the "Warrants", which Warrants are described more fully in Note 15 to our consolidated financial statements included with this Amendment), and increase income tax expense by \$24.8 million in our consolidated statement of operations for the year ended December 31, 2015; and

eliminate a \$6.1 million tax deduction (the "Tax Deduction") included in income tax benefit in our consolidated statement of operations for the year ended December 31, 2015 and increase accrued liabilities by \$5.9 million and decrease prepaid expenses by \$0.2 million in our consolidated balance sheet as of December 31, 2015 related to the exercise of Warrants during 2015.

Prior to the fourth quarter of 2015, we maintained a valuation allowance on our net deferred tax assets because we were still in a three year cumulative loss position. During the fourth quarter of 2015, we concluded that the valuation allowance on a portion of our net deferred tax assets could be reversed (as described more fully in Note 16 to our consolidated financial statements included with this Amendment). We reflected the reversal of the valuation allowance in our consolidated statement of operations for the year ended December 31, 2015 and, therefore, the Deferred Tax Asset had no valuation allowance recorded against it as of December 31, 2015. Due to the prior valuation allowance, there is no net impact from these adjustments to our consolidated balance sheets, consolidated statements of operations, consolidated statements of changes in equity, or consolidated statements of cash flow for any quarterly or annual period prior to December 31, 2015. As a result, we are not restating our consolidated financial statements for any periods prior to 2015, but will restate the prior periods tax footnote disclosures within our 2015 consolidated financial statements.

Management and the Audit Committee of the Company's Board of Directors concluded that the Deferred Tax Asset was based on a tax position that did not meet the required more likely than not threshold in order to be recorded on the consolidated balance sheet in accordance with the Financial Accounting Standards Board's Accounting Standards Codification Topic 740 (Income Taxes) ("ASC 740"), and that the Deferred Tax Asset and related Tax Deduction were accordingly recorded in error. Management and the Audit Committee further concluded that the Deferred Tax Asset and Tax Deduction should be reversed and a liability for resulting potential tax liabilities should be recorded, following generally accepted accounting principles based on ASC 740.

This Amendment includes restatements of the following financial statements:

- consolidated balance sheet at December 31, 2015;
- consolidated statement of operations for the year ended December 31, 2015;
- consolidated statement of change in equity for the for the year ended December 31, 2015; and
- consolidated statement of cash flows for the year ended December 31, 2015.

Management has evaluated the effect of the restatement on its prior conclusions on the effectiveness of the internal control over financial reporting and disclosure controls and procedures of the Company as of December 31, 2015. In connection with management's re-evaluation of the effectiveness of the Company's internal control over financial reporting as of December 31, 2015, management determined that the Company did not maintain effective controls over the accuracy and presentation of the accounting for income taxes, including the income tax provision and related tax assets and liabilities. The Company has amended its disclosures pertaining to its evaluation of such controls and procedures in this Amendment to report a material weakness in those controls and procedures and will report that its internal control over financial reporting and its disclosure controls and procedures were not effective as of December 31, 2015.

Additionally, during the fourth quarter of 2015, we acquired two entities that have been designated as non-guarantor subsidiaries for purposes of our 8.50% Senior Secured Notes due 2018 (the “2018 Notes”) (as described more fully in Note 9 to our consolidated financial statements included in this Amendment). As such, at December 31, 2015, we are required to provide condensed consolidating financial information in accordance with Rule 3-10 of Regulation S-X. We had no non-guarantor subsidiaries for any quarterly or annual period prior to December 31, 2015. This Amendment includes the previously omitted condensed consolidating footnote disclosure required by Rule 3-10 of Regulation S-X relating to our outstanding 2018 Notes.

We have made no attempt in this Amendment to modify or update the disclosures presented in the Original Report, other than Items 1, 1A, 6, 7, 8 and 9A of the Original Report. In addition, we have filed updated management certifications as exhibits 31.1, 31.2, 32.1 and 32.2.

Other than as noted above, no other changes have been made to the Original Report. In addition, this Amendment does not reflect events occurring after the filing of the Original Report. Accordingly, this Amendment should be read in conjunction with the Original Report and our other filings subsequent to the filing of the Original Report.

U.S. CONCRETE, INC.
 FORM 10-K/A
 For the Year Ended December 31, 2015
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Cautionary Statement Concerning Forward-Looking Statements

Certain statements and information in this Amendment No. 1 to our Annual Report on Form 10-K/A may constitute “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements include, without limitation, statements concerning plans, objectives, goals, projections, strategies, future events or performance, and underlying assumptions and other statements, which are not statements of historical facts. In some cases, you can identify forward-looking statements by terminology such as “may,” “will,” “should,” “expect,” “plan,” “anticipate,” “believe,” “estimate,” “predict,” “potential” or “continue,” the negative of such terms or comparable terminology. These forward-looking statements are based on our current expectations and beliefs concerning future developments and their potential effect on us. While management believes that these forward-looking statements are reasonable as and when made, there can be no assurance that future developments affecting us will be those that we anticipate. All comments concerning our expectations for future revenues and operating results are based on our forecasts for our existing operations and do not include the potential impact of any future acquisitions. Our forward-looking statements involve significant risks and uncertainties (some of which are beyond our control) and assumptions that could cause actual results to differ materially from our historical experience and our present expectations or projections.

Important factors that could cause actual results to differ materially from those in the forward-looking statements include, but are not limited to, those summarized below:

- general economic and business conditions, which will, among other things, affect demand for new residential and commercial construction;
- our ability to successfully identify, manage, and integrate acquisitions;
- the cyclical nature of, and changes in, the real estate and construction markets, including pricing changes by our competitors;
- governmental requirements and initiatives, including those related to mortgage lending or mortgage financing, funding for public or infrastructure construction, land usage, and environmental, health, and safety matters;
- disruptions, uncertainties or volatility in the credit markets that may limit our, our suppliers' and our customers' access to capital;
- our ability to successfully implement our operating strategy;
- weather conditions;
- our substantial indebtedness and the restrictions imposed on us by the terms of our indebtedness;
- our ability to maintain favorable relationships with third parties who supply us with equipment and essential supplies;
- our ability to retain key personnel and maintain satisfactory labor relations; and
- product liability, property damage, and other claims and insurance coverage issues.

Known material factors that could cause our actual results to differ from those in the forward-looking statements include those described in “Risk Factors” in Part I, Item 1A of this Amendment.

Readers are cautioned not to place undue reliance on forward-looking statements, which speak only as of the date hereof. We undertake no obligation to publicly update or revise any forward-looking statements after the date they are made, whether as a result of new information, future events or otherwise, except as required by federal securities laws.

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PART I

Item 1. Business

In this report, we refer to U.S. Concrete, Inc. and its subsidiaries as "we," "us," the "Company," or "U.S. Concrete," unless we specifically state otherwise or the context indicates otherwise. U.S. Concrete, Inc. is a Delaware corporation which was incorporated in 1997. We began operations in 1999, which is the year we completed our initial public offering.

General

We are a leading producer of ready-mixed concrete in select geographic markets in the United States. We operate our business through two primary segments: ready-mixed concrete and aggregate products. Ready-mixed concrete is an important building material that is used in the vast majority of commercial, residential and public works construction projects. Aggregates are a raw material used in the production of ready-mixed concrete.

We serve substantially all segments of the construction industry in our select geographic markets. Our customers include contractors for commercial and industrial, residential, street and highway and other public works construction. Concrete product revenue by type of construction activity for the year ended December 31, 2015 was approximately 57% commercial and industrial, 28% residential and 15% street, highway and other public works.

We operate principally in Texas, northern California and New York / New Jersey, with those markets representing approximately 40%, 29%, and 26%, respectively, of our consolidated revenue for the year ended December 31, 2015. We believe we are well positioned for strong growth in these attractive regions and segments. According to estimates from the Portland Cement Association ("PCA"), the states in which we operate represent a total of approximately 27% of the 2015 consumption of ready-mixed concrete in the United States, which favorably positions us to capture additional market share in this fragmented industry. Total revenue from continuing operations for the year ended December 31, 2015 was \$974.7 million, of which we derived approximately 89.9% from our ready-mixed concrete segment, 3.5% from our aggregate products segment (excluding \$26.2 million sold internally) and 6.6% from our other operations. For the year ended December 31, 2015, we had a net loss of \$5.4 million, loss from continuing operations of \$5.1 million, and Adjusted EBITDA (as defined herein) of \$131.9 million. Please see "Basis of Presentation" in Part II, Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations and Note 19, "Business Segments," to our consolidated financial statements in this Amendment for additional information regarding and a reconciliation of Adjusted EBITDA.

As of December 31, 2015, we operate 144 standard ready-mixed concrete plants, 16 volumetric ready-mixed concrete facilities, 14 producing aggregates facilities, three aggregates distribution terminals, two lime slurry facilities, and one recycled aggregates facility. During the year ended December 31, 2015, these plants and facilities produced approximately 7.0 million cubic yards of ready-mixed concrete and 4.7 million tons of aggregates. We lease two other aggregates facilities to third parties and retain a royalty on production from those facilities. As of December 31, 2015, we operated over 1,360 drum mixer trucks and 119 volumetric mixer trucks. For additional information related to our properties, see Item 2. Properties of this report.

Acquisitions

In the second quarter of 2015, we acquired Ferrara Bros. Building Materials Corp. ("Ferrara Bros."), located in New York, New York and Colonial Concrete Co. ("Colonial"), located in Newark, New Jersey. These acquisitions included ten ready-mixed concrete plants at seven locations and a fleet of 129 mixer trucks. These acquisitions expand our business in the New York metropolitan and northern New Jersey markets and allow us to more effectively serve construction projects in these areas.

In the fourth quarter of 2015, we acquired two strategically integrated ready-mixed concrete producers located in the U.S. Virgin Islands, Heavy Materials, LLC ("Heavy") and Spartan Concrete Products, LLC ("Spartan"). These acquisitions included five ready-mixed concrete plants, a fleet of 48 mixer trucks, and two quarries with total aggregates reserves of approximately 40 million tons. The Heavy acquisition also included leases for an industrial waterfront property that is utilized as a marine terminal and sales yard. These acquisitions expanded our ready-mixed concrete and aggregates operations into new markets in the Caribbean islands.

During 2015, we also expanded our ready-mixed concrete operations in our northern California market with the acquisition of Right Away Redy Mix, Inc. ("Right Away"), located in Oakland, California and in our Washington, D.C. market with the

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acquisition of DuBrook Concrete, Inc. ("DuBrook"), located in Chantilly, Virginia. The Right Away acquisition included four ready-mixed concrete facilities, 49 mixer trucks and a fleet of transfer trucks used to transport cement and aggregates. The DuBrook acquisition included three ready-mixed concrete plants and a fleet of 42 mixer trucks.

Also in 2015, we expanded our aggregates operations with the acquisition of Wantage Stone ("Wantage") located in New Jersey and two sand and gravel operations in our west Texas and southern Oklahoma markets. The Wantage acquisition included an 80 acre quarry along with mining rights to an additional 77 acres of land located in Hamburg, New Jersey.

During 2014, we acquired New York Sand and Stone, LLC ("NYSS") which included the assignment of leases to operate two existing aggregate distribution terminals on the East River in Brooklyn, New York. This acquisition allowed us to more efficiently deliver raw materials to our ready-mixed concrete production facilities as well as to our customers. Our aggregates distribution operations are included in our non-reportable segments. Also during 2014, we completed two acquisitions in New York that increased our presence in the Staten Island ready-mixed concrete market.

Also in 2014, in our west Texas market, we acquired four ready-mixed operations in Abilene, Wichita Falls, and Brady, Texas. The addition of these operations expanded our footprint in the west Texas market. To further broaden our ready-mixed concrete delivery offerings in our Texas market, during the fourth quarter of 2014, we acquired the assets of Custom-Crete ("Custom-Crete"), with operations in Dallas / Fort Worth, Houston, San Antonio, and Austin, Texas from Oldcastle Architectural, Inc., a wholly owned subsidiary of CRH plc, and the assets of Mobile-Crete of South Texas, LLC and Scofield Construction Services, LLC, with operations in San Antonio, Austin, and south Texas. Through these acquisitions, we added 16 volumetric ready-mixed concrete facilities and approximately 109 volumetric mixer trucks. These operations expanded our presence into all of the major metropolitan markets in Texas and provide us with the capability to deliver ready-mixed concrete to our customers via on-site batching and mixing to customer specifications.

In March 2014, we commenced operations at our Red River sand facility on the Texas / Oklahoma border, which we green fielded during the fourth quarter of 2013. This facility provides sand to our Texas and Oklahoma ready-mixed concrete operations and customers.

In 2013, we completed one acquisition in our north Texas market that resulted in the addition of three ready-mixed concrete plants and related assets and inventory. This acquisition allowed us to expand our operations in our north Texas market.

Divestitures

In June 2015, we completed the sale of substantially all of our assets associated with our one remaining precast concrete operation in Pennsylvania, which were classified as held for sale as of December 31, 2014.

Recent Developments

On February 29, 2016, we completed the acquisition of all the assets of Greco Brothers Concrete of L.I., Inc. ("Greco"), in Brooklyn, New York. The purchase price was \$15.8 million in cash, plus closing adjustments of \$0.9 million. We funded the purchase through a combination of cash on hand and borrowings on our \$250.0 million asset-based revolving credit facility (the "Revolving Facility"). Greco operates two ready-mixed concrete plants and a fleet of 37 mixer trucks. The Greco acquisition further expands our ready-mixed concrete operations in our existing New York market.

Competitive strengths

Large, high quality asset base in attractive markets with favorable construction environments. Our assets are primarily focused in the Texas / Oklahoma, northern California, New York / New Jersey / Washington, D.C., and U. S. Virgin Islands markets. Our high quality asset base is comprised of 81 ready-mixed concrete plants, 16 volumetric ready-mixed concrete plants, and eight aggregates facilities in Texas / Oklahoma, 22 ready-mixed concrete plants in northern California, 36 ready-mixed concrete plants, four aggregates facilities, three aggregates distribution terminals, and one recycled aggregates facility in New York / New Jersey / Washington, D.C., five ready-mixed concrete plants and two aggregates facilities in the U.S. Virgin Islands; as well as over 1,360 operated drum mixer trucks and 119 operated volumetric mixer trucks. We believe the scale and quality of our asset base, in addition to our product differentiation, on-time deliveries, competitive all-in delivered cost, servicing and reliability differentiate us and allow us to meet the needs of both large and small jobs for a wide range of clients in multiple end-use markets.

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Growth in our Texas / Oklahoma markets is largely driven by construction demand in the transportation, financial and other professional services, and manufacturing sectors; growth in our northern California market is driven largely by the technology sector; and growth in our New York / New Jersey / Washington, D.C. markets is driven by the financial services and government sectors, respectively. In addition, all of our markets currently exhibit healthy residential trends supported by a number of factors, including population growth, decreases in unemployment, low mortgage and other interest rates, rising home prices and increasing construction activity. We believe that our better-than-average growth is driven by key industry sectors within our markets, which generally benefit from year-round construction.

Favorable exposure to commercial projects with higher margins and barriers to entry. We bid for and routinely win supply contracts for some of the largest, most prestigious commercial projects. Some of the larger commercial projects we have worked on include:

- The San Francisco Bay Bridge in Oakland, California
- Lyndon B. Johnson Expressway in Dallas / Fort Worth, Texas
- World Trade Center Complex in Manhattan, New York
- Tappan Zee Bridge, New York
- San Francisco 49er Stadium in Santa Clara, California
- Lucile Packard Children's Hospital at Stanford in Palo Alto, California
- Hudson Yards Complex in Manhattan, New York
- Pacific Park Brooklyn in Brooklyn, New York
- Toyota North American Headquarters in Frisco, Texas

These types of projects have higher margins and barriers to entry due to rigorous specifications, increased complexity, high customization requirements and significant volume capacity needs.

We provide alternative solutions for designers and contractors by offering value-added concrete products such as color-conditioned, fiber-reinforced, steel-reinforced and high-performance concrete. We believe this enhances our ability to become exposed to, and win supply contracts for, some of the largest commercial projects that have high barriers to entry.

Long-term customer relationships. Our management and sales personnel develop and maintain successful long-term relationships with our key customers. Customer concentration in our key markets allows us to better serve our new and existing customers with expedited delivery and lower transportation costs and scale efficiencies. Key elements of our customer-focused approach include:

- corporate-level marketing and sales expertise;
- technical service expertise to develop innovative new branded products;
- and
- training programs that emphasize successful marketing and sales techniques that focus on the sale of high-margin concrete mix designs.

We estimate that the average length of our top 15 customer relationships is approximately 20 years. We further estimate that most of our top 35 customers have relationships that extend past five years, with many customer relationships surpassing 20 years of loyalty. Our customer engagement model results in contractors returning year-after-year to us as a supplier they can trust. Despite our concentrated and loyal customer base, in 2015, no single customer or project accounted for more than 10% of our total revenue. Our broad, yet targeted, customer base enables us to develop an efficient, stable business model and tap into the market in a variety of ways. Our 2015 revenue was split between (i) commercial and industrial, (ii) residential and (iii) street and highway construction contractors and

other public works. We believe that by providing high quality, reliable services and customized products and solutions, we are able to continuously maintain important long-term relationships.

Focus on environmental sustainability. We are a leader in the sustainable concrete market, and we expect domestic and global sustainable demand to continue to grow at attractive rates. In 2008, we initiated our environmentally friendly concrete ("EF Technology") initiative which promotes green building and construction. Our EF Technology ready-mixed concrete products replace a portion of the traditional cement components with reclaimed fly ash, slag and other materials that results in lower carbon dioxide emissions. We believe this leads to an environmentally superior and sustainable alternative to traditional ready-mixed concrete for our customers' consumption. We believe EF Technology reduces greenhouse gases and landfill space consumption and produces a highly durable product. Customers can also receive LEED credits for the use of this technology.

We believe our use of technology creates a competitive advantage over smaller concrete producers and larger vertically integrated aggregates and cement companies that do not focus on this as a first solution. We are positioned to take advantage

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of the growing demand for these products which could result in an increase in our revenue and profits and expansion of our operating margins, as these higher-priced value-added products are a lower cost alternative to cement. Today, we are a charter member of the Carbon Leadership Forum and the first ready-mixed concrete company in North America to adopt and receive verified Environmental Product Declarations for our concrete mixes, and we employ extensive sustainable operational practices across our enterprise. We are also a supporter of the National Ready Mixed Concrete Association ("NRMCA") Green-Star program, a plant-specific certification program that utilizes an environmental management system based on a model of continual improvement.

Conservative balance sheet and ample liquidity. We have successfully improved our financial performance by refocusing our financial objectives over the last five years. Our management team has extensive experience in the industry as does our board of directors. Our management team has focused on reducing our cost structure while expanding our existing and acquired businesses in our core operating regions to drive strong performance. As a result, we have grown revenue, improved profit margins and increased liquidity during the last five years. In addition to cash on hand, we benefit from significant liquidity through our revolving credit facility and cash flow from operations. We believe our conservative balance sheet and liquidity will allow us to take advantage of strategic opportunities as well as provide ample cushion against general downturns in economic activity.

Experienced management team. Our senior management team consists of ten executives with an average of 19 years of industry experience and is comprised of individuals with a proven track record in the construction materials industry. Our Chief Executive Officer, William J. Sandbrook, has approximately 24 years of experience in the construction materials industry. Our management team's deep market knowledge enables us to effectively assess potential new opportunities in order to solidify our leading market presence. We will continue to focus on recruiting and retaining motivated and knowledgeable professional managers to continue to develop our business and maintain our leading market position.

Company strategy

Focus on core operations. We believe the best opportunities for future growth lie within our core ready-mixed concrete and aggregates businesses. We routinely evaluate our existing assets and business units to ensure we continue to maintain a best-in-class operation. During 2015, we divested the last of our precast businesses so as to continue our focus on ready-mixed concrete and aggregates. We will continue to invest in our business, both in physical plants and new technologies, and we will continue to evaluate both organic and strategic acquisition opportunities. We believe our focus on optimizing the performance of our ready-mixed concrete segment will continue to differentiate us from our larger, integrated competitors that focus principally on their aggregates or cement segments and treat ready-mixed concrete operations as a downstream outlet for their aggregates or cement products.

Pursue growth. In addition to our general organic growth initiative, we continuously evaluate both acquisition and partnership opportunities. We are focused on both strengthening our positions in existing markets as well as identifying attractive new markets. All of our acquisitions must meet our strict criteria, including fit with our strategic plan, investment return hurdles, capital requirements and attractive market attributes. During 2015, we completed eight acquisitions that expanded our operations in our existing markets and into the U.S. Virgin Islands market. Most notably, we acquired Ferrara, which significantly expanded our footprint in the New York metropolitan market and allows us to more effectively serve construction projects in Manhattan. In addition, we expanded into the U.S. Virgin Islands market with our acquisition of Heavy. We believe our significant experience, positive reputation and strong management team will allow us to continue our successful track record of identifying opportunities, integrating acquisitions, realizing synergies and enhancing asset value and cash flow.

Manage costs. We are consistently seeking opportunities to reduce costs and to improve margins through our focus on existing operations and new technologies. Additionally, our regional acquisitions allow for synergies such as selling,

general, and administrative reductions, economies of scale, variable labor savings, and purchasing power. We believe by aggressively managing our cost structure we can best serve our clients with better pricing and continued best-in-class execution.

Business segments and products

We operate our business through two primary segments: ready-mixed concrete and aggregate products. For financial information about our operating segments, refer to the information set forth in Note 19, "Business Segments," to our consolidated financial statements included in this report. We derive all of our revenue from operations in the United States and its U.S. territories, and all of our long-lived assets are located within the United States and its U.S. territories.

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Ready-mixed concrete

General

Our ready-mixed concrete segment engages principally in the formulation, preparation and delivery of ready-mixed concrete to our customers' job sites. We provide our ready-mixed concrete from our operations in Texas, northern California, New York, New Jersey, Washington, D.C., Oklahoma, and the U.S. Virgin Islands. Ready-mixed concrete is a highly versatile construction material that results from combining coarse and fine aggregates, such as gravel, crushed stone and sand, with water, various chemical admixtures and cement. We also provide services intended to reduce our customers' overall construction costs by lowering the installed, or "in-place," cost of concrete. These services include the formulation of mixtures for specific design uses, on-site and lab-based product quality control, and customized delivery programs to meet our customers' needs. We generally do not provide paving or other finishing services, which construction contractors or subcontractors typically perform.

Products and services

Our standard ready-mixed concrete products consist of proportioned mixes we produce and deliver in an unhardened plastic state for placement and shaping into designed forms at the job site. Selecting the optimum mix for a job entails determining not only the ingredients that will produce the desired permeability, strength, appearance and other properties of the concrete after it has hardened and cured, but also the ingredients necessary to achieve a workable consistency considering the weather and other conditions at the job site. We believe we can achieve product differentiation for the mixes we offer because of the variety of mixes we can produce, our volume production capacity and our scheduling, delivery and placement reliability. Additionally, we believe EF Technology initiative, which utilizes alternative materials and mix designs that result in lower carbon dioxide, or CO₂ emissions, helps differentiate us from our competitors. We also believe we distinguish ourselves with our value-added service approach that emphasizes reducing our customers' overall construction costs by reducing the in-place cost of concrete and the time required for construction.

