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GPoC 2024
Global Powers of Construction

GPoC is an annual publication
produced by Deloitte Spain and
distributed free of charge

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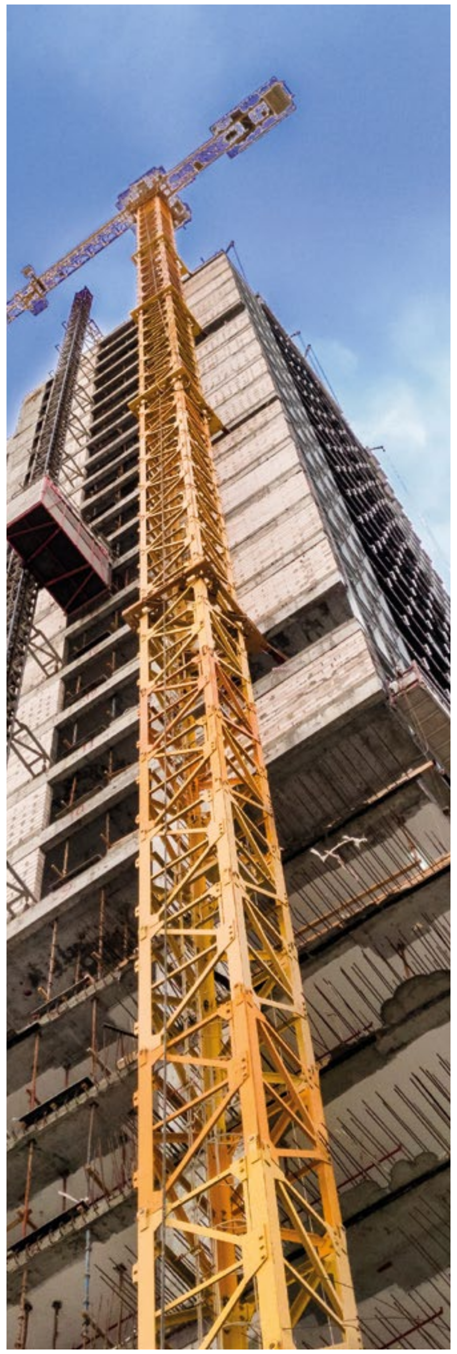
July 2025

Introduction

Global Powers of Construction analyses the outlook for the construction industry worldwide and discusses the strategies and performance of the most representative listed global construction groups in 2024.



We are delighted to present the eighth issuance of Global Powers of Construction, our annual publication containing a ranking of the world's major listed construction groups and related data that we use as a basis for a financial analysis to identify and discuss trends within the industry. As in previous issuances, the data included in GPoC was obtained from various external sources: mainly company annual reports and EUROCONSTRUCT, European Commission, International Monetary Fund, World Bank, Forbes and ENR reports. We also benefited from the invaluable assistance, and useful comments and suggestions, received from dedicated Deloitte professionals across the globe.

Our publication analyses the current macroeconomic outlook and expectations for the coming years in the global construction industry. After overcoming the disruptions caused by the COVID-19 pandemic and the outbreak of a war in Europe in early 2022, the industry is still suffering the impacts of numerous challenges including labour shortages, commodity prices surges, supply chain disruptions and sustainability considerations. However, the industry is expected to grow in the coming years, due to factors such as increased urbanization, population ageing, digitalization and decarbonization will drive investments in transport, mobility, energy, telecom and digital assets.

This publication contains an in-depth analysis of the main financial indicators of the major players within the industry. Performance in terms of revenue, market capitalization, international presence, diversification, profitability, debt and other financial ratios are examined in this issue. In 2024 the aggregate US$ sales of the Top 100 GPoC fell by 1%, while market capitalization rose by 12,9% (see Figure 1.1).

An analysis of industry trends shaping construction over the past few years, and of trends that are expected to have a major impact in the near future, is also included in this publication. The industry has room for improvement in terms of enhancing its profitability, digitalization and sustainability, and we expect these to be relevant trends in the near future.

It is our hope that you find our GPoC 2024 analysis of the global construction industry useful and that the information detailed herein helps you to understand and assess the related challenges and opportunities for the coming years. As always, we are keen to take on board, and are truly grateful for, all the thoughts and suggestions that you send

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Ranking of listed global construction companies

Total revenue obtained by the GPoC in 2024 (see Figure 1.2), amounted to US$1.978 trillion, slightly below 2023 levels (1% decrease in US$, 0.8% increase in local currency). In terms of its geographical distribution, 51.2% of revenue relates to companies based in China, with the remaining revenue coming from Europe (22.0%, particularly from France and Spain), Japan (9.1%), the United States (8.8%) and South Korea (4.7%); respectively (see Figure 1.3). These percentages remain consistent with the previous year, although a 5% decrease in US$ revenues obtained by the Chinese GPoC as well as an increase in the other significant geographical areas would be noted.

As regards the stock market performance of the GPoC, their total market capitalization increased from US$703.2 billion to US$796.5 billion (13.3% or 18.5% in local currency) (see Figure 1.1). The remarkable performance of several areas in 2024, notably the United States and India, with an increase in market value of US$60.3 billion and US$25 billion, respectively, has positioned the overall market capitalization of our GPoC close to the figure of US$800 billion.

As in previous years, China State Construction Engineering, which reported revenues above US$300 billion in 2024, leads the revenue ranking. The podium, which remains unchanged with respect to previous years, also includes two other Chinese companies, China Railway Group and China Railway Construction. Together, they consistently account for approximately 31% of the total revenue of our GPoC (see Figure 1.2).

By number of companies, Europe has the largest presence in the industry, with 42 groups included in the Top 100 ranking. Aggregate sales of the European GPoC increased by 6.2% with respect to the previous year, amounting to US$435.9 billion, while market capitalization decreased by 4.9%, mainly driven by three French groups, VINCI, Bouygues and Eiffage. With regards to revenue, Europe's performance was led by 7 Spanish groups, which reported a major increase in sales of 11.9%, driven by the Spanish groups ACS and Acciona (see Figure 1.1). European groups included in our Top 30 are completed by Strabag, Skanska and Saipem.

Japan takes second place in the ranking by number of companies (14). Aggregate US$ sales of the Japanese GPoC increased by 3% to US$180.2 billion (see Figure 1.1) despite the Yen depreciation against the US$, since sales in local currency increased by 11.2%. Out of these companies, five focus mainly on homebuilding, including the largest Japanese companies included in our Top 30, Daiwa House Industry, Sekisui House and Sumitomo Forestry, placed 13th, 17th and 30th, respectively.

The United States also has 14 companies in the Top 100 ranking, in which the homebuilding sector predominates, with total revenue of US$174.9 billion (see Figure 1.1). Sales of the US GPoC grew by a modest 3.6%, but market capitalization increased by an impressive 35.1%. Four US companies are included in our Top 30, D.R. Horton, Lennar, PulteGroup and Fluor Corporation, which ranked 12th ,14th, 23rd and 25th, respectively (see Figure 1.2).

South Korea's presence in the ranking is headed by Samsung C&T and Hyundai E&C, which are among the Top 30 companies in terms of revenue. Revenue in 2024 decreased by 3.7% for the seven South Korean companies included in the ranking and aggregate market capitalization also took a hit of 16.8%.

The remaining entities included in the ranking are medium-sized companies located in areas such as India, Australia, Mexico, Canada, Turkey and Taiwan, among others. Their aggregate sales represented approximately 4.2% of the total revenue of the GPoC. Among these companies, only Larsen & Toubro (India) and Grupo Carso (Mexico) reported sales exceeding US$10 billion. It is worth noting that in 2024 the Indian company Larsen & Toubro topped the market capitalization ranking of the Top 100 GPoC companies (see Figure 2.1) with a market value that is 2.3 times its revenue surpassing the French company VINCI, that has led our ranking in the seven previous editions of this report.

Figure 1.1: Top 100 Global Construction Companies by Country

Country	Number of companies	Sales 2024 (US$ billion)	% Change US$ 2024 - 2023	% Change LC (**) 2024 - 2023	Market Cap 2024 (US$ billion)	% Change 2024 - 2023	% Change LC (**) 2024 - 2023
AUSTRALIA	2	13.885	(3.1%)	(2.4%)	7.184	(20.8%)	(19.9%)
AUSTRIA	2	25.549	(0.4%)	(0.4%)	5.426	3.5%	10.7%
BELGIUM	1	1.279	(5.3%)	(5.3%)	152	(28.7%)	(23.7%)
BRAZIL	1	1.672	12.4%	21.3%	484	(62.8%)	(52.6%)
CANADA	2	10.155	3.2%	4.8%	10.436	66.0%	80.9%
CHILE	1	1.116	(10.0%)	1.2%	309	10.9%	25.2%
CHINA	11	1.012.379	(5.4%)	(3.8%)	138.872	14.5%	17.7%
DENMARK	1	3.157	8.8%	7.3%	1.103	25.9%	19.4%
FINLAND	1	1.969	(15.8%)	(15.9%)	594	29.1%	38.0%
FRANCE	3	164.252	3.5%	3.5%	77.273	(19.9%)	(14.2%)
GREECE	2	4.874	15.2%	15.2%	3.001	36.4%	34.4%
INDIA	1	27.215	17.3%	20.9%	62.072	67.6%	70.1%
ISRAEL	1	3.327	5.5%	6.1%	2.153	31.8%	33.6%
ITALY	2	28.503	20.6%	20.6%	8.008	52.4%	62.9%
JAPAN	14	180.213	3.0%	11.2%	91.209	19.0%	33.2%
MEXICO	1	11.088	(0.9%)	2.3%	12.462	(50.7%)	(39.2%)
NETHERLANDS	2	9.780	7.8%	7.8%	2.042	89.2%	102.3%
NORWAY	1	3.849	(5.7%)	(4.0%)	1.686	23.6%	39.1%
PORTUGAL	1	6.439	7.2%	7.2%	925	(31.2%)	(26.4%)
SOUTH KOREA	7	92.764	(3.7%)	0.4%	19.594	(16.8%)	(5.1%)
SPAIN	7	96.106	11.9%	11.9%	57.756	2.0%	7.5%
SWEDEN	4	29.494	4.5%	4.1%	13.158	14.9%	26.3%
SWITZERLAND	1	4.040	0.9%	(1.0%)	622	(6.0%)	1.6%
TAIWAN	1	3.735	12.4%	15.8%	955	(13.7%)	(7.4%)
THAILAND	1	2.003	9.3%	10.9%	85	(36.0%)	(36.0%)
TURKEY	2	4.838	(4.0%)	32.1%	8.999	22.2%	46.5%
U.A.E.	1	3.255	(3.3%)	(3.3%)	676	5.3%	5.3%
UK	12	56.581	3.7%	0.2%	37.481	1.8%	3.2%
USA	14	174.915	3.6%	3.6%	231.850	35.1%	35.1%
Grand total	**100**	**1,978.432**	**(1.0%)**	**0.8% (*)**	**796.565**	**13.3%**	**18.5%(*)**

* Average increase was calculated by applying the previous year's average exchange rate to the current year's local currency sales, thereby excluding the impact of US$ appreciation/depreciation.

** LC stands for Local Currency

Source: Global Powers of Construction (GPoC) 2024 (July 2025)

Top 100 GPoC–ranking by sales

Figure 1.2: Top 100 Global Construction Companies by Sales

Rank 2024	Company	Country	Sales 2024 (US$ billion)	% change 2024-2023	% change in LC** 2024-2023	2024 market capitalization (US$ billion)	% change 2024-2023	% change in LC** 2024-2023
1	CHINA STATE CONSTRUCTION ENGINEERING CORP. (CSCEC)	CHINA	303.951	(5.0%)	(3.5%)	34.203	20.5%	23.8%
2	CHINA RAILWAY GROUP (CREC)	CHINA	161.250	(9.6%)	(8.2%)	20.121	9.9%	13.0%
3	CHINA RAILWAY CONSTRUCTION CORP. (CRCC)	CHINA	148.306	(7.7%)	(6.2%)	15.983	17.9%	21.2%
4	CHINA COMMUNICATIONS CONSTRUCTION GROUP (CCCC)	CHINA	106.764	(0.4%)	1.3%	20.102	37.3%	41.1%
5	POWER CONSTRUCTION CORP. OF CHINA	CHINA	88.185	2.4%	4.1%	12.885	8.6%	11.7%
6	VINCI	FRANCE	77.496	4.1%	4.0%	58.053	(19.2%)	(13.6%)
7	METALLURGICAL CORPORATION OF CHINA (MCC)	CHINA	76.716	(14.3%)	(12.9%)	8.677	5.2%	8.1%
8	BOUYGUES	FRANCE	61.406	1.3%	1.3%	11.131	(22.4%)	(17.1%)
9	CHINA ENERGY ENGINEERING CORP.	CHINA	60.691	5.8%	7.6%	11.402	8.4%	11.5%
10	ACTIVIDADES DE CONSTRUCCION Y SERVICIOS (ACS)	SPAIN	45.047	16.5%	16.5%	13.624	17.8%	17.8%
11	SHANGHAI CONSTRUCTION GROUP (SCG)	CHINA	41.722	(3.0%)	(1.4%)	3.226	10.2%	13.2%
12	D.R. HORTON	USA	36.801	3.8%	3.8%	61.815	71.8%	71.8%
13	DAIWA HOUSE INDUSTRY CO.	JAPAN	36.014	(0.6%)	6.0%	19.146	23.9%	41.2%
14	LENNAR CORP.	USA	35.441	3.5%	3.5%	46.777	30.2%	30.2%
15	SAMSUNG C&T CORP.	SOUTH KOREA	30.880	(3.7%)	0.5%	12.591	(22.3%)	(11.4%)
16	LARSEN & TOUBRO (L&T)	INDIA	27.215	17.3%	20.9%	62.072	67.6%	70.1%
17	SEKISUI HOUSE	JAPAN	26.651	13.8%	30.6%	15.005	1.3%	7.1%
18	EIFFAGE	FRANCE	25.350	7.3%	7.3%	8.089	(21.5%)	(14.3%)
19	HYUNDAI ENGINEERING & CONSTRUCTION CO. (HDEC)	SOUTH KOREA	23.962	5.6%	10.2%	1.913	(36.2%)	(27.2%)
20	ACCIONA	SPAIN	20.764	12.8%	12.7%	6.128	(24.3%)	(19.0%)
21	STRABAG	AUSTRIA	18.851	(1.4%)	(1.4%)	4.719	0.4%	7.4%
22	KAJIMA CORP.	JAPAN	18.448	4.5%	11.4%	9.940	69.9%	93.6%
23	PULTEGROUP	USA	17.947	11.7%	11.7%	22.097	0.7%	0.7%
24	SKANSKA	SWEDEN	16.690	5.9%	5.6%	8.649	16.1%	28.0%
25	FLUOR CORP.	USA	16.315	5.4%	5.4%	8.346	25.0%	25.0%
26	OBAYASHI CORP.	JAPAN	16.095	9.9%	17.2%	8.825	61.3%	83.9%
27	SAIPEM	ITALY	15.745	22.3%	22.3%	5.082	56.6%	67.4%
28	SICHUAN ROAD AND BRIDGE (GROUP) CO.	CHINA	14.903	(8.3%)	(6.8%)	8.689	(5.5%)	(2.8%)
29	SHIMIZU CORP.	JAPAN	13.882	(2.8%)	3.7%	4.723	12.8%	28.6%
30	SUMITOMO FORESTRY	JAPAN	13.559	9.9%	18.5%	6.885	12.7%	26.0%
31	DOOSAN	SOUTH KOREA	13.299	(9.2%)	(5.2%)	2.332	138.0%	171.6%
32	BALFOUR BEATTY	UK	12.801	7.5%	4.4%	2.944	28.0%	30.5%
33	Webuild	ITALY	12.757	18.5%	18.5%	2.926	45.6%	55.6%
34	TAISEI CORP.	JAPAN	12.217	0.7%	7.4%	6.848	17.9%	34.3%
35	DAITO TRUST CONSTRUCTION	JAPAN	11.985	(2.1%)	4.5%	7.533	11.0%	26.5%
36	JACOBS ENGINEERING	USA	11.501	(29.7%)	(29.7%)	19.325	12.4%	12.4%
37	GRUPO CARSO	MEXICO	11.088	(0.9%)	2.3%	12.462	(50.7%)	(39.2%)
38	TOLL BROTHERS	USA	10.847	8.5%	8.5%	14.613	99.1%	99.1%
39	NVR	USA	10.436	10.3%	10.3%	24.632	10.1%	10.1%
40	IIDA GROUP HOLDINGS	JAPAN	9.962	(6.3%)	0.0%	3.694	(19.5%)	(8.3%)
41	FERROVIAL	SPAIN	9.897	7.5%	7.4%	30.654	13.3%	21.1%
42	FOMENTO DE CONSTRUCCIONES Y CONTRATAS	SPAIN	9.815	0.5%	0.5%	4.185	(40.4%)	(36.3%)
43	GS ENGINEERING & CONSTRUCTION	SOUTH KOREA	9.435	(8.2%)	(4.3%)	996	1.3%	15.5%
44	TAYLOR MORRISON HOME	USA	8.168	10.1%	10.1%	6.258	9.7%	9.7%
45	KBR	USA	7.742	11.3%	11.3%	7.815	4.4%	4.4%
46	WORLEY	AUSTRALIA	7.742	3.5%	4.2%	4.714	(14.9%)	(13.4%)
47	DAEWOO ENGINEERING & CONSTRUCTION CO.	SOUTH KOREA	7.704	(13.6%)	(9.8%)	863	(34.3%)	(25.1%)
48	HASEKO	JAPAN	7.576	(0.1%)	6.5%	3.418	8.2%	23.3%
49	ATKINSREALIS GROUP	CANADA	7.058	10.3%	12.0%	9.247	63.1%	77.7%
50	ROYAL BAM GROUP	NETHERLANDS	6.984	3.0%	2.9%	1.145	59.1%	70.1%
51	PORR	AUSTRIA	6.698	2.4%	2.3%	707	30.7%	39.7%
52	MOTA ENGIL	PORTUGAL	6.439	7.2%	7.2%	925	(31.2%)	(26.4%)
53	SINOMA INTERNATIONAL ENGINEERING CO.	CHINA	6.410	(0.9%)	0.7%	3.431	(1.3%)	1.5%
54	PRIMORIS SERVICES CORP.	USA	6.367	11.4%	11.4%	4.106	131.7%	131.7%
55	LENDLEASE	AUSTRALIA	6.143	(10.3%)	(9.7%)	2.470	(30.0%)	(30.1%)
56	DL E&C (antes DAELIM INDUSTRIAL CO.)	SOUTH KOREA	6.101	(0.2%)	4.1%	834	(16.8%)	(5.1%)

Rank 2024	Company	Country	Sales 2024 (US$ billion)	% change 2024-2023	% change in LC** 2024-2023	2024 market capitalization (US$ billion)	% change 2024-2023	% change in LC** 2024-2023
57	NCC	SWEDEN	5.826	8.6%	8.2%	1.434	17.4%	29.5%
58	MORGAN SINDALL	UK	5.811	13.8%	10.4%	2.344	75.1%	78.5%
59	PEAB	SWEDEN	5.795	(0.2%)	(0.5%)	2.056	25.7%	38.7%
60	VISTRY GROUP	UK	5.533	10.3%	7.1%	2.340	(42.2%)	(42.2%)
61	BARRATT REDROW	UK	5.251	(18.1%)	(21.7%)	5.818	13.5%	14.2%
62	KIER GROUP	UK	5.000	21.9%	16.6%	757	77.6%	78.6%
63	SACYR	SPAIN	4.946	(0.8%)	(0.8%)	2.568	8.7%	16.2%
64	TAYLOR WIMPEY	UK	4.347	(0.3%)	(3.2%)	5.347	(19.9%)	(17.0%)
65	TUTOR PERINI CORP.	USA	4.327	11.5%	11.5%	1.270	168.3%	168.3%
66	PENTA-OCEAN CONSTRUCTION CO.	JAPAN	4.159	14.5%	22.1%	1.462	7.7%	22.8%
67	PERSIMMON	UK	4.091	18.9%	15.4%	4.796	(15.3%)	(13.6%)
68	IMPLENIA	SWITZERLAND	4.040	0.9%	(1.0%)	622	(6.0%)	1.6%
69	GRANITE CONSTRUCTION	USA	4.008	33.9%	33.9%	3.809	70.4%	70.4%
70	OBRASCON HUARTE LAIN	SPAIN	3.951	16.7%	16.6%	247	(16.1%)	(10.3%)
71	VEIDEKKE	NORWAY	3.849	(5.7%)	(4.0%)	1.686	23.6%	39.1%
72	KELLER GROUP	UK	3.817	3.7%	0.7%	1.325	62.1%	65.2%
73	CTCI CORP.	TAIWAN	3.735	12.4%	15.8%	955	(13.7%)	(7.4%)
74	TODA CORP.	JAPAN	3.616	(10.5%)	(4.5%)	2.057	27.6%	45.4%
75	GEK TERNA	GREECE	3.516	(7.1%)	(7.1%)	2.191	57.7%	54.9%
76	HEBEI CONSTRUCTION GROUP CO.	CHINA	3.482	(26.4%)	(25.2%)	152	24.8%	31.0%
77	ELECTRA	ISRAEL	3.327	5.5%	6.1%	2.153	31.8%	33.6%
78	SUMITOMO MITSUI CONSTRUCTION CO.	JAPAN	3.319	(2.0%)	4.5%	445	(1.6%)	12.1%
79	ORASCOM CONSTRUCTION	U.A.E.	3.255	(3.3%)	(3.3%)	676	5.3%	5.3%
80	PER AARSLEFF HOLDING	DENMARK	3.157	8.8%	7.3%	1.103	25.9%	19.4%
81	BERKELEY GROUPS HOLDINGS	UK	3.099	1.1%	(3.4%)	6.763	3.8%	4.3%
82	AECON GROUP	CANADA	3.097	(10.0%)	(8.6%)	1.189	92.9%	110.2%
83	ENKA INSAAT VE SANAYI	TURKEY	3.065	(5.0%)	(5.0%)	8.245	19.4%	42.9%
84	BELLWAY	UK	2.999	(27.4%)	(30.1%)	4.377	27.4%	27.6%
85	KNIFE RIVER	USA	2.899	2.4%	2.4%	5.820	55.6%	55.6%
86	HEIJMANS	NETHERLANDS	2.796	22.1%	22.0%	897	149.4%	166.6%
87	HAZAMA ANDO CORP.	JAPAN	2.728	(0.7%	5.9%	1.228	21.7%	38.7%
88	GALLIFORD TRY	UK	2.233	33.0%	27.2%	314	21.1%	21.8%
89	Sterling Infrastructure	USA	2.116	7.3%	7.3%	5.166	90.0%	90.0%
90	ITALIAN-THAI DEVELOPMENT PUBLIC CO.	THAILAND	2.003	9.3%	10.9%	85	(36.0%)	(36.0%)
91	YIT OYJ	FINLAND	1.969	(15.8%)	(15.9%)	594	29.1%	38.0%
92	TEKFEN HOLDING	TURKEY	1.772	(2.3%)	34.9%	754	63.0%	101.6%
93	GRUPO EMPRESARIAL SAN JOSE	SPAIN	1.686	16.7%	16.6%	350	40.6%	50.3%
94	MRV ENGENHARIA	BRAZIL	1.672	12.4%	21.3%	484	(62.8%)	(52.6%)
95	COSTAIN GROUP	UK	1.599	(3.2%)	(6.1%)	357	59.3%	62.4%
96	HJ Shipbuilding & Construction (antes HanjinHeavy)	SOUTH KOREA	1.383	(16.4%)	(12.8%)	65	0.3%	14.5%
97	AKTOR GROUP	GREECE	1.358	204.6%	204.5%	810	0.0%	0.0%
98	CFE	BELGIUM	1.279	(5.3%)	(5.3%)	152	(28.7%)	(23.7%)
99	JM	SWEDEN	1.183	(9.4%)	(9.7%)	1.018	(10.7%)	(6.0%)
100	SALFACORP	CHILE	1.116	(10.0%)	1.2%	309	10.9%	25.2%
	TOTAL		**1,978.432**	**(1.0%)**	**0.8% (*)**	**796.565**	**13.3%**	**18.5%(*)**

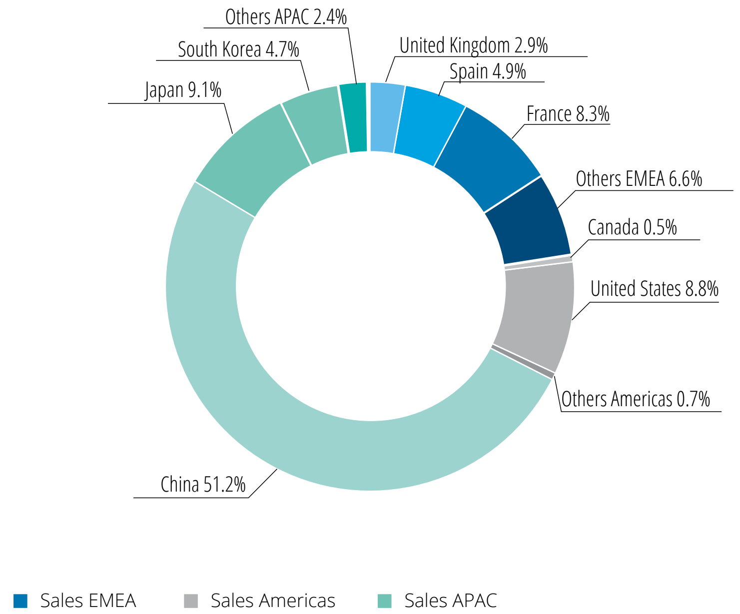
* Average increase was calculated by applying the previous year's average exchange rate to the current year's local currency sales, thereby excluding the impact of US$ appreciation/depreciation.

