



**BANK OF AMERICA SECURITIES 2020
TRANSPORTATION AND INDUSTRIALS CONFERENCE**

May 11, 2020



FORWARD-LOOKING STATEMENTS

This presentation contains “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995 regarding Construction Partners, Inc. (the “Company”), its financial condition, its results of operations and the Company’s current views based on information currently available. This information is, where applicable, based on estimates, assumptions and analysis that the Company believes, as of the date hereof, provides a reasonable basis for the information contained herein. Forward-looking statements generally can be identified by the use of forward-looking words such as “outlook,” “believes,” “expects,” “potential,” “continues,” “may,” “will,” “should,” “seeks,” “approximately,” “predicts,” “intends,” “plans,” “estimates,” “anticipates,” “foresees” or the negative version of those words or other comparable words and phrases, and include statements relating to the Company’s beliefs or expectations regarding its future performance, strategic plans and cash flows, as well as any other statements that do not directly relate to any historical or current facts. Forward-looking statements involve known and unknown risks and uncertainties, including those set forth in the Company’s Annual Report on Form 10-K for the fiscal year ended September 30, 2019, its subsequently filed Quarterly Reports on Form 10-Q, its Current Reports on Form 8-K and other documents filed with the Securities and Exchange Commission (the “SEC”), many of which are outside of the Company’s control. Actual results, performance or achievements may differ materially from forward-looking statements and the assumptions on which forward-looking statements are based. There can be no assurance that the information contained herein is reflective of future performance, and investors are cautioned not to place undue reliance on forward-looking statements as a predictor of future performance. Unless otherwise specified, all information contained in this presentation speaks only as of the date hereof. The Company undertakes no duty to update or revise the information contained herein, publicly or otherwise, whether as a result of new information, future events or otherwise, except as required by law.

This presentation contains certain financial measures not presented in accordance with generally accepted accounting principles (“GAAP”), including Adjusted EBITDA and Adjusted EBITDA Margin. These non-GAAP financial measures are not measures of financial performance in accordance with GAAP and may exclude items that are significant in understanding and assessing the Company’s financial results. Therefore, these measures should not be considered in isolation or as an alternative to net income or other measures of profitability or performance under GAAP. The Company’s presentation of non-GAAP financial measures may not be comparable to similarly titled measures of other organizations, as such measures may not be calculated in the same manner. See the appendix of this presentation for a reconciliation of the non-GAAP measures included herein.

The Company’s fiscal year is the 52-week period ending on September 30. Reference to a particular “fiscal year” or “FY” in this presentation refers to such period. This presentation contains estimates and other statistical data made by independent parties relating to, among other things, market size and growth. These data involve a number of assumptions and limitations, and you are cautioned not to give undue weight to such estimates. The Company has not independently verified the statistical and other industry data generated by independent parties and, accordingly, it cannot guarantee their accuracy or completeness. In addition, projections, assumptions and estimates of the Company’s future performance and the future performance of the markets in which it competes are necessarily subject to uncertainty and risk due to a variety of factors. These and other factors could cause results or outcomes to differ materially from those expressed in the estimates made by the independent parties.

PRESENTERS



Ned Fleming

Executive Chairman and Director

- Co-Founder and Executive Chairman of CPI since founding, and
- Managing Partner of SunTx Capital Partners

20 Years of
Industry
Experience



Charles Owens

President, CEO and Director

- Co-founder of CPI and has served as CEO since 2001
- Led acquisition / integration of more than 50 companies in his career; grew Superfos U.S. to double CPI's current size

