



WHITE PAPER

Crushing It: How Aggregates Leaders Will Win in the Next Era

Operational discipline, digital prowess, contracting excellence, and talent will define the winners of the network era—where scale is the advantage

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Executive Summary

From 2020 to 2025, the market value of leading US aggregates producers grew nearly 200 percent, compounding at nearly 25% per year and far outpacing the S&P 500. Today, after years of extraordinary growth, returns have softened. The aggregates industry now finds itself in a steadier phase, one in which performance will be defined less by rising volumes than by deft and effective management.

Softer demand, however, is not necessarily declining demand. Rather, demand is normalizing. Residential construction activity is plateauing, as is infrastructure construction, as stimulus-driven megaprojects wind down. But public investment and private projects remain steady, especially in states experiencing population growth or the expansion of large private-sector projects such as data centers, manufacturing plants, and logistics hubs. Such projects will sustain baseline demand. What we are seeing is a mature market with stable volumes but potentially tighter margins; one that rewards operational discipline and efficiency.

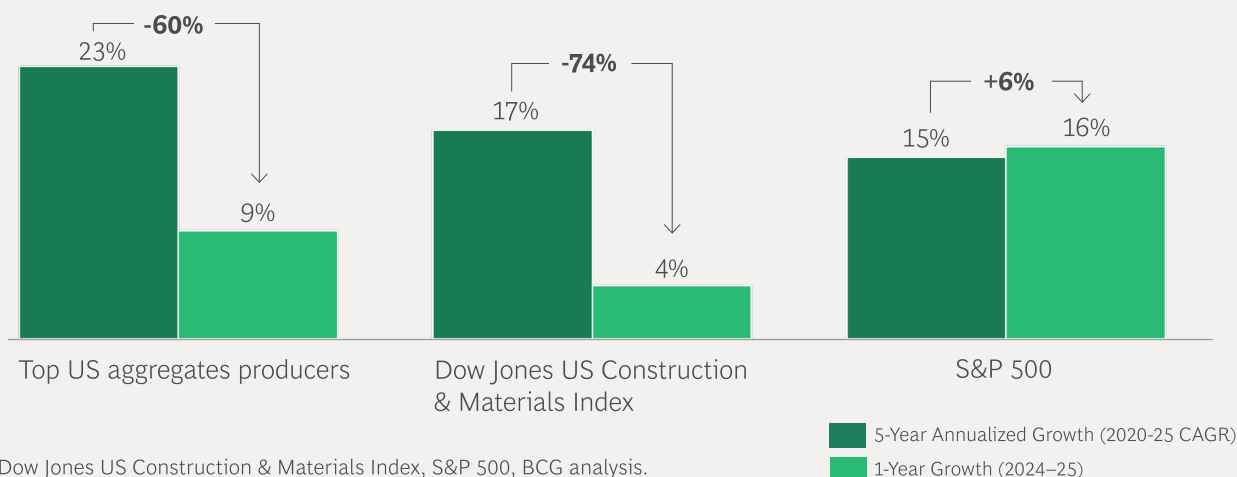
BCG's 2025 survey of North American aggregates executives reinforces this view. Future performance will depend less on macro tailwinds and more on how well companies manage equipment reliability, integrate acquired assets, and modernize contracting. Outperformance will hinge on four key actions: balancing central planning with local accountability, professionalizing Overall Equipment Effectiveness (OEE), capturing postmerger value through effective integration, and modernizing contracting and forecasting to balance price, margin, and volume dynamically. In other words, tomorrow's leaders will be the ones who orchestrate these core actions to turn scale into sustained performance. Critically, successful orchestration can only happen with an equally deep commitment to a strong workforce—one focused on employee value, skill mobility, and large-scale capability building.

Hitting the Inflection Point

Over the past five years, the top aggregates producers in the US dramatically outperformed the broader market. But in the past year, their momentum has slowed considerably: from 2024 to 2025, sector growth normalized to single digits, reversing the gap with the S&P 500. (See Exhibit 1.)

EXHIBIT 1

After Years of Extraordinary Tailwinds, Growth is Flattening



In the first few years of the present decade, stimulus funding and a robust infrastructure construction market powered record results. But no longer are macro forces fueling value creation. Today, external pressures such as cost and labor constraints, as well as demand variability and uncertainty, define the operating reality. According to BCG's survey of North American aggregates executives, rising input costs and macro volatility are the most significant drags on performance.

Value now depends on what leaders can control: equipment reliability and standardization, network decisions, and commercial discipline. Importantly, talent is the ultimate determining factor in value creation.