** LC stands for Local Currency

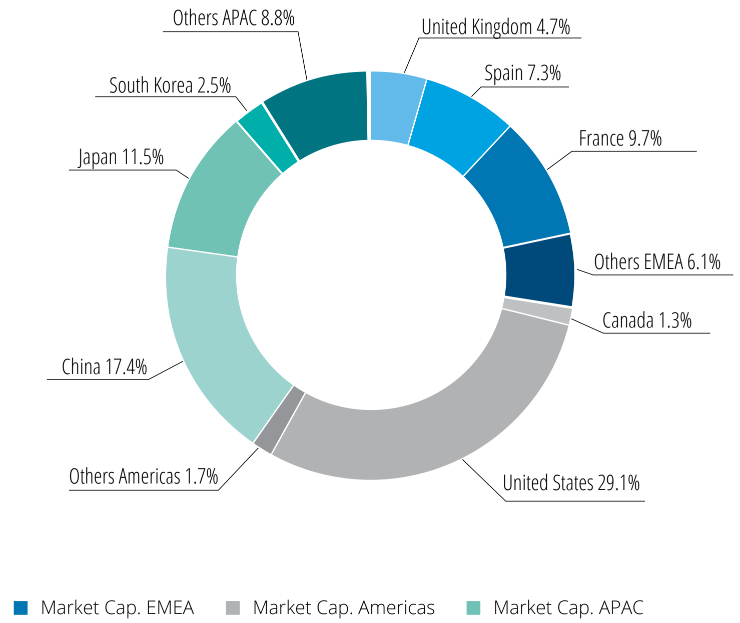
Source: Global Powers of Construction (GPoC) 2024. (July 2025)

Figure 1.3: Top 100 Global Construction Company Sales and Market Capitalization

Sales



Market capitalization



Source: Global Powers of Construction (GPoC) 2024 (July 2025)

Top 30 GPoC–ranking by market capitalization

In 2024 our Top 100 GPoC reported a 13.3% increase in their market capitalization. The rallies of Asian and US companies were offset by a significant fall in European groups.

The aggregate market capitalization of the companies in our Top 30 ranking rose by 14.9% in 2024 to US$617.4 billion (see Figure 2.1). This figure is slightly higher than the 13.3% increase of the Top 100 GPoC. In 2024, as in the previous year, the China region led the Top 30 ranking with eight companies, while the US and Europe contributed with seven and six companies, respectively.

The increase in market value of the Top 30 is mainly explained by the strong performance of the US groups, which recorded average growth of 34%, followed by the Asian groups, which recorded a 23.8% increase in the year. It is worth noting the 67.6% increase of Larsen & Toubro, with the Indian group topping the market capitalization ranking. In addition, a 19.9% decrease in the market value of the French companies gave rise to the negative performance of European groups, which was partially offset by the increase in market capitalization of Ferrovial, ACS and Skanska.

To better understand the stock market performance of our GPoC, we performed a more in-depth analysis by geographical area, as follows:

Asian companies

The 2024 ranking by market capitalization is led by Larsen & Toubro, the market capitalization of which rose by a remarkable 67.6% (see Figure 2.1). In the last four years, the Indian group has climbed from 10th to 1st position, consolidating its sustained and robust market performance, built on its strong growth coming from the energy and high-tech manufacturing segments that outpaced its infrastructure project segment.

The eight Chinese groups included in our Top 30 rallied following the decreases in market capitalization reported in 2023 and 2022. The Chinese groups increased aggregate market capitalization by 15.1% in US$, slightly below the 18.3% increase recorded in local currency. Despite China State Construction Engineering Corporation's 20.5% increase, the most valuable Chinese group remained in 5th place in the ranking. The most significant increase stood at 37.3% and was recorded by the China Communications Construction Group, which as a result entered the Top 10. However, its performance was uneven with Sichuan Road and Bridge recording a 5.5% decrease in its US$ market capitalization (see Figure 2.1).

The Japanese companies increased aggregate market capitalization by 27.2%, although this was negatively impacted by the Yen depreciation against the US$ (40.8% increase in local currency). While Kajima and Obayashi recorded a higher than 60% increase in their market capitalization and Daiwa House achieved growth of 23.9%, Sekisui House recorded a slight increase of 1.3% in its US$ market capitalization (see Figure 2.2).

In contrast with other Asian companies, the South Korean company Samsung C&T Corp recorded a significant 22.3% decrease in its US$ market value, which was negatively impacted by US$ appreciation (11.4% decrease in local currency).

US companies

US groups recorded a remarkable 34% average increase in market capitalization in 2024. The homebuilder D.R. Horton recorded a 71.8% increase in its market value and climbed to 2nd position in the ranking. Except for PulteGroup, which had a modest 0.7% increase following a significant revaluation in the previous year, the other six recorded double digit increases in their market values in 2024 (see Figure 2.2).

Although five out of seven US groups in the Top 30 in market value are homebuilders, reflecting the strength of the US housing market, Jacobs and Fluor also recorded a strong market performance in 2024.

European companies

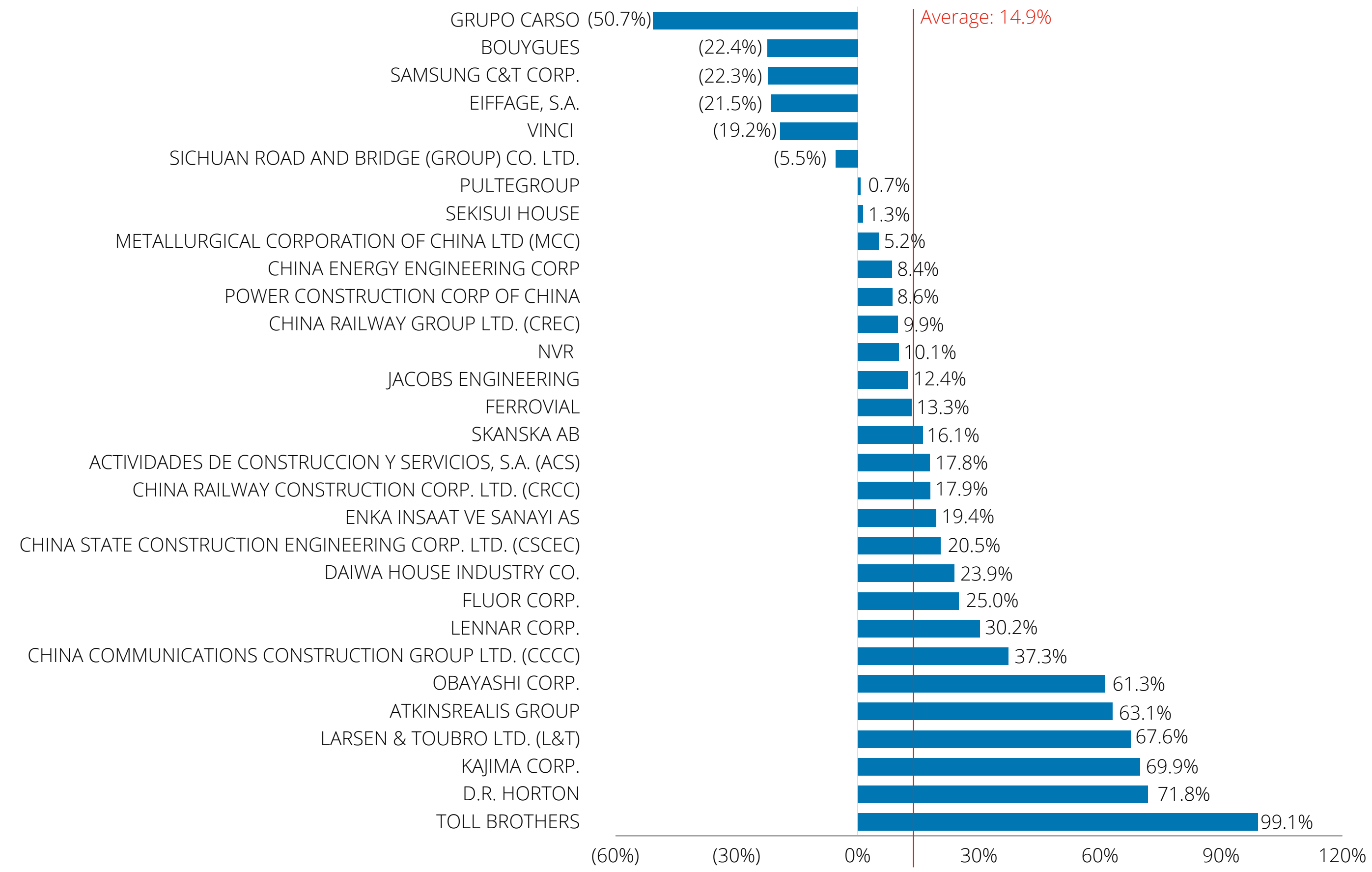
The total market value of the European groups included in our Top 30 decreased by an aggregate 8.7% in 2024. The French groups recorded a noteworthy 19.9% decrease in their US$ market value which lead VINCI to lose its top spot in the ranking. The first non-Chinese group of our top 100 ranking by revenue placed third in 2024. The Spanish groups Ferrovial and ACS, alongside the Swedish group Skanska, recorded a strong market performance, which partially offset the French groups' loss in market capitalization (see Figure 2.2). The performance of the European companies was also negatively impacted by exchange rates, with the overall market value in local currency increasing by 8%.

Figure 2.1 Top Global Construction Companies by Market Capitalization

Rank MC	Company	Country	2024 Market Capitalization (US$ billion)	2023 Market Capitalization (US$ billion)	% Change	% Change in LC (**)
1	LARSEN & TOUBRO (L&T)	INDIA	62.072	37.038	67.6%	70.1%
2	D.R. HORTON	USA	61.815	35.986	71.8%	71.8%
3	VINCI	FRANCE	58.053	71.807	(19.2%)	(13.6%)
4	LENNAR CORP.	USA	46.777	35.939	30.2%	30.2%
5	CHINA STATE CONSTRUCTION ENGINEERING CORP. (CSCEC)	CHINA	34.203	28.394	20.5%	23.8%
6	FERROVIAL	SPAIN	30.654	27.060	13.3%	21.1%
7	NVR	USA	24.632	22.366	10.1%	10.1%
8	PULTEGROUP	USA	22.097	21.940	0.7%	0.7%
9	CHINA RAILWAY GROUP (CREC)	CHINA	20.121	18.308	9.9%	13.0%
10	CHINA COMMUNICATIONS CONSTRUCTION GROUP (CCCC)	CHINA	20.102	14.646	37.3%	41.1%
11	JACOBS ENGINEERING	USA	19.325	17.196	12.4%	12.4%
12	DAIWA HOUSE INDUSTRY CO.	JAPAN	19.146	15.453	23.9%	41.2%
13	CHINA RAILWAY CONSTRUCTION CORP. (CRCC)	CHINA	15.983	13.558	17.9%	21.2%
14	SEKISUI HOUSE	JAPAN	15.005	14.817	1.3%	7.1%
15	TOLL BROTHERS	USA	14.613	7.339	99.1%	99.1%
16	ACTIVIDADES DE CONSTRUCCION Y SERVICIOS (ACS)	SPAIN	13.624	11.565	17.8%	17.8%
17	POWER CONSTRUCTION CORP. OF CHINA	CHINA	12.885	11.862	8.6%	11.7%
18	SAMSUNG C&T CORP.	SOUTH KOREA	12.591	16.204	(22.3%)	(11.4%)
19	GRUPO CARSO	MEXICO	12.462	25.268	(50.7%)	(39.2%)
20	CHINA ENERGY ENGINEERING CORP.	CHINA	11.402	10.515	8.4%	11.5%
21	BOUYGUES	FRANCE	11.131	14.35	(22.4%)	(17.1%)
22	KAJIMA CORP.	JAPAN	9.940	5.850	69.9%	93.6%
23	ATKINSREALIS GROUP	CANADA	9.247	5.671	63.1%	77.7%
24	OBAYASHI CORP.	JAPAN	8.825	5.470	61.3%	83.9%
25	SICHUAN ROAD AND BRIDGE (GROUP) CO.	CHINA	8.689	9.193	(5.5%)	(2.8%)
26	METALLURGICAL CORPORATION OF CHINA (MCC)	CHINA	8.677	8.252	5.2%	8.1%
27	SKANSKA	SWEDEN	8.649	7.452	16.1%	28.0%
28	FLUOR CORP.	USA	8.346	6.675	25.0%	25.0%
29	ENKA INSAAT VE SANAYI	TURKEY	8.245	6.904	19.4%	42.9%
30	EIFFAGE	FRANCE	8.089	10.308	(21.5%)	(14.3%)
	Total Top 30		**617.401**	**537.385**	**14.9%**	**19.8% (*)**
	31 to 100 GPoC		179.164	165.844	8.0%	14.2% (*)
	Total Top 100		**796.565**	**703.229**	**13.3%**	**18.5% (*)**

* Average increase was calculated by applying the previous year's average exchange rate to the current year's local currency sales, thereby excluding the appreciation/depreciation of the US$ effect
** LC stands for Local Currency
Source: Bloomberg (July 2025)

Figure 2.2 Market Capitalization change FY 2024 vs FY 2023



Source: Global Powers of Construction (GPoC) 2024 (July 2025)

Top 30 GPoC–ranking by international sales

In 2024, revenue obtained by our Top 30 GPoC from international sales rose to 21.3% of total sales from 18.4% in 2023, which was the highest ratio in the last five years.

In 2024, the construction industry was remarkably resilient and adaptable in the face of global economic shifts. Governments and private investors alike continue to prioritize infrastructure renewal and sustainable urban development, especially in emerging markets across Asia, Africa and Latin America. As discussed in our "Smart construction" section, key players have embraced technological innovation, including Building Information Modelling (BIM) and AI-driven project management tools, to improve efficiency and reduce costs.

Internationalization continues to play a central role, as construction firms increasingly look beyond domestic markets for growth opportunities.

Strategic partnerships, joint ventures and foreign direct investments have surged, particularly in transportation and energy projects. Companies from Europe and Asia are expanding into regions with a high demand for infrastructure, bringing expertise and capital to address local challenges while adapting to regional regulations and labor conditions.

Although the long-term forecasts for the industry are positive with it set to expand, the short-term outlook remains affected by the uncertainties that are present in the global economy. The situation will vary from one geographical area to another depending on infrastructure needs and the impact of inflation and economic policy-making.

In this regard, in 2024 our Top 30 GPoC obtained 21.3% of total revenue from outside their respective domestic markets, up from 18.4% in 2023, which is the highest ratio in the last 5 years.

As in prior years, European groups continued to be the most internationalized with 66% of their sales obtained from outside their domestic markets, a slight rise on the figure of 63% in 2023. The Indian group Larsen & Toubro, the South Korean GPoC and the Japanese GPoC also achieved increases in their international operations, up to 42%, 36% and 29%, respectively.

Conversely, since homebuilding accounts for a significant proportion of revenue at US-based GPoC, only 5% of their total revenue came from international operations. As in previous years, D.R. Horton, Lennar and PulteGroup obtained all their revenue from the domestic market. The remaining two US groups obtained approximately a third of their revenue from international sales.

VINCI, for a third year in a row, leads our ranking of international sales with US$44.8 billion, which is 57.8% of its revenue. In relative terms, the Italian group Saipem, a new inclusion in our Top 30 list of companies, became the most internationalized contractor of our GPoC in 2024, closely followed by the Spanish group ACS, with percentage revenues from international markets of 93.2% and 91.3%, respectively. While all the European groups reported an international sales percentage of over 75%, the French groups had lower figures due to the significance of their local constructors and concession businesses.

In line with prior years, the Chinese groups obtained less than 10% of revenue from international sales, as their focus remains on the domestic market. Their international presence in absolute terms is however growing each year.

Lastly, the Japanese groups witnessed an increase in their international presence in 2024. It is worth noting that Sumitomo, a new inclusion in our Top 30 GPoC, made an major contribution to this increase as a result of its significant presence in the homebuilding sector in the United States, Australia and the rest of Asia. The lone Indian company and the South Korean groups also reported robust international activity, as was the case in previous years.

Figure 3.1 Top 30 Construction Companies by 2024 International and Domestic Sales

Rank	Company	Country	International sales (US$ billion)	Domestic sales (US$ billion)	International sales as % of total sales
1	VINCI	FRANCE	44.823	32.673	57.8%
2	ACTIVIDADES DE CONSTRUCCION Y SERVICIOS (ACS)	SPAIN	41.145	3.902	91.3%
3	BOUYGUES	FRANCE	31.500	29.905	51.3%
4	CHINA COMMUNICATIONS CONSTRUCTION GROUP (CCCC)	CHINA	18.731	88.033	17.5%
5	CHINA STATE CONSTRUCTION ENGINEERING CORP. (CSCEC)	CHINA	16.487	287.464	5.4%
6	STRABAG	AUSTRIA	16.085	2.766	85.3%
7	ACCIONA	SPAIN	16.002	4.762	77.1%
8	SAIPEM	ITALY	14.672	1.073	93.2%
9	SKANSKA	SWEDEN	13.608	3.081	81.5%
10	POWER CONSTRUCTION CORP. OF CHINA	CHINA	12.595	75.590	14.3%
11	LARSEN & TOUBRO (L&T)	INDIA	11.487	15.728	42.2%
12	SAMSUNG C&T CORP.	SOUTH KOREA	10.122	20.759	32.8%
13	CHINA RAILWAY GROUP (CREC)	CHINA	9.540	151.711	5.9%
14	HYUNDAI ENGINEERING & CONSTRUCTION CO. (HDEC)	SOUTH KOREA	9.442	14.519	39.4%
15	CHINA RAILWAY CONSTRUCTION CORP. (CRCC)	CHINA	9.158	139.148	6.2%
16	EIFFAGE	FRANCE	8.585	16.766	33.9%
17	SEKISUI HOUSE	JAPAN	8.396	18.256	31.5%
18	SUMITOMO FORESTRY	JAPAN	8.187	5.372	60.4%
19	CHINA ENERGY ENGINEERING CORP.	CHINA	7.802	52.889	12.9%
20	KAJIMA CORP.	JAPAN	5.965	12.483	32.3%
21	FLUOR CORP.	USA	5.226	11.089	32.0%
22	DAIWA HOUSE INDUSTRY CO.	JAPAN	4.853	31.162	13.5%
23	SHIMIZU CORP.	JAPAN	4.604	9.278	33.2%
24	OBAYASHI CORP.	JAPAN	4.280	11.815	26.6%
25	METALLURGICAL CORPORATION OF CHINA (MCC)	CHINA	3.910	72.806	5.1%
26	SICHUAN ROAD AND BRIDGE (GROUP) CO.	CHINA	2.137	12.766	14.3%
27	SHANGHAI CONSTRUCTION GROUP (SCG)	CHINA	731	40.990	1.8%
28	D.R. HORTON	USA	-	36.801	0.0%
29	LENNAR CORP.	USA	-	35.441	0.0%
30	PULTEGROUP	USA	-	17.947	0.0%
	SUBTOTAL		**340.072**	**1,256.975**	**21.3%**
	31 to 100 GPoC		113.213	268.172	29.7%
	TOTAL		**453.285**	**1,525.147**	**22.9%**

Source: Global Powers of Construction (GPoC) 2024 (July 2025)

Outlook for the construction industry globally

In 2024 global construction output grew by 3.1%, a slowdown with respect to the previous year, and it is expected to fall further to 2.3% in 2025[1] due to geopolitical uncertainty. The long-term outlook remains positive as the industry is expected to achieve a CAGR of 5.5% from 2025 to 2030.[2]

The increasing urbanization of the world´s population and the significant infrastructure investments needed to address the digitization and decarbonization of the economy will lead to a significant increase in the demand for infrastructure in the coming years across all sectors (transport, water, energy, telecom and manufacturing construction).

However, the short-term outlook remains affected by the uncertainties relating to the global economic situation. Although inflation fell and monetary policies were eased, the prospect of a global trade war and the likelihood of recession gave rise to lower expectations of growth:

- Inflation plays a critical role in shaping short and medium-term perspectives as construction is a sector that depends heavily on long-term capital-intensive contracts. The predictability of costs is therefore critical. Global headline inflation is expected to decline to 4.2% in 2025 and to 3.5% in 2026, moving back on target earlier in advanced economies than in emerging markets and developing economies.[3] However, this rate is still higher than the average inflation rates observed before the COVID-19 pandemic.

- Interest rates have a profound impact on the construction industry because, as mentioned before, construction is capital-intensive, highly sensitive to financing conditions and closely tied to broader macroeconomic cycles. Monetary policy clearly shifted in 2024 from fighting inflation to supporting economic activity. Even though central banks remain cautious, the broader pattern is clear; disinflation enables lower interest rates and will in turn gradually revitalize construction and infrastructure investment.

- Moreover, ongoing geopolitical and trade uncertainty, particularly the escalating trade war involving the United States, are exerting significant pressure on the construction industry worldwide. These tensions reveal themselves across various channels, impacting costs, supply chains and overall market stability. Such factors are leading to project delays as the investment climate is cautious.

- Geopolitical conflicts such as the Russia-Ukraine and Israel-Hamas wars have consequences for global construction investment that are far-reaching and systemic. These conflicts have amplified perceptions of global instability and are contributing to a more cautious, defensive investment environment.[4]

In the medium and long-term the industry remains resilient. The global construction market is expected to grow from US$11.39 trillion in 2024 to US$16.11 trillion in 2030, with a CAGR of 5.5%.[2] Significant opportunities are expected in the following sectors:

- Infrastructure investment will lead the way in terms of investment in the next decade. Driven by rapid urban growth, public investments will be made in transportation, water, energy and utilities. Investments in emerging economies will help them build from the ground up while developed economies will focus on asset upgrades.

- Residential construction will remain strong, particularly in emerging markets, where urbanization and housing deficits create persistent demand.

- The energy and industrial sector are set for rapid expansion, fuelled by the clean energy transition and reshoring of manufacturing.

- Digital infrastructure, including data centers and 5G networks, will experience exceptional growth as AI and cloud services surge.

Based on the above, it is clear that although the industry is negotiating short-term cyclical uncertainties, its strategic relevance and long-term outlook remain strong. A more in-depth region-by-region analysis is as follows:

The Americas

United States and Canada

While inflation is cooling and interest rates are gradually easing, structural pressures, such as aging demographics, labor shortages and productivity stagnation, continue to constrain the economic climate.

The US real GDP growth rate is expected to slow to 1.8% in 2025 and to 1.7% in 2026, down from 2.8% reported in 2024.[4] This deceleration is attributed to increased trade uncertainties, policy uncertainties and a softer demand outlook.

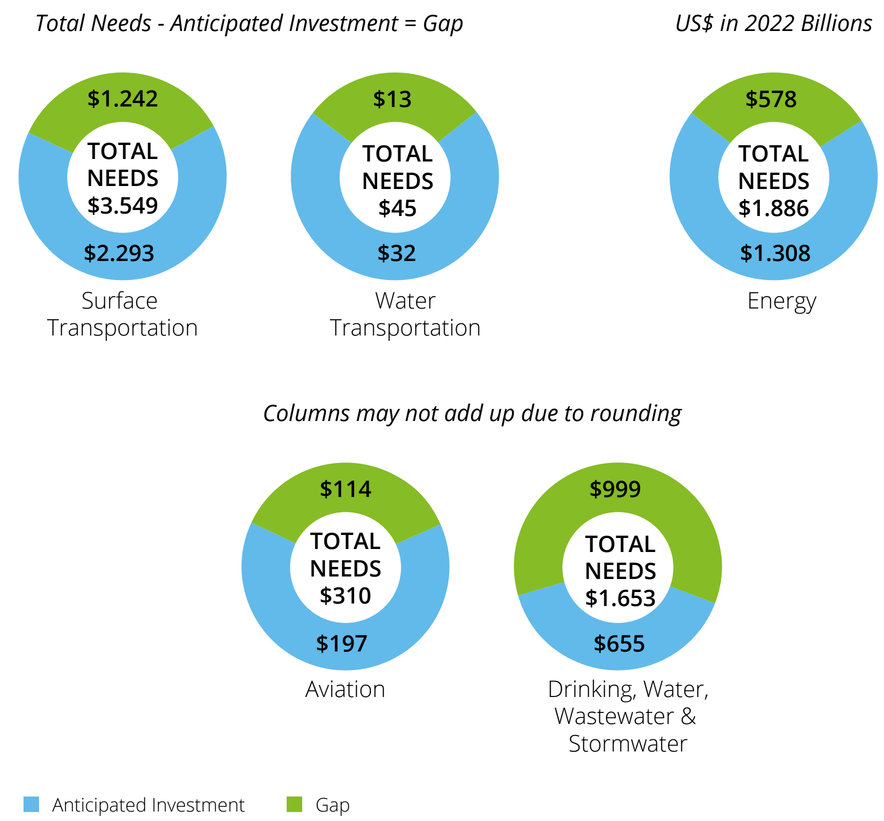
The construction sector in the United States is a significant component of the national economy, with total annual spending of approximately US$2.2 trillion in 2024, which accounts for around 4.5% of GDP.[5] The construction market in the country experienced robust growth in the 2020-2024 period, achieving a CAGR of 7.3%. This upward trajectory is expected to continue, with the market forecast to grow at a CAGR of 4.4% in the 2025-2029 period.[6]

As of mid-2025, the infrastructure Investment and Jobs Act, enacted in 2021 with a significant budget over five years, has made significant strides in modernizing US infrastructure. As it approaches its conclusion in 2026, the country is initiating several new federal infrastructure programs as there are still relevant needs to address (Figure 4.1). Introduced in February 2025, the Federal Infrastructure Bank Act proposes the creation of a Federal Infrastructure Bank aimed at facilitating investment in economically viable infrastructure projects that provide public benefits. Along the same lines, the Building Integrated Grids with Inter-Regional Energy Supply Act is a bipartisan bill introduced to enhance the US electrical grid's capacity and reliability.