50 Years of
Industry
Experience



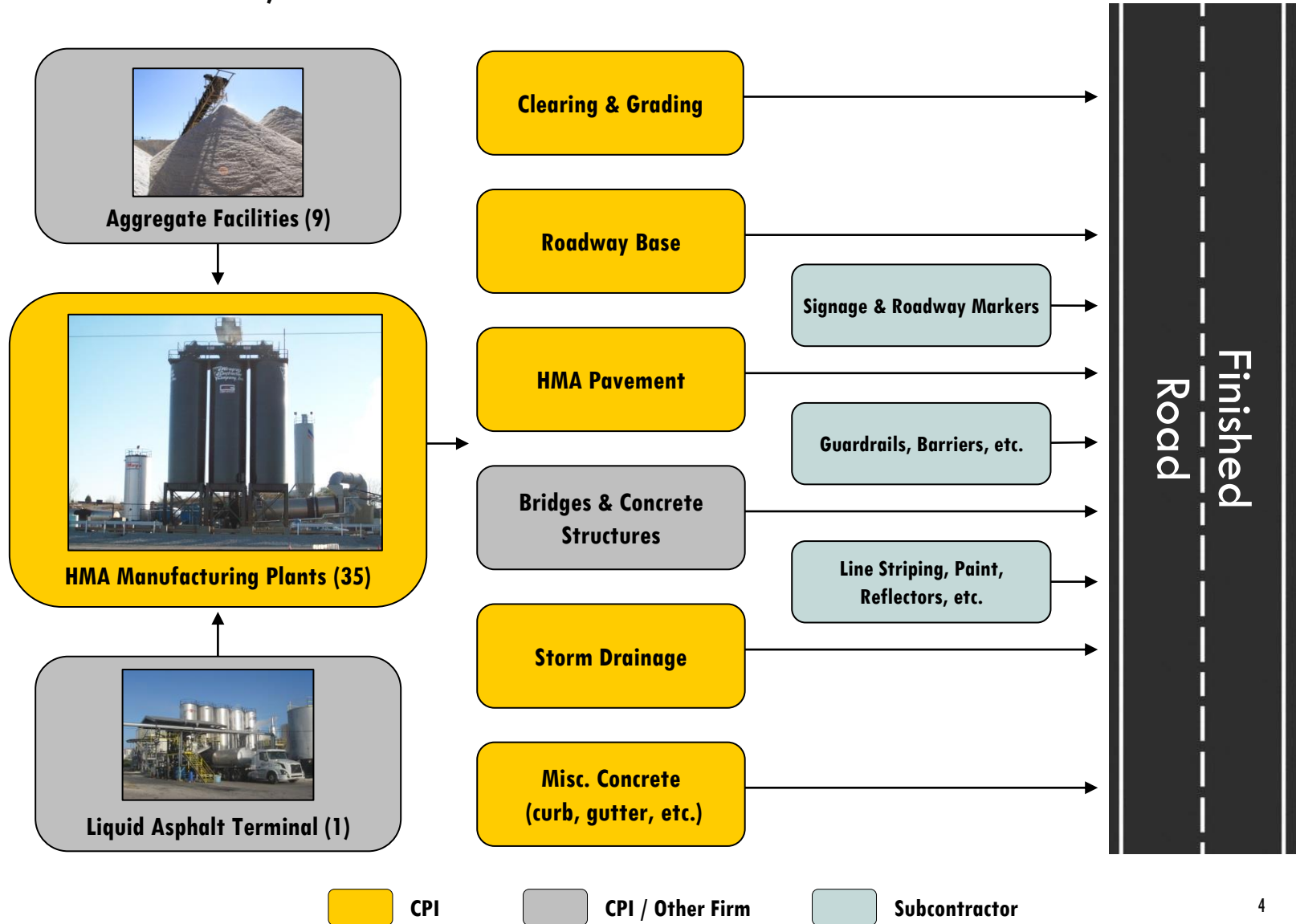
Alan Palmer

Executive Vice President and CFO

- Co-founder of CPI and has served as CFO since 2006
- 25+ years working in collaboration with Mr. Owens; instrumental in establishing CPI's strategy and business processes

