Regional Briefing
Central U.S.

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June 2021
Total Cement Consumption

Index, 2000=100

Source: USGS, PCA
IHME Projected Daily Infection Rates --Per Capita

Based on IHME’s estimated infections which include those not tested as well as asymptomatic

Source: IHME, Census, PCA
Economic Outlook
Employment Recovery

Percent Change in Employment (March through April 2020)

Percent of Employment Losses Recovered (April 2021)

Source: BLS, PCA
Labor Markets Remain Tight

Job Openings Rate, %, SA

Source: BLS

Which of the following factors are slowing the economy in your area?

- Potential Policy Change (State/Local)
- Regulations
- Potential Policy Change (Federal)
- Uncertainty (Political, Business Cycle, …)
- COVID-19 Issues
- Lack of Available Workers

Source: US Chamber of Commerce
Residential Outlook
Housing Market Remains Very Tight

Months Supply of existing homes on market

Source: NAR
Housing Permits – Interior U.S.

Seasonally adjusted, year-over-year percent change.

United States

Interior U.S.

Source: PCA
Housing Permits

Seasonally adjusted, year-over-year percent change.

Average YoY Growth (2021)
WNC: 43.9%
WSC: 27.5%

Source: PCA
Housing Permits – Interior U.S.

Seasonally adjusted annual rate

Current Levels Relative to Pre-Pandemic:
Single Family: 29.5%
Multi Family: 20.5%

Source: U.S. Census, PCA
Substantial Deterioration in Affordability at First Glance

Mortgage Principle and Interest Payment (USD, SA)

Source: NAR, BEA, BOC, Moody's
But Home Price Increase Inline with Incomes

Mortgage Principle and Interest Payment as Share of Median Household Income

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

Index, 2000=100

Source: USGS, PCA

Annual % Change

<table>
<thead>
<tr>
<th></th>
<th>2021</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>WNC</td>
<td>9.0%</td>
<td>2.3%</td>
</tr>
<tr>
<td>WSC</td>
<td>4.1%</td>
<td>4.4%</td>
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</tbody>
</table>
Nonresidential Outlook
Manufacturing Exposure
10% or Greater Manufacturing Share of Total Employment

Manufacturing Employment (000s)

Mid American Production Index
Closures of schools, restaurants, corporate cafeterias...have deeply unsettled agriculture futures markets.

Additionally, reduced demand for ethanol in light of lower gasoline consumption continues to weigh on the market.

Meat processing plant closures have created bottlenecks and subsequent end-market price increase which has lowered demand.
U.S. Net Farm Income

Real 2019 $s, billions

Share of U.S. Gross Farm Receipts
West North Central: 29%
West South Central: 11%

Lower farm income attributed to decline disaster assistance for COVID-19 relief and rising expenses.

Source: U.S. Department of Agriculture (USDA): Farm Income and Wealth Statistics
Oil & Gas Drilling Continues as a Regional Concern

2Q Moving Average

WTI Price (R)

Active Rig Count (L)

Source: Baker Hughes Incorporated, EIA
Oil & Gas Drilling a Regional Concern

Average Active Rotary Rigs - Total, (#)

Source: Baker Hughes Incorporated, EIA

Percent Decline at Trough
Texas -74%
North Dakota -83%
Oklahoma -81%
U.S. -68%

Percent Recovered (May 2021)
Texas 32%
North Dakota 16%
Oklahoma 19%
U.S. 30%
Oil Well Cement Consumption – Central U.S.

Metric Tons, Thousands

Oil Share of Total Regional Cement Consumption: 8%

Texas: 7%
Oklahoma: 9%
North Dakota: 21%

Source: PCA
Nonresidential Sector Construction Spend

Put-In-Place Construction
January 2018=100

Central Region (WNC+WSC)

<table>
<thead>
<tr>
<th>Category</th>
<th>2020 Trend</th>
</tr>
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<tbody>
<tr>
<td>Total NR</td>
<td>-0.5%</td>
</tr>
<tr>
<td>Amusement</td>
<td>-13.5%</td>
</tr>
<tr>
<td>Commercial/Retail</td>
<td>3.9%</td>
</tr>
<tr>
<td>Education</td>
<td>-17.2%</td>
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<tr>
<td>Hospitals</td>
<td>10.4%</td>
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<tr>
<td>Industrial</td>
<td>15.7%</td>
</tr>
<tr>
<td>Lodging</td>
<td>-17.3%</td>
</tr>
<tr>
<td>Office</td>
<td>-1.2%</td>
</tr>
<tr>
<td>Utilities</td>
<td>12.4%</td>
</tr>
</tbody>
</table>

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

Metric Tons (000s)

Source: PCA
Public Outlook
On a state weighted basis, 2021 general fund revenues are expected to decline 3.3% as reported by state agencies.
Employees returning to Work

Percentage change from baseline visits—Workplace

Source: Google Mobility Report, PCA
Employees returning to Work

Percentage change from baseline visits—Workplace

Workplaces: Mobility trends for places of work

United States

Source: Google Mobility Report, PCA
Consumers No Longer Showing Apprehension

Percentage change from baseline visits—Retail & Recreation

Retail & Recreation: Mobility trends for places like restaurants, cafes, shopping centers, theme parks, museums, libraries and movies theaters

Source: Google Mobility Report, PCA
Consumers No Longer Showing Apprehension

Percentage change from baseline visits—Retail & Recreation

West North Central

United States

West South Central

Retail & Recreation: Mobility trends for places like restaurants, cafes, shopping centers, theme parks, museums, libraries and movie theaters

Source: Google Mobility Report, PCA
Total Cement Consumption – Interior U.S.

Metric Tons (000s)

Source: PCA