Canada's real GDP grew by approximately 1.5% in 2024, reflecting moderate economic momentum.[4] Growth was primarily driven by exports, while domestic consumption and business investment remained weak due to high interest rates and demographic shifts. It is expected to grow by 1.4% and 1.6% in 2025 and 2026, respectively.[4]

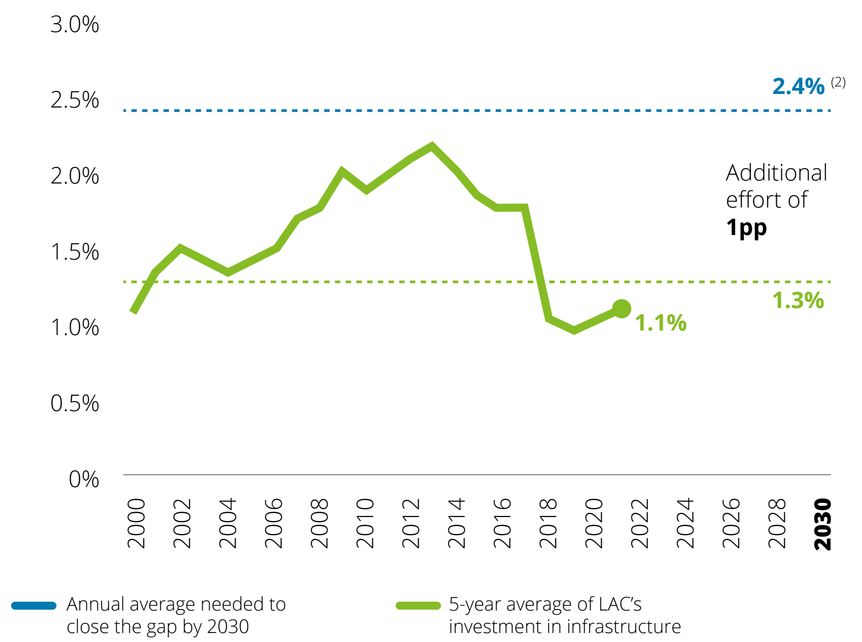
The construction industry in Canada is projected to grow by 2.6% in real terms in 2025 and 2.8% in the 2026-2029 period supported by developments in energy,

Ten-Year Gaps, 2024-33



Source: A Comprehensive Assessment of America's Infrastructure. American Society of Civil Engineering.

Total Public Investment % GDP in Latin America and the Caribbean
Only Infrastructure Sectors



Source: Fiscal Sustainability for Latin America and the Caribbean (FISLAC). Public Investment Dashboard

transportation, industrial and residential sectors.[7]

As of mid-2025, the Investing in Canada Plan –a 12-year, CAD 188 billion federal infrastructure initiative launched in 2016- is approaching its final phase. Over CAD 157 billion has been invested in more than 100,000 projects. The remaining CAD 31 billion are expected to be directed toward key priority areas including transportation, green infrastructure and social infrastructure.[7]

Latin America and the Caribbean (LAC)
The region is facing a period of modest and uneven economic growth. After expanding by approximately 2.4% in 2024, it is projected to slow to 2.0% in 2025, with only a mild recovery expected in 2026. Every country in this region increased real GDP in 2024 with the notable exceptions of Argentina and Ecuador.[4] This growth trajectory remains below that of other emerging markets, reflecting persistent structural weaknesses. To reverse this trend, the area must implement structural reforms, reduce dependency on commodities and invest in innovation and infrastructure to support inclusive, sustainable development.

The Latin American construction market size was estimated at US$709 billion in 2025 and is expected to reach US$905 billion by 2030, at a CAGR of 5%.[8] Latin America's infrastructure investment priorities focus on expanding transport networks, boosting clean energy and power grids, and developing marine and digital connectivity. Multilateral development banks and public-private partnerships (PPPs) will be central to financing and reducing the historical investment gap that persists in the region. It is estimated that 2.4% of aggregate GDP should be allocated to infrastructure investment to close the gap.[8] To achieve this, an additional effort of 1pp on average is needed (Figure 4.2).

Brazil is by far the largest construction market in Latin America and one of the leading investment destinations in the region. It is currently driving its largest infrastructure push in decades, featuring multi-trillion-BRL programs that cover transport corridors, energy infrastructure (generation & transmission), urban planning and housing, digital competitiveness and green logistics.

Europe
Europe is on a path of subdued growth. GDP grew by 1.8% in 2024 and is expected to slow down to 1.4% and 1.6% in 2025 and 2026, respectively. While countries such as Spain, Croatia and Denmark reported GDP increases above 3% in 2024, Germany's GDP decreased by 0.2%. The United Kingdom reported below average forecasts (1.1% and 1.4% for 2025 and 2026).[4] Sustainable growth hinges on trade resolution, targeted reforms and fiscal support to bridge this gap.

Following the fall of the construction market in 2023, the decline in production deepened in 2024. As a result, construction activity in the 19 EUROCONSTRUCT countries decreased by 2.1% in 2024. Only four countries managed to achieve growth in construction output in 2024. The current forecast points to a reversal of this negative trend and a return to growth over the next few years, starting in 2025 (Figure 4.3).

In the European Union, NextGenerationEU (NGEU) remains ongoing, with a fixed end-date of August 2026. NGEU is contributing to structural reforms and long-term investment across Europe as many projects across environmentally sustainable, digital, social and infrastructure sectors are already being implemented. While no formal extension beyond 2026 is planned, the EU is preparing successor instruments to continue funding infrastructure heavyweights such as transport, energy, digital and environmentally sustainable agendas.

The UK is currently developing a wide-ranging multi-billion pound infrastructure strategy. Key priorities include defense, energy security, major transport upgrades and regional rail investments. The country is also investing heavily in digital infrastructure and AI and reinforcing its power grid through green transmission projects.

Asia and Pacific (APAC)
Overall GDP growth in Asia-Pacific is projected at 3.9% in 2025, slowing from 4.6% in 2024, and moderating further to 4.0% in 2026. Nevertheless, notable differences exist between advanced and emerging economies within the region. While growth for the most developed countries will not exceed 1.4% in the forecasted period, developing economies will report growth rates above 4.5%. New Zealand is the only economy that has experienced a decline in its GDP in 2024 while growth is expected for all the region's countries in 2025 and 2026.[4]

The Chinese construction industry will maintain its positive trend recording growth of 3.2% in real terms in 2025 and an average annual growth rate of 4.1% from 2026 to 2029.[9] China's upcoming 15th Five-Year Plan (2026-2030) will prioritize infrastructure in five key areas: expanding transport corridors in western regions, upgrading energy systems, advancing eco-city development, strengthening digital and logistics infrastructure in rural areas and accelerating the energy transition through renewable energy and carbon controls. Formal approval is expected in March 2026.

The construction industry in Japan is expected to expand by 1.6% in real terms in 2025 and to have an average growth rate of 1.2% from 2025 to 2029.[10] Japan's construction opportunities focus on data centers, renewables (offshore wind and utility-scale solar) and industrial infrastructure. PPPs are expanding, especially in transport and utilities while smart and AI-driven infrastructure is emerging as a key strategic priority.

The construction market in India experienced robust growth in the 2020-2024 period (CAGR of 14.2%). This upward trajectory is forecast to continue with an expected CAGR of 8.8% in the 2025-2029 period. By the end of 2029, the sector will expand from its 2024 figure of INR 22.77 trillion to approximately INR 39.10 trillion.[11] India is pursuing a massive, holistic, infrastructure modernization, with strategic emphasis on connectivity (rail, road, ports, etc.), urban mobility, digital expansion and disaster resilience over the next five years. Housing is also a key pillar of India's infrastructure strategy. Demand for affordable housing is rising, especially in Tier II and III cities, driven by urbanization. The government is expanding the Prime Minister's Housing Scheme (PMAY), which aims to deliver over 30 million homes.

Figure 4.3: Evolution of construction output in the EUROCONSTRUCT 19 area

TOTAL CONSTRUCTION OUTPUT							*(% change in real terms)*
					Forecast		Outlook
	2021	2022	2023	2024	2025	2026	2027
Austria	4.1	(1.3)	(6.8)	(4.4)	(0.5)	(0.6)	1.0
Belgium	7.5	0.2	(0.4)	0.4	0.0	(0.3)	0.2
Denmark	7.5	4.3	(10.8)	(0.9)	3.2	4.3	2.6
Finland	2.1	0.1	(12.6)	(5.5)	3.7	5.5	0.3
France	6.5	3.0	(3.4)	(4.4)	0.4	1.8	1.4
Germany	(0.6)	(2.5)	(2.4)	(2.7)	(2.1)	0.3	1.9
Ireland	2.8	3.0	0.4	(1.9)	3.0	5.1	6.4
Italy	17.6	11.5	3.3	(2.0)	(4.8)	(1.4)	0.4
Netherlands	2.8	4.0	0.7	(3.2)	1.1	2.6	2.7
Norway	1.2	(0.9)	(5.8)	(6.2)	3.1	4.8	2.2
Portugal	16.0	3.2	3.0	1.2	2.2	2.3	2.5
Spain	6.7	3.3	2.4	2.8	4.2	3.4	2.5
Sweden	5.5	(2.1)	(10.5)	(5.4)	4.5	5.8	4.8
Switzerland	(2.8)	(6.6)	(2.3)	2.4	2.5	2.3	1.4
United Kingdom	11.7	6.6	1.5	0.0	2.1	3.4	4.5
Western Europe (EC-15)	**5.7**	**2.3**	**(1.5)**	**(2.0)**	**0.1**	**1.8**	**2.2**
Czechia	2.6	1.0	1.9	(1.5)	1.1	2.8	3.6
Hungary	4.4	1.3	(7.6)	(4.3)	1.7	2.9	4.3
Poland	3.5	6.0	3.8	(4.1)	4.0	6.5	5.2
Slovakia	(3.3)	0.7	0.5	(5.8)	2.3	3.4	1.7
Eastern Europe (EC-4)	2.9	3.6	**1.2**	**(3.6)**	**2.8**	**4.8**	**4.4**
EUROCONSTRUCT Countries (EC-19)	**5.5**	**2.4**	**(1.3)**	**(2.1)**	**0.3**	**2.0**	**2.3**

Source: EUROCONSTRUCT

The construction industry in South Korea contracted in 2024 and is expected to shrink by 3.4% in real terms in 2025 while an annual average growth rate of 2.7% is projected for the 2026-2029 period.[12] South Korea will prioritize infrastructure investment in digitalization, sustainable energy and transportation over the next five years. Key investment programs include a metro and high-speed rail expansion, public housing growth and smart grid upgrades.

The Australian construction industry is expected to grow by 3.1% in real terms in 2025 and to continue at an average annual rate of 3% from 2026 to 2029.[13] Australia's infrastructure pipeline is characterized by megaprojects across transportation, energy transition and regional connectivity sectors. These initiatives are underpinned by well-defined federal and state funding such as the Infrastructure Investment Program, which manages a rolling AUD 120 billion pipeline for the 2023-2033 period.[13]

Middle East and North Africa (MENA)
MENA is poised to move from modest growth (1.8% in 2024) to moderate expansion (2.6% and 3.4% in 2025 and 2026, respectively).[4] The outlook hinges on oil market normalization, easing inflation and sustained regional reforms.

The Middle East construction industry was valued at US$104.15 billion in 2024 while a CAGR of 5.9% is forecast until 2030.[14] The Middle East construction market is experiencing significant growth, driven by rapid urbanization, large-scale infrastructure projects, and economic diversification initiatives.

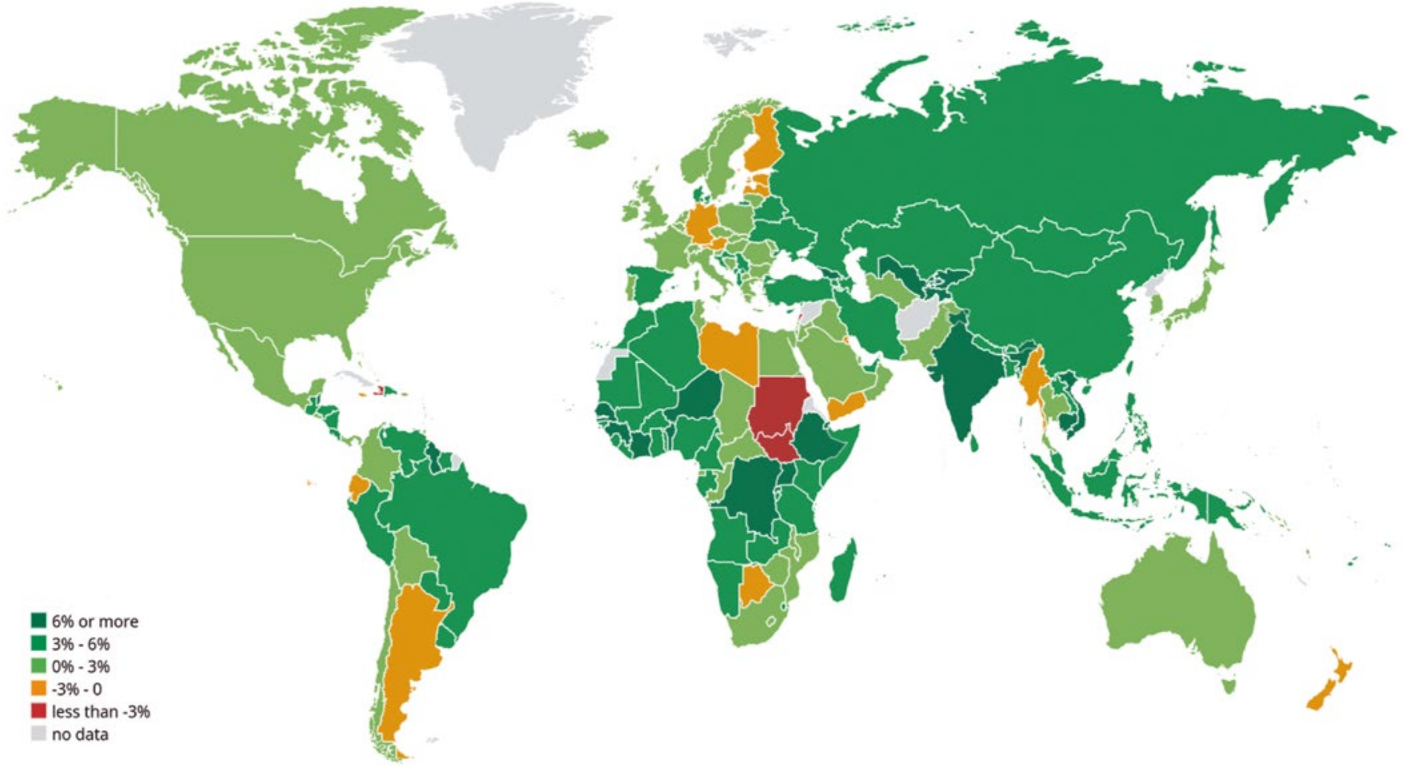
Saudi Arabia is the largest market in the region and is projected to continue growing at a CAGR of 4.9% in the 2025-2029 period.[15] This market offers major opportunities in smart city development, infrastructure and tourism driven by Vision 2030. Mega-projects such as NEOM and Qiddiya highlight the shift towards sustainability and innovation.

UAE's construction industry is expected to expand by 4.2% in real terms in 2025 and to maintain a similar trend in the 2026-2029 period.[16] Investment priorities focus on digital and AI infrastructure (such as the Stargate AI Campus in Abu Dhabi), renewable energy (large-scale solar and battery projects led by Masdar) and transport networks through investment plans such as the Main Roads and Development Plan in Dubai.

The two largest economies in north Africa are Egypt and Algeria. The Egypt construction market was estimated at US$55.04 billion in 2025, and is expected to reach US$82.34 billion by 2030, at a CAGR of 8.4%.[17] It has emerged as a significant player in the MENA construction sector, positioning itself as the third-largest project market in the region after Saudi Arabia and the United Arab Emirates.

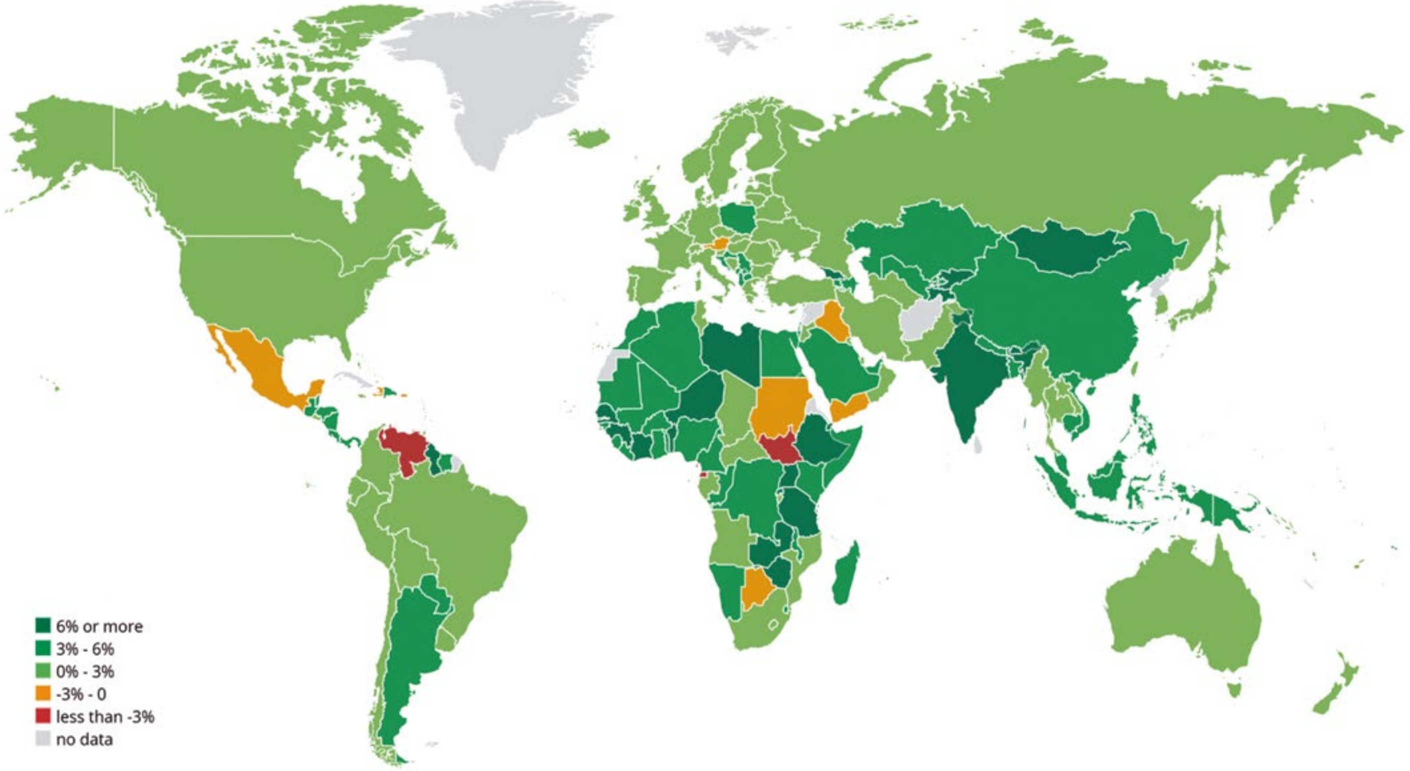
Algeria is expected to grow at an annual average rate of 4.1% between 2026 and 2029, supported by the government's plan to produce 27% of its electricity from renewable sources by 2035. Growth will also be supported by investments in the development of oil and gas and hydrocarbon projects.[18]

Figure 4.4: Real GDP growth (Annual percentage, 2024)



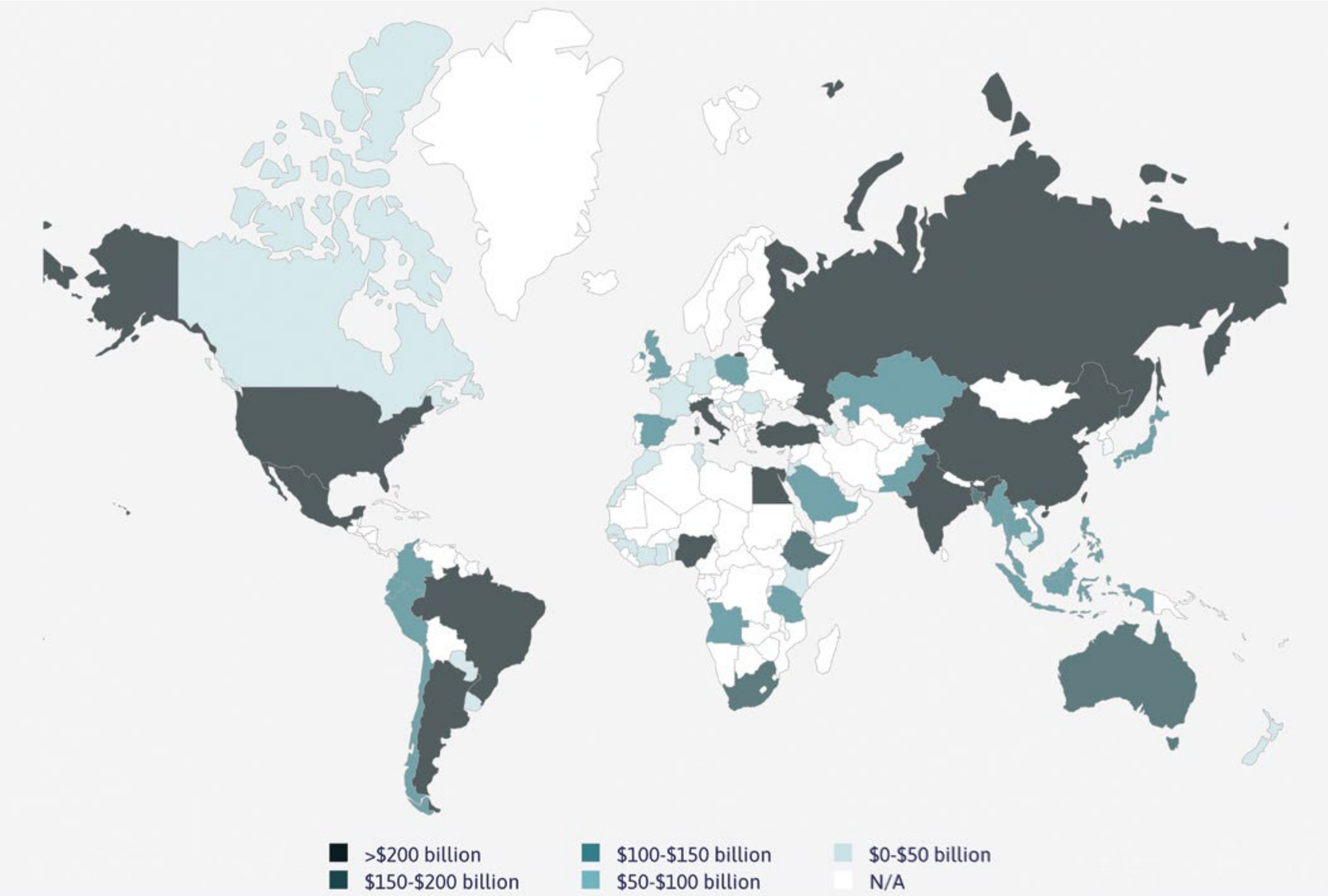
Source: https://www.imf.org/external/datamapper/NGDP_RPCH@WEO/OEMDC/ADVEC/WEOWORLD

Figure 4.5: Real GDP growth (Annual percentage, 2025)



Source: https://www.imf.org/external/datamapper/NGDP_RPCH@WEO/OEMDC/ADVEC/WEOWORLD

Figure 4.6: Total forecast infrastructure investment gaps



Source: Global Infrastructure Outlook - A G20 INITIATIVE (gihub.org)

Smart construction

According to the United Nations 70% of the global population will live in urban areas by 2050.[19] The increasing urbanization and concentration of people in megacities will lead to a significant need for infrastructure worldwide. Digitization and decarbonization will also drive infrastructure investments in the years to come. Construction companies need to improve their operating margins in order to take full advantage of this increasing demand.