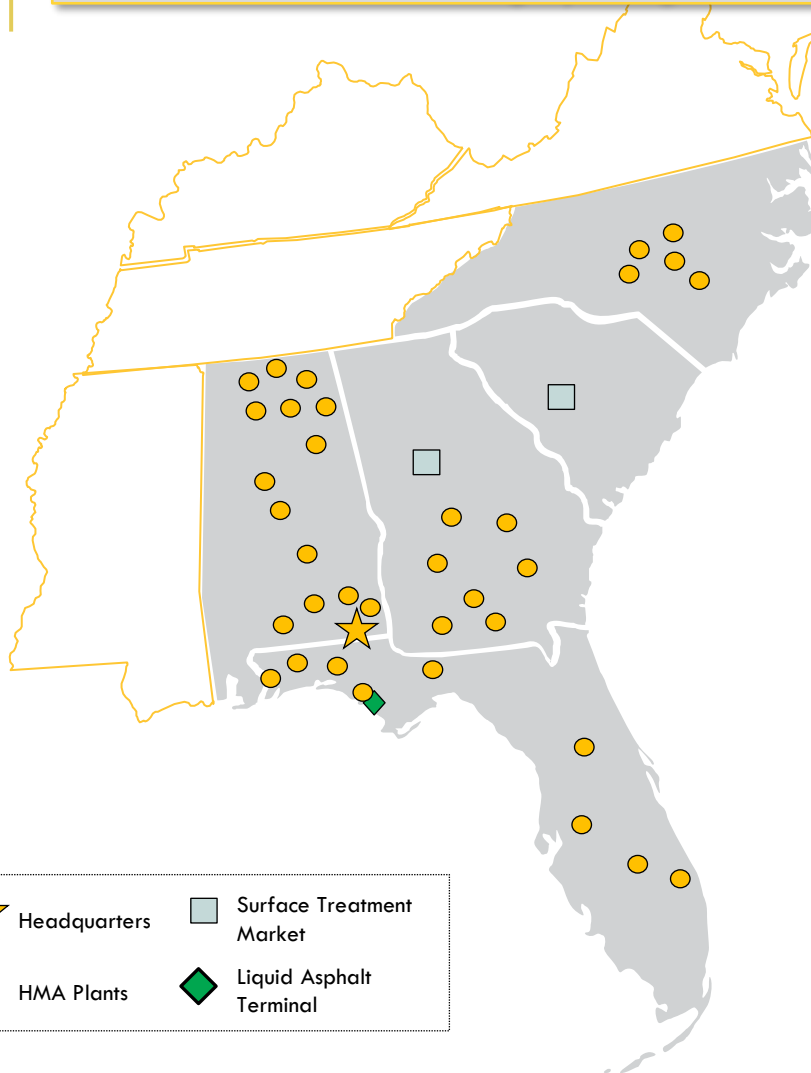
35 Years of
Industry
Experience

WHAT WE DO: VERTICALLY INTEGRATED MATERIALS, MANUFACTURING & SERVICES



ROAD WORTHY – PAVING THE WAY FOR AMERICA’S FUTURE

Vertically Integrated Civil Infrastructure Market Leader
in Highly Fragmented Sector in Fast-Growing States



Market Leader

- Attractive Southeastern U.S. Region
- Leading market position in 35 distinct local markets

Strong Momentum

- Favorable industry tailwinds:
- Deteriorating road conditions
 - Increased public & private spending

Successful Record of Expansion

- Consolidating industry: “trusted acquirer” in fragmented industry
- 21 acquisitions
- 7 greenfield expansions (new strategically located HMA plant sites)

Use of Technology

- Standardized IT systems
- Improved bidding, job execution and financial controls

COMPELLING INVESTMENT THESIS

Proven Growth Strategy and Strong Outlook

- Consistent top line growth with double-digit EBITDA margins
- Strong balance sheet (>\$100MM in cash and borrowing capacity)
- Vested and experienced management team

Differentiated Model with Competitive Advantages

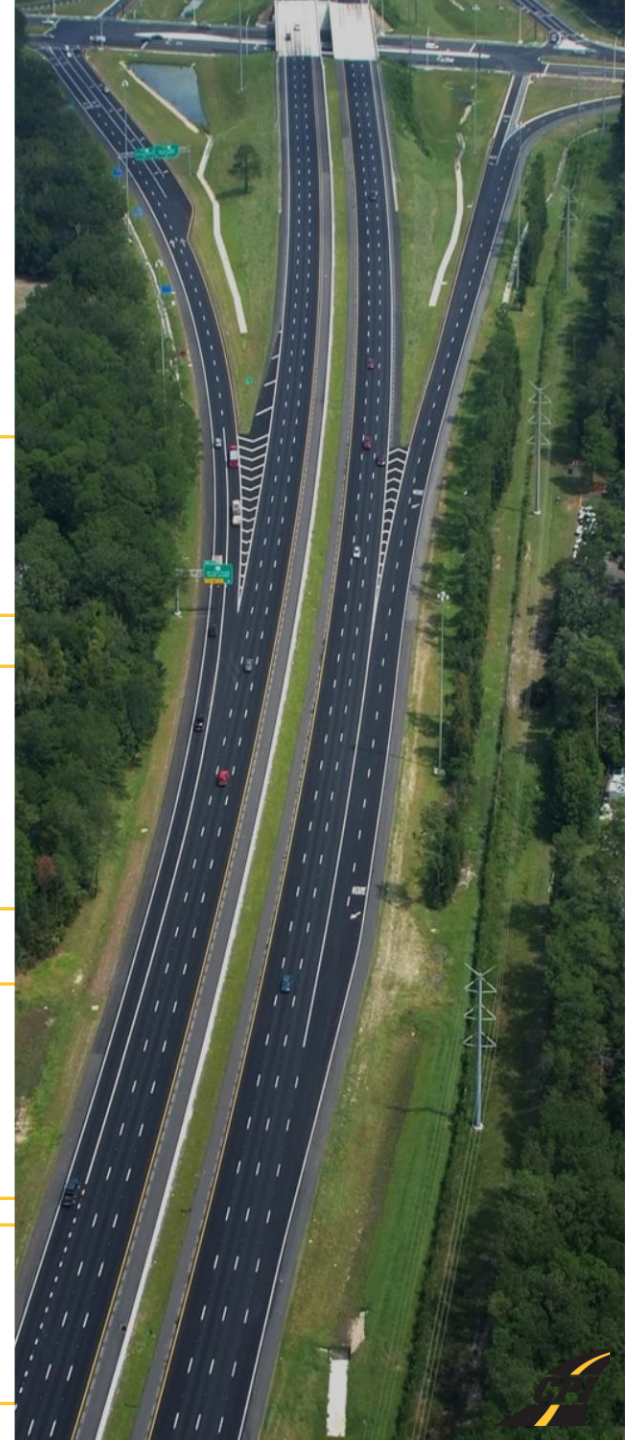
- Vertically integrated operations
- Diversified projects with shorter average durations and no “mega” projects
- Geographic synergies
- Non-cyclical industry dynamics
- Variable cost base (~2/3 of workforce is hourly)