Growing consolidation. With organic growth normalizing, consolidation is becoming the industry's primary growth path. Although executives claim confidence in their company's core operations—mining and processing, safety, and sales—they admit their companies are less mature in capabilities that give entry into new markets, such as M&A, exploration, and outbound logistics.

More than half of the companies we surveyed completed acquisitions in the past five years, and nearly three-quarters plan more. Most such companies are pursuing market expansion or cost synergies, while only one in ten target capabilities required for exploration and logistics.

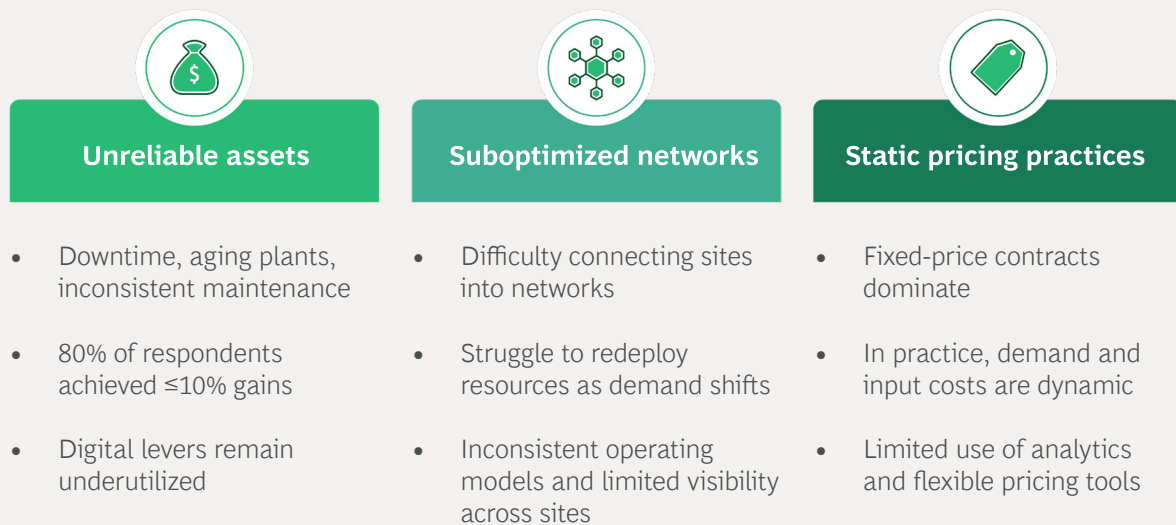
Execution constraints. Although still focused on growth, companies struggle with execution. The executives we surveyed rank M&A as a top priority, yet they note that capturing post-deal synergies remains challenging because operating models are not in sync. Indeed, aligning operational processes and meeting performance targets for acquired assets are the toughest postmerger hurdles, each cited by roughly a quarter of executives. Talent and organizational integration are close seconds, which underscores the fact that scale alone is not enough. Value derives from how well operating networks—sites, assets, and teams—are harmonized once the ink is dry.

Three Pressures That Are Reshaping Competitiveness

Our survey revealed three pressures that are shaping competitiveness in the aggregates industry: inadequate asset productivity, poorly coordinated multi-site operating networks, and static pricing practices that ignore current market dynamics and reflect a lack of commercial discipline. (See Exhibit 2.)

EXHIBIT 2

Three Pressures are Holding Aggregates Producers Back



Source: BCG analysis

Assets are unreliable, undermining productivity. Equipment reliability is the industry's primary operational constraint. About 80 percent of respondents achieved 10 percent or less in recurring savings. Downtime, aging plants, and inconsistent maintenance practices continue to impede productivity. Compounding the issue, nearly 70 percent of respondents do not track OEE comprehensively.

Suboptimized networks. Although operators run current sites well, they struggle to expand or connect them efficiently. In fact, most still manage site by site rather than systemically, either at the cluster or regional level. Only 10 percent apply clustering extensively, and 20 percent do not use it at all. Among the main obstacles: few mechanisms with which to redeploy resources across sites when demand or availability shifts. Inconsistent operating models and limited real-time visibility also hinder clustering.

Static pricing. Long-term fixed-price contracts predominate, even as demand and input costs fluctuate. Larger players balance price, margin, and volume, but midsized firms often avoid price moves altogether. It doesn't help that roughly 90 percent of companies still rely on basic or moderately advanced tools.