Companies on our GPoC will likely play an essential role in addressing this need but first they should try to strengthen their financial position and profitability due to the construction industry's notable low operating margins. Construction companies need to engage in an operational transformation to improve margins in a transition to "smart construction." This concept of smart construction is not just an operational improvement, it is a financial strategy that allows contractors to build more profitably, manage capital more efficiently and de-risk the construction process. In an industry with narrow margins and high volatility, smart construction has become a lever for financial strength and competitive differentiation.

Over the past 5-10 years smart construction has evolved from being experimental to essential, affecting the way projects are executed, from tendering and bidding to construction and operation and maintenance.

Tendering and Bidding

This phase is about securing the project, preparing competitive bids and presenting technical and financial proposals.

An incomplete or vague project scope, lack of access to site data or failure to include risk premiums to reduce future exposure to market fluctuations are some of the factors that lead to inaccurate cost estimation and underbidding. Margins may be lost before the project even starts and contractors' ability to recover them is limited given the fixed-price structures defined in the most common construction contracts.

Innovations here focus basically on accuracy and risk visibility:

- Building Information Modeling (BIM) can still add significant value even if the project is still vague or not completely defined as early use of BIM allows contractors to create conceptual massing models, detect basic inconsistencies or extract approximate quantities for early cost estimates.

- Traditional cost estimation faces many hurdles. It is notably slow, costing contractors significant sums of money every year. AI-powered cost estimation tools are platforms that use machine learning algorithms and data analytics to automatically analyze historical project data, market pricing trends and labor/productivity, among other items of information. These tools are rapidly gaining traction as firms look to sharpen bid accuracy, reduce manual workload and minimize pricing risks. Their goal is to predict construction costs more quickly and accurately than traditional quantity takeoffs and spreadsheets.

- The use of Monte Carlo simulation and risk modeling tools in the construction sector dates back to the 1990s, but their mainstream adoption has only accelerated in the last 10-15 years, and even more in the past 5. This is not a new technology but what is new is how accessible, integrated and relevant it is becoming to bid decisions. Today´s integration with BIM models and cost estimation tools is what makes it increasingly powerful in day-to-day tendering.

- While less flashy than AI or BIM, digital solutions for managing tender documentation are becoming essential, especially in complex or international bids where volume, precision and compliance are everything. Digital tender management platforms centralize and automate the preparation, submission and tracking of all bid documents while AI-assisted document review and compliance platforms use machine learning to review tender requirements and auto-check documentation for compliance.

Design & Construction

This is the core project delivery phase, where designs are finalized and executed. Early assumptions from the tendering and bidding phase are tested against real-world execution.

Even a well-priced project can become unprofitable if key risks such as design errors, delays in schedule or supply chain disruptions are not managed properly during construction. Innovations here focus on coordination, productivity and cost/time control, as follows:

- It is considered a best practice to start with a basic or conceptual BIM model during the tendering phase and then progress to a collaborative BIM environment during construction. Collaborative BIM (levels 2-3) enables all disciplines (architecture, structure, MEP, etc.) to work with coordinated models. It allows early detection of design conflicts before reaching the site as everyone works from the same version of the truth, reducing miscommunication and rework.

  Evolving from a collaborative BIM (levels 2-3) to 4D BIM is a natural and highly valuable step in the digital construction workflow. It adds the time dimension to the federated BIM models, allowing contractors to simulate, plan and monitor how the project is built over time and prevents delays. Moving to 4D BIM does not require redoing the model, it is about adding intelligence and time logic.

  The evolution to 5D BIM represents a major step toward data-driven construction. 4D tells when and how to build while 5D how much it will cost and how costs change as the project is built. It extracts quantities directly from the BIM model, links them to unit costs and generates automated cost estimates.

- Traditionally, supply chain management in construction has been treated as a back-office function focused on procurement paperwork, RFQs and vendor contracts. But in modern projects, especially large-scale or fast-track ones, supply chain performance is directly linked to profitability and schedule certainty.

  Technology now allows contractors to move from a reactive model to a proactive, data-driven one. Instead of waiting to discover delays on-site, teams can track material flow in real time, predict shortfalls before they happen and link procurement to schedule (4D) and budget (5D).

Operation & Maintenance

In this long-term phase, the focus is on asset performance, cost efficiency and lifecycle management. What hurts profitability is not just high costs, but unpredictable costs, unavailable data and unplanned interventions.

Innovations here aim at predictive maintenance which is basically a strategy that uses real-time data and analytics to anticipate equipment failures before they happen, allowing maintenance to be done just in time.

IoT sensors installed on key assets like pumps, motors or HVAC systems constantly collect performance information such as temperature, vibration or pressure.

That data is sent to an intelligent platform that monitors patterns and identifies early signs of wear or malfunction. This platform is the brain of the system as it applies machine learning, threshold analysis or digital twin logic to forecast failures.

Once an issue is predicted, a work order needs to be created and tracked. This is where Computerized Maintenance Management Systems (CMMS) enter into action. These tools handle scheduling, labor, spare parts and maintenance records.

Lastly, mobile and field apps are digital tools designed for technicians, inspectors and maintenance teams to manage tasks directly from the field, using smartphones or tablets. They connect to systems like CMMS.

Use cases

Companies on our GPoC have recognized that innovation is no longer optional but, rather, a competitive advantage. They are strategically integrating innovation to solve specific operational, contractual and financial challenges. Although the level of innovation implemented varies among groups, some of the most remarkable milestones achieved are summarized below:

- Among the Chinese groups, China State Construction Engineering Corporation has been advancing the development of smart construction sites by integrating technologies such as 5G, AI and IoT. The group built the National Center of Technology Innovation for Digital Construction jointly with colleges and universities.[20]

- In March 2025, China Railway Construction Corporation commenced the construction of China´s first high-altitude based environmentally sustainable AI training hub. This facility aims to advance artificial intelligence applications in challenging environments, supporting the development of intelligent infrastructure in remote and elevated regions.[21]

- China Railway Construction Corporation has established the High-End Equipment Industry Technology Research Institute, a center dedicated to advancing research and development in high-end construction equipment and technologies. The institute was officially inaugurated on November 25, 2024.[22]

- VINCI is not just adopting digital tools, it is building a comprehensive digital ecosystem across design, construction and operations. With innovation hubs like Leonard, VINCI has become a European leader in construction tech. Leonard incubates startups, funds research and leads pilot programs in AI, digital twins, automation and sustainability.[23]

- In 2024 Skanska launched "Sidekick", a proprietary AI chatbot designed to assist employees in accessing project data and company knowledge efficiently. This tool operates within Skanska´s secure cloud environment, ensuring data privacy and integrity. It helps employees at the company to plumb the firm´s collective expertise on projects and problems.[24]

- Located in Madrid, the Construction Technology Center is Acciona´s flagship R&D facility for developing innovative, digital and sustainable solutions. The center plays a key role in transforming how infrastructure is designed, built and maintained.[25]

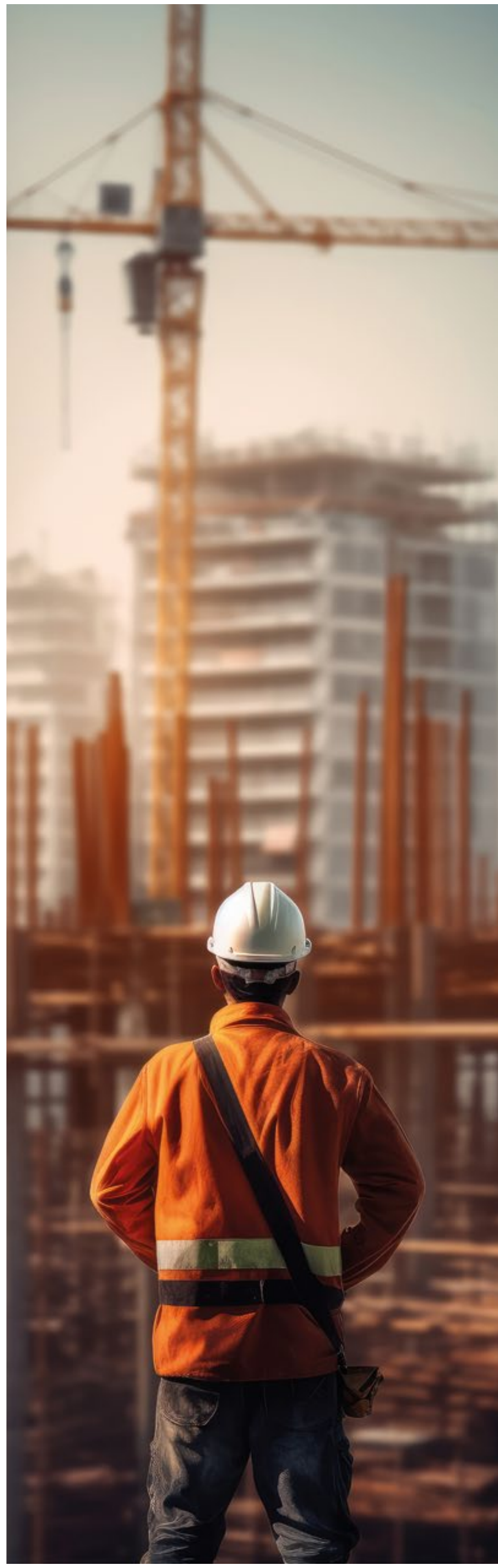
- Homebuilders are demonstrating a significant move towards embracing technology in home construction, aiming to improve efficiency, sustainability, and the overall homeowner experience.

- PulteGroup has partnered with the Australian robotics company FRB to pilot an AI-driven construction robot capable of building structural walls in a single day. This technology was demonstrated in the TerraWalk community at Babcock Ranch, Florida, making it one of the first homes in the U.S. to be built using this method.[26]

- Lennar´s innovation arm, LENX, invests in and collaborates with technology companies to integrate cutting-edge solutions into homebuilding. Their portfolio includes ventures in 3D printing, smart home technologies and sustainable energy solutions.[27]

- Daiwa House has been leveraging BIM for many years to streamline workflows, reduce inefficiencies and enhance operational efficiency. Their proprietary platform, D´s BIM facilitates digital collaboration across departments and projects, enabling faster and more accurate construction processes. The company has also established BIM training centers in Tokyo and Osaka to upskill their workforce.[28]

Despite strong leadership in innovation, our GPoC still face limitations due to integration complexities, data quality issues, scalability and change management. While adoption is uneven and challenges remain, the direction is clear. The firms that embrace this transformation early will likely be in a better position to lead in cost efficiency and resilience.



GPoC 2024 | Global Powers of Construction

Financial performance of the GPoC 2024

The financial performance of our Top 30 GPoC in 2024 was uneven. While sales decreased by 1.4%, operating profitability contracted by 0.2 p.p. and indebtedness rose to US$398.9 billion. Market capitalization showed robust growth of 15.6% to US$530.1 billion.

Although our Top 30 GPoC have common characteristics, the different markets in which these companies operate as well as the portfolio of activities carried out by each company explain the differences noted in terms of financial performance in 2024 (Figure 5.0):

- The aggregate EBIT margin decreased to 5.5% in 2024. While the sales of European and US-based GPoC increased by 5%, and 7%, respectively, with minor changes in operating profitability, the sales of Asian-based GPoC dropped by 4%, and their profitability fell even more (4.1% EBIT margin in 2024 vs 4.5% in 2023). Although high interest rates and price pressures in the US housing industry impact the profitability of US-based GPoC, homebuilding activity is still robust and is reporting higher operating profitability than civil building construction. EBIT from construction activities decreased from 5.4% in 2023 to 5.2% in 2024 but remained stable when excluding homebuilders. Following the same trend, the non-construction EBIT margin also fell to 6.4% in 2024 (6.5% in 2023), driven by lower margins from the Asian-based GPoC in 2024.

  The net income margin remained stable in 2024. By geographies, the US-based GPoC led net profitability because of homebuilders, reporting net income of 13.1% of total sales (1.8 p.p. higher than 2023). Also, the European-based GPoC achieved a slightly higher net income ratio (4.4% in 2024 vs 4.3% in 2023). However, the Asian-based GPoC reported a net income margin that was 0.3 p.p. below the 2023 figure to 3.1%. In the last four years the average net income margin has decreased steadily from 4.3% to 4.0%, driven by the Asian-based GPoC.

  In terms of distribution of earnings to shareholders, the Top 30 GPoC dividend yield remained stable (3.1% in 2024 and 2023). The 17.4% growth in dividend distributions was offset by a 15.6% increase in market value. European groups lead the Top 30 by dividend yield but reported a return-on-equity ratio of 14.3%, 5.8 p.p. below the US groups. The Asian groups reported an average ratio of 8.4%.

- The Top 30 GPoC traded at a discount to book value both in 2024 and 2023. By geographical areas, the performance was uneven: US-based GPoC traded two times above book value, The European group's market value is similar to its book value and Asian-based GPoC traded with a significant discount.

- Aggregate net debt increased by 12.3% to US$398.9 billion in 2024, which severely impacted the ratios reviewed. Asian-based GPoC reported a 41.8% net debt-to-equity ratio while the European groups reported 31.6%. US-based GPoC reported cash surpluses in 2024. Debt in terms of EBITDA shows similar results than in terms of equity. The Asian-based GPoC reported a debt-to-EBITDA ratio of 6.2x, which increased significantly from 4.9x in 2023. The European groups reported a stable 1.2x ratio.

Figure 5.0: Top 30 GPoC Financial Ratios

Types	SALES GROWTH (LOCAL CURRENCY)	EBIT/ SALES	NET INCOME/ SALES	NET DEBT/ NET DEBT EQUITY	NET DEBT/ MARKET CAP	MARKET CAP/BOOK VALUE	EV/ EBITDA	NET DEBT/ EBITDA	CAPEX / SALES	DIVIDEND YIELD	ROE
Asian companies	(1.2%)	4.1%	3.1%	41.8%	1.3	0.5	10.9	6.2	3.9%	3.1%	8.4%
United States companies	5.2%	15.8%	13.1%	(3.3%)	(0.0)	2.0	7.9	(0.1)	0.6%	0.8%	20.1%
European companies	6.7%	7.4%	4.4%	31.6%	0.3	1.4	4.7	1.2	5.3%	5.9%	14.3%
Top 30 GPoC 2024	**0.5%**	**5.5%**	**4.0%**	**37.7%**	**0.8**	**0.8**	**8.6**	**3.7**	**3.9%**	**3.1%**	**10.9%**
Top 30 GPoC 2023	**8.8%**	**5.7%**	**4.0%**	**35.2%**	**0.8**	**0.9**	**7.3**	**3.2**	**4.0%**	**3.1%**	**11.3%**
31 to 100 GPoC 2024	**2.1%**	**7.4%**	**5.2%**	**20.1%**	**0.2**	**1.6**	**8.5**	**1.2**	**3.8%**	**2.1%**	**11.8%**
31 to 100 GPoC 2023	**4.8%**	**7.0%**	**4.4%**	**19.8%**	**0.2**	**1.6**	**8.5**	**1.2**	**2.2%**	**2.4%**	**9.6%**

(*) Average increase was calculated by applying the previous year's average exchange rate to the current years's local currency sales, thereby excluding the impact of US$ appreciation/depreciation.

Source: Global Powers of Construction (GPoC) 2024 analysis; Bloomberg, accessed May 2025 and company financials.

The 31-100 GPoC financial analysis shows higher profitability, lower indebtedness and higher market value. This is due mainly to the significant weight of Chinese companies in the Top 30 GPoC and to a greater European presence among the companies ranked from 31 to 100 (34 European-, 21 Asian-, 10 US-based groups and 5 groups from rest of the world complete the Top 100). Excluding the effect of the Chinese groups, the ratios tend to converge since European-based groups are more diversified, and the homebuilding activity is not as relevant as it is for the US groups included in the Top 30 GPoC.

As a general conclusion, the construction industry in 2024 showed a relatively steady operating profitability with red flags in the Asian market. Despite the increase of indebtedness, the performance in the stock market was robust for construction companies. A more in-depth analysis of the financial ratios and indicators by company and geography allows us to draw the following conclusions:

EBIT margin

Based on the figures obtained in 2024 and 2023 (Figure 5.1). the following conclusions may be drawn:

- EBIT from construction activities accounted for 5.2% of sales, while operating profitability from non-construction activities averaged 6.4%, both down from the previous year. The combined EBIT margin decreased to 5.5%. While operating profitability from construction activities has ranged from 5.2% to 5.7% in the last five years, non-construction operations reported higher volatility (Figure 5.2). The Japanese group Shimizu is the only group that reported operating losses in 2024, attributable to its construction activities.

- Construction operating profitability is led by US-based homebuilders: PulteGroup, D.R. Horton and Lennar. Generally, the housing industry presents higher margins than civil construction. US housing margins were under pressure as interest rates remained high but the performance of these three groups was still robust. Excluding homebuilders, average profitability from construction activities remains stable at 4.3%, while 31-100 GPoC presented an average construction margin of 6.1% (0.1 p.p. below 2023). The Chinese company Sichuan Road and Bridge, which reported a stable margin of 10%, is the leading non-homebuilder in the ranking, followed by Strabag and China State Construction Engineering.

- Besides homebuilders, the companies with the highest non-construction EBIT margin are Kajima and VINCI. While Japanese company's non-construction operations relate to engineering and real estate business streams, the French company's non-construction profitability is driven mainly by its concession businesses (basically highways and airports). However, China State Construction Engineering, Sichuan Road and Bridge, Metallurgical Corporation of China and Strabag reported operating losses from non-construction activities.

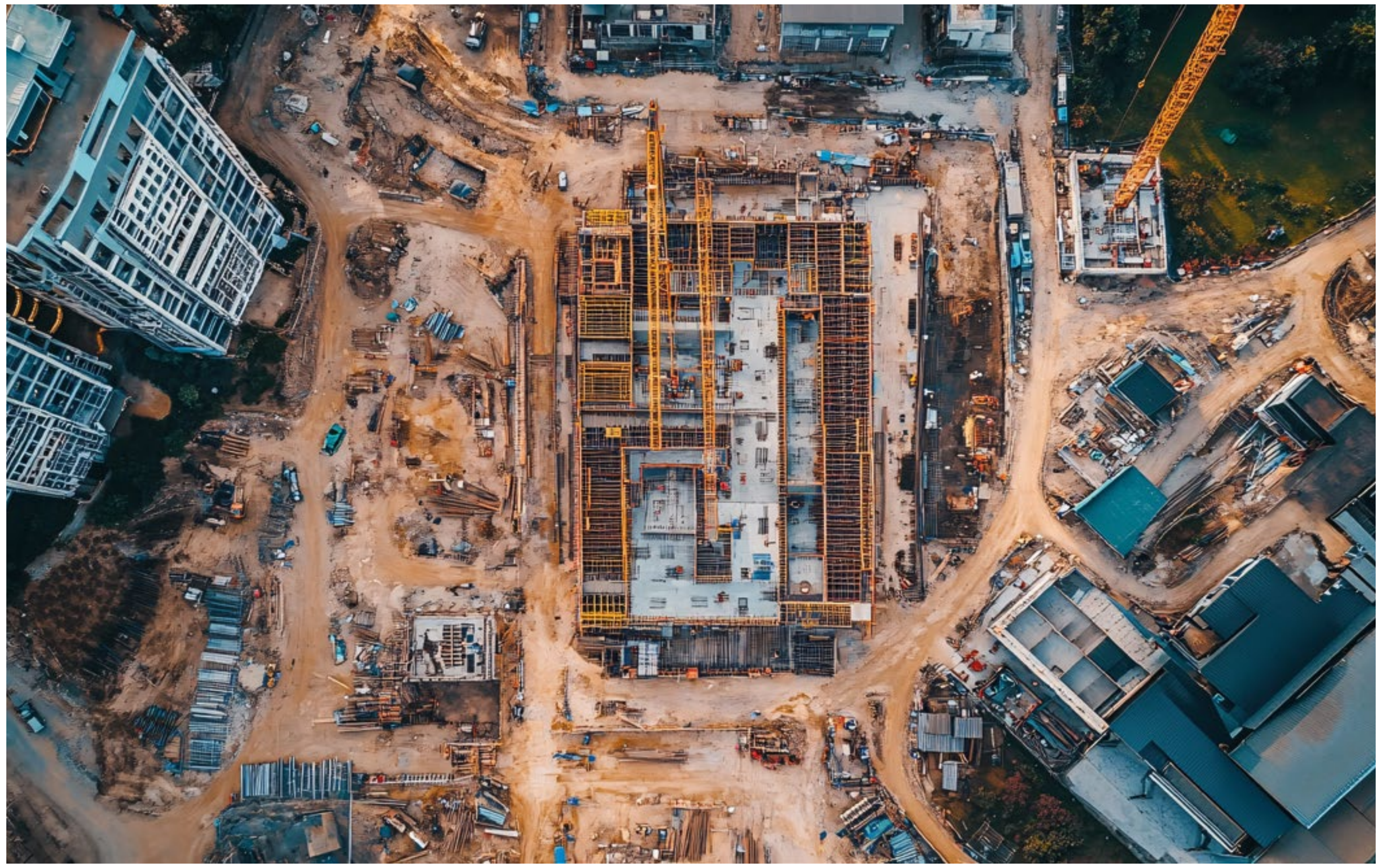


Figure 5.1. Top 30 GPoC EBIT/Sales

	EBIT* / Sales					
	Construction activities		Other activities		Total	
Company	2024	2023	2024	2023	2024	2023
PULTEGROUP (**)	21.9%	21.0%	34.1%	47.1%	22.3%	21.5%
D.R. HORTON (**)	16.1%	16.6%	28.6%	28.2%	17.1%	17.8%
LENNAR CORP. (**)	15.8%	16.9%	37.3%	15.8%	16.7%	16.9%
SICHUAN ROAD AND BRIDGE (GROUP) CO.	10.0%	10.0%	(1.0%)	5.2%	8.5%	9.5%
DAIWA HOUSE INDUSTRY CO. (**)	8.5%	9.5%	3.6%	6.7%	8.5%	9.5%
SEKISUI HOUSE (**)	8.1%	11.2%	8.2%	7.3%	8.2%	8.7%
STRABAG	7.5%	7.1%	(0.6%)	(5.2%)	6.1%	5.0%
SUMITOMO FORESTRY (**)	6.5%	6.1%	10.5%	10.6%	9.5%	9.2%
CHINA STATE CONSTRUCTION ENGINEERING CORP. (CSCEC)	6.3%	6.9%	(0.3%)	(0.2%)	3.7%	4.1%
SAIPEM	5.7%	5.0%	2.3%	2.3%	4.2%	3.7%
SAMSUNG C&T CORP.	5.4%	5.4%	8.5%	8.1%	7.1%	6.9%
AVERAGE	**5.2%**	**5.4%**	**6.4%**	**6.5%**	**5.5%**	**5.7%**
LARSEN & TOUBRO (L&T)	5.1%	5.9%	15.1%	14.1%	10.1%	10.3%
CHINA COMMUNICATIONS CONSTRUCTION GROUP (CCCC)	4.9%	5.1%	6.7%	5.4%	5.1%	5.1%
FLUOR CORP.	4.2%	5.6%	2.5%	(2.9%)	3.9%	3.5%
ACCIONA	4.1%	2.4%	8.9%	11.4%	6.9%	7.3%
VINCI	4.1%	4.0%	19.3%	19.0%	12.6%	12.1%
ACTIVIDADES DE CONSTRUCCION Y SERVICIOS (ACS)	4.0%	2.9%	0.8%	15.4%	3.8%	3.7%
EIFFAGE	3.6%	3.7%	12.0%	12.8%	10.6%	11.0%
SKANSKA	3.5%	3.5%	11.3%	-5.4%	3.8%	3.2%
CHINA RAILWAY GROUP (CREC)	3.4%	3.6%	3.2%	4.1%	3.4%	3.6%
BOUYGUES	3.1%	3.2%	5.3%	4.9%	4.3%	4.1%
CHINA ENERGY ENGINEERING CORP.	3.0%	3.2%	4.9%	13.0%	3.4%	5.2%
POWER CONSTRUCTION CORP OF CHINA	3.0%	3.1%	3.6%	8.4%	3.1%	3.4%
OBAYASHI CORP.	2.7%	3.5%	16.6%	21.4%	3.4%	4.7%
CHINA RAILWAY CONSTRUCTION CORP. (CRCC)	2.4%	2.8%	6.6%	6.9%	3.0%	3.4%
METALLURGICAL CORPORATION OF CHINA (MCC)	2.3%	2.2%	(4.6%)	1.8%	1.6%	2.2%
KAJIMA CORP.	2.2%	3.6%	24.8%	16.7%	5.1%	5.2%
SHIMIZU CORP.	(2.9%)	2.0%	10.1%	8.9%	(1.2%)	2.8%
Average Asian companies	**4.2%**	**4.3%**	**3.8%**	**4.1%**	**4.1%**	**4.5%**
Average US companies	**15.4%**	**16.1%**	**20.9%**	**14.0%**	**15.8%**	**15.9%**
Average European companies	**4.2%**	**3.8%**	**11.3%**	**11.5%**	**7.3%**	**7.2%**
Average excluding homebuilders	**4.3%**	**4.3%**	**6.0%**	**6.3%**	**4.7%**	**4.9%**
Average 31-100 GPoC	**6.1%**	**6.2%**	**11.3%**	**9.2%**	**7.4%**	**7.0%**

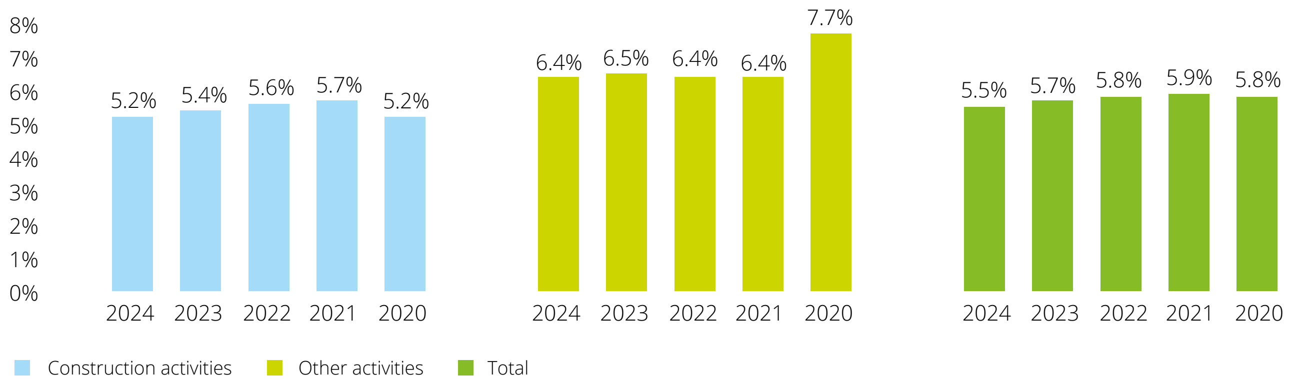
(*) EBIT figures, as reported by these companies, correspond to operating income from ordinary activities.