Local Presence Matters

- Poor and deteriorating roadways in existing five states
- State and local governments have increased funding for roads
- Majority of work: publicly-funded road repair and recurring maintenance
- Local, home-based workforce

Three Levels of Growth

- Acquisitions
- Greenfields
- Organic growth



THREE LEVERS OF GROWTH

“Trusted acquirer” in fragmented industry

Organic Growth

- Increased state and local government funding
- Growing number of publicly-funded projects in our markets
- Flexibility to move crews and equipment
- Includes growth in revenue at acquired companies after the first twelve months of ownership

Greenfields

- Strategically located HMA plants
- Capitalize on synergies with existing CPI operations
- Increased bidding opportunities / competitively positioned

Acquisitions

Hot mix asphalt companies

- 155 HMA companies in CPI’s existing states
- Expand geographic footprint

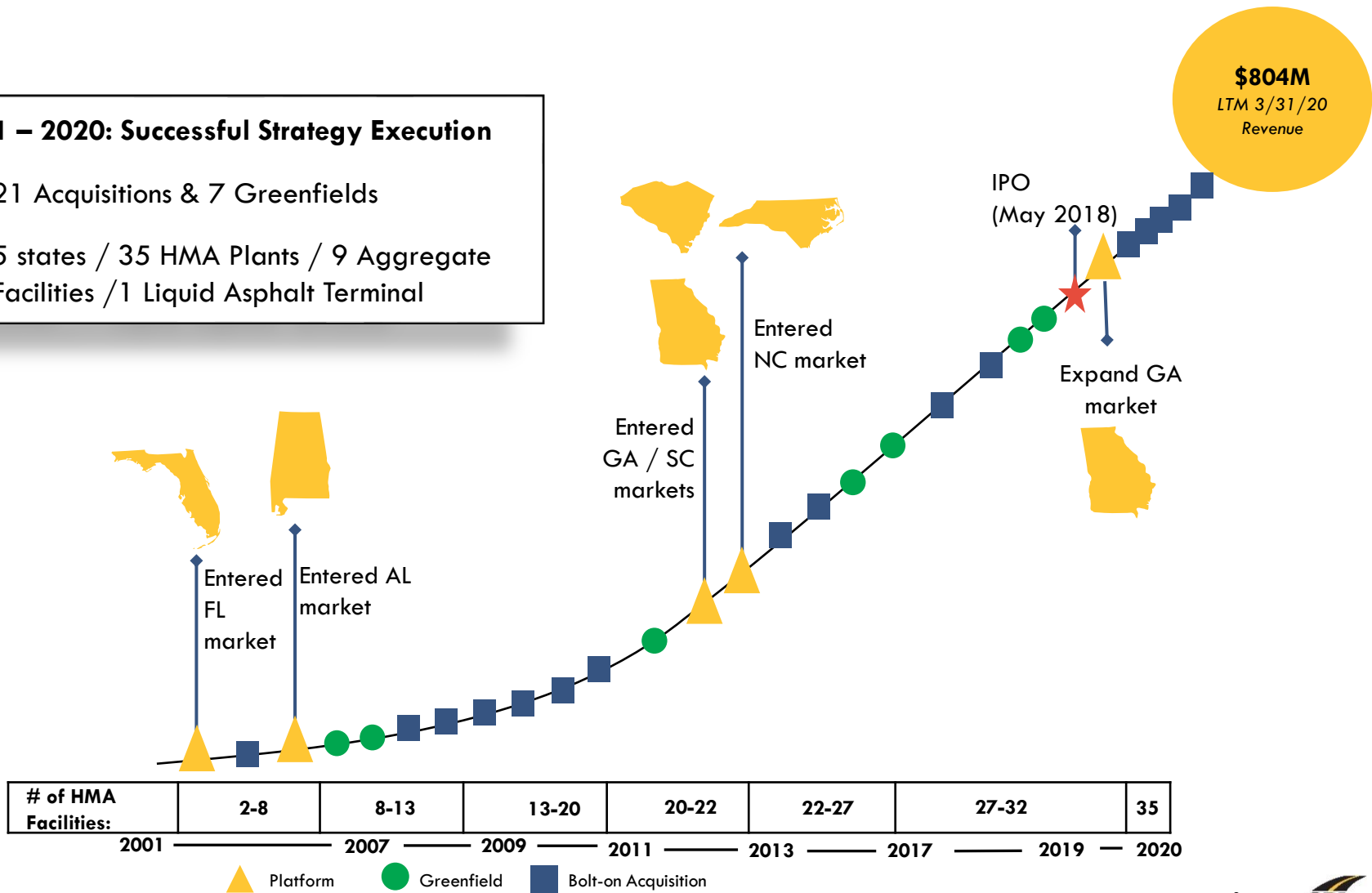
Vertical integration

- Aggregates
- Liquid asphalt terminals
- Service opportunities

PROVEN STRATEGY

2001 – 2020: Successful Strategy Execution

- ✓ 21 Acquisitions & 7 Greenfields