Our volumetric concrete operations, which we acquired in 2014, expanded our ready-mixed concrete delivery and service offerings in Texas. Volumetric ready-mixed concrete trucks mix concrete to the customer's specification on the job site, better serving smaller jobs and specialized applications, and allowing flexibility for servicing remote job locations. Because of their versatility, these trucks offer the contractor multiple options for a single job without the inconvenience or added costs typically associated with standard ready-mixed trucks delivering special or short-loads to a job site. Because of their unique on-demand production capabilities, these trucks minimize the amount of wasted concrete, which improves margins and reduces environmental impact.

From a contractor's perspective, the in-place cost of concrete includes both the amount paid to the ready-mixed concrete manufacturer and the internal costs associated with the labor and equipment the contractor provides. A contractor's unit cost of concrete is often only a small component of the total in-place cost that takes into account all the labor and equipment costs required to build the forms for the ready-mixed concrete and place and finish the ready-mixed concrete, including the cost of additional labor and time lost as a result of substandard products or delivery delays not covered by warranty or insurance. By carefully designing proper mixes and using advances in mixing technology, we can assist our customers in reducing the amount of reinforcing steel, time and labor they will require in various applications.

We provide a variety of services in connection with our sale of ready-mixed concrete that can help reduce our customers' in-place cost of concrete. These services include:

• production of formulations and alternative product recommendations that reduce labor and materials costs;

quality control, through automated production and laboratory testing, that ensures consistent results and minimizes the need to correct completed work; and
automated scheduling and tracking systems that ensure timely delivery and reduce the downtime incurred by the customer's placing and finishing crews.

We produce ready-mixed concrete by combining the desired type of cement, other cementitious materials (described below), sand, gravel, and crushed stone with water and, typically, one or more admixtures. These admixtures, such as chemicals, minerals and fibers, determine the usefulness of the product for particular applications.

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We use a variety of chemical admixtures to achieve one or more of the following five basic purposes:

- relieve internal pressure and increase resistance to cracking;
- retard the hardening process to make concrete more workable in hot weather;
- strengthen concrete by reducing its water content;
- accelerate the hardening process and reduce the time required for curing; and
- facilitate the placement of concrete having low water content.

We frequently use various mineral admixtures as supplements to cement, which we refer to as supplemental cementitious materials, to alter the permeability, strength and other properties of concrete. These materials include fly ash, ground granulated blast-furnace slag, silica fume and other natural pozzolans. These materials also reduce the amount of cement content used, which results in a reduction in CO₂ emissions.

We also use fibers, such as steel, glass, synthetic and carbon filaments as additives in various formulations of concrete. Fibers help control shrinkage cracking, thus reducing permeability and improving abrasion resistance. In many applications, fibers can replace welded steel wire and reinforcing bars. Relative to the other components of ready-mixed concrete, these additives generate comparatively higher margins.

Marketing and sales

Our marketing efforts primarily target concrete sub-contractors, general contractors, governmental agencies, property owners and developers, architects, engineers, and home builders whose focus extends beyond the price of ready-mixed concrete to product quality, on-time delivery and reduction of in-place costs.

General contractors typically select their suppliers of ready-mixed concrete. In large, complex projects, an engineering firm or division within a state transportation or public works department may influence the purchasing decision, particularly if the concrete has complicated design specifications. In connection with large, complex projects and in government-funded projects generally, the general contractor or project engineer usually awards supply orders on the basis of either direct negotiation or a competitive bidding process. We believe the purchasing decision for many jobs ultimately is relationship and reputation-based.

Our marketing and sales strategy emphasizes the sale of value-added products and solutions to customers more focused on reducing their in-place building material costs than on the price per cubic yard of ready-mixed concrete. Key elements of our customer-focused approach include:

- corporate-level marketing and sales expertise;
- technical service expertise to develop innovative, new branded products;
- and
- training programs that emphasize successful marketing and sales techniques that focus on the sale of high-margin concrete mix designs.

Operations

Our standard ready-mixed concrete plants consist of fixed and portable facilities that produce ready-mixed concrete in wet or dry batches. Our fixed-plant facilities produce ready-mixed concrete that we transport to job sites by drum mixer trucks. Our portable plant operations deploy our portable plant facilities to produce ready-mixed concrete at the job site that we direct into place using a series of conveyor belts or drum mixer trucks. We use our portable plants to service high-volume projects or projects in remote locations. Our volumetric ready-mixed concrete plants consist of fixed and portable facilities that are used to load raw materials into our volumetric mixer trucks throughout the day.

Batching occurs at the job site based on customer specifications. Several factors govern the choice of plant type, including:

- production consistency requirements;
- daily production capacity requirements;
- job site proximity to fixed plants; and
- capital and financing.

We construct both wet batch plants and dry batch plants. A wet batch plant generally has a higher initial cost and daily operating expenses, but (i) yields greater consistency with less time required for quality control in the concrete produced, and

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(ii) generally has greater daily production capacity than a dry batch plant. We believe that construction of a wet batch plant having an hourly capacity of 250 cubic yards currently would cost approximately \$1.6 million, while a dry batch plant having an hourly capacity of 150 cubic yards currently would cost approximately \$0.7 million. As of December 31, 2015, our batch plants included 23 wet batch plants and 121 dry batch plants.

We maintain two types of load facilities for our volumetric ready-mixed concrete — main load sites and reload facilities. Both types of facilities typically include blending silos, a load-out pit, and a storm water system. A main load facility typically also includes a maintenance shop. We estimate that constructing a main load site would cost approximately \$0.7 million, while constructing a reload facility would cost approximately \$0.1 million.

Our batch operator at a dry batch plant simultaneously loads the dry components of stone, sand and cement with water and admixtures in a drum mixer truck that begins the mixing process during loading and continues that process en route to our customers' job sites. In a wet batch plant, the batch operator blends the dry components and water in a plant mixer from which an operator loads the mixed concrete into a drum mixer truck, which leaves for the job site promptly after loading. At a volumetric facility, our loader operator or mixer operator coordinates loading of the dry components of sand, coarse aggregates, and cement into the bins on the truck. Water and liquid admixtures are separately loaded into the tanks on the trucks before leaving the facility for the job site.

Any future decisions we make regarding the construction of additional plants will be impacted by market factors, including:

- the expected production demand for the plant;
- capital and financing;
- the expected types of projects the plant will service; and
- the desired location of the plant.

Drum mixer trucks continuously rotate their loads en route to job sites in order to produce concrete at the desired consistency. Our drum mixer trucks typically have load capacities of 10 cubic yards, or approximately 20 tons, and a typical operating life of between 15 and 20 years, depending on total truck hours and miles. A new truck of this size currently costs between \$160,000 and \$225,000, depending on the geographic location and design specifications. Depending on the type of batch plant from which the drum mixer trucks generally are loaded, some components of the drum mixer trucks usually require refurbishment after three to five years. As of December 31, 2015, we operated a fleet of over 1,360 owned and leased drum mixer trucks, which had an average age of approximately 10 years.

Volumetric mixer trucks include individual bins and tanks, which are used to mix the raw materials at the customer's job site based on the customer's specifications. The volumetric mixing method provides only the concrete needed for the job, eliminating wasted materials and short load charges. Our volumetric mixer trucks typically have load capacities of eight cubic yards, or approximately 16 tons, and a typical operating life of between seven to nine years, depending on total truck hours and miles. A new truck of this size currently costs between \$220,000 and \$250,000, depending on the design specifications. Typically the truck's mixer unit will be rebuilt after the initial truck life, extending the operating life of the truck an additional five years. As of December 31, 2015, we operated a fleet of 119 owned volumetric mixer trucks, which had an average age of approximately eight years.

In our ready-mixed concrete operations, we emphasize quality control, pre-job planning, customer service and coordination of supplies and delivery. We obtain orders for ready-mixed concrete in advance of actual delivery. A typical order contains specifications the contractor requires the concrete to meet. After receiving the specifications for a particular job, we use computer modeling, industry information and information from previous similar jobs to formulate a variety of mixtures of cement, aggregates, water and admixtures which meet or exceed the contractor's specifications. We perform testing to determine which mix design is most appropriate to meet the required

specifications. The test results enable us to select the mixture that has the lowest cost and meets or exceeds the job specifications. The testing center creates and maintains a project file that details the mixture we will use when we produce the concrete for the job. For quality control purposes, the testing center also is responsible for maintaining batch samples of concrete we have delivered to a job site.

We use computer modeling to prepare bids for particular jobs based on the size of the job, location, desired margin, cost of raw materials and the design mixture identified in our testing process. If the job is large enough and has a projected duration beyond the supply arrangement in place at that time, we obtain quotes from our suppliers as to the cost of raw materials we use in preparing the bid. Once we obtain a quotation from our suppliers, the price of the raw materials for the specified job is informally established. Several months may elapse from the time a contractor has accepted our bid until actual delivery of the ready-mixed concrete begins.

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During this time, we maintain regular communication with the contractor concerning the status of the job and any changes in the job's specifications in order to coordinate the multisourced purchases of cement and other materials we will need to fill the job order and meet the contractor's delivery requirements. We confirm that our customers are ready to take delivery of manufactured products throughout the placement process. On any given day, one of our plants may have production orders for dozens of customers at various locations throughout its area of operation. To fill an order:

- the customer service office coordinates the timing and delivery of the concrete to the job site;
- a load operator supervises and coordinates the receipt of the necessary raw materials and operates the hopper that dispenses those materials into the appropriate storage bins;
- a batch operator, using a computerized batch panel, prepares the specified mixture from the order and oversees the loading of the drum mixer truck with either dry ingredients and water in a dry batch plant or the premixed concrete in a wet batch plant; and
- the driver of the drum mixer truck delivers the load to the job site, discharges the load and, after washing the truck, departs at the direction of the dispatch office.

Our central dispatch system, where available, tracks the status of each drum mixer truck as to whether a particular truck is:

- loading concrete;
- en route to a particular job site;
- on the job site;
- discharging concrete;
- being rinsed down; or
- en route to a particular plant.

The system is updated continuously on the trucks' status via signals received from sensors. In this manner, the dispatcher can determine the optimal routing and timing of subsequent deliveries by each drum mixer truck and monitor the performance of each driver.

Our plant managers oversee the operations of each of our plants. Our operational employees also include:

- maintenance personnel who perform routine maintenance work throughout our plants;
- mechanics who perform the maintenance and repair work on our rolling stock;
- testing center staff who prepare mixtures for particular job specifications and maintain quality control;
- various clerical personnel who perform administrative tasks; and
- sales personnel who are responsible for identifying potential customers, pricing mixes for projects, and maintaining existing customer relationships.

We generally operate each of our plants on an extended single shift, with some overtime operation during the year. On occasion, however, we may have projects that require deliveries around the clock.

Aggregate products

Our aggregate products segment produces crushed stone, sand and gravel from 14 aggregates facilities located in New Jersey, Texas, Oklahoma, and the U.S. Virgin Islands. We sell these aggregates for use in commercial, industrial and public works projects in the markets they serve, as well as consume them internally in the production of ready-mixed concrete in those markets. We produced approximately 4.7 million tons of aggregates during the year ended December 31, 2015, with Texas representing 51% and New Jersey representing 47% of the total production. We

believe our aggregates reserves provide us with additional raw material sourcing flexibility and supply availability. In addition, we own sand pit operations in Michigan and one quarry in west Texas which we lease to third parties and receive a royalty based on the volumes produced and sold during the terms of the leases.

Other

Other products not associated with a reportable segment include our building materials stores, hauling operations, aggregates distribution terminals, lime slurry, ARIDUS® Rapid Drying Concrete technology, brokered product sales, a recycled aggregates operation, and concrete blocks.

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Industry overview

Concrete has many attributes that make it a highly versatile construction material. In recent years, industry participants have developed various uses for concrete products, including:

- high-strength engineered concrete to compete with steel-frame construction;
- concrete housing;
- flowable fill for backfill applications;
- continuous-slab rail-support systems for rapid transit and heavy-traffic rail lines; and
- concrete bridges, tunnels and other structures for rapid transit systems.

Other examples of successful innovations that have opened new markets for concrete include:

- sustainable construction;
- concrete paving over asphalt, or “white topping”;
- paved concrete shoulders to replace less permanent and increasingly costly asphalt shoulders;
- pervious concrete parking lots for water drainage management, as well as providing a long-lasting and aesthetically pleasing urban environment;
- colored pavements to mark entrance and exit ramps and lanes of expressways; and
- colored, stamped concrete for decorative applications.

The U.S. ready-mixed concrete market is a large, highly competitive and fragmented market, with no one producer holding a dominant market position. The NRMCA currently estimates that the ready-mixed concrete industry generates total annual revenue of approximately \$30 billion.

Based on information from the NRMCA, we estimate that, in addition to vertically integrated manufacturers of cement and aggregates, ready-mixed concrete producers currently operate approximately 5,500 plants in the United States. Larger markets generally have several producers competing for business on the basis of product quality, service, on-time delivery and price.

According to information available from the NRMCA, total volumes (measured in cubic yards) from the production and delivery of ready-mixed concrete in the United States over the past three years were as follows (in millions of cubic yards):

	2015	2014	2013
Total ready-mixed concrete volumes	336	326	301

According to recently published Dodge Construction data, the four major segments of the construction industry accounted for the following approximate percentages of the total volume of ready-mixed concrete produced in the United States in the past three years:

	2015	2014	2013
Commercial and industrial construction	18 %	16 %	16 %
Residential construction	22 %	19 %	19 %
Street and highway construction and paving	20 %	23 %	23 %
Other public works and infrastructure construction	40 %	42 %	42 %

According to FMI Corp. ("FMI"), spending on total residential, non-residential, and non-building construction is projected to grow at a steady rate through 2019. FMI projects the following growth rates in 2016: residential construction of 10-12%, commercial and office construction of 7%, and street and highway construction of 2%.

According to the PCA, annual ready-mixed concrete usage is expected to strengthen in our key markets in Texas, northern California, and New York / New Jersey, with 2016 to 2019 estimated compound annual growth rates of 4.7%, 7.0%, and 4.5%, respectively. Moreover, the National Association of Home Builders and Fannie Mae predict U.S. residential construction will continue to recover with a median estimate of approximately 834,000 and 411,000 single-family and multi-family housing starts in 2016, respectively. Other industry experts agree predicting total housing starts will exceed 1.2 million, with a shift to single-family.

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Barriers to the start-up of new ready-mixed concrete manufacturing operations have been increasing. During the past decade, public concerns about dust, process water runoff, noise and heavy mixer and other truck traffic associated with the operation of these types of plants and their general appearance have made obtaining the permits and licenses required for new plants more difficult. Delays in the regulatory process, coupled with the capital investment that start-up operations entail, have raised the barriers to entry for those operations.

Cement and other raw materials

We obtain most of the materials necessary to manufacture ready-mixed concrete on a daily basis. These materials include cement, other cementitious materials (such as fly ash and blast furnace slag) and aggregates (stone, gravel and sand), in addition to certain chemical admixtures. With the exception of chemical admixtures, each plant typically maintains an inventory level of these materials sufficient to satisfy its operating needs for a few days. Our inventory levels do not decline significantly or comparatively with declines in revenue during seasonally low periods. We generally maintain inventory at specified levels to maximize purchasing efficiencies and to be able to respond quickly to customer demand.

Typically, cement, other cementitious materials and aggregates represent the highest-cost materials used in manufacturing a cubic yard of ready-mixed concrete. We purchase cement from a few suppliers in each of our major geographic markets. Chemical admixtures are generally purchased from suppliers under national purchasing agreements.

Overall, prices for cement and aggregates increased in 2015, compared to 2014, in all of our major geographic markets. Generally, we negotiate with suppliers on a company-wide basis and at the local market level to obtain the most competitive pricing available for cement and aggregates. We believe the demand for cement is increasing and will warrant scrutiny as construction activity increases. Today, in most of our markets, we believe there is an adequate supply of cement and aggregates.

We recognize the value in advocating green building and construction as part of our strategy. We initiated EF Technology, our commitment to environmentally friendly concrete technologies that significantly reduce potential CO₂ emissions. Our EF Technology ready-mixed concrete products replace a portion of cement with reclaimed fly ash, blast furnace slag and other materials. We believe this results in an environmentally superior and sustainable alternative to traditional ready-mixed concrete. EF Technology reduces greenhouse gases and landfill space consumption and produces a highly durable product. Customers can also obtain LEED credits through the use of this technology. We believe our use of this technology creates a competitive advantage over smaller concrete producers and larger vertically integrated aggregate and cement companies that may not focus on this as a first solution. We are positioned to take advantage of the growing demand for these products which could expand our operating margins as they are a lower cost alternative to cement. We are also a supporter of the NRMCA Green-Star program, a plant-specific certification that utilizes an environmental management system based on a model of continual improvement.

Customers

Of our concrete product revenue for the year ended December 31, 2015, commercial and industrial construction represented approximately 57%, residential construction represented approximately 28% and street, highway construction and other public works represented approximately 15%. For the year ended December 31, 2015, no single customer or project accounted for more than 10% of our total revenue.

We rely heavily on repeat customers. Our management and sales personnel are responsible for developing and maintaining successful long-term relationships with our key customers.

Competition

The ready-mixed concrete industry is highly competitive. Our leadership position in a market depends largely on the location and operating costs of our plants and prevailing prices in that market. Price is the primary competitive factor among suppliers for small or less complex jobs, such as residential construction. However, the ability to meet demanding specifications for strength or sustainability, timeliness of delivery and consistency of quality and service, in addition to price, are the principal competitive factors among suppliers for large or complex jobs. Our competitors range from small, owner-operated private companies to subsidiaries of operating units of large, vertically integrated manufacturers of cement and aggregates. Our vertically integrated competitors generally have greater financial and marketing resources than we have, providing them with a competitive advantage. Competitors having lower operating costs than we do or having the financial resources to enable them to accept lower margins than we do will have a competitive advantage over us for jobs that are particularly price-sensitive. Competitors having greater financial resources or less financial leverage than we do may be able to invest more in new mixer

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trucks, ready-mixed concrete plants and other production equipment or pay for acquisitions which could provide them a competitive advantage over us. See “Risk factors - We may lose business to competitors who underbid us, and we may be otherwise unable to compete favorably in our highly competitive industry.”

We continue to focus on developing new competitive advantages that will differentiate us from our competitors, such as our high-performing, low-CO2 concrete, ARIDUS® Rapid Drying Concrete technology and EF Technology ready-mixed concrete products. For example, Central Concrete Supply Co., Inc. (“Central Concrete”), one of our subsidiaries, differentiated itself from its competitors to supply its high-performing, low-CO2 concrete for the SF Public Utilities Commission (“SFPUC”) headquarters. During the redesign phase, SFPUC invited Central Concrete to suggest solutions for SFPUC’s goal to use a set of concrete mixes that delivered up to 70% cement replacement materials, with no compromises on cost, finish or cure time for the mat foundation, slabs, columns and cores. SFPUC selected Central Concrete for the job in an open bidding process because its six different mixes met SFPUC’s demanding specifications by significantly cutting the cement content while delivering a net savings for SFPUC of 7.4 million pounds in CO2 emissions from embodied carbon, nearly 50% better than traditional concrete mixes.

Employees

As of December 31, 2015, we had 603 salaried employees, including executive officers and management, sales, technical, administrative and clerical personnel, and 2,097 hourly personnel. The number of employees fluctuates depending on the number and size of projects ongoing at any particular time, which may be impacted by variations in weather conditions throughout the year.

As of December 31, 2015, 976 of our employees were represented by labor unions having collective bargaining agreements with us. Generally, these agreements have multi-year terms and expire on a staggered basis between 2016 and 2019. Under these agreements, we pay specified wages to covered employees and in most cases make payments to multi-employer pension plans and employee benefit trusts rather than administering the funds on behalf of these employees.

We have not experienced any strikes or significant work stoppages in the past five years. We believe our relationships with our employees and union representatives are very good.

Training and safety

Our future success will depend, in part, on the extent to which we can attract, retain and motivate qualified employees. We believe that our ability to do so will depend, in part, on providing a work environment that allows employees the opportunity to develop and maximize their capabilities. We require all field employees to attend periodic safety training meetings and all drivers to participate in training seminars. We employ a national safety director whose responsibilities include managing and executing a unified, company-wide safety program. Employee development and safety are criteria used in evaluating performance in our annual incentive plan for salaried employees.

Governmental regulation and environmental matters

A wide range of federal, state and local laws, ordinances and regulations apply to our operations, including the following matters:

- water usage;
- land usage;
- street and highway usage;
- noise levels; and

health, safety and environmental matters.

In many instances, we are required to have various certificates, permits or licenses to conduct our business. Our failure to maintain these required authorizations or to comply with applicable laws or other governmental requirements could result in substantial fines or possible revocation of our authority to conduct some of our operations. Delays in obtaining approvals for the transfer or grant of authorizations, or failures to obtain new authorizations, could impede acquisition efforts.

Environmental laws that impact our operations include those relating to air quality, solid waste management and water quality. These laws are complex and subject to frequent change. They impose strict liability in some cases without regard to negligence or fault. Sanctions for noncompliance may include revocation of permits, corrective action orders, administrative

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or civil penalties and criminal prosecution. Some environmental laws provide for joint and several strict liability for remediation of spills and releases of hazardous substances. In addition, businesses may be subject to claims alleging personal injury or property damage as a result of alleged exposure to hazardous substances, as well as damage to natural resources. These laws also may expose us to liability for the conduct of, or conditions caused by, others or for acts that complied with all applicable laws when performed.

We have conducted Phase I environmental site assessments, which are non-intrusive investigations conducted to evaluate the potential for significant on-site environmental impacts, on substantially all the real properties we own or lease and have engaged independent environmental consulting firms to complete those assessments. We have not identified any environmental concerns associated with those properties that we believe are likely to have a material adverse effect on our business, financial position, results of operations or cash flows, but we can provide no assurance material liabilities will not occur. In addition, we can provide no assurance that our compliance with amended, new or more stringent laws, stricter interpretations of existing laws or the future discovery of environmental conditions will not require additional, material expenditures.

We believe we have all material permits and licenses we need to conduct our operations and are in substantial compliance with applicable regulatory requirements relating to our operations. Our capital expenditures relating to environmental matters were not material in 2015.