(**) Companies with significant homebuilding activity.

Shanghai Construction Group and Hyundai E&C were not included in the analysis since these companies do not disclose construction EBIT on a differentiated basis from their other activities.

Source: Global Powers of Construction (GPoC) 2024 analysis; company financials.

Figure 5.2: Top 30 GPoC EBIT Margin



Source: Global Powers of Construction (GPOC) 2024 analysis; company financials.

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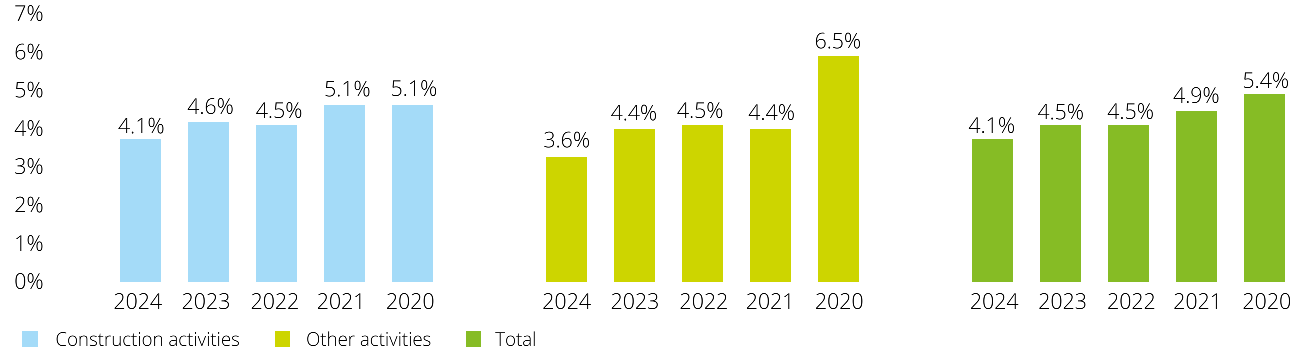
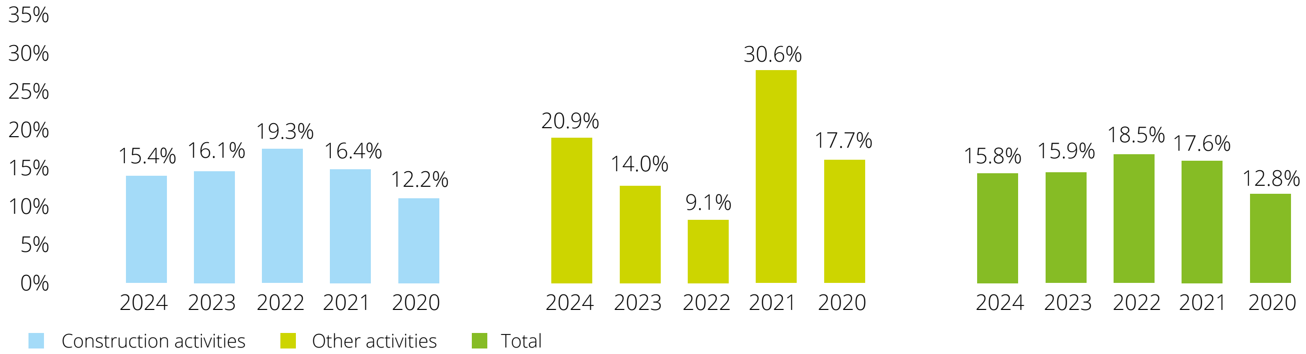
Figure 5.2.1 Asian Top 30 GPoC EBIT Margin



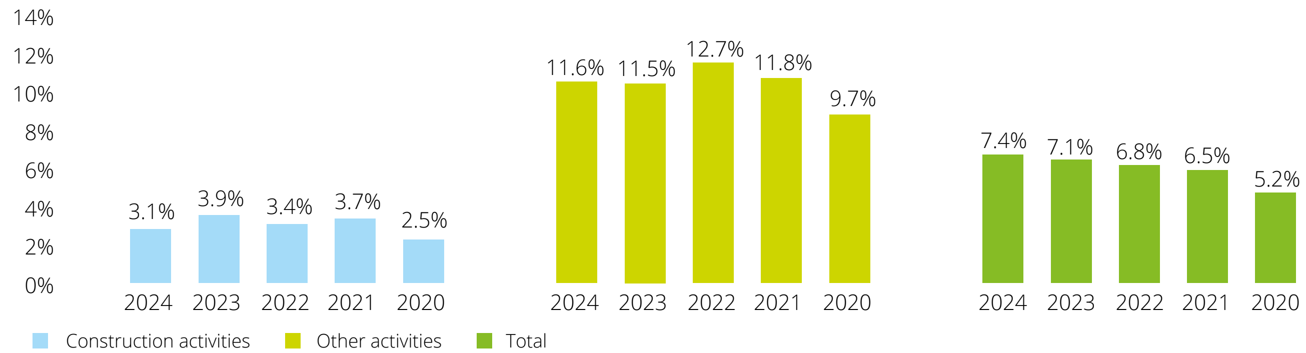
Source: Global Powers of Construction (GPOC) 2023 analysis; company financials.

Figure 5.2.2 US Top 30 GPoC EBIT Margin



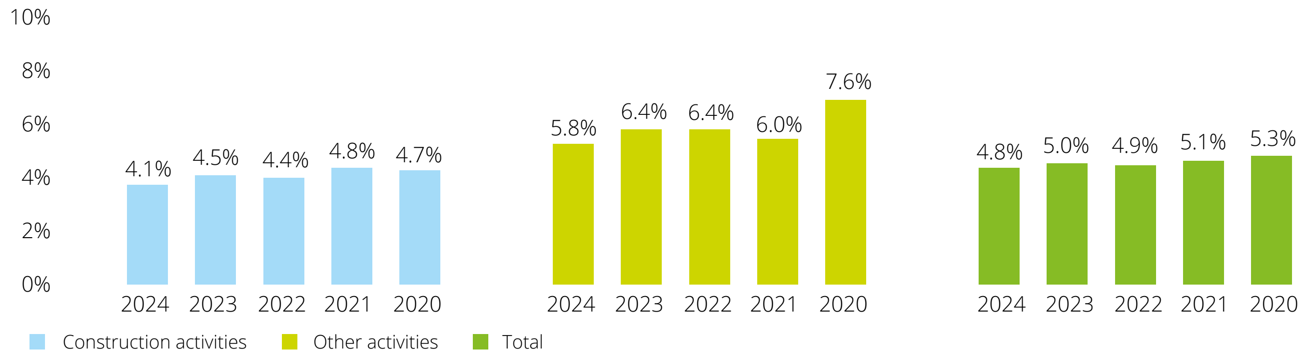
Source: Global Powers of Construction (GPOC) 2023 analysis; company financials

Figure 5.2.3 European Top 30 GPoC EBIT Margin



Source: Global Powers of Construction (GPOC) 2023 analysis; company financials.

Figure 5.2.4 Non-Homebuilders Top 30 GPoC EBIT Margin



Source: Global Powers of Construction (GPOC) 2023 analysis; company financials.

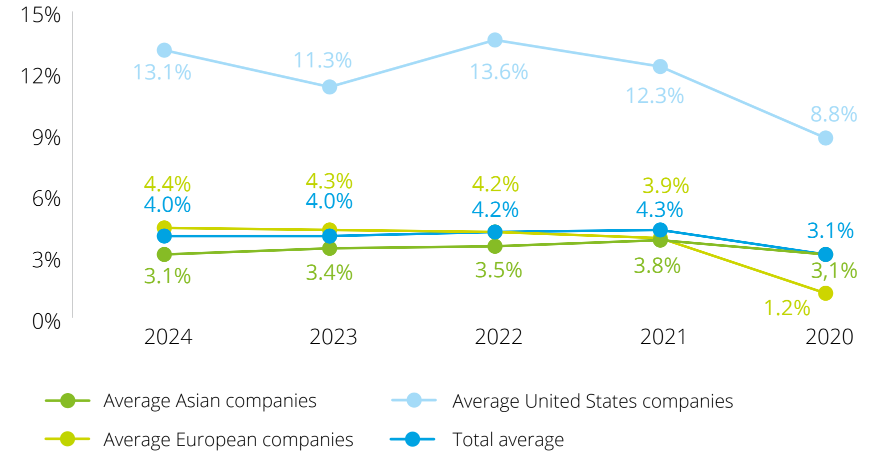
Figure 5.3: Top 30 GPoC Net income as a percentage of total sales

Company	Net income / Total sales 2024	Net income / Total sales 2023
PULTEGROUP (*)	17.2%	16.2%
D.R. HORTON (*)	13.1%	13.5%
FLUOR CORP.	12.8%	0.5%
LENNAR CORP. (*)	11.2%	11.6%
VINCI	7.4%	7.4%
SUMITOMO FORESTRY (*)	7.2%	7.3%
LARSEN & TOUBRO (L&T)	7.1%	6.2%
SICHUAN ROAD AND BRIDGE (GROUP) CO.	6.9%	7.9%
SAMSUNG C&T CORP.	6.6%	6.5%
EIFFAGE	6.5%	7.0%
DAIWA HOUSE INDUSTRY CO. (*)	5.8%	6.4%
SEKISUI HOUSE (*)	5.5%	6.7%
STRABAG	4.8%	3.6%
KAJIMA CORP.	4.4%	4.8%
CHINA COMMUNICATIONS CONSTRUCTION GROUP (CCCC)	4.0%	4.1%
Average	**4.0%**	**4.0%**
CHINA ENERGY ENGINEERING CORP	3.5%	3.5%
OBAYASHI CORP.	3.3%	4.0%
ACCIONA	3.2%	3.6%
SKANSKA	3.2%	3.0%
CHINA STATE CONSTRUCTION ENGINEERING CORP. (CSCEC)	2.9%	3.2%
CHINA RAILWAY GROUP (CREC)	2.7%	3.0%
ACTIVIDADES DE CONSTRUCCION Y SERVICIOS (ACS)	2.6%	2.2%
CHINA RAILWAY CONSTRUCTION CORP. (CRCC)	2.5%	2.8%
POWER CONSTRUCTION CORP OF CHINA	2.5%	2.8%
BOUYGUES	2.2%	2.1%
SAIPEM	2.1%	1.5%
METALLURGICAL CORPORATION OF CHINA (MCC)	1.4%	1.8%
SHIMIZU CORP.	1.0%	2.7%
SHANGHAI CONSTRUCTION GROUP (SCG)	0.7%	0.5%
HYUNDAI ENGINEERING & CONSTRUCTION CO. (HDEC)	(2.3%)	2.2%
Average, Asian companies	**3.1%**	**3.4%**
Average, US companies	**13.1%**	**11.3%**
Average, European companies	**4.4%**	**4.3%**
Average excluding homebuilders	**3.3%**	**3.4%**
Average 31-100 GPoC	**5.2%**	**4.4%**

(*) Companies with significant homebuilding activity.

Source: Global Powers of Construction (GPOC) 2024 analysis; company financials.

Figure 5.4: Top 30 GPoC Net income as a percentage of total sales



Source: Global Powers of Construction (GPOC) 2023 analysis; company financials

Net income

Although aggregate net income decreased from US$65.6 billion in 2023 to US$63.4 billion in 2024, the Top 30 GPoC net income margin remained stable at 4.0%. The 31-100 GPoC showed both in 2024 and 2023 higher net profitability (5.2% in 2024, 0.8 p.p. above 2023). A deeper analysis of the Top 30 GPoC net income margin in 2024 (Figure 5.3) led us to draw the following conclusions:

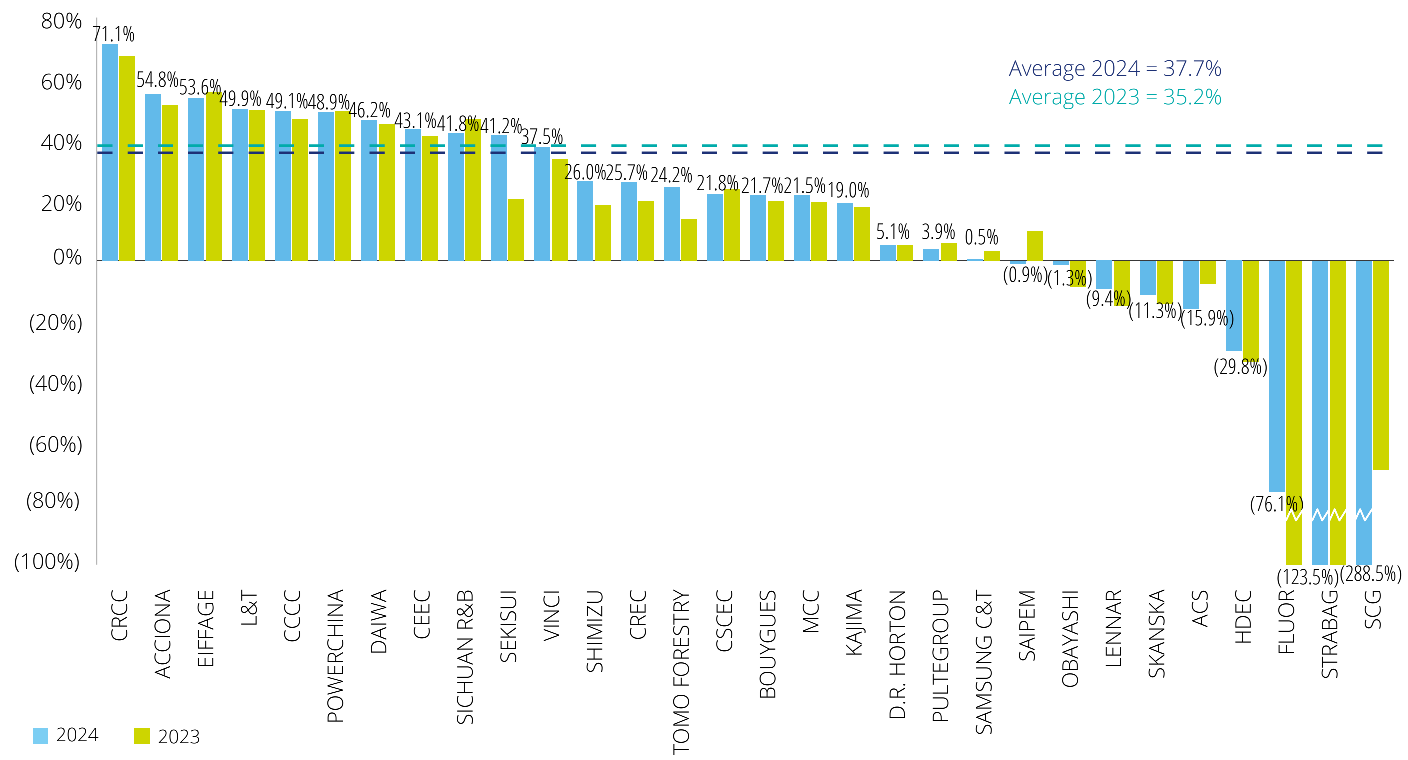
- As in our analysis of operating profitability (Figure 5.1), this ranking is similarly led by US companies. VINCI is still the top non-US company, while the Top 5 is completed by Sumitomo Forestry, a new member of our Top 30 GPoC in 2024.
- The US-based GPoC reported the highest net income margin in 2024 and 2023 (13.1% and 11.3%, respectively) as homebuilders weigh in significantly. Nevertheless, the growth reported is explained largely by the relevant gains obtained by Fluor as a result of the recognition at fair value of its equity investment in NuScale (previously fully consolidated).
- As in previous years, European GPoC obtained higher profitability than Asian-based companies due to the robust performance of its non-construction operations (Figure 5.1).
- Hyundai Engineering & Construction is the only company that posted losses, due mainly to the recognition of major costs in relation to ongoing projects in Indonesia and Saudi Arabia.

Net debt/Net debt + Equity

The analysis of the net debt/(net debt +equity) ratio (Figure 5.5) enables us to draw the following conclusions:

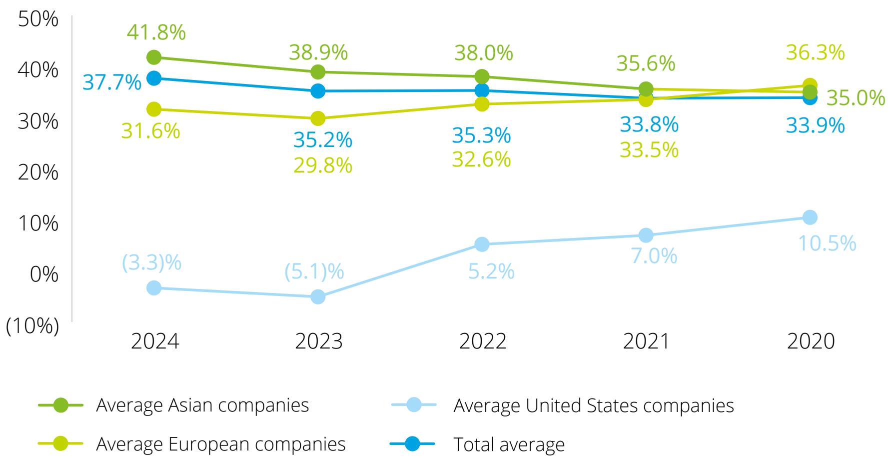
- While aggregate equity remained stable, net debt increased by 12%, giving a ratio of 37.7% ratio in 2024 (2023: 35.2%). Nine groups reported positive net cash positions in 2024, with Shanghai Construction Group reporting the largest cash surplus (US$5.3 billion). The Italian group Saipem reported a net cash position for first time in the last 5 years.
- Asian companies and European companies reported among the highest net debt/net debt + equity figures (41.8% and 31.6% on average, respectively). Some of the companies that reported the highest ratios have a significant presence in non-construction businesses (such as concessions or renewable energy projects), which traditionally require major capital investments that in most cases are financed by external borrowings (Figure 5.7). Additionally, the Japanese homebuilders Sekisui and Sumitomo also reported the highest increases in terms of net debt.
- The 31-100 GPoC showed a significant lower net debt/(net debt +equity) because 24 companies achieved cash surpluses at the end of the year (two more than in 2023) (Figure 5.0).
- Figure 5.7 shows that a correlation exists between the level of indebtedness and the level of diversification beyond non-construction activities, due to initial significant capital investments. Also, pure construction activity does not seem compatible with high indebtedness, except for Chinese groups, mainly due to low profit margins and operational risk of the business.

Figure 5.5: Top 30 GPoC Net debt/(Net debt + Equity)



Source: Global Powers of Construction (GPOC) 2024 analysis; company financials

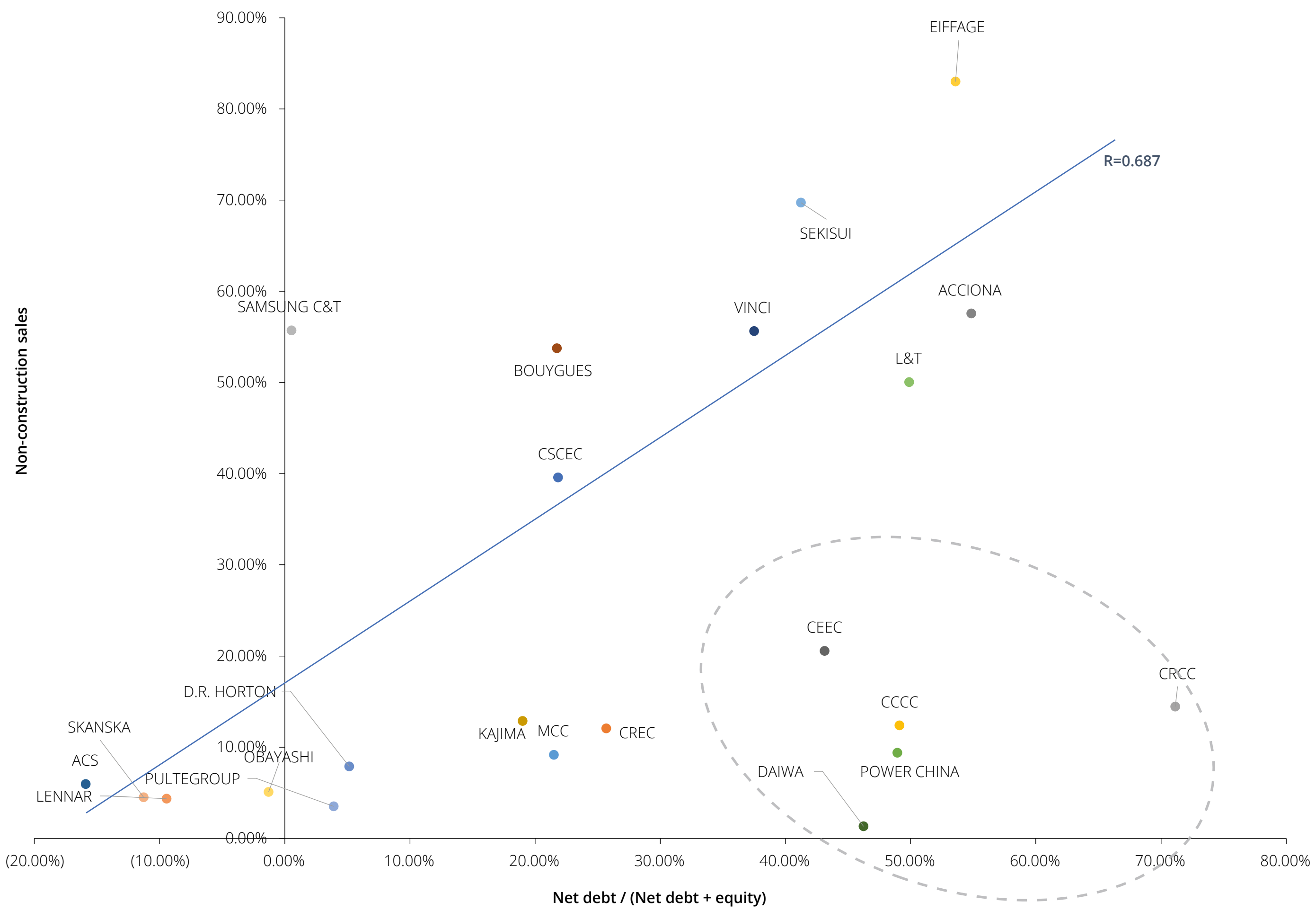
Figure 5.6: Top 30 GPoC Net debt/(Net debt + Equity)



Source: Global Powers of Construction (GPOC) 2024 analysis; company financials

GPoC 2024 | Global Powers of Construction

Figure 5.7: Top 30 GPoC Non-construction sales to Indebtedness



Source: Global Powers of Construction (GPOC) 2024 analysis; company financials

Net debt/Market capitalization

From the analysis performed on the net debt to market capitalization ratio shown in Figure 5.8 the following conclusions can be drawn:

- The net debt to market capitalization multiple remained stable at 0.8x due to increases of 12% and 16% in the net debt and market capitalization, respectively. This ratio has remained relatively stable for the last five years (Figure 5.9). In 2024 nine companies managed to reduce both their net debt postion and increase their market capitalization.

- The US-based GPoC reported a 0.0x net debt to market capitalization multiple while the European-based GPoC achieved a stable 0.3x. However, the Asian GPoC reported higher net debt with respect to their market value, although this improved as compared with previous years (1.3x in 2024 vs 1.4x in 2023).

- The ranking is led by four Chinese companies: China Railway Construction, China Communications Construction, Power China and China Energy Engineering. The top 5 is completed by Acciona, which jumped from 0.9x in 2023 to 1.3x in 2024 due to a 24% decrease in its market value, explained partially by the drop in electricity prices that impacted its renewables energy division.