- ✓ 5 states / 35 HMA Plants / 9 Aggregate Facilities / 1 Liquid Asphalt Terminal



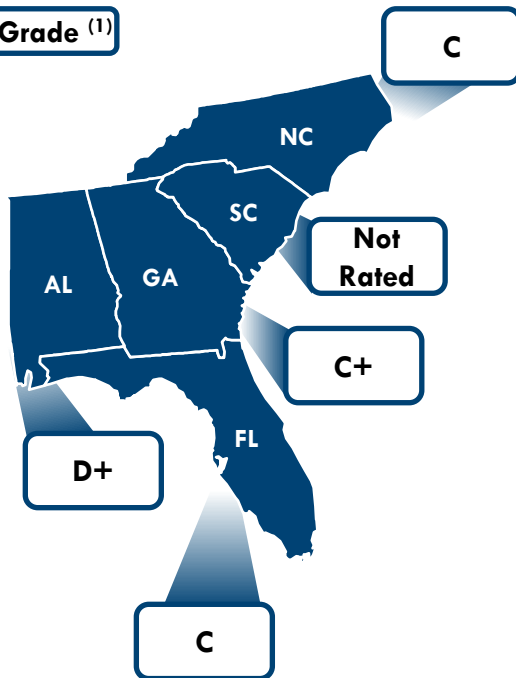
COMPETITIVE ADVANTAGE

SCALE	HMA plants strategically located across our footprint	35 markets More than 2,300 employees
Vertical Integration	HMA Manufacturing & Construction Services	Internally source a portion of our aggregate, RAP, and liquid asphalt Turnkey construction service capabilities
Geographic Synergies	Geographic Synergies of Crews & Equipment	Flexibility to deploy crews and equipment across our footprint Better utilization enhances profitability
Use of Technology	Integrated Processes	Standardized IT systems Improved bidding, job execution and financial controls
Relative Market Share	Primarily Local Competitors	Majority of competitors are local companies CPI has a home-based workforce that understands the local market

RISING TRANSPORTATION INFRASTRUCTURE INVESTMENT

Significant Southeastern U.S. Infrastructure Spending

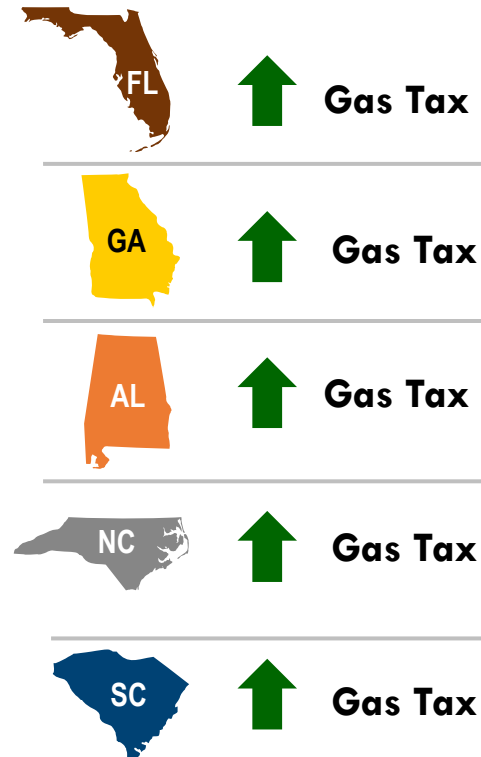
ASCE Road Grade ⁽¹⁾



Highly fragmented \$23B+ market (not including private or municipal markets) based on annual state Department of Transportation budgets