Product warranties

Our operations involve providing ready-mixed concrete that must meet building codes or other regulatory requirements and contractual specifications for durability, stress-level capacity, weight-bearing capacity and other characteristics. If we fail or are unable to provide products meeting these requirements and specifications, material claims may arise against us and our reputation could be damaged. In the past, we have had significant claims of this kind asserted against us that we have resolved. There currently are, and we expect that in the future there may be, additional claims of this kind asserted against us. If a significant product-related claim is resolved against us in the future, that resolution may have a material adverse effect on our business, financial condition, results of operations and cash flows.

Insurance

Our employees perform a significant portion of their work moving and storing large quantities of heavy raw materials, driving large mixer and other trucks in heavy traffic conditions and delivering concrete at construction sites or in other areas that may be hazardous. These operating hazards can cause personal injury and loss of life, damage to or destruction of properties and equipment and environmental damage. We maintain insurance coverage in amounts and against the risks we believe are in accordance with industry practice, but this insurance may not be adequate to cover all losses or liabilities we may incur in our operations, and we may be unable to maintain insurance of the types or at levels we deem necessary or adequate or at rates we consider reasonable.

Legal proceedings

From time to time, and currently, we are subject to various claims and litigation brought by employees, customers and other third parties for, among other matters, personal injuries, property damage, product defects and delay damages that have, or allegedly have, resulted from the conduct of our operations. As a result of these types of claims and litigation, we must periodically evaluate the probability of damages being assessed against us and the range of possible outcomes. In each reporting period, if we determine that the likelihood of damages being assessed against us is probable, and, if we believe we can estimate a range of possible outcomes, then we will record a liability. The amount of the liability will be based upon a specific estimate, if we believe a specific estimate to be likely, or it will

reflect the low end of our range. Currently, there are no material legal proceedings pending against us.

In the future, we may receive funding deficiency demands related to multi-employer plans to which we contribute. We are unable to estimate the amount of any potential future funding deficiency demands because the actions of each of the other contributing employers in the plans has an effect on each of the other contributing employers, and the development of a rehabilitation plan by the trustees and subsequent submittal to and approval by the Internal Revenue Service is not predictable. Further, the allocation of fund assets and return assumptions by trustees are variable, as are actual investment returns relative to the plan assumptions.

As of March 3, 2016, there are no material product defect claims pending against us. Accordingly, our existing accruals for claims against us do not reflect any material amounts relating to product defect claims. While our management is not aware

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of any facts that would reasonably be expected to lead to material product defect claims against us that would have a material adverse effect on our business, financial condition or results of operations, it is possible that claims could be asserted against us in the future. We do not maintain insurance that would cover all damages resulting from product defect claims. In particular, we generally do not maintain insurance coverage for the cost of removing and rebuilding structures. In addition, our indemnification arrangements with contractors or others, when obtained, generally provide only limited protection against product defect claims. Due to inherent uncertainties associated with estimating unasserted claims in our business, we cannot estimate the amount of any future loss that may be attributable to unasserted product defect claims related to ready-mixed concrete we have delivered prior to December 31, 2015.

We believe that the resolution of all litigation currently pending or threatened against us or any of our subsidiaries will not materially exceed our existing accruals for those matters. However, because of the inherent uncertainty of litigation, there is a risk that we may have to increase our accruals for one or more claims or proceedings to which we or any of our subsidiaries is a party as more information becomes available or proceedings progress, and any such increase in accruals could have a material adverse effect on our consolidated financial condition or results of operations. We expect in the future that we and our operating subsidiaries will, from time to time, be a party to litigation or administrative proceedings that arise in the normal course of our business.

We are subject to federal, state and local environmental laws and regulations concerning, among other matters, air emissions and wastewater discharge. Our management believes we are in substantial compliance with applicable environmental laws and regulations. From time to time, we receive claims from federal and state environmental regulatory agencies and entities asserting that we may be in violation of environmental laws and regulations. Based on experience and the information currently available, our management does not believe that these claims will materially exceed our related accruals. Despite compliance and experience, it is possible that we could be held liable for future charges, which might be material, but are not currently known to us or cannot be estimated by us. In addition, changes in federal or state laws, regulations or requirements, or discovery of currently unknown conditions, could require additional expenditures.

As permitted under Delaware law, we have agreements that provide indemnification of officers and directors for certain events or occurrences while the officer or director is or was serving at our request in such capacity. The maximum potential amount of future payments that we could be required to make under these indemnification agreements is not limited; however, we have a director and officer insurance policy that potentially limits our exposure and enables us to recover a portion of future amounts that may be paid. As a result of the insurance policy coverage, we believe the estimated fair value of these indemnification agreements is minimal. Accordingly, we have not recorded any liabilities for these agreements as of December 31, 2015.

We and our subsidiaries are parties to agreements that require us to provide indemnification in certain instances when we acquire businesses and real estate and in the ordinary course of business with our customers, suppliers, lessors and service providers.

Available Information

Our web site address is www.us-concrete.com. We make available on this web site under the “Investor Relations” section, free of charge, our annual reports on Form 10-K, quarterly reports on Form 10-Q and current reports on Form 8-K, and amendments to those reports, as soon as reasonably practicable after we electronically file those materials with, or furnish them to, the SEC. Alternatively, the public may read and copy any materials we file with the SEC at the SEC’s Public Reference Room at 100 F Street, N.E., Washington, D.C. 20549. Information on the operation of the Public Reference Room may be obtained by calling the SEC at 1-800-SEC-0330. The SEC also maintains a web site that contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC. The SEC’s web site address is www.sec.gov.

Item 1A. Risk Factors

The following risk factors represent our current view of the known material risks facing our businesses and are important to understanding our business. The important factors, among others, sometimes have affected, or in the future could affect, our actual results and could cause our actual consolidated results during 2016, and beyond, to differ materially from those expressed in any forward-looking statements made by us or on our behalf. In addition, these risks and uncertainties could adversely impact our business, financial condition, results of operations, cash flows and common stock price. Further, the risk factors described below are not the only risks we face. Our business, financial condition and results of operations may also be affected by additional risks and uncertainties that are not currently known to us, that we currently consider immaterial or that are not specific to us. This

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discussion includes a number of forward-looking statements. Please see “Cautionary Statement Concerning Forward-Looking Statements” preceding Item 1 of this report.

Business Risks

Our business depends on activity within the construction industry and the economic strength of our principal markets. We serve substantially all segments of the construction industry, and our results of operations are directly affected by the level of activity in the construction industry in the geographic markets we serve. Demand for our products, particularly in the commercial and industrial and residential construction markets, could decline if companies and consumers cannot obtain credit for construction projects or if the slow pace of economic activity results in delays or cancellations of projects. During 2015, commercial and industrial and residential construction accounted for 57% and 28% of our consolidated revenue, respectively. In addition, federal and state budget issues may hurt the funding available for infrastructure spending, particularly street, highway and other public works projects, which accounted for 15% of our revenue in 2015.

We operate principally in Texas, northern California and New York / New Jersey, with those markets representing approximately 40%, 29%, and 26%, respectively, of our consolidated revenue for 2015. Our earnings depend on the economic strength of these markets because of the high cost to transport our products relative to their price. Recently, the decline in the price of crude oil and natural gas has had an adverse impact on activity in the oil and natural gas industry in Texas, which has resulted in lower demand for construction services in Texas and consequently lower demand for ready-mixed concrete in Texas. For the year ended December 31, 2015, we estimate that there was no direct impact and less than a 3.0% indirect impact on revenue in our Texas markets by the decline in West Texas Intermediate Crude Oil ("WTI") prices. If economic and construction activity diminishes in our principal markets or if lower demand persists in Texas, our results of operations and liquidity could be materially adversely affected. Tightening of mortgage lending or mortgage financing requirements could adversely affect the residential construction market and reduce the demand for new home construction.

Commencing in 2006, the mortgage lending and mortgage finance industries experienced significant instability due to, among other things, defaults on subprime loans and adjustable rate mortgages. In light of these events, lenders, investors, regulators and other third parties have questioned the adequacy of lending standards and other credit requirements for a variety of loan programs. This has led to reduced investor demand for mortgage loans and mortgage-backed securities, reduced market values for those securities, tightened credit requirements, reduced liquidity, increased credit risk premiums and increased regulatory actions. Deterioration in credit quality among subprime and other loans has caused many lenders to eliminate subprime mortgages and other loan products that do not conform to the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, Federal Housing Administration or Veterans Administration standards. While mortgage lending conditions have improved since 2010, fewer loan products and tighter loan qualifications continue to make it difficult for some categories of borrowers to finance the purchase of new homes. In general, these developments have been a significant factor in the downturn of, and have delayed the recovery of, the housing market.

Approximately 28% of our revenue for the year ended December 31, 2015 was from residential construction contractors. While mortgage lending conditions have improved and lending volumes have increased since 2010, tightening of mortgage lending or mortgage financing requirements could adversely affect the ability to obtain credit for some borrowers, or reduce the demand for new home construction, which could have a material adverse effect on our business and results of operations. Another downturn in new home construction could also adversely affect our customers focused in residential construction, possibly resulting in slower payments, higher default rates in our accounts receivable, and an overall increase in working capital.

Our net revenue attributable to street, highway and other public works projects could be negatively impacted by a decrease or delay in governmental spending.

During the year ended December 31, 2015, approximately 15% of our ready-mixed concrete revenue was from street, highway and other public works projects. Construction activity on streets, highways and other public works projects is directly related to the amount of government funding available for such projects, which is affected by budget constraints currently being experienced by federal, state and local governments. In addition, if the U.S. government budget process results in a prolonged shutdown or reductions in government spending, we may experience delayed orders, delayed payments, and declines in revenues, profitability,

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and cash flows. Reduced levels of governmental funding for public works projects or delays in that funding could adversely affect our business, financial condition, results of operations and cash flows.

There are risks related to our internal growth and operating strategy.

Our ability to generate internal growth will be affected by, among other factors, our ability to:

- attract new customers;
- differentiate ourselves in a competitive market by emphasizing new product development and value added services;
- hire and retain employees; and
- reduce operating and overhead expenses.

Our inability to achieve internal growth could materially and adversely affect our business, financial condition, results of operations, liquidity, and cash flows.

One key component of our operating strategy is to operate our businesses on a decentralized basis, with local or regional management retaining responsibility for day-to-day operations, profitability and the internal growth of the individual business. If we do not implement and maintain proper overall business controls, this decentralized operating strategy could result in inconsistent operating and financial practices and our overall profitability could be adversely affected.

Our failure to successfully identify, manage and integrate acquisitions could reduce our earnings and slow our growth.

In the last two years, we completed 17 acquisitions. On an ongoing basis, as part of our strategy to pursue growth opportunities, we continue to evaluate strategic acquisition opportunities that have the potential to support and strengthen our business. There is intense competition for acquisition opportunities in our industry. Competition for acquisitions may increase the cost of, or cause us to refrain from, completing acquisitions. Our ability to complete acquisitions is dependent upon, among other things, the willingness of acquisition candidates we identify to sell; our ability to obtain financing or capital, if needed, on satisfactory terms; and, in some cases, regulatory approvals. The investigation of acquisition candidates and the negotiation, drafting and execution of relevant agreements, disclosure documents and other instruments will require substantial management time and attention and substantial costs for accountants, attorneys and others. If we fail to complete any acquisition for any reason, including events beyond our control, the costs incurred up to that point for the proposed acquisition likely would not be recoverable.

Potential acquisition targets may be in geographic regions in which we do not currently operate, which could result in unforeseen operating difficulties and difficulties in coordinating geographically dispersed operations, personnel and facilities. In addition, if we enter into new geographic markets, we may be subject to additional and unfamiliar legal and regulatory requirements. Compliance with regulatory requirements may impose substantial additional obligations on us and our management, cause us to expend additional time and resources in compliance activities and increase our exposure to penalties or fines for non-compliance with such additional legal requirements. Our recently completed acquisitions and any future acquisitions could cause us to become involved in labor, commercial or regulatory disputes or litigation related to any new enterprises and could require us to invest further in operational, financial and management information systems and to attract, retain, motivate and effectively manage local or regional management and additional employees. Upon completion of an acquisition, key members of the management of the acquired company may resign, which would require us to attract and retain new management and could make it difficult to maintain customer relationships. Our inability to effectively manage the integration of our completed and future acquisitions could prevent us from realizing expected rates of return on an acquired business and could have a material and adverse effect on our business, financial condition, results of operations, liquidity, and cash flows.

Our business is seasonal and subject to adverse weather.

Since our business is primarily conducted outdoors, erratic weather patterns, seasonal changes and other weather-related conditions affect our business. Adverse weather conditions, including hurricanes and tropical storms, cold weather, snow, and heavy or sustained rainfall, reduce construction activity, restrict the demand for our products, and impede our ability to efficiently deliver concrete. Adverse weather conditions could also increase our costs and reduce our production output as a result of power loss, needed plant and equipment repairs, delays in obtaining permits, time required to remove water from flooded operations, and similar events. In addition, severe drought conditions can restrict available water supplies and restrict production. Consequently,

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these events could adversely affect our business, financial condition, results of operations, liquidity, and cash flows.

Our operating results may vary significantly from one reporting period to another and may be adversely affected by the cyclical nature of the markets we serve.

The relative demand for our products is a function of the highly cyclical construction industry. As a result, our revenue may be adversely affected by declines in the construction industry generally and in our regional markets. Our results also may be materially affected by:

- the level of commercial and residential construction in our regional markets, including reductions in the demand for new residential housing construction below current or historical levels;
- the availability of funds for public or infrastructure construction from local, state and federal sources;
- unexpected events that delay or adversely affect our ability to deliver concrete according to our customers' requirements;
- changes in interest rates and lending standards;
- changes in the mix of our customers and business, which result in periodic variations in the margins of jobs performed during any particular quarter;
- the timing and cost of acquisitions and difficulties or costs encountered when integrating acquisitions;
- the budgetary spending patterns of customers;
- increases in construction and design costs;
- power outages and other unexpected delays;
- our ability to control costs and maintain quality;
- employment levels; and
- regional or general economic conditions.

As a result, our operating results in any particular quarter may not be indicative of the results that you can expect for any other quarter or for the entire year. Furthermore, negative trends in the ready-mixed concrete industry or in our geographic markets could have material adverse effects on our business, financial condition, results of operations, liquidity, and cash flows.

We may lose business to competitors who underbid us, and we may be otherwise unable to compete favorably in our highly competitive industry.

Our competitive position in a given market depends largely on the location and operating costs of our plants and prevailing prices in that market. Price is the primary competitive factor among suppliers for small or less complex jobs, principally in residential construction. However, timeliness of delivery and consistency of quality and service, as well as price, are the principal competitive factors among suppliers for large or complex jobs. Concrete manufacturers like us generally obtain customer contracts through local sales and marketing efforts directed at general contractors, developers, governmental agencies and homebuilders. As a result, we depend on local relationships. We generally do not have long-term sales contracts with our customers.

Our competitors range from small, owner-operated private companies to subsidiaries or operating units of large, vertically integrated manufacturers of cement and aggregates. Our vertically integrated competitors generally have greater manufacturing, financial and marketing resources than we have, providing them with competitive advantages. Competitors having lower operating costs than we do or having the financial resources to enable them to accept lower margins than we do will have competitive advantages over us for jobs that are particularly price-sensitive. Competitors having greater financial resources or less financial leverage than we do to invest in new mixer trucks, build plants in new areas or pay for acquisitions also will have competitive advantages over us.

We depend on third parties for concrete equipment and supplies essential to operate our business.

We rely on third parties to sell or lease property, plant and equipment to us and to provide us with supplies, including cement and other raw materials, necessary for our operations. We cannot assure you that our favorable working relationships with our suppliers will continue in the future. Also, there have historically been periods of supply shortages in the concrete industry, particularly in a strong economy.

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If we are unable to purchase or lease necessary properties or equipment, our operations could be severely impacted. If we lose our supply contracts and receive insufficient supplies from third parties to meet our customers' needs or if our suppliers experience price increases or disruptions to their business, such as labor disputes, supply shortages or distribution problems, our business, financial condition, results of operations, liquidity, and cash flows could be materially and adversely affected.

Residential construction and related demand for ready-mixed concrete has increased between 2012 and 2015. While cement prices increased as a result of this increased demand, cement supplies were at levels that indicated a very low risk of cement shortages in most of our markets. Should demand increase substantially beyond our current expectations, we could experience shortages of cement in future periods, which could adversely affect our operating results by decreasing sales of ready-mixed concrete and increasing our costs of raw materials.

We use large amounts of electricity and diesel fuel that are subject to potential reliability issues, supply constraints and significant price fluctuation, which could affect our financial position, operating results and liquidity. In our production and distribution processes, we consume significant amounts of electricity and diesel fuel. The availability and pricing of these resources are subject to market forces that are beyond our control. Furthermore, we are vulnerable to any reliability issues experienced by our suppliers, which also are beyond our control. Our suppliers contract separately for the purchase of such resources and our sources of supply could be interrupted should our suppliers not be able to obtain these materials due to higher demand or other factors that interrupt their availability. Variability in the supply and prices of these resources could materially affect our financial position, results of operations and liquidity from period to period.

We are dependent on information technology to support many facets of our business.

If our information systems are breached, shutdown, destroyed or fail due to cyberattack, unauthorized access, natural disaster or equipment breakdown, by employees, malicious third parties or other unauthorized persons, our business could be interrupted, proprietary information could be lost, stolen or destroyed and our reputation could be damaged. We take measures to protect our information systems and data from such occurrences, but as cyberattacks become increasingly sophisticated, there can be no guarantee that our actions, efforts and security measures adopted will always prevent them. Our business could be negatively affected by any such occurrences.

The departure of key personnel could disrupt our business.

We depend on the efforts of our officers and, in many cases, on senior management of our businesses. Our success will depend on retaining our officers and senior-level managers. We need to ensure that key personnel are compensated fairly and competitively to reduce the risk of departure of key personnel to our competitors or other industries. To the extent we are unable to attract or retain qualified management personnel, our business, financial condition, results of operations, liquidity, and cash flows could be materially and adversely affected. We do not carry key personnel life insurance on any of our employees.

Shortages of qualified employees may harm our business.

Our ability to provide high-quality products and services on a timely basis depends on our success in employing an adequate number of skilled plant managers, technicians and drivers. Like many of our competitors, we experience shortages of qualified personnel from time to time. We may not be able to maintain an adequate skilled labor force necessary to operate efficiently and to support our growth strategy, and our labor expenses may increase as a result of a shortage in the supply of skilled personnel.

Collective bargaining agreements, work stoppages and other labor relations matters may result in increases in our operating costs, disruptions in our business and decreases in our earnings.

As of December 31, 2015, approximately 36% of our employees were covered by collective bargaining agreements, which expire between 2016 and 2019. Our inability to negotiate acceptable new contracts or extensions of existing contracts with these unions could cause work stoppages by the affected employees. In addition, any new contracts or extensions could result in increased operating costs attributable to both union and nonunion employees. If any such work stoppages were to occur, or if other of our employees were to become represented by a union, we could experience a significant disruption of our operations and higher ongoing labor costs, which could materially and adversely affect our business, financial condition, results of operations, liquidity,

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and cash flows. Also, labor relations matters affecting our suppliers of cement and aggregates could adversely impact our business from time to time.

Participation in multi-employer defined benefit plans may impact our financial condition, results of operations and cash flows.

We contribute to 15 multi-employer defined benefit plans, which are subject to the requirements of the Pension Protection Act of 2006 (the “PPA”). For multi-employer defined benefit plans, the PPA established new funding requirements or rehabilitation requirements, additional funding rules for plans that are in endangered or critical status, and enhanced disclosure requirements to participants regarding a plan’s funding status. The Worker, Retiree, and Employer Recovery Act of 2008 (the “WRERA”) provided some funding relief to defined benefit plan sponsors affected by recent market conditions. The WRERA allowed multi-employer plan sponsors to elect to freeze their current funded status at the same funding status as the preceding plan year (for example, a calendar year plan that was not in critical or endangered status for 2008 was able to elect to retain that status for 2009), and sponsors of multi-employer plans in endangered or critical status in plan years beginning in 2008 or 2009 were allowed a three-year extension of funding improvement or rehabilitation plans (extending the timeline for these plans to achieve their goals from 10 years to 13 years, or from 15 years to 18 years for seriously endangered plans). A number of the multi-employer pension plans to which we contribute are underfunded and are currently subject to funding improvement or rehabilitation requirements. Additionally, if we were to withdraw partially or completely from any plan that is underfunded, we would be liable for a proportionate share of that plan’s unfunded vested benefits. Based on the information available from plan administrators, we believe that our portion of the contingent liability in the case of a full or partial withdrawal from or termination of several of these plans or the inability of plan sponsors to meet the funding or rehabilitation requirements would be material to our financial condition, results of operations and cash flows.

Our overall profitability is sensitive to price changes and minor variations in sales volumes.

Generally, our customers are price-sensitive. Prices for our products are subject to changes in response to relatively minor fluctuations in supply and demand, general economic conditions and market conditions, all of which are beyond our control. Because of the fixed-cost nature of our business, our overall profitability is sensitive to price changes and minor variations in sales volumes.

Instability in the financial and credit sectors may impact our business and financial condition in ways that we currently cannot predict.

Adverse or worsening economic trends could have a negative impact on our suppliers and our customers and their financial condition and liquidity, which could cause them to fail to meet their obligations to us and could have a material adverse effect on our revenue, income from operations and cash flows. The uncertainty and volatility of the financial and credit sectors could have further impacts on our business and financial condition that we currently cannot predict or anticipate.

Turmoil in the global financial system could have an impact on our business and our financial condition. Accordingly, our ability to access the capital markets could be restricted or be available only on unfavorable terms. Limited access to the capital markets could adversely impact our ability to take advantage of business opportunities or react to changing economic and business conditions and could adversely impact our ability to execute our long-term growth strategy. Ultimately, we could be required to reduce our future capital expenditures substantially. Such a reduction could have a material adverse effect on our revenue, income from operations and cash flows.

If one or more of the lenders under our Revolving Facility, which provides for aggregate borrowings of up to \$250.0 million, subject to the borrowing base, were to become unable or unwilling to perform their obligations under that facility, our borrowing capacity could be reduced. Our inability to borrow additional amounts under our Revolving Facility could limit our ability to fund our future operations and growth.

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Governmental regulations, including environmental regulations, may result in increases in our operating costs and capital expenditures and decreases in our earnings.

A wide range of federal, state and local laws, ordinances and regulations apply to our operations, including the following matters:

- land usage;
- street and highway usage;
- noise levels; and
- health, safety and environmental matters.

In many instances, we must have various certificates, permits or licenses in order to conduct our business. Our failure to maintain required certificates, permits or licenses or to comply with applicable governmental requirements could result in substantial fines or possible revocation of our authority to conduct some of our operations. Delays in obtaining approvals for the transfer or grant of certificates, permits or licenses, or failure to obtain new certificates, permits or licenses, could impede the implementation of any acquisitions.