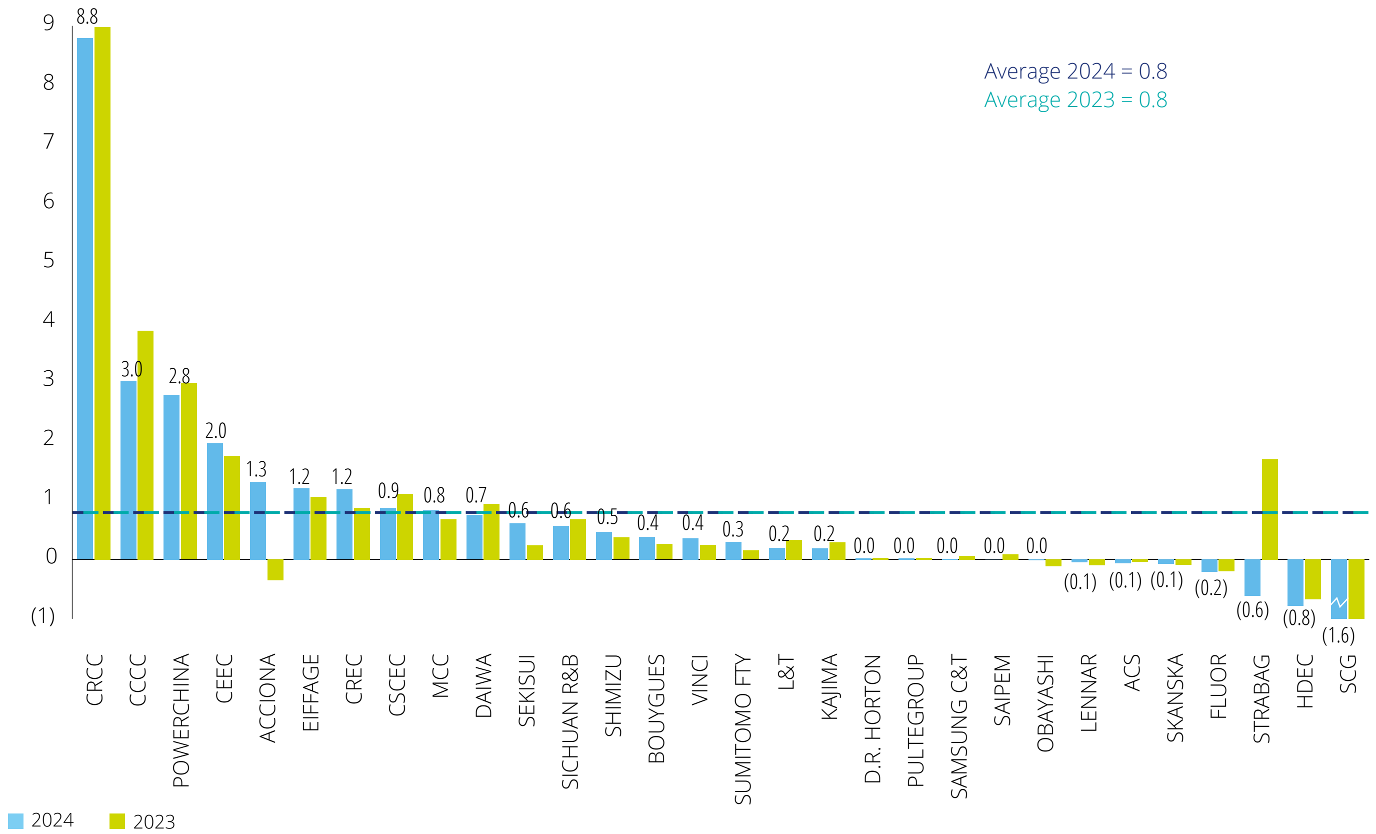
- Due to an aggregate net debt of US$41.8 billion and an aggregate market value of US$265.7 billion, the 31-100 GPoC reported a multiple of 0.2x (2023: 0.2x) (Figure 5.0).

Market capitalization/Book value

The most noteworthy matters arising from the analysis of the market capitalization to book value multiple (Figure 5.10) are as follows:

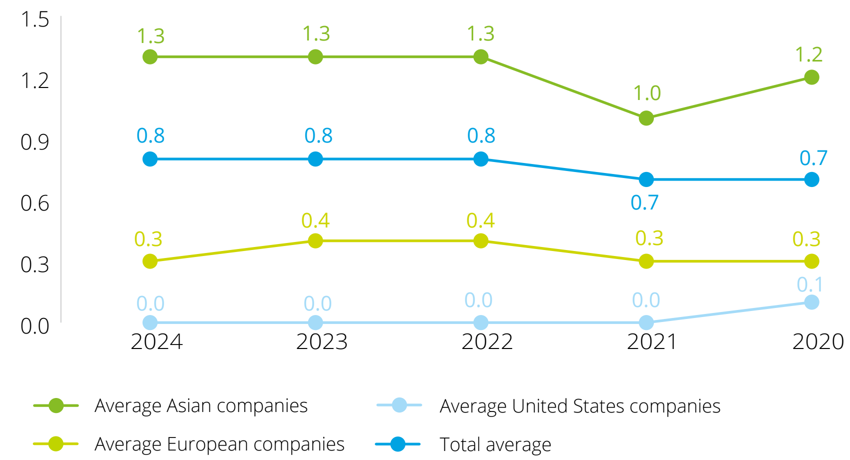
- The 16% increase in market value combined with a 32% increase in book value resulted in a market capitalization to book value multiple of 0.8x in 2024 (0.1

Figure 5.8: Top 30 GPoC Net debt / Market capitalization



Source: Global Powers of Construction (GPOC) 2024 analysis; company financials

Figure 5.9: Top 30 GPoC Net debt / Market capitalization



Source: Global Powers of Construction (GPOC) 2024 analysis; company financials

lower than in 2023). The aggregate Top 30 GPoC traded at a discount to book value for three consecutive years. On the other hand, 31-100 GPoC traded at a premium to book value (2024: 1.6x) (Figure 5.0).

- While the ratio of the US-based GPoC improved 2.0x in 2024 vs 1.6x in 2023, the European GPoC reported a market capitalization to book value multiple of 1.4x, below the 2023 figure as a result of a weaker performance in the stock markets. On the other hand, the Asian-based GPoC traded at a discount to book value in 2024 as well as in previous years (Figure 5.11).

- In 2024 this ranking was headed by Larsen & Toubro, which reported a ratio of 5.0x due to a strong performance in the stock markets during the year. The Top 5 is completed by ACS, D.R. Horton, Fluor and Saipem.

- The Top 5 GPoC by sales, all from China, reported market capitalization to book value multiples of 0.5x or less. Other companies such as Bouygues, Eiffage and Acciona, switched from trading at a premium in 2023 to trading at discount to book value in 2024.

EV /EBITDA

The Top 30 GPoC reported an average EV / EBITDA multiple of 8.6 (Figure 5.12), which represents an increase of 1.3 points from 2023 due to the growth reported in terms of market value and the increase of net debt. In addition, EBITDA dropped by 3%. Ten groups reported ratios above 10x, 12 companies between 5x and 10x and 8 GPoC reported EV/EBITDA ratios below 5x. The 31-100 GPoC showed an EV /EBITDA ratio of 8.5x (Figure 5.0).

By geographies, the ratios of the Asian- and US-based GPoC have been increasing since 2022, to 10.9x and 7.9x in 2024, respectively. Conversely, European entities have reported lower ratios year-on-year since 2020 (Figure 5.13).

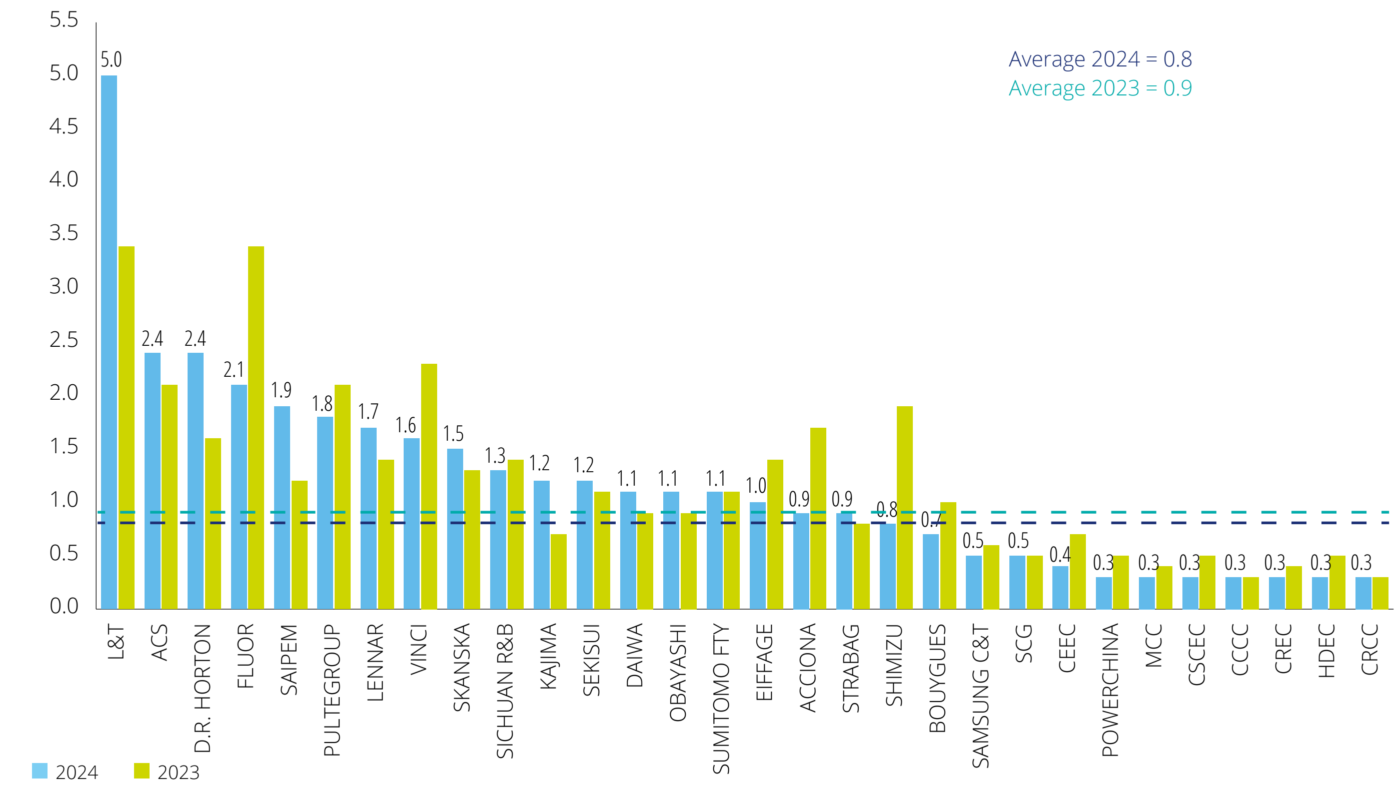
This ranking is headed by Shimizu, which reported a very slight increase in EBITDA in 2024 while its EV increased by 21%. Larsen & Toubro, China Railway Construction, Power China and China Energy Engineering completed the Top 5. All of them reported ratios above 14x.

Shanghai Construction Group and Hyundai Engineering & Construction showed negative ratios. While the Chinese group reported a negative EV due to its net cash position, the South Korean company reported negative EBITDA as a result of the losses from construction contracts in Indonesia and Saudi Arabia.

Net debt/EBITDA

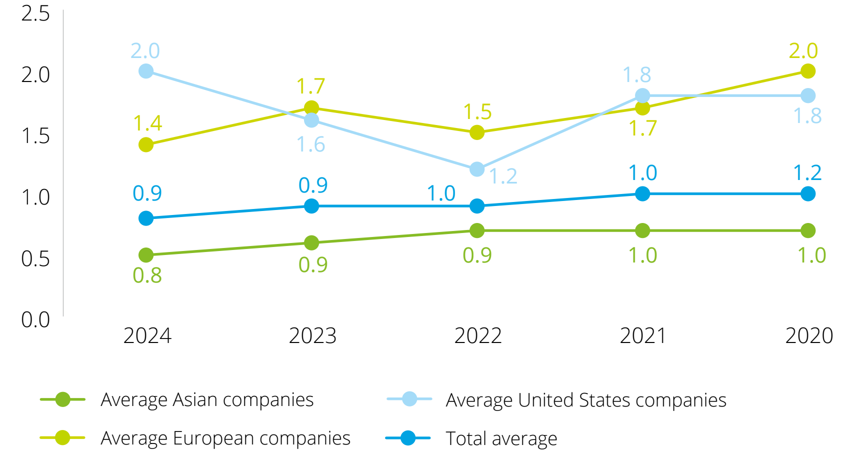
The Top 30 GPoC reported an average net debt to EBITDA ratio of 3.7x in 2024, 0.5

Figure 5.10: Top 30 GPoC Market capitalization / Book value



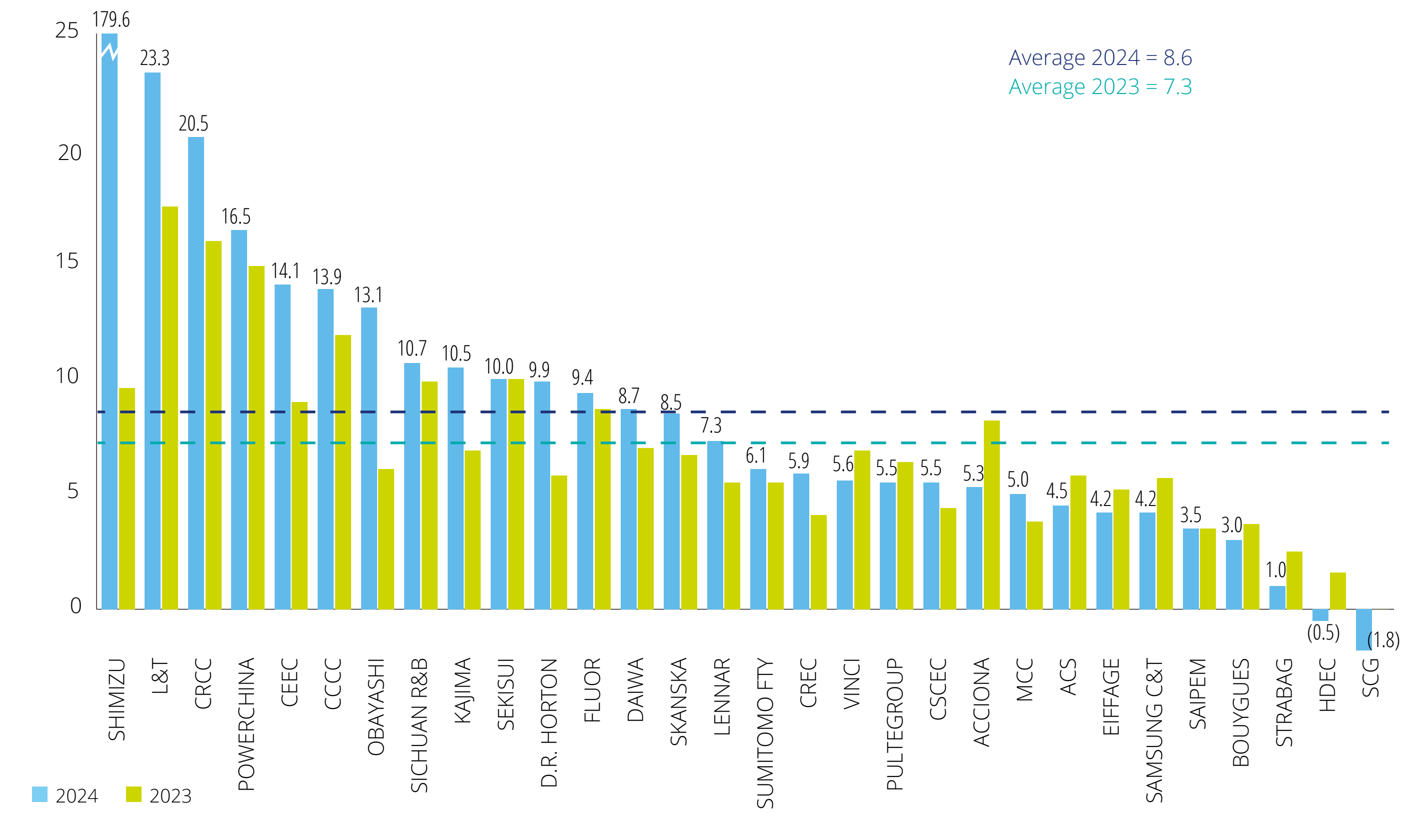
Source: Global Powers of Construction (GPOC) 2024 analysis; company financials

Figure 5.11: Top 30 GPoC Market capitalization / Book value



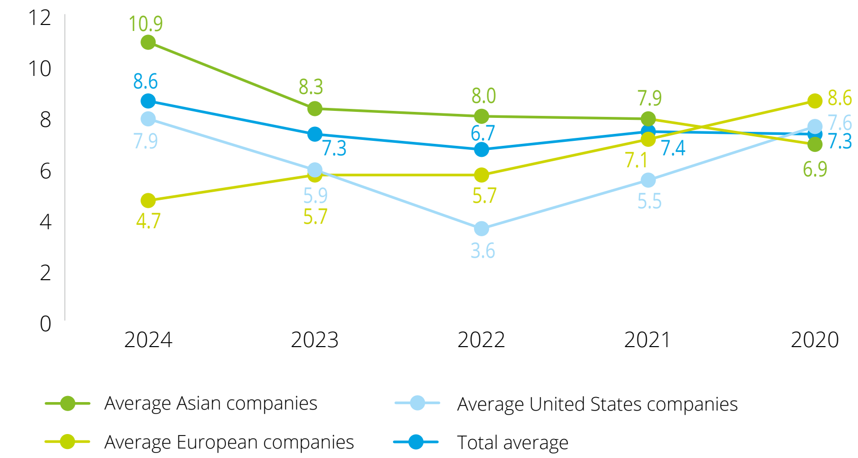
Source: Global Powers of Construction (GPOC) 2024 analysis; company financials

Figure 5.12: Top 30 GPoC Enterprise value/EBITDA



Source: Global Powers of Construction (GPOC) 2024 analysis; company financials

Figure 5.13: Top 30 GPoC Enterprise value/EBITDA



Source: Global Powers of Construction (GPOC) 2024 analysis; company financials

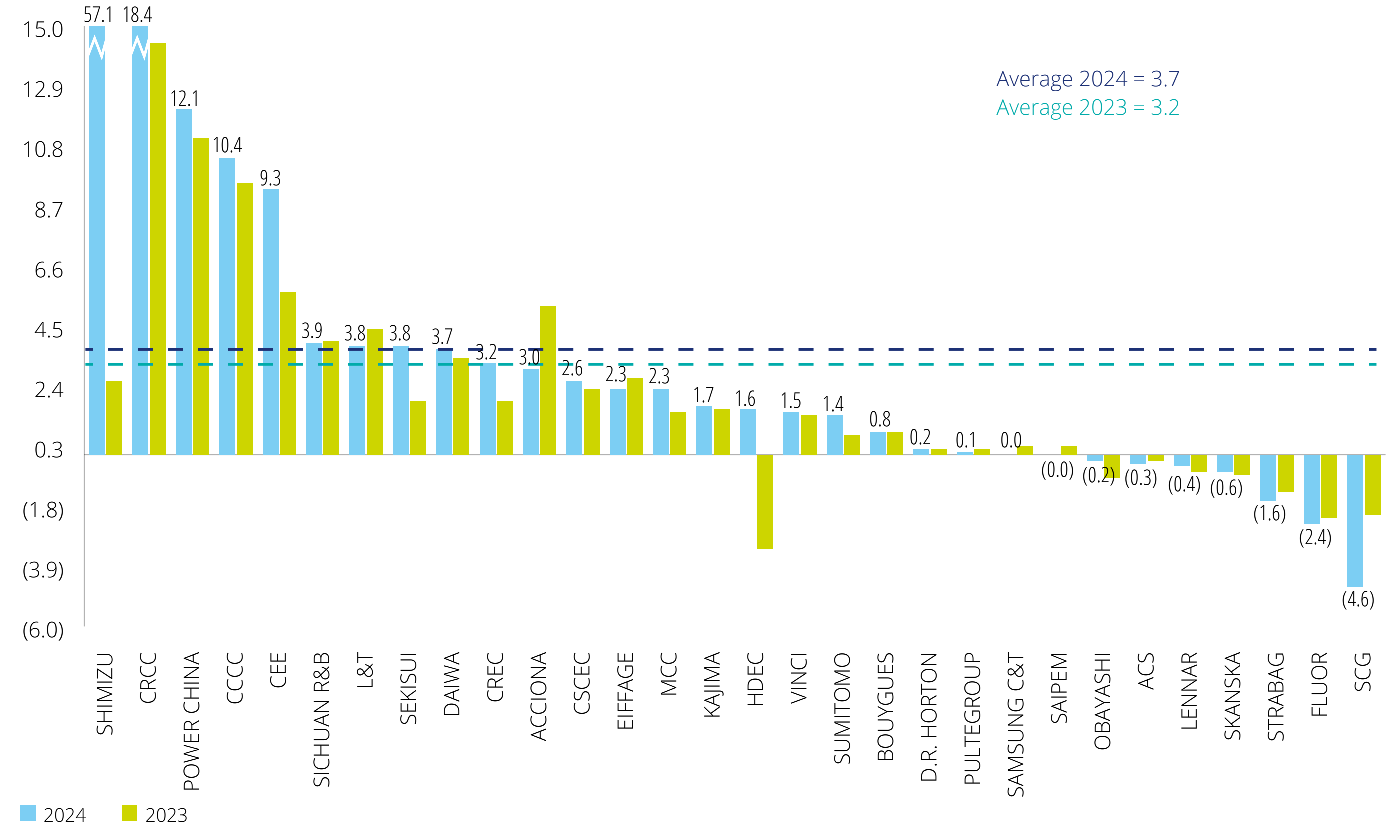
points above the 2023 figure (Figure 5.14) due to the combination of a 12% increase in net debt and a 3% decrease in EBITDA. The aggregate ratio has remained above 3x since 2022 while the 31-100 GPoC reported a 1.2x average net debt to EBITDA ratio (Figure 5.0).

The US groups have reported ratios below zero for the last two years due to the aggregate net cash obtained. The European-based GPoC achieved a ratio in the range of 1.2x in 2024 and 2023 as higher debt also led to higher EBITDA. Lastly, the continuous growth of the net debt of the Asian-based GPoC has had a relevant impact on the ratio over recent years. Moreover, in 2024 the Asian groups reported an 11% decrease in EBITDA.

The top 5 of this ranking is led by Shimizu and followed by four Chinese companies: China Railway Construction Corporation, Power China, China Communications Construction and China Energy Engineering.

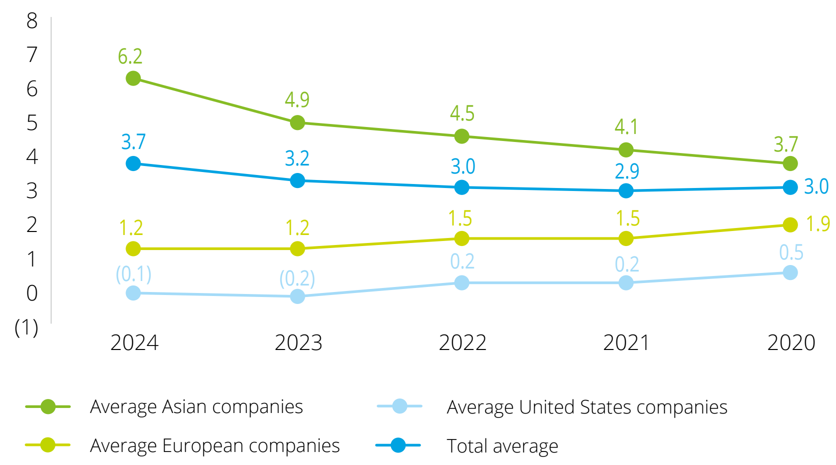
Eight groups achieved ratios below zero because of the cash surpluses they held at the end of the year. Although Hyundai Engineering & Construction reported a positive net cash position, it also reported negative EBITDA of US$912 million, which led it to report a non-representative positive

Figure 5.14: Top 30 GPoC Net debt/EBITDA



Source: Global Powers of Construction (GPOC) 2024 analysis; company financials

Figure 5.15: Top 30 GPoC Net debt/EBITDA



Source: Global Powers of Construction (GPOC) 2024 analysis; company financials

ratio of 1.6x. Four groups reported ratios lower than 1.0x.