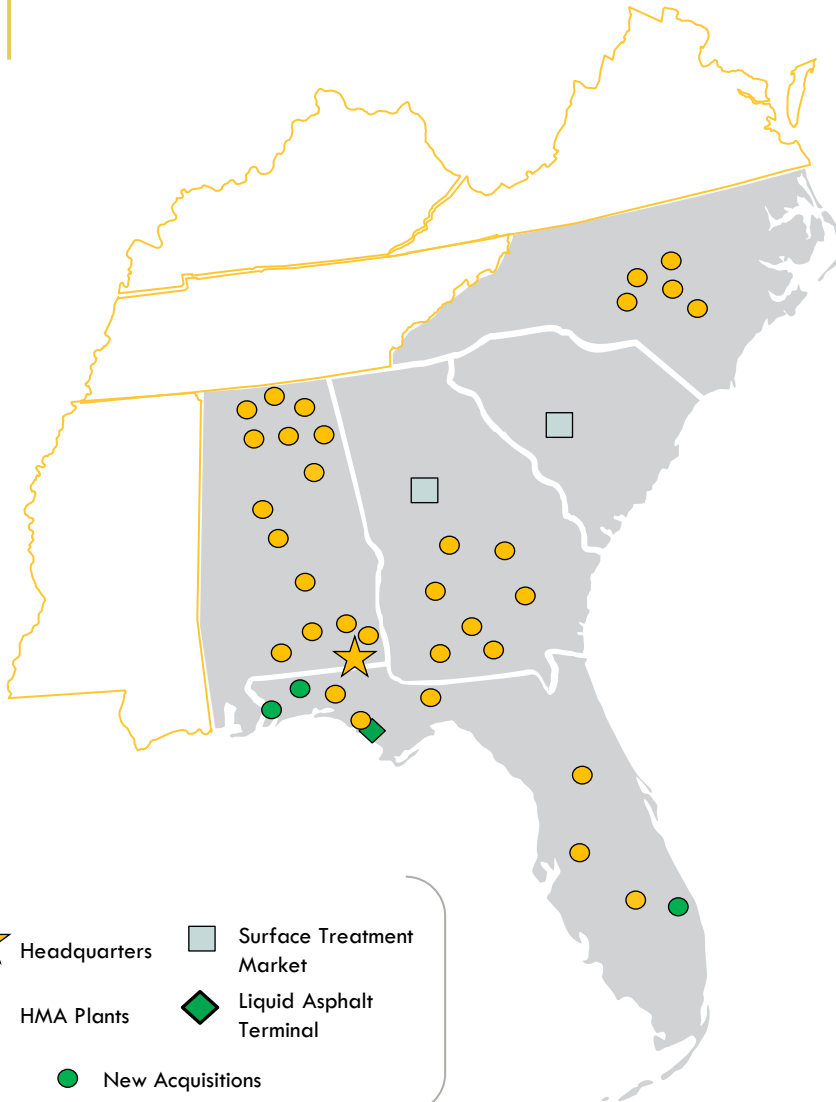
Historically - publicly funded projects account for 60 to 70% of revenues
Diversified projects with shorter average durations and no "mega" projects

State & Local Government Raising Funding for Roads



1) American Society of Civil Engineers Report Card for America's Infrastructure.

CURRENT YEAR STRATEGIC ACQUISITIONS



Strategic Rationale

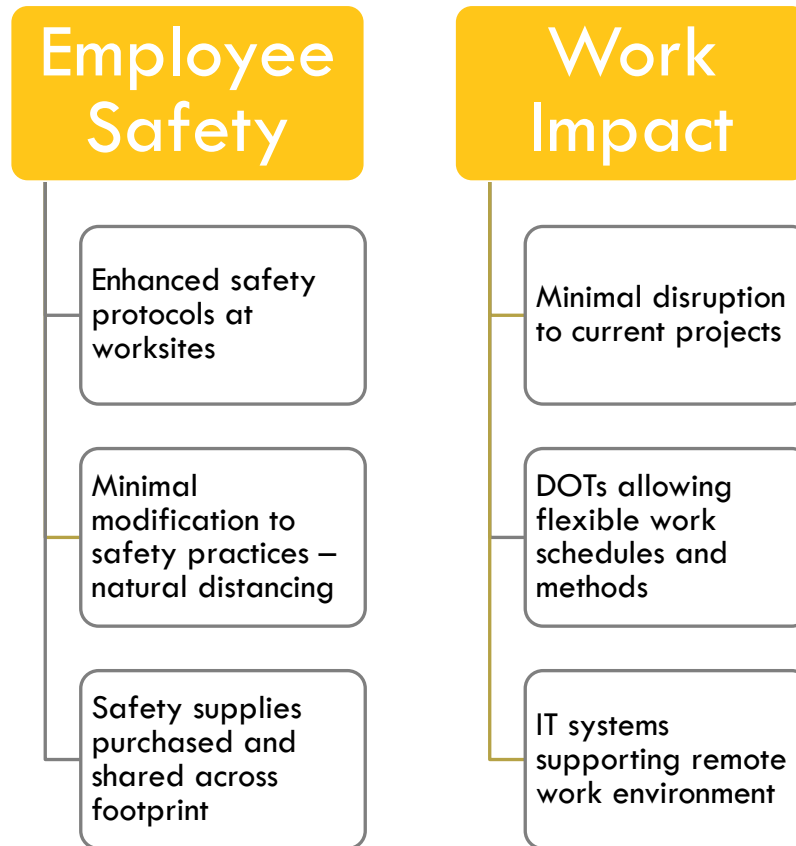
Palm City, FL (Oct. 2019)