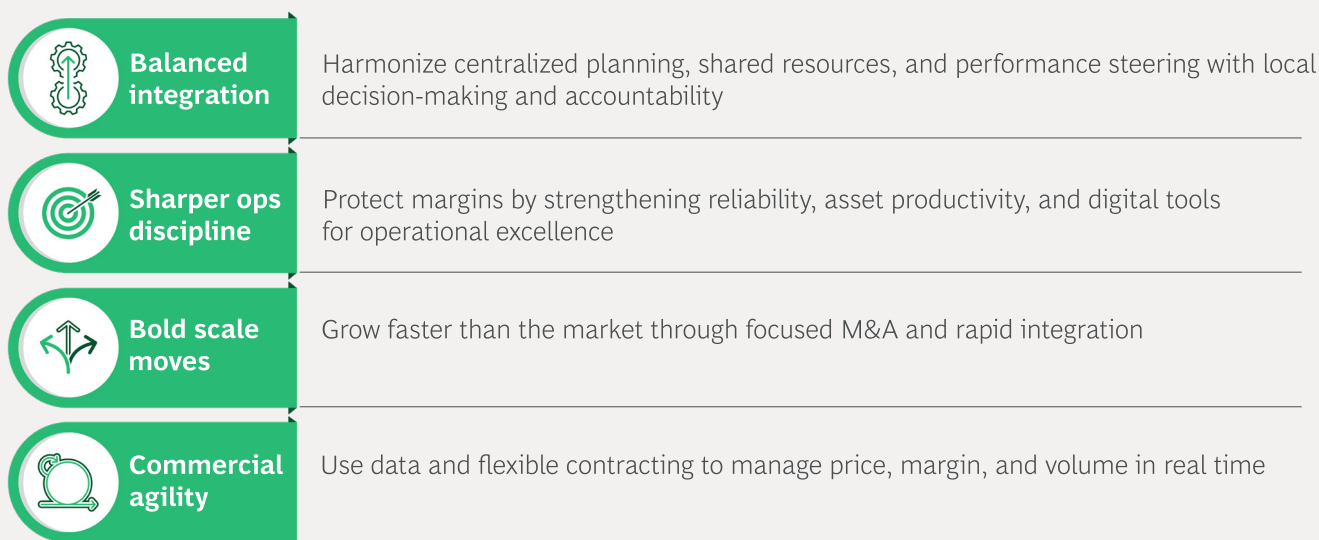
Winning Strategies for the Decade Ahead

The next decade will reward executional excellence. As tailwinds fade and markets consolidate, leaders will differentiate not by size but by how effectively they run, integrate, and price their networks.

We've identified four imperatives. (See Exhibit 3.)

EXHIBIT 3

Winning the Next Decade, with Four Imperatives



Source: BCG analysis

Balance Network Integration with Local Autonomy

With suboptimized networks, companies need to shore up governance, coordinate logistics, and implement commercial systems that convert local strengths into regional scale. Moving from “soft” levers like best-practice sharing to “hard” levers such as centralized planning, shared resources, and a network-level view of profitability could unlock double-digit EBITDA gains for multi-site operators that run their assets as one portfolio. Such a shift, however, must balance central coordination with local autonomy. Decisions that shape efficiency and long-term planning, such as asset allocation, maintenance standards, and performance management, can benefit from central orchestration, whereas customer-facing and production operational decisions should remain local.

The right balance depends on clear time horizons and governance: central teams set the cadence and steer performance, while local leaders retain the mandate to respond to market and customer dynamics in real time.

Sharpen Operational Discipline

Reliability is the foundation of scalable performance. Companies that embed Overall Equipment Effectiveness (OEE) into their daily operations achieve higher uptime and unlock efficiency gains. They do so by establishing consistent taxonomies and measurement standards, then linking them to unified dashboards and clear ownership.

Pivotal moves:

- Standardize OEE loss trees and metrics across sites.
- Pool critical spares and maintenance labor regionally to reduce downtime.
- Adopt digital and automation tools such as predictive maintenance, real-time monitoring, and autonomous hauling.
- Deploy floating maintenance teams at the cluster level to bolster a network approach to managing assets.

Digital tools are redefining reliability and mine management more broadly. For instance, BCG's MetisAI enhances reliability engineering by predicting equipment failures through the analysis of a continuous stream of telemetry, thousands of maintenance event codes, and technical fluid data. Similar innovations, such as BCG's MineView360, a digital mine management platform, combine drone footage, fleet positioning data, and prescriptive workflows to track equipment movement, monitor mine progression, and ensure operator compliance with plans and safety guidance.

Use Bold Scale Moves, Like M&A, to Gain Scale Advantage

Most major producers are active in M&A, but only a minority of deals exceed expectations. Successful acquirers design to capture local synergies where assets overlap, while also building the systems that let them manage portfolios as integrated networks.

(For more on getting the most out of M&A, see the sidebar, "M&A's Multiplier Effect.")