Governmental requirements that impact our operations include those relating to air quality, solid and hazardous waste management and cleanup and water quality. These requirements are complex and subject to change. Certain laws, such as the U.S. law known as Superfund, can impose strict liability in some cases without regard to negligence or fault, including for the conduct of or conditions caused by others, or for our acts that complied with all applicable requirements when we performed them. Our compliance with amended, new or more stringent requirements, stricter interpretations of existing requirements, or the future discovery of environmental conditions may require us to make unanticipated material expenditures. In addition, we may fail to identify, or obtain indemnification for, environmental liabilities of acquired businesses. We generally do not maintain insurance to cover environmental liabilities.

Our operations are subject to various hazards that may cause personal injury or property damage and increase our operating costs.

Operating mixer trucks, particularly when loaded, exposes our drivers and others to traffic hazards. Our drivers are subject to the usual hazards associated with providing services on construction sites, while our plant personnel are subject to the hazards associated with moving and storing large quantities of heavy raw materials. Operating hazards can cause personal injury and loss of life, damage to or destruction of property, plant and equipment and environmental damage. Although we conduct training programs designed to reduce these risks, we cannot eliminate these risks. We maintain insurance coverage in amounts we believe are consistent with industry practice; however, this insurance may not be adequate to cover all losses or liabilities we may incur in our operations, and we may not be able to maintain insurance of the types or at levels we deem necessary or adequate, or at rates we consider reasonable. A partially or completely uninsured claim, if successful and of sufficient magnitude, could have a material adverse effect on us.

The insurance policies we maintain are subject to varying levels of deductibles. Losses up to the deductible amounts are accrued based on our estimates of the ultimate liability for claims incurred and an estimate of claims incurred but not reported. If we were to experience insurance claims or costs above our estimates, our business, financial condition, results of operations, liquidity, and cash flows might be materially and adversely affected.

We have identified a material weakness in our internal control over financial reporting. This material weakness, if not corrected, could affect the reliability of our financial statements and have other adverse consequences.

Under Section 404 of the Sarbanes-Oxley Act of 2002, we are required to furnish a report by our management on internal control over financial reporting. This report must contain, among other matters, an assessment of the effectiveness of our internal control over financial reporting, including a statement as to whether or not our internal control over financial reporting is effective. This assessment must include disclosure of any material weaknesses in our internal control over financial reporting identified by our management. A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of a company's annual or interim consolidated financial statements will not be prevented or detected on a timely basis.

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We have identified a material weakness in our internal control over financial reporting as of December 31, 2015 relating to the accuracy and presentation of the accounting for income taxes, including the income tax provision and related tax assets and liabilities. Failure to have effective internal controls could lead to a misstatement of our financial statements. If, as a result of deficiencies in our internal controls, we cannot provide reliable financial statements, our business decision process may be adversely affected, our business and operating results could be harmed, investors could lose confidence in our reported financial information, the market price of our securities could decrease and our ability to obtain additional financing, or additional financing on favorable terms, could be adversely affected. In addition, failure to maintain effective internal control over financial reporting could result in investigations or sanctions by regulatory authorities.

We intend to take action to remediate the material weakness and improve the effectiveness of our internal control over financial reporting. However, we can give no assurances that the measures we take will remediate the material weakness identified or that any additional material weaknesses will not arise in the future due to our failure to implement and maintain adequate internal control over financial reporting. In addition, even if we are successful in strengthening our controls and procedures, those controls and procedures may not be adequate to prevent or identify irregularities or ensure the fair presentation of our financial statements included in our periodic reports filed with the SEC.

We may incur material costs and losses as a result of claims that our products do not meet regulatory requirements or contractual specifications.

Our operations involve providing products that must meet building code or other regulatory requirements and contractual specifications for durability, stress-level capacity, weight-bearing capacity and other characteristics. If we fail or are unable to provide products meeting these requirements and specifications, material claims may arise against us and our reputation could be damaged. In the past, we have had significant claims of this kind asserted against us that we have resolved. There currently are claims, and we expect that in the future there will be additional claims, of this kind asserted against us. If a significant product-related claim or claims are resolved against us in the future, that resolution may have a material adverse effect on our business, financial condition, results of operations, liquidity, and cash flows.

Some of our plants are susceptible to damage from earthquakes, for which we have a limited amount of insurance.

We maintain only a limited amount of earthquake insurance and, therefore, we are not fully insured against earthquake risk. Any significant earthquake damage to our plants could materially and adversely affect our business, financial condition, results of operations, liquidity, and cash flows.

Increasing insurance claims and expenses could lower our profitability and increase our business risk.

The nature of our business subjects us to product liability, property damage, personal injury claims and workers' compensation claims from time to time. Increased premiums charged by insurance carriers may further increase our insurance expense as coverage expires or otherwise cause us to raise our self-insured retention. If the number or severity of claims within our self-insured retention increases, we could suffer losses in excess of our reserves. An unusually large liability claim or a string of claims based on a failure repeated throughout our mass production process may exceed our insurance coverage or result in direct damages if we were unable or elected not to insure against certain hazards because of high premiums or other reasons. In addition, the availability of, and our ability to collect on, insurance coverage is often subject to factors beyond our control. Further, allegations relating to workers' compensation violations may result in investigations by insurance regulatory or other governmental authorities, which investigations, if any, could have a direct or indirect material adverse effect on our ability to pursue certain types of

business which, in turn, could have a material adverse effect on our business, financial position, results of operations, liquidity, and cash flows.

Our substantial indebtedness could adversely affect our financial condition and prevent us from fulfilling our obligations.

As of December 31, 2015, we had \$200.0 million of outstanding senior indebtedness represented by our 8.5% senior secured notes due 2018 (the “2018 Notes”). The 2018 Notes are governed by an indenture (the “Indenture”). We and certain of our subsidiaries are parties to a Second Amended and Restated Loan and Security Agreement (the “Second A/R Loan Agreement”), with certain financial institutions named therein, as lenders (the “Lenders”), and Bank of America, N.A. as agent and sole lead arranger, that is secured by certain assets of the Company and the guarantors. The Second A/R Loan Agreement provides for

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aggregate borrowings of up to \$250.0 million subject to a borrowing base, under the Revolving Facility. As of December 31, 2015, we had \$45.0 million in outstanding borrowings under the Revolving Facility.

The negative covenants in the 2018 Notes and the Second A/R Loan Agreement allow us to incur additional indebtedness from other sources in certain circumstances.

As a result of our existing indebtedness and our capacity to incur additional indebtedness, we are, and anticipate continuing to be, a highly leveraged company. A significant portion of our cash flow will be required to pay interest and principal on our outstanding indebtedness, and we may be unable to generate sufficient cash flow from operations, or have future borrowings available under our Revolving Facility, to enable us to repay our indebtedness, including the 2018 Notes, or to fund other liquidity needs. This level of indebtedness could have important consequences, including the following:

- it requires us to use a significant percentage of our cash flow from operations for debt service and the repayment of our indebtedness, including indebtedness we may incur in the future, and such cash flow may not be available for other purposes;
- it limits our ability to borrow money or sell stock to fund our working capital, capital expenditures, acquisitions and debt service requirements;
- our interest expense could increase if interest rates in general increase because a portion of our indebtedness bears interest at floating rates;
- it may limit our flexibility in planning for, or reacting to, changes in our business and future business opportunities;
- we are more highly leveraged than some of our competitors, which may place us at a competitive disadvantage;
- it may make us more vulnerable to a downturn in our business or the economy;
- it may increase our cost of borrowing;
- it may restrict us from exploiting business opportunities;
- the debt service requirements of our indebtedness could make it more difficult for us to make payments on the 2018 Notes and our other indebtedness; and
- there would be a material adverse effect on our business and financial condition if we were unable to service our indebtedness or obtain additional financing, as needed.

We may not be able to generate sufficient cash flows to meet our debt service obligations and may be forced to take other actions to satisfy our obligations under our indebtedness, which may not be successful.

Our ability to make payments on and to refinance our indebtedness and to fund planned capital expenditures will depend on our ability to generate cash from our operations in the future. This, to a certain extent, is subject to general economic, financial, competitive, legislative, regulatory and other factors that are beyond our control.

Our business may not generate sufficient cash flow from operations and future sources of capital under the Revolving Facility otherwise may not be available to us in an amount sufficient to enable us to pay our indebtedness or to fund our other liquidity needs. If we complete an acquisition, our debt service requirements could increase. We may need to refinance or restructure all or a portion of our indebtedness on or before maturity. We may not be able to refinance any of our indebtedness, including the Revolving Facility and the 2018 Notes, on commercially reasonable terms, or at all. If we cannot service our indebtedness, we may have to take actions such as selling assets, seeking additional equity, reducing or delaying capital expenditures, strategic acquisitions, investments and alliances or restructuring or refinancing our indebtedness. We may not be able to effect such actions, if necessary, on commercially reasonable terms, or at all.

Any refinancing of our debt could be at higher interest rates and may require us to comply with more onerous covenants. These alternative measures may not be successful and may not permit us to meet our scheduled debt

service obligations. In the absence of such cash flows and resources, we could face substantial liquidity problems and might be required to sell material assets or operations to attempt to meet our debt service and other obligations. The Second A/R Loan Agreement and the Indenture restrict our ability to conduct asset sales and / or use the proceeds from asset sales. We may not be able to consummate these asset sales to raise capital or sell assets at prices and on terms that we believe are fair and any proceeds that we do receive may not be adequate to meet any debt service obligations then due. If we cannot meet our debt service obligations, the holders of our debt may accelerate our debt and, to the extent such debt is secured, foreclose on our assets. In such an event, we may not have sufficient assets to repay all of our debt.

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We may still be able to incur significantly more debt or make certain restricted payments in the future. This could intensify already-existing risks related to our indebtedness.

The terms of the Indenture and the Second A/R Loan Agreement contain restrictions on our and the guarantors' ability to incur additional indebtedness. However, these restrictions are subject to a number of important qualifications and exceptions and the indebtedness incurred in compliance with these restrictions could be substantial. Accordingly, we or the guarantors could incur significant additional indebtedness in the future, much of which could constitute secured, senior or pari passu indebtedness. As of December 31, 2015, our Revolving Facility provided for unused borrowing capacity of up to \$131.2 million (after taking into account \$11.3 million of undrawn letters of credit, \$4.0 million of other availability reserves, and \$45.0 million in outstanding borrowings under the Revolving Facility).

The Indenture permits us to incur certain additional secured debt, allows our non-guarantor subsidiaries to incur additional debt, and does not prevent us from incurring other liabilities that do not constitute indebtedness as defined in the Indenture.

The Indenture also, under certain circumstances, allows us to designate some of our restricted subsidiaries as unrestricted subsidiaries. Those unrestricted subsidiaries will not be subject to many of the restrictive covenants in the Indenture and therefore will be able to incur indebtedness beyond the limitations specified in the Indenture and engage in other activities in which restricted subsidiaries may not engage. If new debt is added to our currently anticipated debt levels, the related risks that we and the guarantors now face could intensify.

We may also consider investments in joint ventures or acquisitions, which may increase our indebtedness. Moreover, although the Second A/R Loan Agreement and the Indenture contain restrictions on our ability to make restricted payments, including the declaration and payment of dividends, we will be able to make substantial restricted payments under certain circumstances.

The amount of borrowings permitted under our Revolving Facility may fluctuate significantly, which may adversely affect our liquidity, results of operations and financial position.

The amount of borrowings permitted at any time under our Revolving Facility is limited to a periodic borrowing base valuation of, among other things, our accounts receivable, inventory, and mixer trucks. As a result, our access to credit under our Revolving Facility is potentially subject to significant fluctuations depending on the value of the borrowing base eligible assets as of any measurement date, as well as certain discretionary rights of the administrative agent of our Revolving Facility in respect to the calculation of such borrowing base value. Our inability to borrow under, or the early termination of, our Revolving Facility may adversely affect our liquidity, results of operations and financial position.

Our variable rate indebtedness subjects us to interest rate risk, which could cause our debt service obligations to increase significantly.

Borrowings under our Revolving Facility are at variable rates of interest and expose us to interest rate risk. If interest rates increase, our debt service obligations on the variable rate indebtedness could increase even though the amount borrowed remains the same, and our net income and cash flows, including cash available for servicing our indebtedness, would correspondingly decrease.

Repayment of our debt is dependent on cash flow generated by our subsidiaries.

We are a holding company and substantially all of our tangible assets are owned by our subsidiaries. As such, repayment of our indebtedness, to a certain degree, is dependent on the generation of cash flow by our subsidiaries (including any subsidiaries that are not guarantors) and their ability to make such cash available to us, by dividend, loan, debt repayment or otherwise. Our subsidiaries may not be able to, or be permitted to, make distributions or other payments to enable us to make payments in respect of our indebtedness. Each of our subsidiaries is a distinct legal entity and, under certain circumstances, legal and contractual restrictions may limit our ability to obtain cash from our subsidiaries. While the terms of the Indenture and the Second A/R Loan Agreement limit the ability of certain of our subsidiaries to incur consensual restrictions on their ability to pay dividends or make other intercompany payments, these limitations are subject to important qualifications and exceptions. In the event that we do not receive distributions or other payments from our subsidiaries, we may be unable to make required payments on our indebtedness.

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We may be unable to refinance our indebtedness.

We may need to refinance all or a portion of our indebtedness, including the Revolving Facility and the 2018 Notes, before maturity. We cannot assure you that we will be able to refinance any of our indebtedness on commercially reasonable terms or at all or that we will be able to obtain sufficient funds to enable us to repay or refinance our debt obligations on commercially reasonable terms, or at all.

A lowering or withdrawal of the ratings assigned to our debt securities by rating agencies may increase our future borrowing costs and reduce our access to capital.

Our debt currently has a non-investment grade rating, and any rating assigned could be lowered or withdrawn entirely by a rating agency if, in that rating agency's judgment, future circumstances relating to the basis of the rating, such as adverse changes, so warrant. Consequently, real or anticipated changes in our credit ratings will generally affect the market value of the 2018 Notes. Credit ratings are not recommendations to purchase, hold or sell the 2018 Notes. Additionally, credit ratings may not reflect the potential effect of risks relating to the structure of the 2018 Notes.

Our debt agreements may restrict our ability to operate our business and to pursue our business strategies.

The Second A/R Loan Agreement and the Indenture impose, and future financing agreements are likely to impose, operating and financial restrictions on our activities. These restrictions require us to comply with or maintain certain financial tests and limit or prohibit our ability to, among other things:

- incur additional indebtedness or issue disqualified stock or preferred stock;
- pay dividends or make other distributions, repurchase or redeem our stock or subordinated indebtedness or make certain investments;
- prepay, redeem or repurchase certain debt;
- sell assets and issue capital stock of our restricted subsidiaries;
- incur liens;
- enter into agreements restricting our restricted subsidiaries' ability to pay dividends, make loans to other U.S. Concrete entities or restrict the ability to provide liens;
- enter into transactions with affiliates;
- consolidate, merge or sell all or substantially all of our assets;
- engage in certain sale / leaseback transactions; and
- with respect to the Indenture, designate our subsidiaries as unrestricted subsidiaries.

The restrictive covenants in the Second A/R Loan Agreement also require us to maintain specified financial ratios and satisfy other financial condition tests in certain circumstances.

These restrictions on our ability to operate our business could seriously harm our business by, among other things, limiting our ability to take advantage of financing, merger and acquisition and other corporate opportunities.

Various risks, uncertainties and events beyond our control could affect our ability to comply with these covenants and maintain these financial tests. Failure to comply with any of the covenants in our existing or future financing agreements could result in a default under those agreements and under other agreements containing cross-default provisions. A default would permit lenders to accelerate the maturity of the debt under these agreements and to foreclose upon any collateral securing the debt. Under these circumstances, we might not have sufficient funds or other resources to satisfy all of our obligations. In addition, the limitations imposed by financing agreements on our ability to incur additional debt and to take other actions might significantly impair our ability to obtain other

financing. We cannot assure you that we will be granted waivers or amendments to these agreements if for any reason we are unable to comply with these agreements or that we will be able to refinance our debt on terms acceptable to us, or at all. In addition, an event of default under the Second A/R Loan Agreement would permit the lenders under our Revolving Facility to terminate all commitments to extend further credit under that facility. Furthermore, if we were unable to repay the

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amounts due and payable under our Revolving Facility, those lenders could proceed against the collateral granted to them to secure that indebtedness.

As a result of these restrictions, we may be:

- limited in how we conduct our business;
- unable to raise additional debt or equity financing to operate during general economic or business downturns; or
- unable to compete effectively or to take advantage of new business opportunities.

These restrictions, along with restrictions that may be contained in agreements evidencing or governing future indebtedness, may affect our ability to grow in accordance with our growth strategy.

Our failure to comply with the covenants contained in the Second A/R Loan Agreement, the Indenture or any other indebtedness, including as a result of events beyond our control, could result in an event of default which could materially and adversely affect our operating results and our financial condition.

The Revolving Facility contains certain covenants, including compliance with a fixed charge coverage ratio if our Availability (as defined in the Second A/R Loan Agreement) falls below a certain threshold. In addition, the Revolving Facility requires us to comply with various operational and other covenants. See Item 7 - "Management's Discussion and Analysis of Financial Condition and Results of Operations" under the heading "Liquidity and Capital Resources" for a discussion of the financial covenants contained in the Second A/R Loan Agreement. Agreements governing our other indebtedness may also contain various covenants. If there were an event of default under any of our debt instruments that was not cured or waived, the holders of the defaulted debt could cause all amounts outstanding with respect to the debt to be due and payable immediately. Our assets and cash flow may not be sufficient to fully repay all obligations under our outstanding debt instruments, either upon maturity or if accelerated upon an event of default. If we were required to repurchase any of our debt securities upon a change of control, we may not be able to refinance or restructure the payments on those debt securities. If, as or when required, we are unable to repay, refinance or restructure our indebtedness under, or amend the covenants contained in, the Second A/R Loan Agreement, the lenders thereunder could elect to terminate their commitments thereunder, cease making further loans and institute foreclosure proceedings against the collateral that secures the obligations under the Revolving Facility on a first-priority basis and secures the 2018 Notes on a second-priority basis. If, as or when required, we are unable to repay, refinance or restructure our indebtedness under, or amend the covenants contained in, the Indenture, the holders of the 2018 Notes could institute foreclosure proceedings against the collateral that secures the 2018 Notes on a first-priority basis and secures the obligations under the Revolving Facility on a second-priority basis. Any such actions could force us into bankruptcy or liquidation.

Moreover, the Second A/R Loan Agreement provides the lenders considerable discretion to impose reserves or availability blocks, which could materially impair the amount of borrowings that would otherwise be available to us. There can be no assurance that the lenders under the Revolving Facility will not take such actions during the term of that facility and, further, were they to do so, the resulting impact of such actions could materially and adversely impair our ability to make interest payments on the 2018 Notes, among other matters.

Common Stock Investment Risks

We do not intend to pay dividends on our common stock.

We have not declared or paid any dividends on our common stock to date, and we do not anticipate paying any dividends on our common stock in the foreseeable future. We intend to reinvest all future earnings in the development and growth of our business. In addition, our Second A/R Loan Agreement and the Indenture prohibit us from paying

dividends and future loan agreements may also prohibit the payment of dividends. Any future determination relating to our dividend policy will be at the discretion of our board of directors and will depend on our results of operations, financial condition, capital requirements, business opportunities, contractual restrictions and other factors deemed relevant. To the extent we do not pay dividends on our common stock, investors must look solely to stock appreciation for a return on their investment in our common stock.

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Our stock price may be volatile.

In recent years, the stock market has experienced significant price and volume fluctuations that are often unrelated to the operating performance of specific companies. The market price of our common stock may fluctuate based on a number of factors, including:

- our operating performance and the performance of other similar companies;
- news announcements relating to us or our competitors, the job market in general and unemployment data;
- changes in earnings estimates or recommendations by research analysts;
- changes in general economic conditions;
- the arrival or departure of key personnel;
- acquisitions or other transactions involving us or our competitors; and
- other developments affecting us, our industry or our competitors.

Our amended and restated certificate of incorporation, third amended and restated bylaws and Delaware law contain provisions that could discourage acquisition bids or merger proposals, which may adversely affect the market price of our common stock.

Provisions in our amended and restated certificate of incorporation, our third amended and restated bylaws and applicable provisions of the General Corporation Law of the State of Delaware may make it more difficult or expensive for a third party to acquire control of us even if a change of control would be beneficial to the interests of our stockholders. These provisions could discourage potential takeover attempts and could adversely affect the market price of our common stock. In addition, Delaware law prohibits us from engaging in any business combination with any “interested stockholder,” meaning generally that a stockholder who beneficially owns more than 15% of our common stock cannot acquire us for a period of three years from the date this person became an interested stockholder, unless various conditions are met, such as approval of the transaction by our board of directors.

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PART II

Item 6. Selected Financial Data

The following table provides selected condensed consolidated financial data for the periods shown (in thousands). The data has been derived from our audited consolidated financial statements. Our results are not necessarily indicative of future performance or results of operations. All of the data in the table should be read in conjunction with Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations and our consolidated financial statements and related notes included in this Amendment.

	2015	2014	2013	2012	2011
	(Restated)				
	(in thousands, except per share data)				
FOR THE YEAR					
Revenue	\$974,717	\$703,714	\$598,155	\$517,221	\$428,036
(Loss) income from continuing operations	\$(5,094)	\$21,575	\$(18,273)	\$(24,351)	\$(7,925)
Loss from discontinued operations, net of taxes (1)	\$(320)	\$(993)	\$(1,856)	\$(1,388)	\$(3,778)
Net (loss) income	\$(5,414)	\$20,582	\$(20,129)	\$(25,739)	\$(11,703)
PER SHARE INFORMATION					
Basic (loss) income per share:					
(Loss) income from continuing operations	\$(0.36)	\$1.59	\$(1.42)	\$(2.00)	\$(0.66)
Loss from discontinued operations, net of taxes	(0.02)	(0.07)	(0.14)	(0.11)	(0.31)
Net (loss) income per share - basic	\$(0.38)	\$1.52	\$(1.56)	\$(2.11)	\$(0.97)
Diluted (loss) income per share:					
(Loss) income from continuing operations	\$(0.36)	\$1.55	\$(1.42)	\$(2.00)	\$(0.66)
Loss from discontinued operations, net of taxes	(0.02)	(0.07)	(0.14)	(0.11)	(0.31)
Net (loss) income per share - diluted	\$(0.38)	\$1.48	\$(1.56)	\$(2.11)	\$(0.97)
POSITION AS OF END OF YEAR					
Total assets	\$687,846	\$460,528	\$413,990	\$279,724	\$269,654
Total debt	\$281,749	\$220,437	\$214,144	\$63,459	\$61,086

(1) Our results for 2011 - 2013 have been recast to reflect our Pennsylvania precast operation as discontinued operations, as a result of its reclassification to held for sale effective as of December 31, 2014. We completed the sale of this operation in June 2015.