- + Expand geographic footprint
- + Future growth opportunity in Florida's East Coast and surrounding areas
- + Leverage synergies through effective use of our workforce and equipment

Pensacola / DeFuniak Springs, FL (March 2020)

- + Expand geographic footprint in FL panhandle
- + Close proximity to current operations and new market opportunities


COVID-19 RESPONSE




EXPERIENCED AND DEEP MANAGEMENT TEAM






Charles Owens
President, CEO and Director
Industry Experience: >50 yrs



Alan Palmer
Executive VP and CFO
Industry Experience: >35 yrs




Bob Flowers
Senior Vice President
Industry Experience: >30 yrs




John Harper
Senior Vice President
Industry Experience: >30 yrs



(Previous Owner)



Jule Smith
Senior Vice President
Industry Experience: >25 yrs



(Previous Owner)



Brett Armstrong
Senior Vice President
Industry Experience: >30 yrs



John Walker
Senior Vice President
Industry Experience: >30 yrs



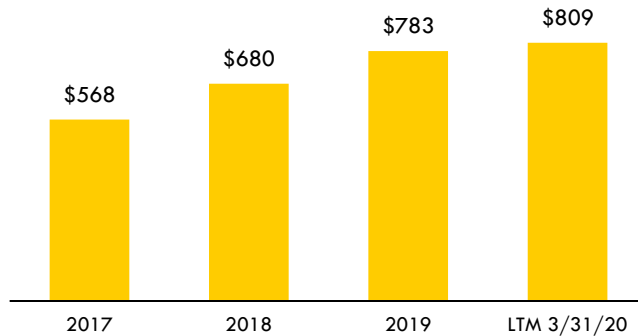


FINANCIAL UPDATE

SUSTAINABLE GROWTH STRATEGY

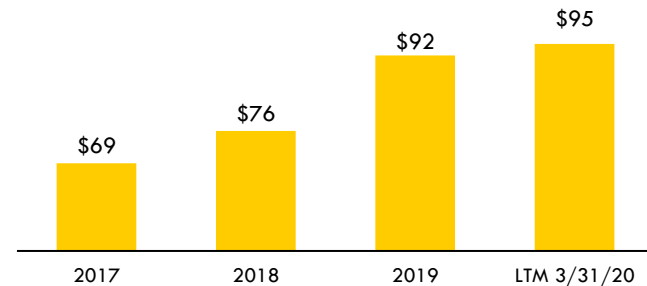
Revenue

(\$ in millions)



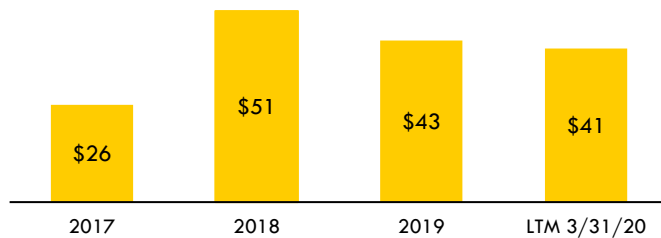
Adjusted EBITDA ⁽¹⁾

(\$ in millions)

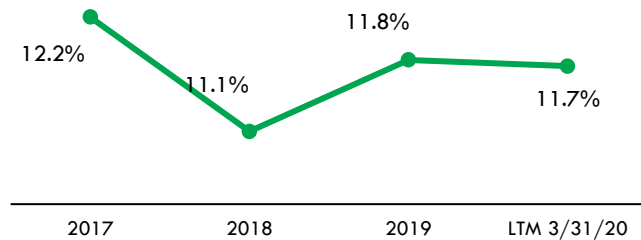


Net Income

(\$ in millions)



Adjusted EBITDA Margin ⁽¹⁾



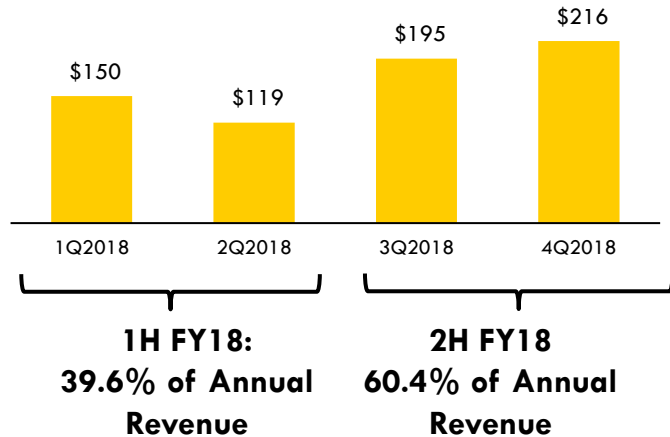
Note: Annual data represent a September 30 fiscal year end.

