Total Cement Consumption

Index, 2000=100

Source: USGS, PCA
Based on IHME’s estimated infections which include those not tested as well as asymptomatic
Total Cement Consumption – Western U.S.

(000 Metric Tons)

Source: USGS, PCA
Economic Outlook
Employment Recovery

Percent Change in Employment (February through April)

Percent of Employment Losses Recovered (June from April trough)

Source: BLS, PCA
Leisure and Hospitality Exposure
Share of Total Nonfarm Employment

Source: BLS, PCA
• As a whole, the region’s economy is generally diverse

• Not very reliant on energy, agriculture, or manufacturing

• Oil exposure in New Mexico and Wyoming (and to a lesser degree Colorado) represent an area of concern

Source: PCA
Construction Non-Exempt Impact

• An adverse wrinkle experienced in some markets due to construction not being considered exempt from stay at home orders

• Entire state of Washington as well as parts of California, mainly the Bay area

• Very depressed volumes in April for these areas

Source: PCA
Residential Outlook
Housing Permits – Western U.S.

Seasonally adjusted, year-over-year percent change.

Source: PCA
Home Affordability Concerns

Home Price-to-Household Income, SA

Source: NAR, BEA, BOC, Moody's
Residential Cement Consumption – Western U.S.

Index, 2000=100

U.S. Annual % Change

<table>
<thead>
<tr>
<th>Year</th>
<th>Mountain</th>
<th>Pacific</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020</td>
<td>2.0%</td>
<td>-8.2%</td>
</tr>
<tr>
<td>2021</td>
<td>-0.8%</td>
<td>3.7%</td>
</tr>
</tbody>
</table>

Source: USGS, PCA
Residential Cement Consumption – Western U.S.

Index, 2000=100

Source: USGS, PCA
Potential Shift in Homebuyer Preferences?

Metric Tons of Cement Per Housing Unit

- 21% of agents reported buyers seeking the benefits of new homes, such as office space or backyards. (Source: NAR Research Group Survey)

- Potential for intrastate moves from urban to suburban/exurban locations.

- A 10% compositional shift from multi to single family would amount to roughly 60k MTs annually in Mountain and 115k MTs in the Pacific.

Source: PCA, NAR
Nonresidential Outlook
Office, Hotel, and Retail Importance

Percent Share of Total Cement

Source: PCA
Oil & Gas Drilling a Concern in Some States

Source: Baker Hughes Incorporated, EIA
Oil & Gas Drilling a Concern for Some States

Average Active Rotary Rigs - Total, (#)

Source: Baker Hughes Incorporated
Oil Well Cement Consumption – Western U.S.

Metric Tons, Thousands

Oil Share of Total Regional Cement Consumption: 2%

New Mexico: 24%
Wyoming: 24%
Colorado: 6%

Source: PCA
# Oil Well Cement Consumption – Western U.S.

## Metric Tons, Thousands

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Baseline “W”</td>
<td>-31%</td>
<td>44%</td>
<td>10%</td>
<td>2%</td>
<td>-46%</td>
<td>31%</td>
<td>6%</td>
<td>2%</td>
<td>-46%</td>
<td>8%</td>
<td>30%</td>
<td>16%</td>
<td>12%</td>
</tr>
<tr>
<td>2016</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2017</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2018</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2019</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2020F</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2021F</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2022F</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2023F</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2023F</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2024F</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: PCA
Nonresidential Cement Consumption – Central U.S.

Metric Tons (000s)

Mountain

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>MT</td>
<td>3,400</td>
<td>2,400</td>
<td>1,400</td>
<td>700</td>
<td>500</td>
<td>300</td>
<td>200</td>
<td>100</td>
<td>50</td>
<td>-20</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>W</td>
<td>3,400</td>
<td>2,400</td>
<td>1,400</td>
<td>700</td>
<td>500</td>
<td>300</td>
<td>200</td>
<td>100</td>
<td>50</td>
<td>-20</td>
</tr>
</tbody>
</table>

Source: PCA
Public Outlook
State Rainy Day Funding – FY2020

Rainy day balances as share of general fund expenditures

Current National Average: 7.6%
Prior to Great Recession: 4.5%

Kansas and Illinois effectively have $0 balances, Pennsylvania and New Jersey are roughly 1%
Oil revenue reliant states of New Mexico, North Dakota and Wyoming have respective balances of 27%, 30% and 109%

Source: NASBO Fall 2019 Fiscal Survey of the States
States Have Been Increasingly Less Reliant on Federal Funds

Cents Per Gallon

State Weighted Gas Tax

Federal Gas Tax

Source: Federal Tax Administrators, FHWA, PCA
Reduction in Vehicle Miles Traveled

Percent Change in Vehicle Miles Traveled (Apr 20/Apr 19)

Source: FHWA, PCA
Employees returning to Work...

Percentage change from baseline visits—Workplace

Source: Google Mobility Report, PCA
Consumers Once Again Showing Apprehension

Percentage change from baseline visits—Retail & Recreation

Source: Google Mobility Report, PCA
States with High Sales Tax Exposure at Risk

Sales tax as a share of total tax collections

Source: Census State Government Tax Collections Report, PCA
Public Cement Consumption – Western U.S.

Metric Tons (000s)

Source: PCA
Regional Cement Trends: Through 2021

Based on change in cement consumption between 2019 to 2021

Source: PCA 2020 Summer State Forecast