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Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

Statements we make in the following discussion that express a belief, expectation or intention, as well as those that are not historical fact are forward-looking statements that are subject to various risks, uncertainties and assumptions. Our actual results, performance or achievements, or market conditions or industry results, could differ materially from those we express in the following discussion as a result of a variety of factors, including the risks and uncertainties to which we refer under the headings "Cautionary Statement Concerning Forward-Looking Statements" preceding Item 1 of this report and "Risk Factors" in Item 1A of this Amendment.

Restatement

We filed our Annual Report on Form 10-K for the year ended December 31, 2015 on March 4, 2016 (the "Original Report"). This Amendment No. 1 on Form 10-K/A (this "Amendment") is being filed to restate our 2015 consolidated financial statements to:

eliminate from our consolidated balance sheet as of December 31, 2015, a \$24.8 million deferred tax asset (the "Deferred Tax Asset") related to our outstanding common stock purchase warrants (the "Warrants", which Warrants are described more fully in note 15 to our consolidated financial statements included with this Amendment), and increase income tax expense by \$24.8 million in our consolidated statement of operations for the year ended December 31, 2015; and

eliminate a \$6.1 million tax deduction (the "Tax Deduction") included in income tax benefit in our consolidated statement of operations for the year ended December 31, 2015 and increase accrued liabilities by \$5.9 million and decrease prepaid expenses by \$0.2 million in our consolidated balance sheet as of December 31, 2015 related to the exercise of Warrants during 2015.

Prior to the fourth quarter of 2015, we maintained a valuation allowance on our net deferred tax assets because we were still in a three year cumulative loss position. During the fourth quarter of 2015, we concluded that the valuation allowance on a portion of our net deferred tax assets could be reversed (as described more fully in Note 16 to our consolidated financial statements included with this Amendment). We reflected the reversal of the valuation allowance in our consolidated statement of operations for the year ended December 31, 2015 and, therefore, the Deferred Tax Asset had no valuation allowance recorded against it as of December 31, 2015. Due to the prior valuation allowance, there is no net impact from these adjustments to our consolidated balance sheets, consolidated statements of operations, consolidated statements of changes in equity, or consolidated statements of cash flow for any quarterly or annual period prior to December 31, 2015. As a result, we will not restate our consolidated financial statements for any periods prior to 2015, but will restate the prior periods tax footnote disclosures within our 2015 consolidated financial statements.

Management and the Audit Committee of the Company's Board of Directors concluded that the Deferred Tax Asset was based on a tax position that did not meet the required more likely than not threshold in order to be recorded on the consolidated balance sheet in accordance with the Financial Accounting Standards Board's Accounting Standards Codification Topic 740 (Income Taxes) ("ASC 740"), and that the Deferred Tax Asset and related Tax Deduction were accordingly recorded in error. Management and the Audit Committee further concluded that the Deferred Tax Asset and Tax Deduction should be reversed and a liability for resulting potential tax liabilities should be recorded, following generally accepted accounting principles based on ASC 740.

Management has evaluated the effect of the restatement on its prior conclusions on the effectiveness of the Company's internal control over financial reporting and disclosure controls and procedures as of December 31, 2015. In connection with management's re-evaluation of the effectiveness of the Company's internal control over financial reporting as of December 31, 2015, management determined that the Company did not maintain effective controls over the accuracy and presentation of the accounting for income taxes, including the income tax provision and related tax assets and liabilities. We have amended our disclosures pertaining to management's evaluation of such controls and

procedures in this Amendment to report a material weakness in those controls.

Our Business

We are a leading producer of ready-mixed concrete in select geographic markets in the United States. We operate our business through two primary segments: (i) ready-mixed concrete and (ii) aggregate products. The results of operations for our Pennsylvania precast operation, which was sold on June 2, 2015, have been included in discontinued operations for the periods presented.

Ready-mixed concrete. Our ready-mixed concrete segment (which represented 89.9% of our revenue for the year ended December 31, 2015) engages principally in the formulation, production and delivery of ready-mixed concrete to our customers' job sites. We provide our ready-mixed concrete from our operations in Texas, northern California, New Jersey, New York,

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Washington, D.C., Oklahoma, and the U.S. Virgin Islands. Ready-mixed concrete is a highly versatile construction material that results from combining coarse and fine aggregates, such as gravel, crushed stone and sand, with water, various chemical admixtures and cement. We also provide services intended to reduce our customers' overall construction costs by lowering the installed, or "in-place," cost of concrete. These services include the formulation of mixtures for specific design uses, on-site and lab-based product quality control, and customized delivery programs to meet our customers' needs.

Aggregate products. Our aggregate products segment (which represented 3.5% of our revenue for the year ended December 31, 2015, excluding \$26.2 million of intersegment sales) produces crushed stone, sand and gravel from 14 aggregates facilities located in New Jersey, Texas, Oklahoma, and the U.S. Virgin Islands. We sell these aggregates for use in commercial, industrial and public works projects, as well as consume them internally in the production of ready-mixed concrete. We produced approximately 4.7 million tons of aggregates during the year ended December 31, 2015, with Texas representing 51%, New Jersey representing 47%, and the U.S. Virgin Islands representing 2% of the total production. We consumed 50% of our aggregate production internally and sold 50% to third-party customers in 2015. We believe our aggregates reserves provide us with additional raw materials sourcing flexibility and supply availability. In addition, we own sand pit operations in Michigan and one quarry in west Texas, which we lease to third parties and receive a royalty based on the volumes produced and sold during the terms of the leases.

Overview

The geographic markets for our products are generally local, and our operating results are subject to fluctuations in the level and mix of construction activity that occur in our markets. The level of activity affects the demand for our products, while the product mix of activity among the various segments of the construction industry affects both our relative competitive strengths and our operating margins. Commercial and industrial projects generally provide more opportunities to sell value-added products that are designed to meet the high-performance requirements of those types of projects.

Our customers are generally involved in the construction industry, which is a cyclical business and is subject to general and more localized economic conditions. In addition, our business is impacted by seasonal variations in weather conditions, which vary by regional market. Accordingly, because of inclement weather, demand for our products and services during the winter months are typically lower than in other months of the year. Also, sustained periods of inclement weather and other adverse weather conditions could cause the delay of construction projects during other times of the year.

From 2007 through 2011, construction slowed significantly, which resulted in a decline in the demand for ready-mixed concrete. However, construction and related demand for ready-mixed concrete has improved since 2011. For the year ended December 31, 2015, our ready-mixed concrete sales volume increased 23.6% to 7.0 million cubic yards from 5.7 million cubic yards for the year ended December 31, 2014. Sales volume for the year ended December 31, 2015 was up in all of our major markets, except west Texas, as compared to the year ended December 31, 2014 primarily due to increased construction activity and ready-mixed segment acquisitions completed in 2015 and 2014. Volume in our west Texas market has decreased slightly due to the decline in WTI prices. For the year ended December 31, 2015, we estimate that there was no direct impact and less than a 3.0% indirect impact on revenue in our Texas markets by the decline in WTI prices.

Total ready-mixed concrete revenue in all of our markets rose due to recent acquisitions and increased average selling price. Our consolidated average ready-mixed concrete sales prices rose 11.8% from 2014 to 2015, resulting in the 5th consecutive fiscal year of increased average selling prices. Higher volumes have allowed us to spread our fixed costs over more cubic yards. However, we also experienced higher cement and aggregate costs during fiscal year 2015, which have partially offset these improvements. We continue to closely monitor our operating costs and capital

expenditures.

Basis of Presentation

We operate our business in two reportable segments: (1) ready-mixed concrete and (2) aggregate products. Our ready-mixed concrete segment produces and sells ready-mixed concrete. This segment serves the following principal markets: Texas, northern California, New York, New Jersey, Washington, D.C., Oklahoma, and the U.S. Virgin Islands. Our aggregate products segment sells crushed stone, sand and gravel products and serves north and west Texas, southern Oklahoma, New York, New Jersey, and the U.S. Virgin Islands markets in which our ready-mixed concrete segment operates.

Our chief operating decision maker evaluates segment performance and allocates resources based on Adjusted EBITDA. We define Adjusted EBITDA as net income (loss) from continuing operations excluding interest, income taxes, depreciation, depletion and amortization, derivative gain (loss), gain (loss) on revaluation of contingent consideration, and gain (loss) on extinguishment of debt. Additionally, Adjusted EBITDA is adjusted for items similar to certain of those used in calculating the Company's compliance with debt covenants. The additional items that are adjusted to determine our Adjusted EBITDA are:

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non-cash stock compensation expense;
corporate officer severance expense; and
acquisition-related professional fees.

We consider Adjusted EBITDA an indicator of the operational strength and performance of our business. We have included Adjusted EBITDA because it is a key financial measure used by our management to (i) internally measure our operating performance and (ii) assess our ability to service our debt, incur additional debt and meet our capital expenditure requirements.

Adjusted EBITDA should not be construed as an alternative to, or a better indicator of, net income or loss, is not based on accounting principles generally accepted in the United States of America ("U.S. GAAP"), and is not necessarily a measure of our cash flows or ability to fund our cash needs. Our measurements of Adjusted EBITDA may not be comparable to similarly titled measures reported by other companies. See Note 19, "Business Segments," to our consolidated financial statements included in this Amendment for additional information regarding our segments and the reconciliation of Adjusted EBITDA to income (loss) from continuing operations before taxes.

In June 2015, we completed the sale of our one remaining precast concrete operation in Pennsylvania. This operation's assets and liabilities were classified as held for sale in the accompanying consolidated balance sheet effective as of December 31, 2014. The results of operations for our Pennsylvania precast operations are included in discontinued operations for the periods presented.

Liquidity and Capital Resources

Our primary liquidity needs over the next 12 months consist of (i) financing seasonal working capital requirements; (ii) servicing our indebtedness; (iii) purchasing property and equipment; and (iv) payments related to strategic acquisitions. Our portfolio strategy includes strategic acquisitions and divestitures in various regions and markets; and we may seek financing for acquisitions, including additional debt or equity capital.

Our working capital needs are typically at their lowest level in the first quarter, increase in the second and third quarters to fund increases in accounts receivable and inventories during those periods, and then decrease in the fourth quarter. Availability under the Second A/R Loan Agreement is governed by a borrowing base primarily determined by our eligible accounts receivable, inventory, mixer trucks and, after the occurrence of certain events, machinery (described below). While our working capital needs are typically at their lowest in the first quarter, our borrowing base also typically declines during the first quarter due to lower accounts receivable balances as a result of normal seasonality of our business caused by weather.

Our availability under the Second A/R Loan Agreement at December 31, 2015 increased to \$131.2 million from \$109.8 million at December 31, 2014 under the 2013 Loan Agreement (as defined below), primarily due to increases in eligible accounts receivable and eligible truck balances as well as changes in the Second A/R Loan Agreement in November 2015 which increased the revolving commitments from \$175.0 million to \$250.0 million. These increases were partially offset by increased borrowings under the Revolving Facility. Borrowings outstanding under the Revolving Facility were \$45.0 million as of December 31, 2015. We had no borrowings outstanding under the Revolving Facility as of December 31, 2014.

Our projection of our cash needs is based upon many factors, including without limitation, our forecasted volume, pricing, cost of materials and capital expenditures. Based on our projected cash needs, we believe that the Revolving Facility and cash generated from operations will provide us with sufficient liquidity in the ordinary course of business, not including potential acquisitions. If, however, the Revolving Facility and our operating cash flows are not adequate

to fund our operations, we would need to obtain an amendment to the Second A/R Loan Agreement, seek other equity or debt financing to provide additional liquidity, or sell assets.

The principal factors that could adversely affect the amount of our internally generated funds include:

- deterioration of revenue, due to lower volume and / or pricing, because of weakness in the markets in which we operate;
- declines in gross margins due to shifts in our product mix or increases in the cost of our raw materials and fuel;
- any deterioration in our ability to collect our accounts receivable from customers as a result of weakening in construction demand or payment difficulties experienced by our customers; and
- inclement weather beyond normal patterns that could affect our sales volumes.

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The following key financial measurements reflect our financial position and capital resources as of December 31, 2015 and 2014 (dollars in thousands):

	2015 (Restated)	2014
Cash and cash equivalents	\$3,925	\$30,202
Working capital	\$(16,771)	\$62,929
Total debt	\$281,749	\$220,437

Our cash and cash equivalents consist of highly liquid investments and deposits we hold at major financial institutions.

The discussion that follows provides a description of our arrangements relating to our outstanding indebtedness.

Senior Secured Notes due 2018

On November 22, 2013, we sold \$200.0 million of 2018 Notes. We used a portion of the net proceeds from the 2018 Notes to repay all of the outstanding borrowings under the Revolving Facility and to redeem all our outstanding 9.5% senior secured notes due 2015 (the "2013 Notes").

The 2018 Notes are governed by the Indenture dated as of November 22, 2013, by and among the Company and U.S. Bank National Association, as trustee and noteholder collateral agent (the "Notes Collateral Agent"). We are obligated to pay interest on the 2018 Notes on June 1 and December 1 of each year. The 2018 Notes mature on December 1, 2018, and are redeemable at our option prior to maturity at prices specified in the Indenture. The Indenture contains negative covenants that restrict our ability and our restricted subsidiaries' ability to engage in certain transactions, as described below, and also contains customary events of default.

The Indenture contains covenants that restrict or limit our ability to, among other things:

- incur additional indebtedness or issue disqualified stock or preferred stock;
- pay dividends or make other distributions or repurchase or redeem our stock or subordinated indebtedness or make investments;
- prepay, redeem or repurchase certain debt;
- sell assets or issue capital stock of our restricted subsidiaries;
- incur liens;
- enter into agreements restricting our restricted subsidiaries' ability to pay dividends, make loans to other U.S. Concrete entities or restrict the ability to provide liens;
- enter into transactions with affiliates;
- consolidate, merge or sell all or substantially all of our assets;
- engage in certain sale / leaseback transactions; and
- designate our subsidiaries as unrestricted subsidiaries.

As defined in the Indenture, we are entitled to incur indebtedness if, on the date of such incurrence and given effect thereto on a pro forma basis, the consolidated coverage ratio exceeds 2.0 to 1.0.

Our obligations under the 2018 Notes are jointly and severally and fully and unconditionally guaranteed on a senior secured basis by all of our domestic subsidiaries that guarantee the indebtedness under our Revolving Facility. Each guarantee is subject to release in the following customary circumstances:

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a disposition of all or substantially all of the assets of the guarantor subsidiary, by way of merger, consolidation or otherwise; provided the proceeds of the disposition are applied in accordance with the Indenture;

a disposition of the capital stock of the guarantor subsidiary to a third person, if the disposition complies with the Indenture and as a result the guarantor subsidiary ceases to be a restricted subsidiary;

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the designation by us of the guarantor subsidiary as an unrestricted subsidiary or the guarantor subsidiary otherwise ceases to be a restricted subsidiary, in each case in accordance with the Indenture; or

legal or covenant defeasance of the 2018 Notes and discharge of our obligations under the Indenture.

The 2018 Notes were issued by U.S. Concrete, Inc., the parent company, and are guaranteed on a full and unconditional basis by each of its domestic wholly owned subsidiaries. The guarantees are joint and several. U.S. Concrete, Inc. does not have any independent assets or operations, and none of its foreign subsidiaries guarantee the 2018 Notes. There are no significant restrictions on the ability of the Company or any guarantor to obtain funds from its subsidiaries by dividend or loan. For additional information regarding our guarantor and non-guarantor subsidiaries, see the information set forth in Note 24, "Supplemental Condensed Consolidating Financial Statements," to our consolidated financial statements included in this Amendment.

The 2018 Notes and the guarantees thereof rank equally in right of payment with all of our existing and future senior indebtedness. The 2018 Notes and the guarantees thereof are secured by first-priority liens on certain of the property and assets directly owned by us, including material owned real property, fixtures, intellectual property, capital stock of subsidiaries and certain equipment, subject to permitted liens and certain exceptions, and by a second-priority lien on our assets securing the Revolving Facility on a first-priority basis, including inventory (including as-extracted collateral), accounts, certain specified mixer trucks, chattel paper, general intangibles (other than collateral securing the 2018 Notes on a first-priority basis), instruments, documents, cash, deposit accounts, securities accounts, commodities accounts, letter of credit rights and all supporting obligations and related books and records and all proceeds and products of the foregoing, subject to permitted liens and certain exceptions. The 2018 Notes and the guarantees thereof are effectively subordinated to all indebtedness and other obligations, including trade payables, of each of our future subsidiaries that are not guarantors.

Senior Secured Credit Facility

On October 29, 2013, we entered into a Loan and Security Agreement (the "2013 Loan Agreement") with the Lenders and the administrative agent, which amended and restated our existing credit agreement and provides us with the Revolving Facility. On November 18, 2015, we entered into the Second A/R Loan Agreement which amended and restated the 2013 Loan Agreement. Among other things, the Second A/R Loan Agreement increased the revolving commitments from \$175.0 million to \$250.0 million and extended the maturity date to the earlier of (i) November 18, 2020 or (ii) sixty days prior to the maturity date of the 2018 Notes (if then outstanding) or the refinancing of debt thereof, as applicable. The Second A/R Loan Agreement also included an accordion feature that allows for increases in the total revolving commitments by as much as \$100.0 million. Additionally, the applicable margin for each of the LIBOR loans and base rate loans was lowered so that, depending on the average availability under the Second A/R Loan Agreement, the applicable margin ranges from 1.25% to 1.75% for LIBOR loans and 0.00% to 0.50% for base rate loans. As of December 31, 2015, we had \$45.0 million of outstanding borrowings on the Second A/R Loan Agreement. The weighted average interest rate for the Second A/R Loan Agreement was 1.77% as of December 31, 2015. As of December 31, 2014, we had no outstanding borrowings under the Revolving Facility. As of both December 31, 2015 and 2014, we had \$11.3 million of undrawn standby letters of credit under the Revolving Facility.

Our actual maximum credit availability under the Revolving Facility varies from time to time and is determined by calculating the value of our eligible accounts receivable, inventory, mixer trucks and, after the occurrence of certain events, machinery, which serve as priority collateral on the facility, minus reserves imposed by the Lenders and other adjustments, all as specified in the Second A/R Loan Agreement and discussed further below. Our availability under the Revolving Facility at December 31, 2015 increased to \$131.2 million from \$109.8 million at December 31, 2014. The Second A/R Loan Agreement also contains a provision for discretionary over-advances and involuntary protective advances by Lenders of up to \$25.0 million in excess of calculated borrowing base levels. The Second A/R

Loan Agreement provides for swingline loans, up to a \$15.0 million sublimit, and letters of credit, up to a \$30.0 million sublimit.

Advances under the Revolving Facility are in the form of either base rate loans or “LIBOR loans” denominated in U.S. dollars. The interest rate for base rate loans denominated in U.S. dollars fluctuates and is equal to the greater of (a) Bank of America’s prime rate; (b) the Federal funds rate, plus 0.50%; or (c) the rate per annum for a 30 days interest period equal to the British Bankers Association LIBOR Rate, as published by Reuters at approximately 11:00 a.m. (London time) two business days prior (“LIBOR”), plus 1.0%; in each case plus the Applicable Margin, as defined in the Second A/R Loan Agreement. The interest rate for LIBOR loans denominated in U.S. dollars is equal to the rate per annum for the applicable interest period equal to LIBOR, plus the Applicable Margin, as defined in the Second A/R Loan Agreement. Issued and outstanding letters of credit are subject to a fee equal to the Applicable Margin, as defined in the Second A/R Loan Agreement, a fronting fee equal to 0.125% per annum on the stated amount of such letter of credit, and customary charges associated with the issuance and administration of letters of credit. Among other fees, we pay a commitment fee of either 0.25% or 0.375% per annum (due monthly) on the aggregate unused revolving commitments under the Revolving Facility. The fee we pay is determined by whether the amount of the unused line is

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above or below 50% of the aggregate Revolver Commitments, as defined in the Second A/R Loan Agreement. The Applicable Margin ranges from 0.00% to 0.50% for base rate loans and from 1.25% to 1.75% for LIBOR loans, and is determined based on Average Availability for the most recent fiscal quarter, as defined in the Second A/R Loan Agreement.

Up to \$30.0 million of the Revolving Facility is available for the issuance of letters of credit, and any such issuance of letters of credit will reduce the amount available for loans under the Revolving Facility. Advances under the Revolving Facility are limited by a borrowing base which is equal to the least of (a) the aggregate amount of Revolver Commitments minus the LC Reserve, the Senior Notes Availability Reserve, and the Tax Amount, all as defined in the Second A/R Loan Agreement, (b) the sum of (i) 90% of the face amount of eligible accounts receivable (reduced to 85% under certain circumstances), plus (ii) the lesser of (x) 70% of the value of eligible inventory or (y) 90% of the product of (A) the net orderly liquidation value of inventory divided by the value of the inventory and (B) multiplied by the value of eligible inventory, and (iii) the sum of (x) (A) 85% of the net orderly liquidation value (as determined by the most recent appraisal) of eligible trucks and machinery plus (B) 80% of the cost of newly acquired eligible trucks since the date of the latest appraisal of eligible trucks minus (C) 85% of the net orderly liquidation value of eligible trucks and machinery that have been sold since the latest appraisal date and 85% of the depreciation amount applicable to eligible trucks and machinery since the date of the latest appraisal of eligible trucks and machinery, plus (y) (A) 85% of the net orderly liquidation value of eligible machinery (as determined by the most recent appraisal), minus (B) 85% of the net orderly liquidation value of eligible machinery that have been sold since the date of the latest appraisal of eligible machinery, minus (C) 85% of the depreciation amount applicable to eligible machinery, minus the Availability Reserve, minus the Tax Amount; provided, notwithstanding anything herein to the contrary, in determining the Borrowing Base pursuant to this clause (b), the value of machinery shall only be included after a refinancing of, or amendment to, the 2018 Notes such that the Revolving Facility will have a first lien on machinery, and the Borrowing Base attributable to the eligible truck and eligible machinery shall not exceed the amount equal to thirty percent (30%) of the Borrowing Base as of such date of determination; or (c) the amount of a borrowing base set forth in the 2018 Notes, minus the greater of (i) \$10.0 million and (ii) the amount equal to 5% of such borrowing base set forth in the 2018 Notes; provided however, in any event, clause (c) of the definition of borrowing base shall be permanently terminated if the 2018 Senior Notes have been amended or refinanced, in each case with the effect that the ABL cap amount in the applicable intercreditor agreement and/or the documentation governing such refinancing debt shall be no less than 110% of the aggregate Revolver Commitments (terms used in the foregoing description of borrowing base shall have the definitions provided in the Second A/R Loan Agreement). The administrative agent may, in its permitted discretion, reduce the advance rates set forth above, adjust reserves or reduce one or more of the other elements used in computing the borrowing base.