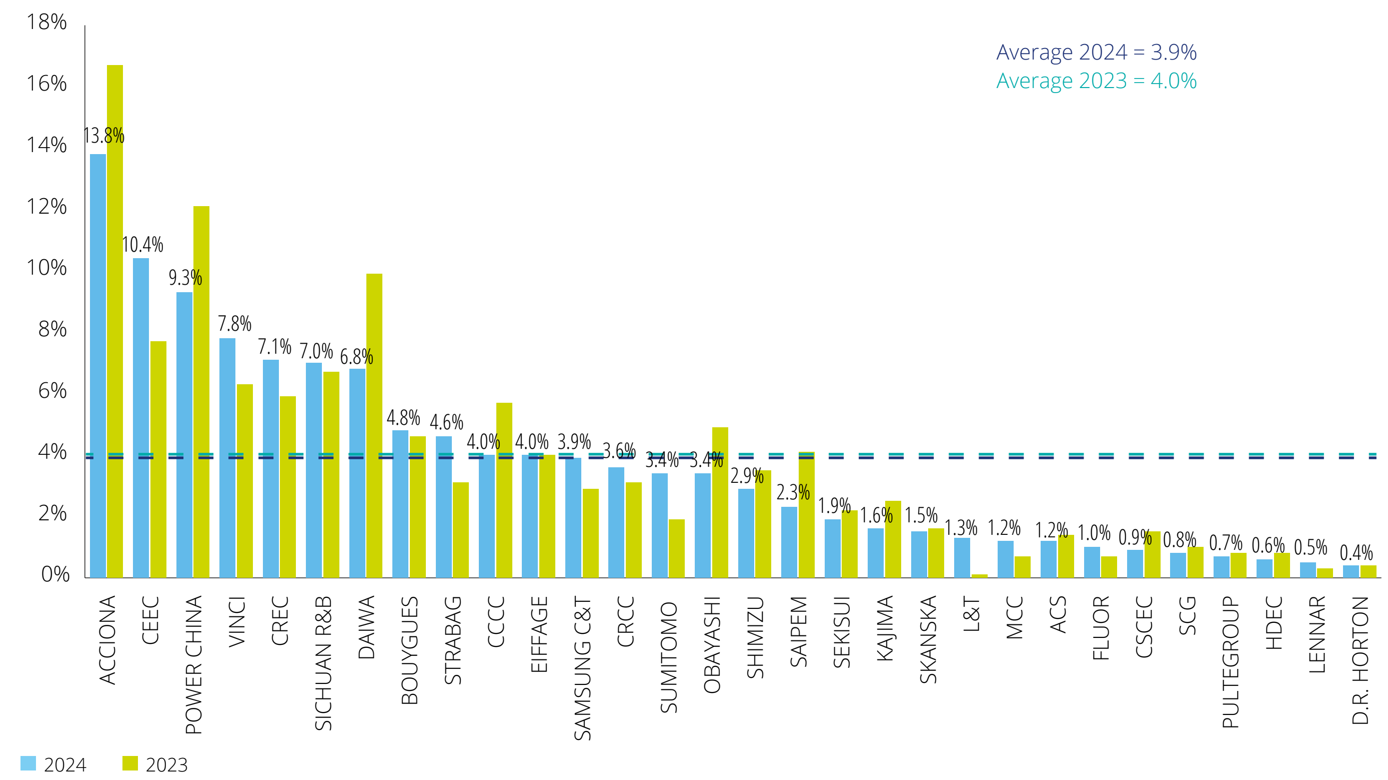
Capital expenditure/Sales

The Top 30 GPoC reported an average capital expenditure/sales ratio of 3.9% in 2024, 0.1 p.p. lower than in 2023. The trend for the last five years shows a steady ratio of around 4.0% (Figure 5.17).

While Asian and European companies reported ratios of 3.9% and 5.3%, respectively, the US-based GPoC reported a ratio of 0.6%, explained mainly by the nature of the homebuilding activity, which does not usually require significant capital expenditure to operate. While traditional construction activity is financed by down payments from customers and working capital management, companies whose activities are more diversified present higher ratios as non-construction activities such as concessions or renewable energies have significant capital needs.

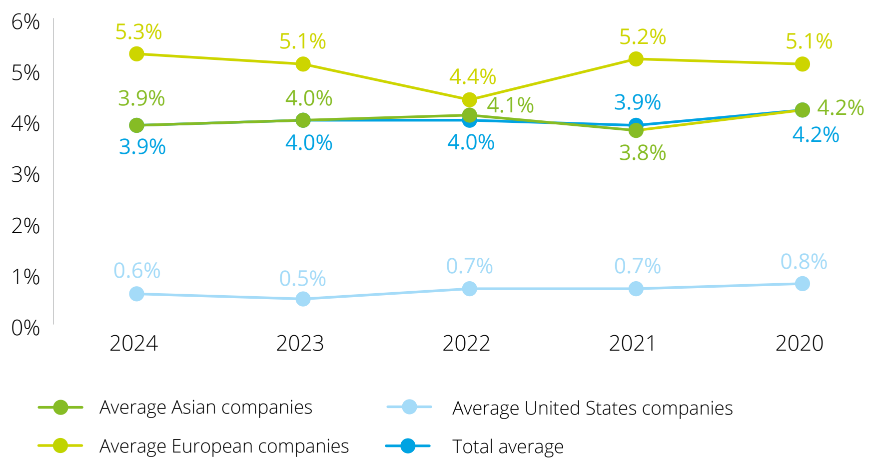
Accordingly, groups such as Acciona, VINCI, Bouygues or Strabag are placed in the first few positions in terms of capital expenditure since they are among the most diversified GPoC. China Energy Engineering and Power China reported the highest ratios among Asian-based GPoC, while Shanghai Construction and Hyundai Engineering and Construction the lowest. US-based homebuilders reported a ratio of below 1.0%.

Figure 5.16: Top 30 GPoC. Capital expenditure/Sales



Source: Global Powers of Construction (GPOC) 2024 analysis; company financials

Figure 5.17: Top 30 GPoC Capital expenditure/Sales



Source: Global Powers of Construction (GPOC) 2024 analysis; company financials

The 31-100 GPoC reported an average ratio of 3.8%. European-based companies, such as Gek Terna, Ferrovial, FCC and Webuild, reported above average ratios due to their non-construction business streams (Figure 5.0).

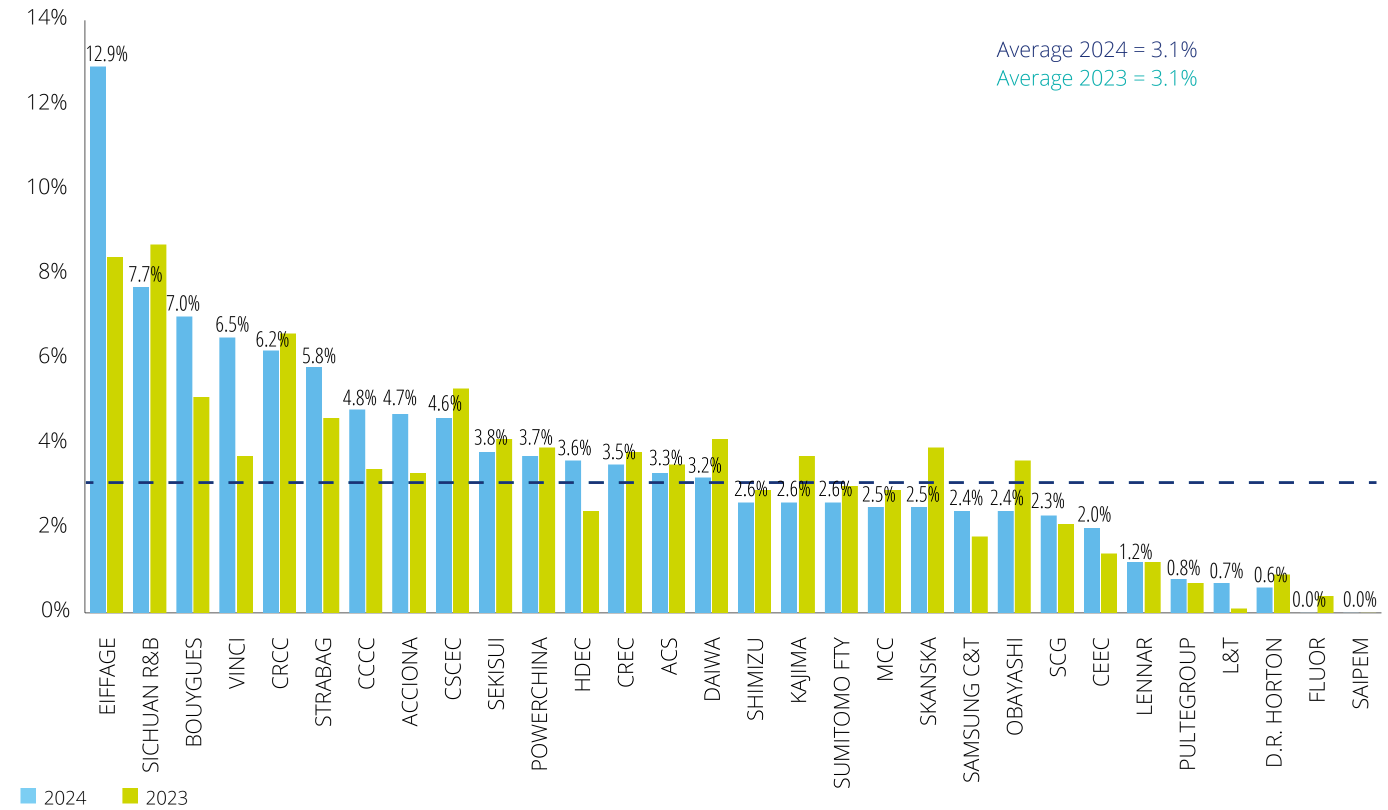
Dividend yield

The Top 30 GPoC reported an aggregate dividend yield of 3.1% in 2024 and in 2023 (Figure 5.18). Even though earnings distributed to shareholders increased by 17% to US$16.6 billion, they were offset by a 16% increase in market value. The 31-100 GPoC showed a 2.1% dividend yield (0.3 p.p. lower than 2023) (Figure 5.0).

Eiffage, Sichuan Road and Bridge, Bouygues, VINCI and China Railway Construction represent the Top 5. However, Fluor and Saipem are the only companies in our Top 30 GPoC that did not distribute dividends to their shareholders in 2024.

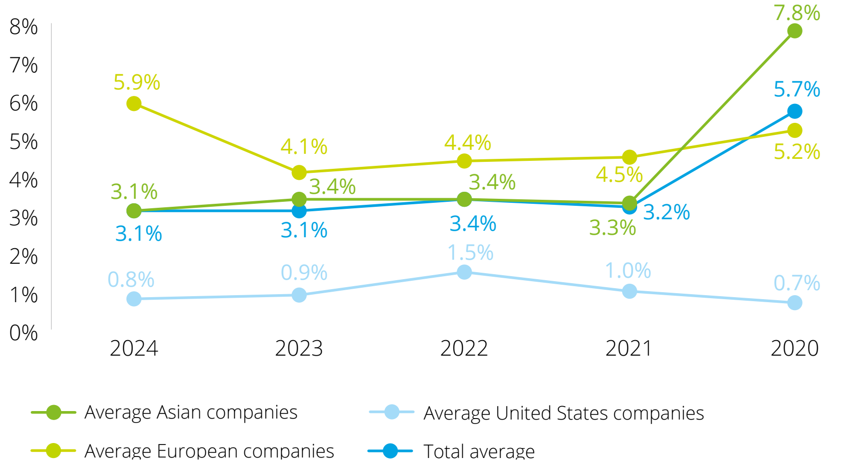
By geographical area, while European and Asian groups reported dividend yields of 5.9% and 3.1%, respectively, the US-based GPoC remained stable at around 1% since 2020 (Figure 5.19). Their low dividend yields do not reflect weak returns (these companies are among the most profitable)

Figure 5.18: Top 30 GPoC Dividend Yield



Source: Global Powers of Construction (GPOC) 2024 analysis; company financials

Figure 5.19: Top 30 GPoC Dividend Yield



Source: Global Powers of Construction (GPOC) 2024 analysis; company financials

but rather a deliberate strategy to use buybacks as the preferred vehicle for returns.

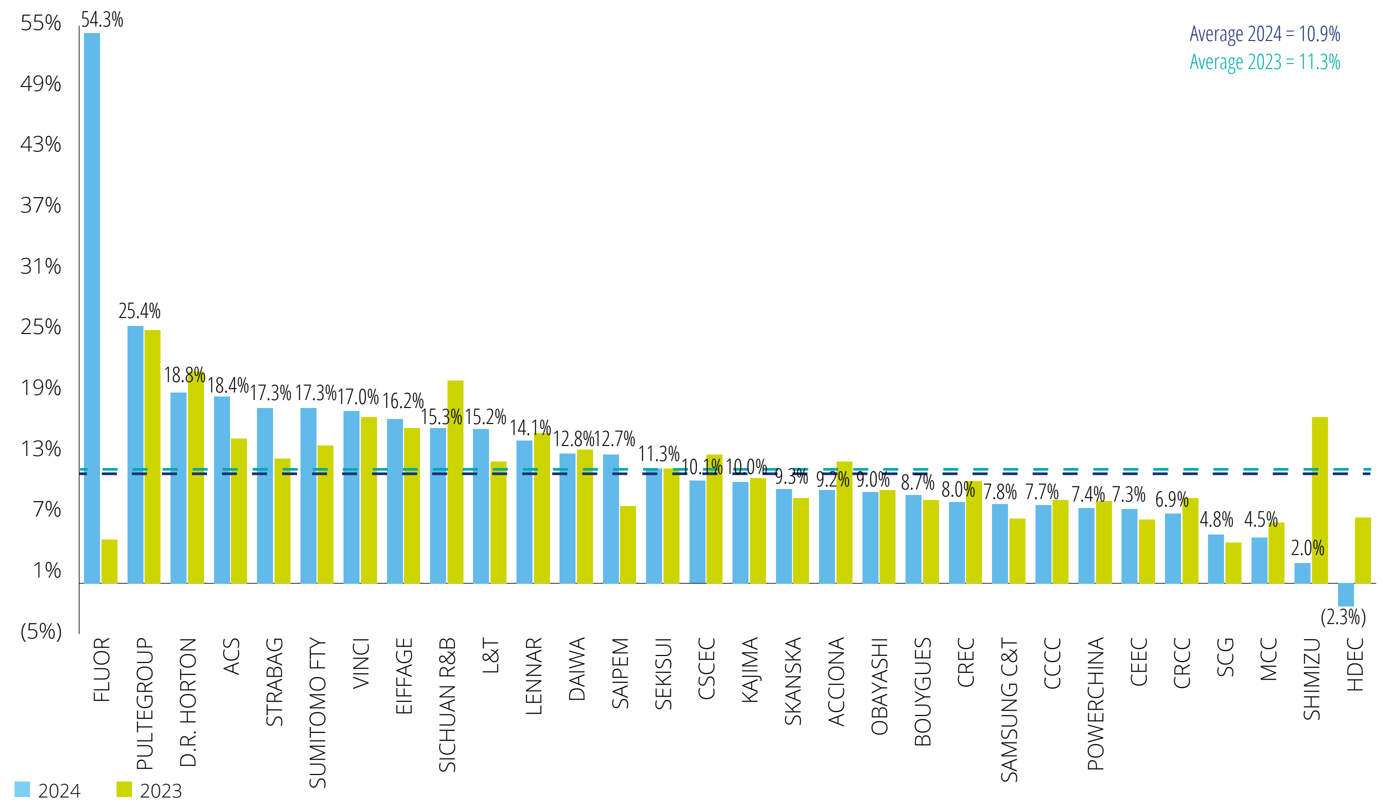
Return on Equity (ROE)

The Top 30 GPoC reported an average return on equity of 10.9% (0.4 p.p. lower than in 2023) (Figure 5.20) due to a combined effect of a slight increase in equity (1.5%) and a decrease in net income (2%). The 31-100 GPoC reported a ratio of 11.8%, higher than the ROE obtained in 2023 (9.6%) (Figure 5.0).

As mentioned before, Fluor reported extraordinary equity method earnings due to the recognition at fair value of NuScale. Excluding this effect, PulteGroup, D.R. Horton and ACS would have led this ranking. More diversified companies such as Stragbag, VINCI and Eiffage, as their extensive non-construction operations are more profitable than their construction activity, are situated in the Top 10.

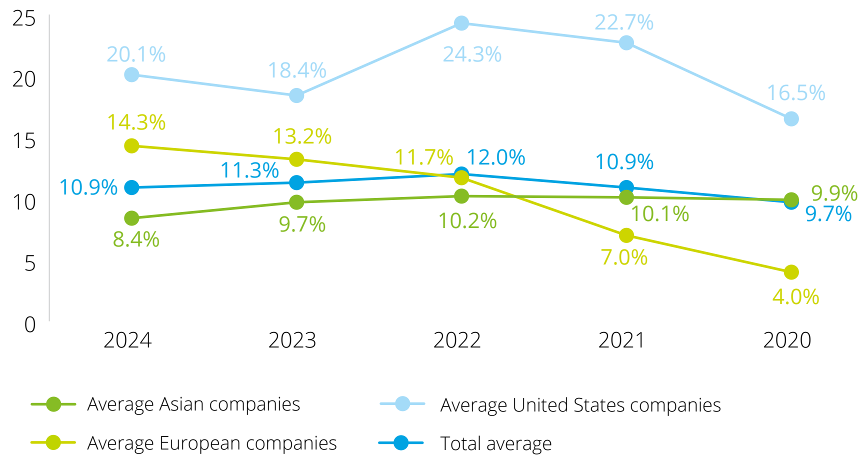
14 groups reported above-average ROE, while Hyundai Engineering and Construction reported net losses attributable to shareholders due to net losses incurred in 2024.

Figure 5.20: Top 30 GPoC Return on Equity



Source: Global Powers of Construction (GPOC) 2024 analysis; company financials

Figure 5.21: Top 30 GPoC Return on Equity



Source: Global Powers of Construction (GPOC) 2024 analysis; company financials

Comparison Top 30 GPoC vs 31 to 100 GPoC

Collectively, 31 to 100 of the GPoC financials present some differences with the Top 30 GPoC (Figure 5.0):

- Higher profitability ratios, both in terms of EBIT margin (7.4% vs 5.5%) and net income margins
- Lower leverage ratios, both in terms of Net debt/Net debt & Equity (20.1% vs 37.7%), net debt/market cap (0.2x vs 0.8x) and net debt/EBITDA (1.2x and 3.7x)
- Higher market cap/book value ratios (1.6x vs 0.8x) but lower EV/EBITDA ratios (8.5x vs 8.6x) due to lower net debt.
- Similar capex/sales ratio (3.8% vs 3.9%)
- Similar dividend yield (2.5% vs 2.9%) and ROE ratios (10.1% vs 11.1%)
- Lower diversification ratio (23% of non-construction sales vs 25.5%) and higher internationalization ratio (29.7% of sales obtained abroad vs 21.3%).

The different levels of diversification and internationalization of the 31 to 100 of the GPoC are a root cause of some of the differences in their financial ratios as compared to the Top 30 GPoC. Higher leverage ratios, usually derived from non-construction activities, do not appear to be consistent with the aforementioned results due to Chinese companies' presence among our Top 30 GPoC. Higher profitability, EBITDA and market capitalization ratios among the 31 to 100 of the GPoC show that they are more diversified companies.

Comparison of financial ratios by categories

The following "Where to play" section offers an analysis of our top 30 GPoC in terms of internationalization and diversification of activities beyond construction. It also includes a comparison between the financial ratios of companies focused on construction activities versus more diversified conglomerates.

In general, pure construction groups show significant lower EBIT/sales margins (around 3.5-4.5% on average) and lower net income margin (around 3.0%) as compared to more diversified groups.

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Where to play

Combining internationalization with portfolio diversification allows our GPoC to stabilize earnings by offsetting geographical and sectorial risks. In 2024, the non-construction revenue and international sales of our GPoC amounted to 25.5% and 21.3%, respectively. European groups continued to lead the diversification and internationalization ranking, in contrast to China- and US-based GPoC.

Diversification

Over recent decades, major firms have expanded into non-construction activities such as real estate, industrial services and infrastructure concessions. These sectors provide stable, long-term income, higher margins and help offset the volatility of traditional construction activities. Nevertheless, business diversification usually leads to higher indebtedness since these activities, particularly real estate and concessions, require a significant initial capital investment.

In 2024, our Top 30 reported that 25.5% of sales related to non-construction activities, in line with previous years. GPoC ranked 31 to 100 had a slightly lower business diversification percentage. European-based GPoC lead this ranking in relative terms. While European GPoC reported non-construction sales of 43.7%, Asia- and US-based GPoC reported 22.9% and 7.6%, respectively.

The non-construction activities of our GPoC enable us to draw the following conclusions:

Real estate

This is one of the most common diversification businesses of our GPoC as the synergies between traditional construction (particularly residential construction) and real estate are obvious:

- US-based GPoC, D.R. Horton, Lennar, and PulteGroup, are still the largest players in the real estate business, followed by the Japanese groups. Vertical integration, from the acquisition and development of land to delivering homes to end customers, plays a key role in their leadership position. D.R. Horton achieved a substantial increase from 82,917 homes delivered in 2023 to 89,690 in 2024, although the impact on revenues was partially offset by a 4% decrease in the average selling price per unit. In a similar vein, Lennar delivered 80,210 homes in 2024 (73,087 homes in 2023) and reported an average price per unit of US$423,000 in 2024 (US$446,000 in 2023). PulteGroup was a distant third delivering 31,219 homes in 2024 and 28,603 in 2023, although it managed to increase the average price per unit by 2% due to its focus on luxury buyers, often building larger and customizable homes.
- In 2024, Sumitomo Forestry joined the Japanese companies Daiwa House and Sekisui House in our Top 30 GPoC. Sumitomo focuses on high-end urban condos and commercial real estate, Sekisui is more associated with high-quality detached homes and Daiwa covers a broader spectrum. Daiwa, which is placed 13th in terms of sales in our GPoC, increased sales by 6% in local currency while Sekisui (placed 17th) and Sumitomo Forestry (placed 30th) increased sales by a remarkable 30.6% and 18.5% in local currency, respectively (Figure 1.2). In April 2024, Sekisui expanded its business in the US through the acquisition of the listed homebuilder M.D.C. Holdings, Inc, which annually contributes sales of approximately US$5 billion to the Japanese group.
- Chinese companies have diversified towards the real estate segment as well. The most diversified contractor among our GPoC in terms of volume, China State Construction Engineering, reported revenue of US$58.8 billion from its real estate development activities, out of total non-construction sales of US$120.3 billion. China Railway Construction, China Railway Group and Metallurgical Corporation of China have real estate divisions as well, underscoring a trend of Chinese infrastructure giants diversifying into property development to complement their traditional engineering and construction businesses.
- In Europe, Skanska reported the largest presence in the real estate industry, mainly, related to commercial property development (6% of total sales) and residential developments (5% of total sales). The French groups, Bouygues and VINCI, reported real estate sales of US$1.6 billion and US$1.2 billion,

respectively. Other European groups, such as Strabag or ACS, have a relatively small presence in this business.

Industrial Services
Engineering services as well as the installation and maintenance of energy, transport, telecommunication and industrial infrastructure constitute one of the broadest non-construction activities of our GPoC. The most significant players in this field are European- and Asian-based GPoC:

- In Europe, the extensive presence of French groups, VINCI, Bouygues and Eiffage, is remarkable in this segment. In 2024, the first non-Asian group in our GPoC recorded sales related to energy and industrial services of US$29.9 billion through its divisions VINCI Energy and Cobra IS, a year-on-year increase of 6.4%. The order book amounted to US$34 billion, similar to the backlog reported by the construction business of the Group. Equans, Bouygues' multi-technical services division, became the group´s primary growth engine in 2024 (2.2% increase in revenues), demonstrating profitability, a strong backlog and a clear focus on energy-transition services. Lastly, Eiffage reported sales of US$16.9 billion from its infrastructure and energy systems divisions. Eiffage Energy delivered exceptional growth (21.3% increase in revenues), margin expansion (its operating margin jumped to 5.8%) and a backlog build-up (US$16.5 billion). It is worth mentioning that Saipem, a new member of our Top 30 GPoC in 2024, provides engineering, procurement, project management and construction services to the oil and gas and energy industries.

- In Asia, the Indian group Larsen & Toubro, reported sales of US$7.7 billion related to energy projects and high-tech manufacturing facilities. China Communications Construction reported sales of more than US$7 billion in the infrastructure design business, which includes overseas railway projects and domestic rail transit. It reported a backlog at year end of approximately US$16 billion.

- The US-based GPoC Fluor reported revenues of US$6 billion from its Energy Solutions segment operations and US$2.6 billion from its Mission Solutions division. These businesses serve critical infrastructure in both the commercial energy and national security sectors. None of these segments reported significant growth in 2024.

Concessions
Public-private partnerships (PPPs) might be used as a mechanism for government to procure and implement public infrastructure by granting private investors the opportunity to finance and operate it. This activity is characterized by sustained cash flows, but also by major capital investment and indebtedness requirements. Many of our GPoC, particularly European companies, diversified into concessions as there are significant synergies with construction activities:

- VINCI is the European leader in the concessions business through its autoroutes and airports divisions, which reported sales of US$12.7 billion. While its autoroutes division manages a network of more than 4,000 km in France, VINCI Airports operates more than 70 airports in 14 countries. Both divisions emphasize long-term value creation by integrating infrastructure development, leveraging VINCI´s investment capacity. EBIT margins on these two segments are around 50%.

- The Spanish group ACS has a strong presence in this segment through Abertis, Iridium and HOCHTIEF PPP Solutions. Abertis operates approximately 7,800 km of concessions in the Americas, Asia and Europe, while Iridium manages more than US$33 billion in investments with a committed equity investment of US$524 million at year end. In an upward trend, HOCHTIEF PPP Solutions is focused on developing solutions for smart cities, including data centers and electric vehicle charging stations.