Key practices:

- Harmonize KPIs, OEE definitions, and governance from day 1.
- Stand up floating maintenance and portable-asset pools within the first 100 days.
- Launch cluster-level control towers within the first two quarters to balance flows and capacity.
- Reconsider vertical integration into logistics, asphalt, ready-mix concrete, and construction to secure access to end markets.

M&A's Multiplier Effect

Although aggregates economics remain fundamentally local, bound by freight costs and permits, M&A can create value for aggregates companies at several levels.

In-market deals—for example, those in which two quarries are brought together to serve the same metro area—deliver the most immediate payoff. They unlock density economics: shared trucking and dispatch, coordinated pricing, joint reserve management, and the removal of redundant overhead. These synergies appear quickly in the P&L because they stem from overlapping customers, assets, and logistics.

Cross-market acquisitions generate a different kind of value. The aggregate itself rarely moves across regions, but knowledge, systems, and capital do. When integrated effectively, multi-market portfolios gain procurement scale, shared technical talent, and a common digital backbone for reliability and OEE tracking. These system-level synergies are slower to realize but build resilience and raise valuation multiples. The savviest acquirers pursue both logics: density for near-term efficiency and orchestration for long-term advantage, combining strong local positions with the capabilities of a coordinated network.

Leading players establish corporate centers of excellence to promote standardization, talent development, and performance management while preserving local autonomy. This approach helps newly acquired sites adopt common operating systems without losing their regional agility.

Deepen Commercial Agility by Adopting Flexible Contracting

For most producers, commercial alignment remains a static process, anchored in annual planning and fixed-price contracts. Instead, companies should integrate forecasting, analytics, and flexible contracting to enable real-time trade-offs across price, margin, and volume.

Critical moves:

- Blend historical demand with forward indicators such as housing starts, public budgets, and geospatial analytics tools (such as BCG's Earth Analytics suite) to anticipate local market shifts, competitor moves, and permitting dynamics.
- Introduce indexed or banded contracts to share risk and improve agility.
- Empower local teams with pricing guardrails and digital tools, such as real-time bidding or logistics optimization platforms, to enable faster, data-driven decisions.

Upgrading forecasting and analytics is essential. A portfolio approach that combines indexed clauses, volume bands, and limited spot exposure can unlock margin without eroding customer relationships.

Above All—and Across the Board—Bolster Talent

When it comes to reliability and network orchestration, talent is the decisive constraint. One-third of the aggregates workforce is age 55 or older, compared with 23 percent across the broader US labor market. Competition for skilled technicians is intensifying.

The challenge is less about pay than about perception—and mobility. Many potential recruits view a career in aggregates as unglamorous or geographically remote, while experienced workers see limited advancement opportunities. Closing this gap requires a deliberate focus on employee value, skill mobility, and capability building at scale.

Leading process industry companies are quickly recognizing AI's potential as a workforce amplifier. Process industries that use AI to automate routine tasks, preserve institutional expertise, and improve safety can turn a looming talent cliff into an advantage. For the next generation of workers, AI will be an entry point to modern, tech-enabled operations with multiple career paths. Companies that deploy AI to augment rather than replace their workforce will attract talent, accelerate learning, and build resilience for the decade ahead.

Key actions:

- Establish cross-regional mobility programs with clear per-diem and relocation incentives.
- Tie credentialing and promotion to reliability measures and OEE performance.
- Integrate technical, leadership, and digital training into a single, continuous career pathway.

Companies that treat workforce capability as a core system rather than a support function will be best positioned to scale, integrate, and outperform in the next era of aggregates.

The Next Era

The aggregates industry's growth engine has shifted gears. As tailwinds fade and scale becomes the defining advantage, success will hinge on turning a traditionally hands-on, asset-intensive business into a modern, data-driven one. The next era will belong to companies that combine operational discipline with digital enablement and a renewed focus on people. These companies will share resources across sites, balance demand in real time, and build workplaces that attract and develop new talent. In doing so, they will not only orchestrate stronger networks, but will also transform the industry itself, delivering the step change in performance and resilience that the coming decade demands.



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If you would like to discuss this report, as well as detailed insights from BCG's 2025 survey of aggregates executives, please contact the authors.

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Survey Methodology

This article draws on BCG's 2025 Aggregates Industry Survey, conducted in the second half of 2025 with aggregates producer executives and senior managers. Respondents represented a diverse mix of company sizes (from local operators to global majors) and ownership structures (public, private, and PE-backed). Participants held roles across operations, finance, engineering, maintenance, sales, and strategy, with both C-suite and site-level perspectives captured.



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