The Second A/R Loan Agreement contains usual and customary negative covenants including, but not limited to, restrictions on our ability to consolidate or merge; substantially change the nature of our business; sell, lease or otherwise transfer any of our assets; create or incur indebtedness; create liens; pay dividends; and make investments or acquisitions. The negative covenants are subject to certain exceptions as specified in the Second A/R Loan Agreement. The Second A/R Loan Agreement also requires that we, upon the occurrence of certain events, maintain a fixed charge coverage ratio of at least 1.0 to 1.0 for each period of 12 calendar months, as determined in accordance with the Second A/R Loan Agreement. For the trailing 12 month period ended December 31, 2015, our fixed charge coverage ratio was 3.58 to 1.0. As of December 31, 2015, we were in compliance with all covenants under the Second A/R Loan Agreement.

The Second A/R Loan Agreement also includes customary events of default, including, among other things, payment default, covenant default, breach of representation or warranty, bankruptcy, cross-default, material ERISA events, change of control, material money judgments and failure to maintain subsidiary guarantees.

The Second A/R Loan Agreement is secured by a first-priority lien on certain assets of the Company and our guarantors, including inventory (including as-extracted collateral), accounts receivable, certain specified mixer trucks, general intangibles (other than collateral securing the 2018 Notes on a first-priority basis, as described above), instruments, documents, chattel paper, cash, deposit accounts, securities accounts, commodities accounts, letter of credit rights and all supporting obligations and related books and records and all proceeds and products of the foregoing, subject to permitted liens and certain exceptions. The Second A/R Loan Agreement is also secured by a second-priority lien on the collateral securing the 2018 Notes as defined below on a first-priority basis (see “Senior Secured Notes due 2018” above).

Other Debt

From 2013 through 2015, we signed a series of promissory notes with Daimler Truck Financial for the purchase of drum mixer trucks and other machinery and equipment totaling \$25.3 million aggregate principal with fixed annual interest rates ranging from 2.50% to 3.18%, payable monthly for a term of five years. Also, from 2013 through 2015, we entered into lease agreements with various lenders for the purchase of mixer trucks and other machinery and equipment for a total commitment of \$20.2 million, with fixed annual interest rates ranging from 2.60% to 4.80%, payable monthly for a term ranging from four to five years. The lease

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agreements include a one dollar buyout option at the end of the lease term. Accordingly, these financings have been classified as capital leases.

On August 31, 2010, we issued \$55.0 million aggregate principal amount of 9.5% Convertible Notes due 2015 (the "Convertible Notes") pursuant to a subscription offering contemplated by our plan of reorganization (the "Plan"). Under the terms of the indenture governing the Convertible Notes, interest accrued at a rate of 9.5% per annum and was payable quarterly in cash in arrears. The notes matured and were paid on August 31, 2015. Concurrently with the issuance of the notes, we recorded a discount of approximately \$13.6 million related to an embedded derivative that was bifurcated and separately valued (see Note 11, "Derivatives" to our consolidated financial statements included in this report). This discount was accreted over the term of the Convertible Notes and included in interest expense prior to the Conversion Event, as described below.

On March 22, 2013, we completed our offer to exchange (the "Exchange Offer") up to \$69.3 million aggregate principal amount of newly issued 2013 Notes for all \$55.0 million aggregate principal amount of our Convertible Notes. At the time of settlement, we issued \$61.1 million aggregate principal amount of 2013 Notes in exchange for \$48.5 million of Convertible Notes, plus approximately \$0.3 million in cash for accrued and unpaid interest on the Convertible Notes exchanged in the Exchange Offer. After giving effect to the exchange, \$6.5 million aggregate principal amount of Convertible Notes remained outstanding as of March 22, 2013. In November 2013, we used a portion of the proceeds from our 2018 Notes offering to redeem all \$61.1 million of our outstanding 2013 Notes.

In accordance with the indenture governing the Convertible Notes, we provided a Conversion Event Notice, as defined in the indenture, to the remaining holders of Convertible Notes on June 18, 2013. Holders had until the close of business on August 2, 2013 (as defined in the indenture, the "Conversion Termination Date") to tender their Convertible Notes for shares of common stock. Prior to August 3, 2013, holders tendered \$6.4 million of Convertible Notes and were issued 0.6 million shares of our common stock. As of August 3, 2013, the remaining Convertible Notes no longer include a conversion feature and ceased to accrue interest. Our remaining Convertible Notes of \$0.1 million were repaid on August 31, 2015.

For additional information regarding our arrangements relating to outstanding indebtedness, see the information set forth in Note 9, "Debt," to our consolidated financial statements included in this Amendment.

Fair Value of Financial Instruments

Our financial instruments consist of cash and cash equivalents, trade receivables, trade payables, long-term debt, other long-term obligations, and derivative liabilities. We consider the carrying values of cash and cash equivalents, trade receivables and trade payables to be representative of their respective fair values because of their short-term maturities or expected settlement dates. The carrying value of outstanding amounts under our Revolving Facility approximates fair value due to the floating interest rate. The fair value of our 2018 Notes was estimated to be \$207.0 million and \$209.0 million as of December 31, 2015 and 2014, respectively, based on broker / dealer quoted market prices. Our Convertible Notes were repaid on August 31, 2015.

The fair value of our warrants that were issued on August 31, 2010 (the "Warrants") was \$67.4 million and \$25.2 million at December 31, 2015 and 2014, respectively. The fair value of our contingent consideration obligations associated with acquisitions was \$30.1 million at December 31, 2015 and \$5.3 million at December 31, 2014. See (i) Note 11, "Derivatives," to our consolidated financial statements included in this Amendment for further information regarding our derivative liabilities, (ii) Note 12, "Other Long-Term Obligations and Deferred Credits," regarding our contingent consideration obligations, (iii) Note 13, "Fair Value Disclosures," regarding our fair value disclosure and (iv) Note 15, "Warrants," regarding the Warrants.

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Cash Flow

The net cash provided by or used in our operating, investing and financing activities is presented below (in thousands):

	Years Ended December 31,		
	2015	2014	2013
	(Restated)		
Net cash provided by (used in):			
Operating activities	\$ 104,261	\$ 50,915	\$ 24,180
Investing activities	(157,835)	(118,478)	(26,104)
Financing activities	27,297	(14,902)	109,840
Net (decrease) increase in cash	\$(26,277)	\$(82,465)	\$ 107,916

Our net cash provided by operating activities generally reflects the cash effects of transactions and other events used in the determination of net income or loss.

Net cash provided by operating activities was \$104.3 million for the year ended December 31, 2015, compared to \$50.9 million for the year ended December 31, 2014 and \$24.2 million for the year ended December 31, 2013. Our cash provided by operating activities in 2015 was favorably impacted by significant non-cash expenses included in our 2015 net loss; primarily \$60.0 million of non-cash loss on derivative, \$43.6 million of depreciation, depletion and amortization, and \$5.8 million of non-cash stock compensation expense. Partially offsetting this was \$12.6 million of deferred income tax benefit and \$5.8 million provided by working capital changes.

Our cash provided by operating activities in 2014 of \$50.9 million was favorably impacted by our net income for the year of \$20.6 million as well as the impact of significant non-cash expenses that were included in our 2014 net income; primarily \$23.8 million of depreciation, depletion and amortization, \$3.7 million of non-cash stock compensation expense, and \$3.6 million of non-cash loss on derivative. Partially offsetting this was \$4.9 million used to fund working capital changes.

Our cash provided by operating activities in 2013 was \$24.2 million which was also favorably impacted by significant non-cash expenses included in our 2013 net loss; primarily \$30.0 million of non-cash loss on derivative, \$19.0 million of depreciation, depletion and amortization, \$5.4 million of non-cash stock compensation expense, and \$2.2 million of non-cash amortization of debt issuance costs, partially offset by \$1.0 million of non-cash gain on extinguishment of debt, and \$14.1 million used to fund working capital changes.

We used \$157.8 million to fund investing activities in 2015, \$118.5 million in 2014, and \$26.1 million in 2013. During 2015, we paid \$135.3 million to fund eight acquisitions compared to \$89.6 million paid to fund nine acquisition in 2014 and \$4.4 million paid to fund one acquisition in 2013. In addition, we paid \$25.0 million in 2015 for purchases of plant improvements, plant equipment, drum mixer trucks, and other rolling stock compared to \$32.6 million in 2014 and \$20.0 million in 2013. Additionally, in 2015, we received \$1.2 million related to the disposal of business units, primarily for the sale of assets in west Texas and the sale of our one remaining precast concrete operation in Pennsylvania. There were no proceeds from disposal of business units in 2014, and we paid \$2.3 million in 2013 to Oldcastle Precast, Inc. and Jensen Enterprises, Inc., dba Jensen Precast related to the re-acquisition of certain assets and settlement of certain liabilities associated with the disposal of our California and Arizona precast operations in 2012.

Our net cash provided by financing activities was \$27.3 million in 2015 compared to \$14.9 million used in financing activities in 2014 and \$109.8 million provided by financing activities in 2013. Financing activities in 2015 included

\$45.0 million of net borrowings under our Revolving Facility to operate our business and fund acquisitions. In addition, we repaid \$8.6 million of capital leases and notes used to fund capital expenditures, paid \$6.3 million for the purchase of treasury shares related to our restricted stock grants, and made the second earn-out payment to the former owners of Bode Gravel Co. and Bode Concrete LLC (the "Bode Earn-out") for \$2.3 million. Financing activities in 2014 included the repayment of \$5.2 million of capital leases and notes used to fund capital expenditures, \$4.8 million for the repurchase of our common stock under our share repurchase program, and \$2.3 million for the first payment on the Bode Earn-out. Financing activities in 2013 included the proceeds from our \$200.0 million 2018 Notes offering, net of related debt issuance costs, redemption of \$61.1 million aggregate principal of our 2013 Notes, and repayment of existing borrowings under our Revolving Facility.

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Off-Balance Sheet Arrangements

We do not currently have any off-balance sheet arrangements that have, or are reasonably likely to have, a current or future effect on our financial condition, revenue or expenses, results of operations, liquidity, capital expenditures or capital resources that is material to investors. From time to time, we may enter into noncancelable operating leases that would not be reflected on our balance sheet. For additional discussion on our operating leases, see Note 22, "Commitments and Contingencies," to our consolidated financial statements included in this Amendment.

Commitments

The following are our contractual commitments associated with our indebtedness, lease obligations, and contingent consideration and deferred payment obligations related to our acquisitions as of December 31, 2015 (in millions):

	Total	Less Than 1 Year	1-3 Years	3-5 Years	More Than 5 Years
Contractual obligations					
Principal on debt	\$281.7	\$9.4	\$263.4	\$8.8	\$0.1
Interest on debt ⁽¹⁾	53.5	18.2	35.1	0.2	—
Operating leases	65.6	13.5	23.2	10.7	18.2
Contingent consideration ⁽²⁾	41.3	3.0	12.7	16.8	8.8
Deferred consideration payments ⁽³⁾	10.6	4.9	4.8	0.3	0.6
Total	\$452.7	\$49.0	\$339.2	\$36.8	\$27.7

(1) Consists of estimated interest payments due under the 2018 Notes, capital leases, and other borrowings.

Consists of estimated fair value of contingent consideration obligations, including accretion, associated with acquisitions completed from 2012 through 2015. The fair value of estimated payouts is based on probability

(2) weighted assumptions related to the achievement of various contractual provisions. As more fully described in Note 13, "Fair Value Disclosures," to our consolidated financial statements, changes in the fair value of these obligations will occur prior to the final payment in 2021.

(3) Consists of deferred consideration obligations, including accretion, associated with acquisitions completed in 2014 and 2015 with terms ranging from one to 10 years.

The following are our commercial commitments as of December 31, 2015 (in millions):

	Total	Less Than 1 Year	1-3 Years	3-5 Years	More Than 5 Years
Other commercial commitments					
Standby letters of credit	\$11.3	\$11.3	\$—	\$—	\$—
Performance bonds	16.4	4.8	11.6	—	—
Total	\$27.7	\$16.1	\$11.6	\$—	\$—

The following long-term liabilities included on the consolidated balance sheet are excluded from the table above: accrued employment costs, income tax contingencies, insurance accruals and other accruals. Due to the nature of these accruals, the estimated timing of such payments (or contributions in the case of certain accrued employment costs) for these items is not predictable. As of December 31, 2015, the total unrecognized tax benefit related to uncertain tax positions was \$35.0 million. We believe it is unlikely a reduction in our uncertain tax positions will occur within the next 12 months.

Acquisitions

On February 23, 2015, we acquired the equity of Right Away, located in Oakland, California. The purchase price was \$18.0 million in cash, plus closing adjustments of \$0.8 million, final working capital adjustments of \$1.1 million, and potential future earn-out payments of up to \$6.0 million based on the achievement of certain defined annual volume thresholds over a six-year period (the "Right Away Earn-out"). We funded the purchase with cash on hand. The acquisition included four ready-mixed concrete facilities, 49 mixer trucks and a fleet of transfer trucks used to transport cement and aggregates. The acquisition expanded our business in our existing northern California market.

On April 1, 2015, we acquired the equity of Ferrara Bros., located in New York, New York. We acquired the equity of Ferrara Bros. for \$45.0 million in cash, approximately 442,000 shares of our common stock, calculated in accordance with the terms of the share purchase agreement ("SPA"), and valued at approximately \$15.1 million on the date of issuance, less final working capital adjustments of \$0.9 million, plus potential incentive awards in the form of equity of up to \$35.0 million based on the achievement

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of certain EBITDA thresholds, as defined in the SPA, over a four-year period beginning in 2017 ("Ferrara Bros. Contingent Consideration"). We funded the purchase through a combination of cash on hand and borrowings under our Revolving Facility. Ferrara Bros. operates six ready-mixed concrete plants at its four facilities in New York and New Jersey and a fleet of 89 mixer trucks. The acquisition expanded our presence in the New York metropolitan market and allows us to more effectively serve construction projects in Manhattan.

On May 21, 2015, we acquired the equity of Colonial, located in Newark, New Jersey. The purchase price was \$15.0 million in cash, plus closing adjustments of \$0.2 million. We funded the purchase through a combination of cash on hand and borrowings under our Revolving Facility. The acquisition included four ready-mixed concrete plants at three locations and a fleet of approximately 40 mixer trucks. The acquisition expanded our business in the New York metropolitan and northern New Jersey markets.

On May 29, 2015, we acquired the assets of DuBrook, located in Chantilly, Virginia, part of the greater Washington, D.C. metropolitan area. The purchase price was \$11.5 million in cash, plus potential future earn-out payments based on volumes sold over a four-year period (the "DuBrook Earn-out"). The DuBrook Earn-out payments are not capped; however, we do not expect total payments to be in excess of \$1.0 million. We funded the purchase through a combination of cash on hand and borrowings under our Revolving Facility. The acquisition included three ready-mixed concrete plants and a fleet of 42 mixer trucks. The purchase of these assets expanded our existing business in the Washington, D.C. metropolitan area.

On September 24, 2015, we acquired Wantage reserves, a site development quarry including an 80 acre quarry along with mining rights to an additional 77 acres of land located in Hamburg, New Jersey, from Bicsak Brothers Realty, LLC and Wantage Stone, LLC. We have operated the Wantage quarry under a lease agreement since October 2014. The purchase price was \$15.2 million in cash plus deferred payments of \$3.0 million payable over a three-year period. We funded the purchase through a combination of cash on hand and borrowings under our Revolving Facility. This acquisition expanded our aggregates operations in our New York and New Jersey markets.

On October 27, 2015, we acquired the equity of Heavy, a vertically integrated ready-mixed concrete producer located in the U.S. Virgin Islands. We acquired the equity of Heavy for \$21.7 million in cash, less purchase adjustments of \$0.8 million, plus deferred payments of \$5.0 million, which will be paid over a two year period. We funded the purchase through a combination of cash on hand and borrowings on our Revolving Facility. Heavy operates four ready-mixed concrete plants, a fleet of 32 mixer trucks, and two quarries. Heavy also leases an industrial waterfront property that it utilizes as a marine terminal and sales yard. This acquisition expands our ready-mixed concrete and aggregates operations into new markets in the Caribbean islands.

During the year ended December 31, 2015, we also completed two other individually immaterial acquisitions comprised of two sand and gravel operations near Vernon, Texas and Waurika, Oklahoma and a ready-mixed concrete operation in the U.S. Virgin Islands. The aggregate consideration paid consisted of \$12.9 million in cash and \$1.9 million in deferred payments payable within ten years. We funded these purchases through a combination of cash on hand and borrowings under our Revolving Facility. The acquisition of these assets expanded our business in our existing markets and the Caribbean markets.

Divestitures

Sale of Pennsylvania Precast Operations

On June 2, 2015, we completed the sale of substantially all of our assets associated with our one remaining precast concrete operation in Pennsylvania. We sold the operation's fixed assets and inventory for net proceeds of \$0.3 million in cash and a promissory note of \$1.2 million, net of a \$0.1 million discount, and recorded a pre-tax loss on the

transaction of \$0.2 million. The pre-tax loss is included in discontinued operations in the accompanying condensed consolidated statements of operations. This sale represented the final divestiture of the Company's owned assets related to precast concrete operations, which were classified as held for sale as of December 31, 2014.

For additional discussion on our acquisitions and divestitures, see Note 2, "Acquisitions and Dispositions" to our consolidated financial statements included in this Amendment.

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Results of Operations

Year Ended December 31, 2015 Compared to Year Ended December 31, 2014

The following table sets forth selected historical statement of operations information and that information as a percentage of revenue for each of the periods indicated, as well as the increase or decrease from the prior year in dollars and percent.

	(amounts in thousands, except selling prices)					
	Years Ended December 31,				Increase / (Decrease)	
	2015		2014		\$	%
	(Restated)					
Revenue	\$974,717	100.0 %	\$703,714	100.0 %	\$271,003	38.5 %
Cost of goods sold before depreciation, depletion and amortization	768,839	78.9	573,318	81.5	195,521	34.1
Selling, general and administrative expenses	87,978	9.0	61,850	8.8	26,128	42.2
Depreciation, depletion and amortization	43,570	4.5	23,849	3.4	19,721	82.7
Loss on revaluation of contingent consideration	932	0.1	—	—	932	NM
Gain on sale of assets, net	(468)	0.0	(625)	(0.1)	(157)	(25.1)
Income from operations	73,866	7.6	45,322	6.4	28,544	63.0
Interest expense, net	(21,734)	(2.2)	(20,431)	(2.9)	1,303	6.4
Derivative loss	(60,016)	(6.2)	(3,556)	(0.5)	56,460	NM
Gain on early extinguishment of debt	—	—	11	—	(11)	(100.0)
Other income, net	3,569	0.4	2,385	0.3	1,184	49.6
Income (loss) from continuing operations before income taxes	(4,315)	(0.4)	23,731	3.4	(28,046)	(118.2)
Income tax expense	779	0.1	2,156	0.3	(1,377)	(63.9)
(Loss) income from continuing operations	(5,094)	(0.5)	21,575	3.1	(26,669)	(123.6)
Loss from discontinued operations, net of taxes	(320)	0.0	(993)	(0.1)	(673)	(67.8)
Net (loss) income	\$(5,414)	(0.6)%	\$20,582	2.9 %	\$(25,996)	(126.3)%
Ready-mixed Concrete Data:						
Average selling price per cubic yard	\$123.98		\$110.85		\$13.13	11.8 %
Sales volume in cubic yards	7,038		5,696		1,342	23.6 %
Aggregates Data:						
Average selling price per ton	\$10.54		\$9.40		\$1.14	12.1 %
Sales volume in tons	4,919		4,650		269	5.8 %

Revenue. Our 2015 total revenue grew by \$271.0 million, or 38.5%, from \$703.7 million in 2014 to \$974.7 million in 2015, primarily due to increased sales of ready-mixed concrete. We estimate that approximately \$215.9 million, or 79.7%, of our 2015 revenue increase was the result of acquisitions completed during 2014 and 2015. Ready-mixed concrete sales rose \$243.8 million, or 38.5%, from \$632.8 million in 2014 to \$876.6 million in 2015, driven by a 23.6% increase in volume and an 11.8% increase in our average selling price. Sales of aggregates rose to \$60.4 million in 2015 from \$52.6 million in 2014, an increase of \$7.8 million, or 14.9%, due to a 12.1% increase in average selling price and a 5.8% increase in volume. Other product revenues and eliminations, which includes our building materials, aggregate distribution, aggregate recycling, lime slurry, hauling business, concrete block, and eliminations of our intersegment sales, increased by \$19.3 million, or 105.6%, to \$37.6 million in 2015 from \$18.3 million in 2014, primarily due to the addition of the aggregates distribution business in the fourth quarter of 2014.

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Cost of goods sold before depreciation, depletion and amortization. Cost of goods sold before depreciation, depletion and amortization ("DD&A"), increased \$195.5 million, or 34.1%, from \$573.3 million in 2014 to \$768.8 million in 2015. Our costs were higher primarily due to volume growth in our two segments - ready-mixed concrete and aggregates - resulting in higher material costs, delivery costs, and plant variable costs, which includes primarily labor and benefits, utilities, and repairs and maintenance. Our raw material costs also increased as a result of higher cement and aggregate prices; however, we were generally able to pass these increases on to our customers. Our plant fixed costs, which primarily consist of leased equipment costs, property taxes, dispatch costs, and plant management, increased over the prior year due to higher personnel and equipment costs needed to operate our facilities, as well as higher overall fixed costs to operate more locations and trucks than in 2014. As a percentage of revenue, cost of goods sold before DD&A decreased to 78.9% in 2015 from 81.5% in 2014, as we were able to achieve greater efficiencies from our increased sales volume.

Selling, general and administrative expenses. Selling, general and administrative, ("SG&A"), expenses increased \$26.1 million, or 42.2%, in 2015 from \$61.9 million in 2014 to \$88.0 million in 2015. Approximately \$16.7 million of this increase was attributable to personnel and other general administrative costs incurred by our regional operations to support growth and acquisition infrastructure. In addition, we incurred \$1.2 million in higher corporate legal and professional fees related to our acquisitions and divestitures and \$3.8 million in higher non-cash stock and incentive compensation expense. The increase in non-cash stock compensation expense was primarily due to the increase in the fair value of awards granted in 2015. The remainder of the increase was primarily attributable to corporate-related personnel and other general expenses to support our growth initiatives. As a percentage of total revenue, SG&A expenses increased to 9.0% in 2015 from 8.8% in 2014.

Depreciation, depletion and amortization. DD&A expense for 2015 increased \$19.7 million, or 82.7%, to \$43.6 million from \$23.8 million in 2014, primarily reflecting depreciation on additional plants, equipment and mixer trucks purchased to service demand and acquired through recent acquisitions as well as incremental intangible amortization expense of \$9.1 million related to our acquisitions.