- Other European players, such as Eiffage, Strabag and Acciona are focused on concession activities as well. Eiffage operates motorways and airports and obtained US$4.2 billion in revenues in 2024. Strabag operates motorways in Poland, Hungary, Colombia and Germany with a total project volume of US$11.2 billion. Acciona has a total concession backlog of US$35.4 billion (including business consolidated using the equity method), of which more than US$6 billion is in the United States (Express Lane SR400) and Australia (Central West Orana), with US$2.3 billion corresponding to its water treatment and desalination division.

Other non-related activities
GPoC have also been able to develop businesses that are not directly related to the construction industry business:

- Bouygues has a major presence in the media and telecom sectors. Bouygues TF1 reported sales of US$2.6 billion in 2024, up 3% from 2023. Moreover, Bouygues Telecom reported US$8.5 billion in 2024, up 1% from 2023. Even though the remaining European-based GPoC are highly diversified, their portfolios are generally related to the construction business.

- Larsen & Toubro and Samsung C&T stand out among the Asian-based GPoC. The Indian company´s financial services division reported revenues of US$5.4 billion, which was around 20% of total sales in 2024. Larsen & Toubro offers a diverse set of financial products and services encompassing mutual funds, infrastructure finance and home loans, among others. Samsung C&T is more than a construction firm. It is also a trading powerhouse, fashion retailer and resort operator, with additional footprints in biopharma.

- The US-based homebuilders have adjacent businesses that offer mortgage, title and insurance services to reinforce their core housing operations. They offer mortgage loans to their customers and selling substantially all of the mortgages to third-parties. As in the previous analysis, D.R. Horton led the podium with 70,693 mortgage loans originated amounting to US$24 billion, followed by Lennar with 54,600 loans (US$19.8 billion), and with PulteGroup lagging behind with 19,770 loans (US$8.4 billion).

Internationalization
Large construction firms internationalize to reduce dependence on domestic markets, to access major infrastructure projects and to achieve backlog stability, among other factors. Although the benefits are clear, it also exposes our GPoC to political, legal and currency risks, which can disrupt contract delivery and erode profits. Cultural barriers are another factor that increases challenges in managing operations across borders.

Our Top 30 GPoC obtained 21.3% of total sales abroad, up 2.9 p.p. over 2023 (Figure 3.1), although there are notable differences among them. European-based GPoC lead in terms of internationalization as 72% of total sales come from international contracts. Far behind, Asian-based GPoC received 33% of sales outside domestic markets while US-based GPoC received 5%. The main path to internationalization has been organic growth, through direct expansion and project bidding, although it has been strategically complemented by inorganic growth, such as acquisitions or partnerships, in which rapid market entry or local positioning is essential.

Total international sales reported in 2024 amounted to US$340 billion. The top 3 in terms of volume are VINCI, ACS and Bouygues (Figure 3.1). In relative terms (Figure 6.0), the Italian group Saipem burst onto the scene as the most internationalized contractor, with international operations representing 93.2% of total sales. The Top 3 is completed by ACS (91.3%) and Strabag (85.3%). It should be noted that the Chinese groups, which are among the largest groups analysed, are not included in the top positions of any of these rankings.

Not all construction groups expand into the same countries. Each selects its target markets based on opportunity, size, geographical proximity, cultural or legal familiarity, and strategic fit with their capabilities. A summary of the locations in which our GPoC operate internationally is discussed below (Figure 6.0):

Europe
Our GPoC reported sales in this region of US$87.9 billion. VINCI, Bouygues and Strabag lead the presence in Europe since, excluding their respective home markets, all of them had revenue of over US$15 billion:

- VINCI obtained sales amounting to more than US$28.4 billion in Europe (excluding France). Its operations are mainly located in the United Kingdom, Germany and Spain where it reported US$7.3 billion, US$6 billion and US$4.1 billion, respectively. Airport concession operations, communication infrastructure deployment, maintenance of highways, and large EPC projects are some examples of VINCI's operations in Europe.

- Bouygues' sales in the region, excluding France, amounted to US$18.3 billion in 2024. The main activities executed in Europe are transport infrastructure construction and maintenance through its COLAS division with a presence in Germany and the Czech Republic as well as energy solutions services through its Equans division with a presence in Spain and the Netherlands, among others.

- Strabag's sales in the region, excluding Austria, amounted to US$15.2 billion in 2024. Germany remains the most important market in Europe (US$8.6 billion in sales and a backlog of US$14.8 billion). The Austrian group is benefiting from energy transition investments, especially those focused on new power transmission lines in Germany. It also has a presence in Poland, the United Kingdom and the Czech Republic.

The Americas
European groups, ACS, VINCI, Bouygues, and Skanska once again accounted for the greatest presence of the Top 30 GPoC 2024 in the Americas. However, Asian companies, such as Sumitomo Forestry, Samsung C&T and Larsen & Toubro reported significant sales in this region:

- ACS is the largest international contractor in our GPoC in the Americas with international sales exceeding US$27.9 billion in 2024 (62% of total revenues). Operations in this region are focused on the United States and Canada, mainly through Turner and the new FlatironDragados brand, which came into effect in late 2024. Vantage Data Centre in Ohio, San Francisco International Airport Terminal 3 West, Wild Horse Dam and IH highway expansion in Colorado, Tennessee Titans stadium and several semiconductor projects are some of its significant awards in 2024 in the region. The backlog in North America amounts to US$51.7 billion.

- VINCI has consolidated itself as the largest international contractor in absolute terms among our GPoC. VINCI reported sales of US$10.5 billion in this region (14% of total revenues), mainly through Cobra IS and VINCI Airports although it expanded its operations in 2024 through the acquisition of the Northwest Parkway concession, a 14 km tolled section of the Denver ring road, for US$1.2 billion. Brazil is a major market for VINCI in this region as it operates several airports under concession agreements and Cobra IS has significant contracts for the construction and operation of transmission lines and the development of renewable energy projects (PV).

- Bouygues reported US$8.2 billion in this region in 2024. Construction of roads in Canada and the United Sates accounted for aggregate sales of US$4.4 billion.

- Other European-based GPoC, such as Skanska and Acciona, reported US$8.1 billion (48% of total sales) and US$3.2 billion (15% of total sales), respectively, in the Americas in 2024. Skanska, as an example of its operations in the region, is executing the Portal North Bridge project, which consists of demolishing and replacing a 2.44 mile bridge in New Jersey. Acciona operates 1 GW of wind power, solar thermal and industrial-scale energy storage projects in North America, and has been awarded the Managed Lane SR400 concession in Atlanta.

- Sumitomo Forestry, which ranked 5th in the Americas in terms of sales, reported US 6.1 billion in 2024. Its main international market is building detached homes in the United States. Samsung C&T and Larsen & Toubro reported US$4.2 billion and US$3.7billion, respectively, in the region in 2024.

Middle East, Asia and Oceania
ACS, Saipem and Larsen & Toubro lead the presence of our GPoC in this region. The Top 5 is completed by Samsung C&T and VINCI:

- The Spanish group ACS obtained 24% of total sales from activities in this area (US$10.9 billion). It operates mainly in Australia through CIMIC. The main projects awarded in 2024 were for the construction of the second phase of the Western Downs Battery in Queensland and the construction of a section of tunnels for the Suburban Rail Loop in Victoria.

- Saipem reported significant operations in the region, particularly in the Middle East, and sales amounted to US$6.8 billion in 2024. It focuses on offshore EPC and underwater contracts for oil, gas and LNG infrastructure with its clients including major state companies.

- Larsen & Toubro is focused on providing engineering, procurement and construction of conventional energy plants in the Middle East, specifically, in Qatar, the United Arab Emirates and Oman. It reported sales of US$6 billion in 2024.

- Samsung C&T and VINCI have also reported significant sales in this region historically. In 2024, these groups reported US$5.1 billion and US$4.4 billion, respectively, in this region, where they are mainly focused on expanding renewable energy infrastructure.

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Africa
Our GPoC reported sales of US$12.9 billion in this region, the highest figure ever. While Saipem is the main player, other contractors such as Hyundai E&C, Bouygues and VINCI have some presence as well:

- Saipem reported sales of US$4.6 billion in Africa. It runs a fully integrated strategy in sub-Saharan Africa, with all major divisions (Asset-Based Services, Energy Carriers and Offshore Drilling) actively engaged in construction, infrastructure and drilling across multiple countries.

- Hyundai E&C obtained revenues of US$2.9 billion in Africa since the company is actively pursuing infrastructure, power, water and industrial projects in multiple African markets.

- The French companies Bouygues and VINCI reported sales of US$1.9 billion and US$1.7 billion, respectively, in Africa in 2024. Africa is a natural extension of French commercial and geopolitical influence, offering growth, cultural alignment and long-term opportunities for diversified groups. Operations in the region are generally carried out by Bymaro (Bouygues' flagship brand for major building and civil engineering projects) and Sogea-Satom (VINCI´s construction dedicated subsidiary in Africa).

- Nevertheless, Chinese companies do not normally disclose the geographical breakdown of their international sales. They do however have a major presence in Africa where the increase in investment in telecommunications infrastructure operations alongside construction, energy and mining activities is providing a great opportunity to expand their operations internationally. Africa is the largest market for China's overseas construction.

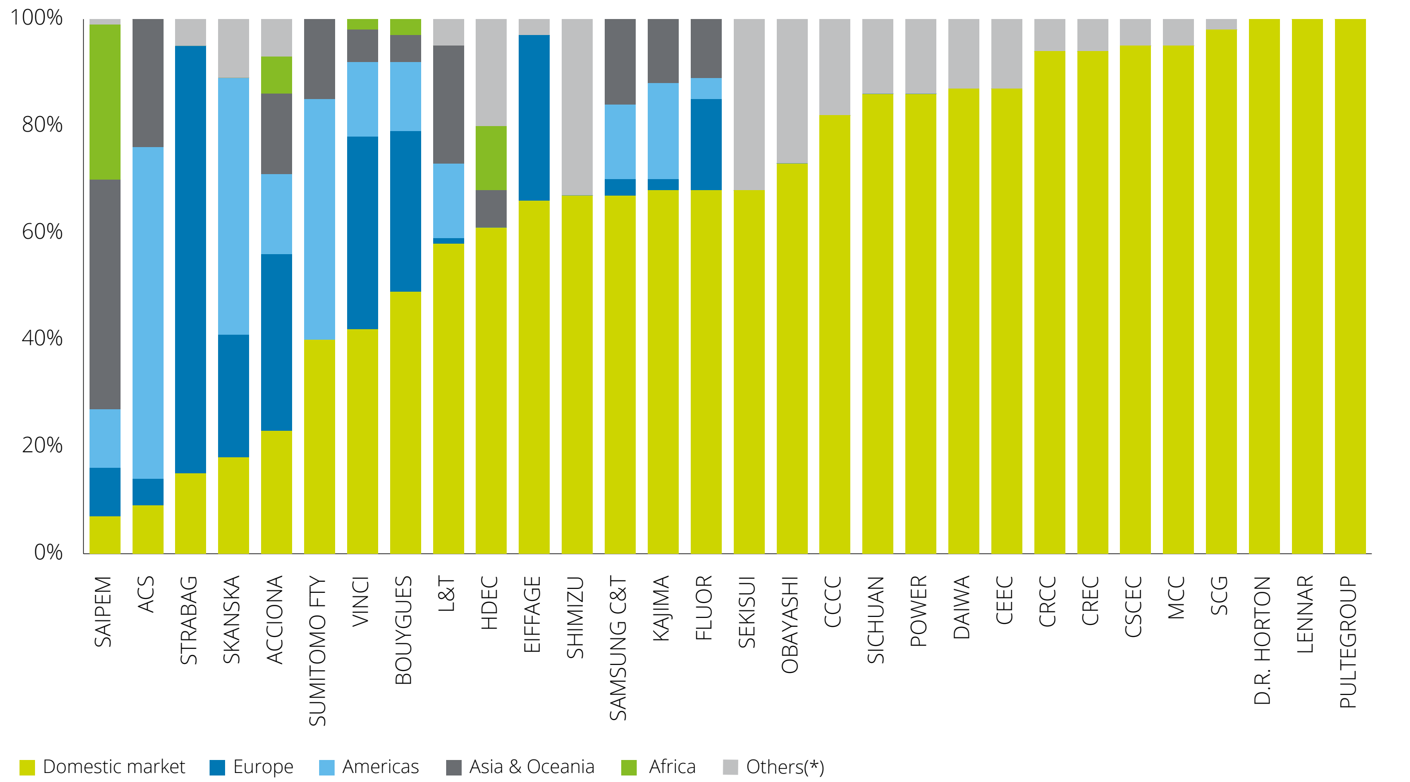
Diversification vs Internationalization
Four main categories are identified in the analysis of the different levels of internationalization and diversification achieved by our Top 30 GPoC in terms of total sales (Figure 6.1) and, in addition, homebuilders constitute a specific category due to the particularities of the entities anlayzed (local companies with low diversification).

As a general conclusion, our GPoC tend to achieve greater margins when the traditional construction activity is combined with other businesses such as concessions, industrial services or real estate. Moreover, these groups have significant capital needs so indebtedness is higher as well. In terms of internationalization, it is remarkable that groups with a low international presence tend to trade at a discount to book value in the stock markets.

A more in-depth analysis enables us to draw the following conclusions (Figure 6.2):

- Pure construction activities have narrow operating margins. Our GPoC focused on construction reported operating margins of 3.3% in 2024, while companies

Figure 6.0: Top 30 GPoC Sales by region



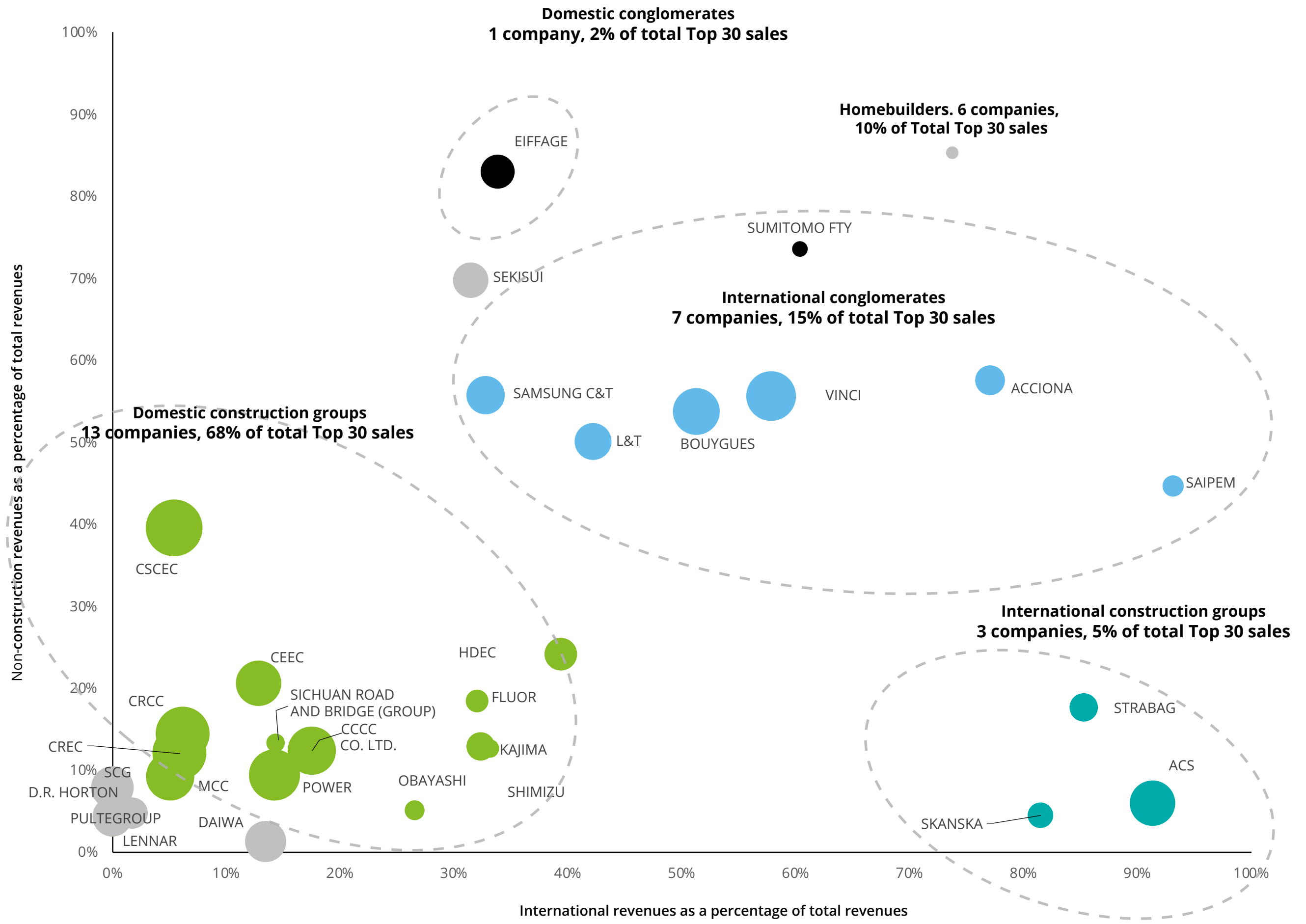
(*) The percentages included in the 'Other' segment were taken from figures that the companies did not disclose in their annual reports or in their financial statements.

Source: Global Powers of Construction (GPOC) 2024 analysis; company financials

classified as domestic and international conglomerates reported average operating margins of 8.8%. Homebuilders once again led the field, with the highest margins in 2024 (13.6%). In terms of net profit, we draw a similar conclusion. Homebuilders and conglomerates reported 9.8% and 5.5%, respectively, while construction groups obtained a 2.8% net income-to-sales ratio.

- Furthermore, as mentioned above, non-construction activities related to the construction industry generally give rise to higher indebtedness as some of these activities require a significant initial capital investment. Accordingly, the diversified GPoC reported a relatively high ratio of 35% in 2024. Although construction groups reported a net debt-to-equity ratio of 41.2%, when Chinese companies are excluded, which are considered to be domestic contractors, the remaining GPoC reported a net cash position that is consistent with the particularities of pure construction activities (low capital expenditure). In terms of market capitalization, construction groups trade at a book value discount (0.4x), while the market is willing to value conglomerates and homebuilders with a premium over their book value (1.7x and 1.5x, respectively).

Figure 6.1: Internationalization vs Diversification



Source: Global Powers of Construction (GPOC) 2024 analysis; company financials

Figure 6.2: Top 30 GPoC Financial Ratios by Categories

Categories	% International sales	% Non-construction sales	EBIT/SALES	NET INCOME/ SALES	NET DEBT/NET DEBT EQUITY	MARKET CAP/ BOOK VALUE	NET DEBT/ EBITDA	CAPEX / SALES	DIVIDEND YIELD	ROE
International Construction Groups	88.8%	14 3%	4.3%	3.0%	-28.7%	1.7	(0.6)	2.1%	2.9%	14.4%
International Conglomerates	52.3%	54.6%	8.6%	5.3%	32.6%	1.6	1.6	6.1%	3.7%	12.5%
Domestic Construction Groups	10.1%	20.1%	3.5%	2.8%	42.6%	0.4	7.1	3.9%	3.9%	8.4%
Domestic Conglomerates	33.9%	83.0%	10.6%	6.5%	53.6%	1.0	2.3	4.0%	12.9%	16.2%
Homebuilders	12.9%	20.5%	13.6%	9.8%	19.7%	1.7	1.0	2.3%	1.4%	16.3%
Top 30 GPoC 2024	**21.3%**	**25.5%**	**5.5%**	**4.0%**	**37.7%**	**0.8**	**3.7**	**3.9%**	**3.1%**	**10.9%**

Source: Global Powers of Construction (GPOC) 2024 analysis; company financials

Study methodology and data sources

Companies were included in the Top 100 Global Powers of Construction based on their total sales for financial years ended in 2024. To be included in the ranking, a company must be publicly traded and the portion of revenue arising from building and civil works must be significant enough to qualify. The Top 100 GPoC ranking by sales was prepared based on information taken from the ENR "Top 250 Global Contractors" ranking and the Forbes "Global 2000" list, filtered by "Construction Services." We have excluded from these rankings non-listed groups. Listed entities consolidated into a larger group were also excluded from the ranking. Several sources are consulted to prepare the GPoC publication. All the data in this edition were gathered from external sources, such as annual company reports, International Monetary Fund, World Bank, EUROCONSTRUCT, European Commission, Forbes and ENR reports. The main data sources for financial and other company information are annual reports and information found in company press releases and fact sheets or on company websites. In order to provide a common base from which to rank companies by their revenue figures, the revenue of non-US companies is converted to US dollars. Exchange rates, therefore, have an impact on the results. The average exchange rate corresponding to each company's fiscal year is used to convert that company's results to US dollars (see "Appendix - Exchange rates"). Group financial results are based only on companies with data. Not all items of data are available for all companies. It should also be noted that the financial information used for each company in a given year is accurate at the original date of issue of the financial report. Although a company may have restated prior year results to reflect a change in its operations or as a result of a change in accounting policy, such restatements are not reflected in this data. This study is not an accounting report. It is intended to provide an analysis of the main financial indicators of the major players within the construction industry and reflect market dynamics and their impact on the industry over a period of time. As a result of these factors, growth rates for individual companies may not correspond to other published results.

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Appendix-Exchange rates

2024		
Currency	**Date**	**Exchange rate**
AED	From 01.01.2024 to 31.12.2024	3.67
AUD	From 01.07.2023 to 30.06.2024	1.52
BAHT	From 01.01.2024 to 31.12.2024	35.28
BRL	From 01.01.2024 to 31.12.2024	5.39
CAD	From 01.01.2024 to 31.12.2024	1.37
CHF	From 01.01.2024 to 31.12.2024	0.88
CLP	From 01.01.2024 to 31.12.2024	944.03
CNY	From 01.01.2024 to 31.12.2024	7.20
	31.12.2024	7.30
DKK	From 01.10.2023 to 30.09.2024	6.90
EUR	From 01.01.2024 to 31.12.2024	0.92
	31.12.2024	0.97
GBP	From 01.01.2024 to 31.12.2024	0.78
	From 01.05.2023 to 30.04.2024	0.80
	From 01.07.2023 to 30.06.2024	0.79
	From 01.08.2023 to 31.07.2024	0.79
HKD	From 01.01.2024 to 31.12.2024	7.80
INR	From 01.04.2023 to 31.03.2024	83.66
	31.03.2024	85.55
JPY	From 01.04.2023 to 31.03.2024	144.47
	31.03.2024	151.22
	From 01.02.2023 to 31.01.2024	152.28
	31.01.2024	154.91
KRW	From 01.01.2024 to 31.12.2024	1,363.44
	31.12.2024	1,477.86
MXN	From 01.01.2024 to 31.12.2024	18.31
NOK	From 01.01.2024 to 31.12.2024	10.76
SEK	From 01.01.2024 to 31.12.2024	10.57
	31.12.2024	11.07
TRY	From 01.01.2024 to 31.12.2024	32.83
TWD	From 01.01.2024 to 31.12.2024	32.11
ILS	From 01.01.2024 to 31.12.2024	3.71

2023		
Currency	**Date**	**Exchange rate**
AED	From 01.01.2023 to 31.12.2023	3.67
AUD	From 01.07.2022 to 30.06.2023	1.52
BAHT	From 01.01.2023 to 31.12.2023	34.78
BRL	From 01.01.2023 to 31.12.2023	4.99
CAD	From 01.01.2023 to 31.12.2023	1.35
CHF	From 01.01.2023 to 31.12.2023	0.90
CLP	From 01.01.2023 to 31.12.2023	838.79
CNY	From 01.01.2023 to 31.12.2023	7.08
	31.12.2023	7.10
CRORE	From 01.01.2023 to 31.12.2023	82.57
DKK	From 01.10.2022 to 30.09.2023	6.98
EUR	From 01.01.2023 to 31.12.2023	0.92
	31.12.2023	0.90
GBP	From 01.01.2023 to 31.12.2023	0.81
	From 01.05.2022 to 30.04.2023	0.83
	From 01.07.2022 to 30.06.2023	0.83
	From 01.08.2022 to 31.07.2023	0.82
HKD	From 01.01.2023 to 31.12.2023	7.83
INR	From 01.04.2022 to 31.03.2023	80.30
	31.03.2023	82.19
JPY	From 01.04.2022 to 31.03.2023	135.45
	31.03.2023	132.75
	From 01.02.2022 to 31.01.2023	132.71
	31.01.2023	130.17
KRW	From 01.01.2023 to 31.12.2023	1,306.76
	31.12.2023	1,290.97
MXN	From 01.01.2023 to 31.12.2023	17.73
NOK	From 01.01.2023 to 31.12.2023	10.57
PLN	From 01.01.2023 to 31.12.2023	4.20
SEK	From 01.01.2023 to 31.12.2023	10.61
	31.12.2023	10.05
TRY	From 01.01.2023 to 31.12.2023	23.79
TWD	From 01.01.2023 to 31.12.2023	31.15
ILS	From 01.01.2023 to 31.12.2023	3.68

* All Exchange rates used are to convert the value of one dollar. Fred.stlouisfed.org is the source for the exchange rates.

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