Loss on revaluation of contingent consideration. We recorded a non-cash loss on revaluation of contingent consideration of \$0.9 million related to the fair value changes in contingent consideration associated with certain of our acquisitions in 2015. The key inputs in determining the fair value of our contingent consideration of \$0.9 million in 2015 include discount rates ranging from 3.50% to 15.75%, a forecasted average of WTI prices from December 8, 2014 through December 7, 2016 from quoted sources, and management's estimates of future sales volumes and EBITDA. Changes in these inputs impact the valuation of our contingent consideration and result in gain or loss each quarterly period. The non-cash loss from fair value changes in contingent consideration in 2015 was primarily due to accretion of interest for the passage of time as well as changes in the probability-weighted assumptions related to the achievement of sales volumes partially offset by the decline in WTI prices. We had no gain or loss on revaluation of contingent consideration during 2014.

Income from operations. Income from operations rose \$28.5 million to \$73.9 million in 2015 from \$45.3 million in 2014. Increased ready-mixed concrete revenue driven by higher volume and pricing resulted in efficiencies that led to improvements in income from operations as a percentage of revenue, which we refer to as operating margins. In addition, we estimate that approximately \$12.5 million, or 43.9%, of our increase in income from operations was attributable to 2015 and 2014 acquisitions. Operating margins increased to 7.6% for 2015 compared to 6.4% for 2014.

Interest expense, net. Net interest expense increased by \$1.3 million, or 6.4%, to \$21.7 million in 2015 from \$20.4 million in 2014, primarily related to interest on our Revolving Facility borrowings in 2015.

Derivative loss. For the 2015 period, we recorded a non-cash loss on derivative of \$60.0 million related to fair value changes in our Warrants. All derivatives are required to be recorded on the balance sheet at their fair value in accordance with U.S. GAAP. Each quarter, we determine the fair value of our derivative liabilities, and changes result in income or loss for the period. The key inputs in determining the fair value of our derivative liabilities of \$67.4 million at December 31, 2015 include our stock price, stock price volatility, and risk-free interest rates. Changes in these inputs impact the fair value of our derivative liability and result in income or loss each quarterly period.

The non-cash loss from fair value changes in the Warrants for the 2015 period was primarily due to an increase in the price of our common stock and changes in our stock price volatility.

Other income, net. Other income for the 2015 period was \$3.6 million compared to \$2.4 million for the 2014 period. The increase from 2014 was primarily due to \$0.5 million of additional income in 2015 from state and local tax incentive programs and \$0.4 million for an insurance settlement.

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Income tax expense. We recorded income tax expense allocated to continuing operations of approximately \$0.8 million and \$2.2 million for the years ended December 31, 2015 and 2014, respectively. For 2014, our effective tax rate differs substantially from the federal statutory rate primarily due to the reduction of the valuation allowance that reduced the recognized expense. For 2015, our effective tax rate differs substantially from the federal statutory rate primarily due to the tax impact of our Warrants, for which we recorded a non-cash \$60.0 million derivative loss. The derivative loss is excluded from the calculation of our income tax provision, thus increasing our tax expense in periods when we record a derivative loss. Substantially offsetting our 2015 tax expense was the impact of the reversal of the Company's valuation allowance on its deferred tax assets during the fourth quarter of 2015. In addition, certain state income taxes are calculated on bases different than pre-tax income (loss) which resulted in recording income tax expense in certain states that experience a pre-tax loss.

As of each reporting date, management considers all new evidence, both positive and negative, that could impact management's view with regard to future realization of deferred tax assets. As of December 31, 2015, we achieved a history of positive pre-tax income and anticipate significant additional future pre-tax income to be generated in part from our recently acquired businesses, which will result in higher U.S. Federal taxable income. For these reasons, management determined that sufficient positive evidence existed as of December 31, 2015 to conclude that it is more likely than not that additional deferred taxes of \$21.1 million are realizable, and therefore, reversed a majority of the valuation allowance accordingly.

In accordance with U.S. GAAP, the recognized value of deferred tax assets must be reduced to the amount that is more likely than not to be realized in future periods. The ultimate realization of the benefit of deferred tax assets from deductible temporary differences or tax carryovers depends on the generation of sufficient taxable income during the periods in which those temporary differences become deductible. We considered the scheduled reversal of deferred tax liabilities, projected future taxable income, and tax planning strategies in making this assessment. Based on these considerations, we relied upon the reversal of certain deferred tax liabilities to realize a portion of our deferred tax assets and established a valuation allowance as of December 31, 2015 and 2014 for other deferred tax assets because of uncertainty regarding their ultimate realization. Our total net deferred tax asset as of December 31, 2015 was \$6.0 million and our total net deferred tax liability as of December 31, 2014 was \$4.5 million.

In accordance with U.S. GAAP, intra-period tax allocation provisions require allocation of a tax expense or benefit to continuing operations due to current income (loss) from discontinued operations. We recorded income tax expense of approximately \$0.8 million and \$2.2 million in income from continuing operations for the years ended December 31, 2015 and 2014, respectively. We recorded a tax benefit of \$0.2 million and tax expense of \$0.2 million, allocated to discontinued operations for the years ended December 31, 2015 and 2014, respectively. The income tax amounts for continuing operations referred to above include the offsetting intra-period allocations. The intra-period tax allocation between the results from continuing operations and discontinued operations in the years ended December 31, 2015 and 2014 nets to \$0.

Under U.S. tax law, we have elected to treat our U.S. Virgin Island subsidiaries as controlled foreign corporations. As such, we consider the undistributed earnings of our U.S. Virgin Island subsidiaries as of December 31, 2015 to be indefinitely reinvested and, accordingly, no U.S. income taxes have been provided thereon. As of December 31, 2015, the amount of cash associated with indefinitely reinvested foreign earnings was approximately \$0.1 million. We have not, nor do we anticipate the need to, repatriate funds to the United States to satisfy domestic liquidity needs arising in the ordinary course of business, including liquidity needs associated with our domestic debt service requirements.

We reorganized pursuant to Chapter 11 of the bankruptcy code under the terms of our Plan, with an effective date of August 31, 2010. Under our Plan, our previously outstanding 8.375% Senior Subordinated Notes due 2014 were cancelled, giving rise to cancellation of indebtedness income ("CODI"). The Internal Revenue Code ("IRC"), provides that CODI arising under a plan of bankruptcy reorganization is excludible from taxable income, but the

debtor must reduce certain of its tax attributes by the amount of CODI realized under the Plan. Our CODI and required tax attribute reduction did not cause a significant change in our recorded deferred tax liability. Our required reduction in tax attributes, or deferred tax assets, was accompanied by a corresponding release of valuation allowance in prior years.

We underwent a change in ownership for purposes of Section 382 of the IRC as a result of our Plan and emergence from Chapter 11 on August 31, 2010. As a result, the amount of our pre-change net operating losses ("NOL's"), and other tax attributes that are available to offset future taxable income are subject to an annual limitation. The annual limitation is based on the value of the corporation as of the effective date of the Plan. The ownership change and the resulting annual limitation on use of NOL's are not expected to result in the expiration of our NOL carryforwards if we are able to generate sufficient future taxable income within the carryforward periods. However, the limitation on the amount of NOL's available to offset taxable income in a specific year may result in the payment of income taxes before all NOL's have been utilized.

Loss from discontinued operations, net of taxes. The results of operations for our sold precast units located in California, Arizona, and Pennsylvania, have been included in discontinued operations for all periods presented. During 2015, we recorded a

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pre-tax loss of \$0.2 million related to the sale of fixed assets and inventory for our Pennsylvania precast operation. During 2014, we completed the sale of our remaining owned assets related to our California precast operations disposed of in 2012. We sold land and a building for net proceeds of \$1.5 million in cash and recorded a pre-tax gain on the transaction of \$0.6 million. Also in 2014, we recorded an impairment loss on long-lived assets of \$0.9 million related to our Pennsylvania precast concrete operation as the carrying value exceeded the net realizable value of the related long-lived assets.

Segment information

For a discussion of our segments and segment Adjusted EBITDA, see "Basis of Presentation", under this Item 7, earlier in this report. For a discussion and reconciliation of our segment Adjusted EBITDA, see Note 19, "Business Segments," to our consolidated financial statements in this report.

Ready-mixed concrete

The following table sets forth key financial information for our ready-mixed concrete segment for the periods indicated:

	(amounts in thousands, except selling prices)			
	Years Ended December 31,		Increase / (Decrease)	
	2015	2014	\$ or cubic yards, as applicable	%
Ready-mixed Concrete Segment:				
Revenue	\$876,633	\$632,787	\$243,846	38.5%
Segment revenue as a percentage of total revenue	89.9	% 89.9	%	
Adjusted EBITDA	\$131,940	\$84,706	\$47,234	55.8%
Adjusted EBITDA as a percentage of segment revenue	15.1	% 13.4	%	
Ready-mixed Concrete Data:				
Average selling price per cubic yard	\$123.98	\$110.85	\$13.13	11.8%
Sales volume in thousands of cubic yards	7,038	5,696	1,342	23.6%

Revenue. Our ready-mixed concrete sales provided 89.9% of our total revenue in 2015 and 2014. Segment revenue for 2015 rose \$243.8 million, or 38.5%, over 2014 levels. We estimate that approximately \$188.6 million of this increase, or 77.3%, was due to segment acquisitions during 2014 and 2015. The 2015 revenue increase was driven primarily by a 23.6% increase in sales volume, or 1.3 million cubic yards. Increased volume provided \$148.8 million, or 61.0%, of our ready-mixed concrete revenue growth. Our sales volume was higher in all of our major markets, except west Texas, due to increased construction activity and recent acquisitions. Volume in our west Texas market decreased slightly due to the decline in WTI prices. However, total revenue was higher in all our major markets, primarily due to higher average selling price and the impact of recent acquisitions. Our ready-mixed concrete average selling price per cubic yard increased approximately 11.8% during 2015 as compared to 2014. Increased selling price contributed approximately \$92.4 million, or 37.9%, of our revenue growth. Our average selling price increased in all of our markets.

Adjusted EBITDA. Adjusted EBITDA for our ready-mixed concrete segment rose from \$84.7 million in 2014 to \$131.9 million in 2015, an increase of \$47.2 million, or 55.8%. We estimate that approximately \$24.4 million, or 51.7%, of our 2015 Adjusted EBITDA increase resulted from our 2014 and 2015 segment acquisitions. Driving the growth in Adjusted EBITDA was a 23.6% increase in sales volume plus an 11.8% increase in our average selling price, which resulted in \$243.8 million in higher revenue. Partially offsetting the growth in revenue was the increased cost of goods sold associated with the higher volume of sales. Our variable costs, which include primarily raw material costs, labor and benefits costs, utilities, and delivery costs, were all higher primarily due to the increased volume. We also saw higher raw materials prices from our vendors during 2015, which increased our cost of goods sold for 2015. However, we were generally able to pass these price increases along to our customers. Our fixed plant costs, which consist primarily of property taxes, equipment rental, and plant management costs, increased during 2015 due to higher personnel and equipment costs needed to operate our facilities, as well as higher overall fixed costs to operate more locations and trucks than in the previous year. Segment Adjusted EBITDA as a percentage of segment revenues rose to 15.1% in 2015 from 13.4% in the 2014 period, reflecting primarily the higher revenues and greater efficiencies.

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Aggregate products

The following table sets forth key financial information for our aggregate products segment for the periods indicated:

	(amounts in thousands, except selling prices)			
	Years Ended December 31,		Increase / (Decrease)	
	2015	2014	\$ or tons, as applicable	%
Aggregate Products Segment:				
Revenue	\$60,439	\$52,618	\$7,821	14.9%
Segment revenue, excluding intersegment sales, as a percentage of total revenue	3.5	% 4.5	%	
Adjusted EBITDA	\$14,996	10,549	\$4,447	42.2%
Adjusted EBITDA as a percentage of segment revenue	24.8	% 20.0	%	
Aggregates Data:				
Average selling price per ton	\$10.54	\$9.40	\$1.14	12.1%
Sales volume in thousands of tons	4,919	4,650	269	5.8%

Revenue. Sales of our aggregate products, excluding intersegment sales of \$26.2 million, provided 3.5% of our total revenue in 2015, compared to 4.5%, excluding intersegment sales of \$21.0 million, in 2014. Segment revenue rose \$7.8 million, or 14.9%, over prior year levels. We sell our aggregates to external customers and also sell them internally to our ready-mixed concrete segment at a market price. Approximately 43.4% of our 2015 aggregates sales, or \$26.2 million, were to our ready-mixed concrete segment, versus 39.8%, or \$21.0 million, in 2014. Contributing to our overall aggregates revenue growth was an increase in our average selling price of 12.1%, which provided approximately \$5.6 million, or 71.7%, of our increase in aggregates revenue. Our volume rose 0.3 million tons, which provided approximately \$2.5 million, or 32.3%, of our aggregates revenue increase. Freight charges to deliver the aggregates to the external customer, as well as other charges, all of which are included in revenue, decreased approximately \$0.5 million during 2015 as compared to 2014, offsetting our aggregates revenue growth by 5.8%.

Adjusted EBITDA. Adjusted EBITDA for our aggregates segment increased to \$15.0 million in the 2015 period from \$10.5 million in the 2014 period, primarily reflecting the higher sales volume and higher average selling price, partially offset by the related higher cost of goods sold associated with the increased volume. Our variable costs associated with cost of goods sold, which includes quarry labor and benefits, utilities, repairs and maintenance, pit costs to prepare the stone and gravel for use, and delivery costs, all rose due to the higher sales volumes. Our quarry fixed costs, which include primarily property taxes, equipment rental, and plant management costs, were higher compared to the previous year, primarily due to operating costs associated with one quarry that commenced production during the fourth quarter of 2014 as well as three additional quarries that commenced production during 2015. Overall, our segment Adjusted EBITDA as a percentage of segment revenue increased to 24.8% in 2015 from 20.0% in 2014, primarily due to the increase in revenue and increased efficiencies.

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Year Ended December 31, 2014 Compared to Year Ended December 31, 2013

The following table sets forth selected historical statement of operations information and that information as a percentage of revenue for each of the periods indicated, as well as the increase or decrease from the prior year in dollars and percent.

	(amounts in thousands, except selling prices)				Increase /	
	Years Ended December 31,				(Decrease)	
	2014		2013		\$	%
Revenue	\$703,714	100.0 %	\$598,155	100.0 %	\$105,559	17.6 %
Cost of goods sold before depreciation, depletion and amortization	573,318	81.5	498,660	83.4	74,658	15.0
Selling, general and administrative expenses	61,850	8.8	59,424	9.9	2,426	4.1
Depreciation, depletion and amortization	23,849	3.4	18,868	3.2	4,981	26.4
Gain on sale of assets, net	(625)	(0.1)	(232)	—	393	169.4
Income from operations	45,322	6.4	21,435	3.6	23,887	111.4
Interest expense, net	(20,431)	(2.9)	(11,332)	(1.9)	9,099	80.3
Derivative loss	(3,556)	(0.5)	(29,964)	(5.0)	(26,408)	(88.1)
Gain on early extinguishment of debt	11	—	985	0.2	(974)	(98.9)
Other income, net	2,385	0.3	1,771	0.3	614	34.7
Income (loss) from continuing operations before income taxes	23,731	3.4	(17,105)	(2.9)	40,836	238.7
Income tax expense	2,156	0.3	1,168	0.2	988	84.6
Net income (loss) from continuing operations	21,575	3.1	(18,273)	(3.1)	39,848	218.1
Loss from discontinued operations, net of taxes	(993)	(0.1)	(1,856)	(0.3)	(863)	(46.5)
Net income (loss)	\$20,582	2.9 %	\$(20,129)	(3.4)%	\$40,711	202.3 %
Ready-mixed Concrete Data:						
Average selling price per cubic yard	\$110.85		\$104.03		\$6.82	6.6 %
Sales volume in cubic yards	5,696		5,225		471	9.0 %
Aggregates Data:						
Average selling price per ton	\$9.40		\$8.84		\$0.56	6.3 %
Sales volume in tons	4,650		3,597		1,053	29.3 %

Revenue. Our 2014 total revenue grew by \$105.6 million, or 17.6%, from \$598.2 million in 2013 to \$703.7 million in 2014, primarily due to increased sales of ready-mixed concrete. We estimate that approximately \$16.6 million, or 15.7%, of our 2014 revenue increase was the result of acquisitions completed during 2014. Ready-mixed concrete sales rose \$87.5 million, or 16.0%, from \$545.3 million in 2013 to \$632.8 million in 2014, driven by a 9.0% volume increase and a 6.6% increase in our average selling price. Sales of aggregates rose to \$52.6 million in 2014 from \$38.2 million in 2013, an increase of \$14.4 million, or 37.7%, due to a 29.3% increase in volume and a 6.3% increase in average selling price. Other product revenues and eliminations, which includes our building materials, aggregates distribution, lime slurry, hauling business, and eliminations of our intersegment sales, increased by \$3.7 million, or 25.1%, to \$18.3 million in 2014 from \$14.6 million in 2013, primarily due to the addition of the aggregates distribution business in the fourth quarter of 2014.

Cost of goods sold before depreciation, depletion and amortization. Cost of goods sold before DD&A, increased \$74.7 million, or 15.0%, from \$498.7 million in 2013 to \$573.3 million in 2014. Our costs were higher primarily due to

volume growth

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in our two segments - ready-mixed concrete and aggregates - resulting in higher material costs, delivery costs, and plant variable costs, which includes primarily labor and benefits, utilities, and repairs and maintenance. Our material costs also increased as a result of higher cement and aggregate prices; however, we were generally able to pass these increases on to our customers. Our plant fixed costs, which primarily consists of leased equipment costs, property taxes, dispatch costs, and plant management, increased over the prior year due to higher personnel and equipment costs needed to operate our facilities, as well as higher overall fixed costs to operate more locations and trucks than in 2013. As a percentage of revenue, cost of goods sold before DD&A decreased to 81.5% in 2014 from 83.4% in 2013, as we were able to achieve greater efficiencies from our increased sales volume.

Selling, general and administrative expenses. SG&A expenses increased \$2.4 million, or 4.1%, in 2014 from \$59.4 million in 2013 to \$61.9 million in 2014. Our increased 2014 SG&A costs primarily resulted from \$2.9 million in higher bonus accruals and \$1.8 million in higher legal and professional fees related to our acquisitions and divestitures. These increases were partially offset by a \$1.8 million decrease in non-cash stock compensation expense. Non-cash stock compensation expense in 2013 included compensation expense resulting from achievement of the performance goal associated with delivery of a Conversion Event Notice (as defined in the indenture governing the Convertible Notes), which occurred on June 18, 2013, triggering the conversion of certain previously vested incentive restricted stock units to common shares. No compensation expense had previously been recognized for these grants, as achievement of the performance goal was not considered probable. Additional non-cash stock compensation expense was recorded in 2013 associated with certain restricted stock units that were contingent upon shareholder approval of the plan under which they were granted. The approval was obtained in May 2013. Furthermore, in 2013, we incurred \$0.5 million of corporate relocation expenses. No such expenses were incurred in 2014. As a percentage of total revenue, SG&A expenses decreased to 8.8% in 2014 from 9.9% in 2013.

Gain on sale of assets. We recorded a gain on sale of assets of \$0.6 million in 2014 versus \$0.2 million in 2013. Our gain on sale of assets in 2014 and 2013 included sales of excess vehicles and equipment.

Depreciation, depletion and amortization. DD&A expense for 2014 increased \$5.0 million, or 26.4%, to \$23.8 million from \$18.9 million in 2013, primarily reflecting depreciation on additional plants, equipment, and mixer trucks purchased to service demand.

Income from operations. Income from operations rose \$23.9 million to \$45.3 million in 2014 from \$21.4 million in 2013. Increased ready-mixed concrete revenue driven by higher volume and pricing resulted in efficiencies that led to improvements in income from operations as a percentage of revenue, which we refer to as operating margins. In addition, we estimate that approximately \$0.8 million, or 3.3%, of our increase in income from operations was attributable to 2014 acquisitions. Operating margins increased to 6.4% for 2014 compared to 3.6% for 2013.

Interest expense, net. Net interest expense increased by \$9.1 million, or 80.3%, to \$20.4 million in 2014 from \$11.3 million in 2013, reflecting primarily the impact of the issuance of our 2018 Notes during the fourth quarter of 2013.

Derivative loss. For the 2014 period, we recorded a non-cash loss on derivatives of \$3.6 million related to fair value changes in our Warrants. All derivatives are required to be recorded on the balance sheet at their fair values in accordance with U.S. GAAP. Each quarter, we determine the fair value of our derivative liabilities and any changes result in income or loss for the period. The key inputs in determining the fair value of our derivative liabilities of \$25.2 million at December 31, 2014 include our stock price, stock price volatility, and risk-free interest rates. Changes in these inputs impact the fair value of our derivative liability and result in income or loss each quarterly period.

The non-cash loss from fair value changes in the Warrants for the 2014 period was primarily due to an increase in the price of our common stock and changes in our stock price volatility. This compares to the 2013 period, during which we recorded a non-cash loss from fair value changes in our Convertible Notes embedded derivative of approximately

\$13.1 million and \$16.9 million related to fair value changes in our Warrants. These non-cash losses were primarily due to an increase in the price of our common stock and our stock price volatility. As of August 3, 2013, the conversion feature of our Convertible Notes terminated, which eliminated the embedded derivative.

Gain (loss) on extinguishment of debt. In 2013, we recorded a net \$1.0 million non-cash gain on extinguishment of debt. This consisted of \$4.3 million of non-cash gain related to the Exchange Offer of our Convertible Notes that were exchanged for 2013 Notes in March 2013, \$1.7 million in non-cash loss associated with the Conversion Event, and \$1.6 million in non-cash loss associated with the subsequent extinguishment of our 2013 Notes following receipt of the proceeds of our 2018 Notes offering.

Other income, net. Other income for the 2014 period was \$2.4 million compared to \$1.8 million for the 2013 period. The increase from 2013 was primarily due to \$0.3 million of additional income in 2014 from state and local tax incentive programs and \$0.1 million from higher finance charge income received from our customers in 2014.

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Income tax expense. We recorded income tax expense allocated to continuing operations of approximately \$2.2 million and \$1.2 million for the years ended December 31, 2014 and December 31, 2013, respectively. Our effective tax rate differs substantially from the federal statutory rate primarily due to the application of a valuation allowance that reduced the recognized benefit of our deferred tax assets. In addition, certain state income taxes are calculated on bases different than pre-tax income (loss) which resulted in recording income tax expense in certain states that experience a pre-tax loss.

In accordance with U.S. GAAP, the recognized value of deferred tax assets must be reduced to the amount that is more likely than not to be realized in future periods. The ultimate realization of the benefit of deferred tax assets from deductible temporary differences or tax carryovers depends on the generation of sufficient taxable income during the periods in which those temporary differences become deductible. We considered the scheduled reversal of deferred tax liabilities, projected future taxable income, and tax planning strategies in making this assessment. Based on these considerations, we relied upon the reversal of certain deferred tax liabilities to realize a portion of our deferred tax assets and established a valuation allowance as of December 31, 2014 and 2013 for other deferred tax assets because of uncertainty regarding their ultimate realization. Our total net deferred tax liability as of December 31, 2014 and 2013 was \$4.5 million and \$4.3 million, respectively.

In accordance with U.S. GAAP, intra-period tax allocation provisions require allocation of a tax expense or benefit to continuing operations due to current income (loss) from discontinued operations. We recorded tax expense of \$2.2 million and \$1.2 million in income from continuing operations for the years ended December 31, 2014 and 2013, respectively. We recorded tax expense of \$0.2 million, allocated to discontinued operations for the year ended December 31, 2014 and a tax benefit of less than \$0.1 million allocated to discontinued operations for the year ended December 31, 2013. The income tax amounts for continuing operations referred to above include the offsetting intra-period allocations. The intra-period tax allocation between the results from continuing operations and discontinued operations in the years ended December 31, 2014 and 2013 nets to \$0.

Loss from discontinued operations. The results of operations for our sold precast units located in Pennsylvania, California, and Arizona, have been included in discontinued operations for 2014 and 2013. During 2014, we completed the sale of our remaining owned assets related to our California precast operations disposed of in 2012. We sold land and a building for net proceeds of \$1.5 million in cash and recorded a pre-tax gain on the transaction of \$0.6 million. Also in 2014, we recorded an impairment loss on long-lived assets of \$0.9 million related to our Pennsylvania precast concrete operation as the carrying value exceeded the net realizable value of the related long-lived assets. During 2013, pursuant to the terms of the related asset purchase agreements, we paid Oldcastle Architectural, Inc. and Jensen Enterprises, Inc. \$1.9 million and \$0.5 million, respectively, related to the reacquisition of certain uncollected receivables and settlement of certain accrued liabilities. Of these amounts, a total of \$0.7 million was included as a charge to discontinued operations for 2013.

Segment information

For a discussion of our segments and segment Adjusted EBITDA, see "Basis of Presentation", under this Item 7, earlier in this report. For a discussion and reconciliation of our segment Adjusted EBITDA, see Note 19, "Business Segments," to our consolidated financial statements in this report.

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Ready-mixed concrete

The following table sets forth key financial information for our ready-mixed concrete segment for the periods indicated:

	(amounts in thousands, except selling prices)			
	Years Ended December 31,		Increase / (Decrease)	
	2014	2013	\$ or cubic yards,	%
			as applicable	
Ready-mixed Concrete Segment:				
Revenue	\$632,787	\$545,302	\$87,485	16.0%
Segment revenue as a percentage of total revenue	89.9	% 91.2	%	
Adjusted EBITDA	\$84,706	\$58,583	\$26,123	44.6%
Adjusted EBITDA as a percentage of segment revenue	13.4	% 10.7	%	
Ready-mixed Concrete Data:				
Average selling price per cubic yard	\$110.85	\$104.03	\$6.82	6.6 %
Sales volume in thousands of cubic yards	5,696	5,225	471	9.0 %

Revenue. Our ready-mixed concrete sales provided 89.9% of our total revenue in 2014, versus 91.2% in 2013. Segment revenue for 2014 rose \$87.5 million, or 16.0%, over 2013 levels. We estimate that approximately \$11.7 million of this increase, or 13.4%, was due to segment acquisitions during 2014. The 2014 revenue increase was driven primarily by a 9.0% increase in sales volume, or 0.5 million cubic yards. We estimate that approximately 20.0% of our volume increase was due to 2014 acquisitions. Increased volume provided \$48.9 million, or approximately 55.9%, of our ready-mixed concrete revenue growth. We also experienced an approximate 6.6% increase in our ready-mixed concrete average selling price per cubic yard during 2014 as compared to 2013. Increased selling price contributed \$38.6 million, or 44.1%, of our revenue growth. Our sales volume was higher in our Texas, New York, and New Jersey markets due to increased construction activity. Volume in our northern California market was down slightly during 2014 as compared to 2013 partially due to significant lost weather days in December 2014 due to rain. However, overall revenue in our northern California market rose due to increased average selling price. We also saw a volume decline in our Washington, D.C. market due primarily to the timing of certain projects, partially offset by increased average selling price. Our average selling price increased in all of our markets.

Adjusted EBITDA. Adjusted EBITDA for our ready-mixed concrete segment rose from \$58.6 million in 2013 to \$84.7 million in 2014, an increase of \$26.1 million, or 44.6%. We estimate that approximately \$1.6 million, or 6.1%, of our 2014 Adjusted EBITDA increase resulted from our 2014 segment acquisitions. Driving the growth in Adjusted EBITDA was a 9.0% increase in sales volume plus a 6.6% increase in our average selling price, which resulted in \$87.5 million in higher revenue. Partially offsetting the growth in revenue was the increased cost of goods sold associated with the higher volume of sales. Our variable costs, which include primarily material costs, labor and benefits costs, utilities, and delivery costs, were all higher due to the higher volume. We also saw higher raw materials prices from our vendors during 2014, which increased our cost of goods sold for 2014. However, we were generally able to pass these price increases along to our customers. Our fixed plant costs, which consist primarily of property taxes, equipment rental, and plant management costs, increased during 2014 due to higher personnel and

equipment costs needed to operate our facilities, as well as higher overall fixed costs to operate more locations and trucks than in the previous year. Segment Adjusted EBITDA as a percentage of segment revenue rose to 13.4% in 2014 from 10.7% in the 2013 period, reflecting primarily the higher revenues and greater efficiencies.

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Aggregate products

The following table sets forth key financial information for our aggregate products segment for the periods indicated:

	(amounts in thousands, except selling prices)			
	Year Ended December 31,		Increase / (Decrease)	
	2014	2013	\$ or tons, as	%
	applicable			
Aggregate Products Segment:				
Revenue	\$52,618	\$38,213	\$14,405	37.7%
Segment revenue, excluding intersegment sales, as a percentage of total revenue	4.5	% 3.6	%	
Adjusted EBITDA	\$10,549	\$7,192	\$3,357	46.7%
Adjusted EBITDA as a percentage of segment revenue	20.0	% 18.8	%	
Aggregates Data:				
Average selling price per ton	\$9.40	\$8.84	\$0.56	6.3 %
Sales volume in thousands of tons	4,650	3,597	1,053	29.3%

Revenue. Sales of our aggregate products, excluding intersegment sales of \$21.0 million, provided 4.5% of our total revenue in 2014, compared to 3.6%, excluding intersegment sales of \$16.5 million, in 2013. Segment revenue rose \$14.4 million, or 37.7%, over prior year levels. We sell our aggregates to external customers and also sell them internally to our ready-mixed concrete segment at a market price. Approximately 39.8% of our 2014 aggregates sales, or \$21.0 million, were to our ready-mixed concrete segment, versus 43.2%, or \$16.5 million, in 2013. Contributing to our overall aggregates revenue growth was an increase in volume of 1.1 million tons, which provided \$9.3 million, or 64.6%, of our aggregates revenue increase. Our average selling price rose 6.3%, which provided \$2.6 million, or 18.1%, of our increase in aggregates revenue. In addition, freight charges to deliver the aggregates to the external customer, as well as other charges, all of which are included in revenue, increased \$2.4 million during 2014 and contributed 16.7% to our aggregates revenue growth.

Adjusted EBITDA. Adjusted EBITDA for our aggregates segment increased to \$10.5 million in the 2014 period from \$7.2 million in the 2013 period, primarily reflecting the higher sales volume and higher average selling price, partially offset by the related higher cost of goods sold associated with the increased volume. Our variable costs associated with cost of goods sold, which includes quarry labor and benefits, utilities, repairs and maintenance, pit costs to prepare the stone and gravel for use, and delivery costs, all rose due to the higher sales volumes. Our quarry fixed costs, which include primarily property taxes, equipment rental, and plant management costs, were higher compared to the previous year, primarily due to operating costs associated with two additional quarries that commenced production during 2014. Overall, our segment Adjusted EBITDA as a percentage of segment revenue increased to 20.0% in 2014 from 18.8% in 2013, primarily due to the increase in revenue and increased efficiencies.

Critical Accounting Policies and Estimates

Preparation of our financial statements requires us to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses. Note 1, "Organization and Summary of Significant Accounting Policies," to our consolidated financial statements included in this report describes the significant accounting policies we use in

preparing those statements. We believe the most complex and sensitive judgments, because of their significance to our financial statements, result primarily from the need to make estimates about the effects of matters that are inherently uncertain. We have listed below those policies which we believe are critical and involve complex judgment in their application to our financial statements. Actual results in these areas could differ from our estimates.

Goodwill

We record as goodwill the amount by which the total purchase price we pay in our acquisition transactions exceeds our estimated fair value of the identifiable net assets we acquire. We test goodwill for impairment on an annual basis, or more often if events or circumstances indicate that there may be impairment. We generally test for goodwill impairment in the fourth quarter

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of each year, using a two-step process, which requires us to make certain judgments and assumptions in our calculations. The first step of the process involves estimating the fair value of our reporting units and comparing the result to the reporting unit's carrying value. We estimate fair value using an equally weighted combination of discounted cash flows and multiples of invested capital to EBITDA. The discounted cash flow model includes forecasts for revenue and cash flows discounted at our weighted average cost of capital. Multiples of invested capital to EBITDA are calculated using a weighted average of two selected 12 month periods results by reporting unit compared to the enterprise value of the Company, which is determined based on the combination of the market value of our common stock and total outstanding debt. If the fair value exceeds the carrying value, the second step is not performed and no impairment is recorded. If however, the fair value is below the carrying value, a second step is performed to calculate the amount of the impairment by measuring the goodwill at an implied fair value. We completed our annual assessment of impairment during the fourth quarter of 2015 for those units with goodwill as of October 1, 2015, and there was no impairment. In the absence of any evidence to the contrary, we consider goodwill resulting from acquisitions in the fourth quarter of 2015 to be recorded at fair value and not impaired, as the arm's length transactions that generated the goodwill were completed at a market rate. Our fair value estimates were determined using estimates and assumptions we believed to be reasonable at the time. Changes in those assumptions or estimates could impact the calculated fair value of the reporting units. See Note 4, "Goodwill and Intangible Assets, Net," to our consolidated financial statements included in this report for additional information about our goodwill.

Impairment of Long-Lived Assets

We evaluate the recoverability of our long-lived assets when changes in circumstances indicate that the carrying amount of the asset may not be recoverable in accordance with authoritative accounting guidance related to the impairment or disposal of long-lived assets. We compare the carrying values of long-lived assets to our projection of future undiscounted cash flows attributable to those assets. If the carrying value of a long-lived asset exceeds the future undiscounted cash flows we project will be derived from that asset, we record an impairment loss equal to the excess of the carrying value over the fair value. Actual useful lives and future cash flows could be different from those we estimate. These differences could have a material effect on our future operating results.

Insurance Programs

We maintain third-party insurance coverage in amounts and against the risks we believe are reasonable. We share the risk of loss with our insurance underwriters by maintaining high deductibles subject to aggregate annual loss limitations. We believe our workers' compensation, automobile and general liability per occurrence retentions are consistent with industry practices, although there are variations among our business units. We fund these deductibles and record an expense for losses we expect under the programs. We determine the expected losses using a combination of our historical loss experience and subjective assessments of our future loss exposure. The estimated losses are subject to uncertainty from various sources, including changes in claims reporting and settlement patterns, judicial decisions, new legislation and economic conditions. Although we believe the estimated losses are reasonable, significant differences related to the items we have noted above could materially affect our insurance obligations and future expense. The amount accrued for self-insurance claims was \$12.0 million as of December 31, 2015, compared to \$9.5 million as of December 31, 2014, which is classified in accrued liabilities. The increase in 2015 was primarily attributable to increased loss reserves.

Income Taxes

We use the liability method of accounting for income taxes. Under this method, we record deferred income taxes based on temporary differences between the financial reporting and tax bases of assets and liabilities and use enacted tax rates and laws that we expect will be in effect when we recover those assets or settle those liabilities, as the case may be, to measure those taxes. In cases where the expiration date of tax loss carryforwards or the projected operating

results indicate that realization is not likely, we provide for a valuation allowance.

We have deferred tax assets, resulting from deductible temporary differences that may reduce taxable income in future periods. A valuation allowance is required when it is more likely than not that all or a portion of a deferred tax asset will not be realized. In assessing the need for a valuation allowance, we estimate future taxable income, considering the feasibility of ongoing tax-planning strategies and the realizability of tax loss carryforwards. Valuation allowances related to deferred tax assets can be impacted by changes in tax laws, changes in statutory tax rates and future taxable income levels. If we were to determine that we would not be able to realize all or a portion of our deferred tax assets in the future, we would reduce such amounts through a charge to income in the period in which that determination is made. Conversely, if we were to determine that we would be able to realize our deferred tax assets in the future in excess of the net carrying amounts, we would decrease the recorded valuation allowance through an increase to income in the period in which that determination is made. Based on the assessment, we recorded a valuation allowance of \$4.1 million at December 31, 2015 and \$26.5 million at December 31, 2014. In determining the valuation allowance in 2015 and 2014, we used such factors as (i) cumulative federal taxable losses, (ii) the amount of deferred tax liabilities that we

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generally expect to reverse in the same period and jurisdiction that are of the same character as the temporary differences giving rise to our deferred tax assets and (iii) certain tax contingencies under authoritative accounting guidance related to accounting for uncertainty in income taxes which, should they materialize, would be offset by our net operating loss generated in 2008 through 2013. We provided a valuation allowance in 2015 and 2014 related to certain federal and state income tax attributes we did not believe we could utilize within the tax loss carryforward periods.

In the ordinary course of business there is inherent uncertainty in quantifying our income tax positions. We assess our income tax positions and record tax benefits for all years subject to examination based upon management's evaluation of the facts, circumstances and information available at the reporting date. For those tax positions where it is more likely than not that a tax benefit will be sustained, we have recorded the highest amount of tax benefit with a greater than 50% likelihood of being realized upon ultimate settlement with a taxing authority that has full knowledge of all relevant information. For those income tax positions where it is not more likely than not that a tax benefit will be sustained, no tax benefit has been recognized in the financial statements. See Note 16, "Income Taxes," to our consolidated financial statements included in this report for further discussion.

Derivative Instruments

We are exposed to certain risks relating to our ongoing business operations. However, derivative instruments are not used to hedge these risks. We are required to account for derivative instruments as a result of the issuance of the Warrants. Our warrant derivatives do not manage business risk nor are they executed for speculative purposes. All derivatives are required to be recorded on the balance sheet at their fair value. Each quarter, we determine the fair value of our derivative liabilities, and changes result in gain or loss. Fair value is estimated using a Black-Scholes model for the Warrants. The key inputs in determining fair value of our derivative liabilities of \$67.4 million and \$25.2 million at December 31, 2015 and 2014, respectively, include our stock price, stock price volatility, and risk-free interest rates. Changes in these inputs will impact the valuation of our derivatives and result in gain or loss each quarterly period. See Note 11, "Derivatives," to our consolidated financial statements included in this report for additional information about our derivatives.

Contingent Consideration

We record an estimate of the fair value of contingent consideration within accrued liabilities and other long-term obligations. On a quarterly basis, we revalue the liability and record increases or decreases in the fair value as an adjustment to earnings. Changes to the contingent consideration liability can result from adjustments to the discount rate, accretion of interest expense due to the passage of time, or changes in the assumptions regarding probabilities of successful achievement of related milestones and the estimated timing in which the milestones are achieved. The assumptions used in estimating fair value require significant judgment. The use of different assumptions and judgments could result in a materially different estimate of fair value. The key inputs in determining fair value of our contingent consideration obligations of \$30.1 million and \$5.3 million at December 31, 2015 and 2014, respectively, include discount rates ranging from 3.50% to 15.75%, a forecasted average of WTI prices from December 8, 2014 through December 7, 2016 from quoted sources, and management's estimates of future sales volumes and EBITDA. For further information, see Note 13, "Fair Value Disclosures," to our consolidated financial statements included in this report for additional information about our contingent consideration obligations.

Other

We record accruals for legal and other contingencies when estimated future expenditures associated with those contingencies become probable and the amounts can be reasonably estimated. However, new information may become available, or circumstances (such as applicable laws and regulations) may change, thereby resulting in an

increase or decrease in the amount required to be accrued for such matters (and, therefore, a decrease or increase in reported net income in the period of such change).

Recent Accounting Pronouncements

For a discussion of recently adopted accounting standards, see Note 1, "Organization and Summary of Significant Accounting Policies," to our consolidated financial statements included in this report.

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Item 8. Financial Statements and Supplementary Data

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Report of Independent Registered Public Accounting Firm

Board of Directors and Shareholders
U.S. Concrete, Inc.

We have audited the accompanying consolidated balance sheets of U.S. Concrete, Inc. (a Delaware corporation) and subsidiaries (the "Company") as of December 31, 2015 and 2014, and the related consolidated statements of operations, changes in equity, and cash flows for each of the three years in the period ended December 31, 2015. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of U.S. Concrete, Inc. and subsidiaries as of December 31, 2015 and 2014, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2015, in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note 1, the 2015 consolidated financial statements have been restated to correct an error.

Also as discussed in Note 1, the Company adopted new accounting guidance in 2015 related to the presentation of deferred income taxes.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the Company's internal control over financial reporting as of December 31, 2015, based on criteria established in the 2013 Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO), and our report dated March 4, 2016 (except for the material weakness discussed in Management's Report on Internal Control over Financial Reporting, as to which the date is April 27, 2016), expressed an adverse opinion.

/s/ GRANT THORNTON LLP

Dallas, Texas

March 4, 2016 (except for the 2015 Restatement described in Note 1 and the effects thereof, as to which the date is April 27, 2016)

Table of ContentsU.S. CONCRETE, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

(in thousands, including share amounts but excluding per share amounts)

	December 31,	
	2015	2014
	(Restated)	
ASSETS		
Current assets:		
Cash and cash equivalents	\$3,925	\$30,202
Trade accounts receivable, net	171,256	114,902
Inventories	36,726	31,722
Deferred income taxes	—	1,887
Prepaid expenses	4,243	3,965
Other receivables	7,765	6,519
Assets held for sale	—	3,779
Other current assets	2,374	301
Total current assets	226,289	193,277
Property, plant and equipment, net	248,123	176,524
Goodwill	100,204	50,757
Intangible assets, net	95,754	31,720
Deferred income taxes	6,026	—
Other assets	11,450	8,250
Total assets	\$687,846	\$460,528
LIABILITIES AND EQUITY		
Current liabilities:		
Accounts payable	\$80,419	\$48,705
Accrued liabilities	85,854	50,391
Current maturities of long-term debt	9,386	5,104
Derivative liabilities	67,401	25,246
Liabilities held for sale	—	902
Total current liabilities	243,060	130,348
Long-term debt, net of current maturities	272,363	215,333
Other long-term obligations and deferred credits	38,416	6,940
Deferred income taxes	—	6,427
Total liabilities	553,839	359,048
Commitments and contingencies (Note 22)		
Equity:		
Preferred stock, \$0.001 par value per share (10,000 shares authorized; none issued)	—	—
Common stock, \$0.001 par value per share (100,000 shares authorized; 15,713 and 14,675 shares issued, respectively; and 14,871 and 13,978 shares outstanding, respectively)	16	15
Additional paid-in capital	201,015	156,745
Accumulated deficit	(48,157)	(42,743)
Treasury stock, at cost (842 and 697 common shares, respectively)	(18,867)	(12,537)
Total equity	134,007	101,480
Total liabilities and equity	\$687,846	\$460,528

The accompanying notes are an integral part of these consolidated financial statements.

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U.S. CONCRETE, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
(in thousands, except per share amounts)

	Years Ended December 31,		
	2015	2014	2013
	(Restated)		
Revenue	\$974,717	\$703,714	\$598,155
Cost of goods sold before depreciation, depletion and amortization	768,839	573,318	498,660
Selling, general and administrative expenses	87,978	61,850	59,424
Depreciation, depletion and amortization	43,570	23,849	18,868
Loss on revaluation of contingent consideration, net	932	—	—
Gain on sale of assets, net	(468)	(625)	(232)
Income from operations	73,866	45,322	21,435
Interest expense, net	(21,734)	(20,431)	(11,332)
Derivative loss	(60,016)	(3,556)	(29,964)
Gain on early extinguishment of debt	—	11	985
Other income, net	3,569	2,385	1,771
(Loss) income from continuing operations before income taxes	(4,315)	23,731	(17,105)
Income tax expense	779	2,156	1,168
(Loss) income from continuing operations	(5,094)	21,575	(18,273)
Loss from discontinued operations, net of taxes	(320)	(993)	(1,856)
Net (loss) income	\$(5,414)	\$20,582	\$(20,129)
Basic (loss) income per share:			
(Loss) income from continuing operations	\$(0.36)	\$1.59	\$(1.42)
Loss from discontinued operations, net of income tax	(0.02)	(0.07)	(0.14)
Net (loss) income per share - basic	\$(0.38)	\$1.52	\$(1.56)
Diluted (loss) income per share:			
(Loss) income from continuing operations	\$(0.36)	\$1.55	\$(1.42)
Loss from discontinued operations, net of taxes	(0.02)	(0.07)	(0.14)
Net (loss) income per share - diluted	\$(0.38)	\$1.48	\$(1.56)
Weighted average shares outstanding:			
Basic	14,080	13,541	12,917
Diluted	14,080	13,898	12,917

The accompanying notes are an integral part of these consolidated financial statements.

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U.S. CONCRETE, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(in thousands)

	Common Stock		Additional	Accumulated	Treasury	Total
	# of	Par	Paid-In	Deficit	Stock	Equity
	Shares	Value	Capital			(Deficit)
BALANCE, January 1, 2013	13,358	\$ 13	\$ 136,451	\$ (43,196)	\$(744)	\$92,524
Stock-based compensation	—	—	5,429	—	—	5,429
Restricted stock vesting	183	—	—	—	—	—
Restricted stock grants, net of cancellations	166	—	—	—	—	—
Stock options exercised	17	—	224	—	—	224
Conversion of convertible debt	608	1	10,591	—	—	10,592
Other treasury share purchases	(296)	—	—	—	(4,913)	(4,913)
Net loss	—	—	—	(20,129)	—	(20,129)
BALANCE, December 31, 2013	14,036	\$ 14	\$ 152,695	\$ (63,325)	\$(5,657)	\$83,727
Stock-based compensation	—	—	3,655	—	—	3,655
Restricted stock vesting	28	—	—	—	—	—
Restricted stock grants, net of cancellations	169	1	—	—	—	1
Stock options exercised	27	—	377	—	—	377
Warrants exercised	1	—	18	—	—	18
Share repurchase program	(200)	—	—	—	(4,824)	(4,824)
Other treasury share purchases	(83)	—	—	—	(2,056)	(2,056)
Net income	—	—	—	20,582	—	20,582
BALANCE, December 31, 2014	13,978	\$ 15	\$ 156,745	\$ (42,743)	\$(12,537)	\$101,480
Stock-based compensation	—	—	—	—	—	—