1) Adjusted EBITDA and Adjusted EBITDA Margin are non-GAAP financial measures. For a reconciliation of Adjusted EBITDA to Net Income, the most directly comparable GAAP financial measure, and the resulting calculation of Adjusted EBITDA Margin, see slide 20.

SEASONALITY - CPI GENERATES APPROXIMATELY 40% OF ANNUAL REVENUE IN 1H FY AND 60% IN 2H FY

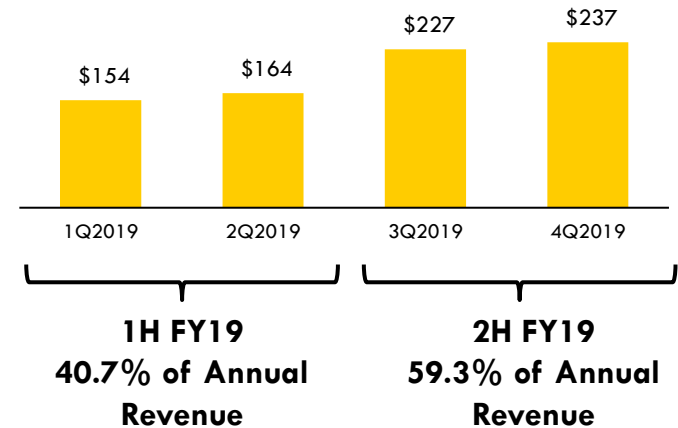
FY 2018 Revenue

(\$ in millions)



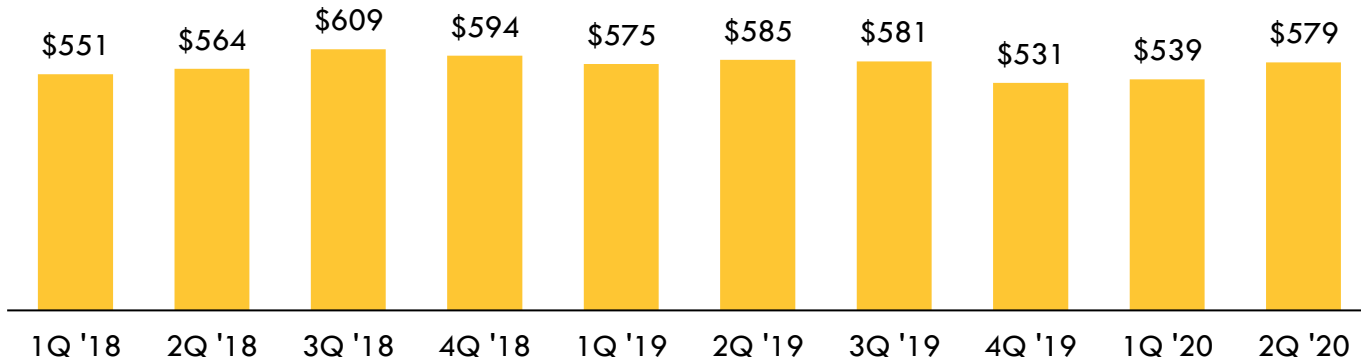
FY 2019 Revenue

(\$ in millions)



Consistent Backlog

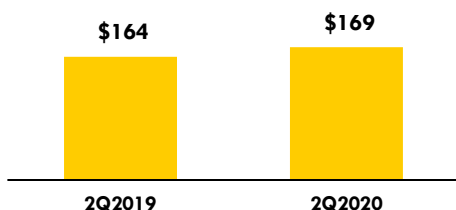
(\$ in millions)



Q2 FY 2020 HIGHLIGHTS & FY 2019 HIGHLIGHTS

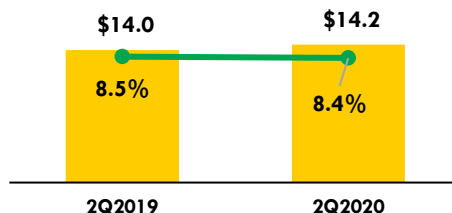
Revenue

(\$ in millions)



Adjusted EBITDA ⁽¹⁾

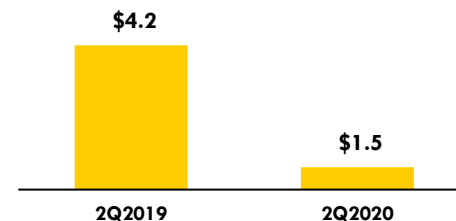
(\$ in millions)



● Adj. EBITDA Margin

Net Income

(\$ in millions)



FY 2020 Outlook Updated May 8, 2020

(\$ in millions)

	FY 2020 Outlook Ranges	
	Low	High
Revenue	\$ 820.0	\$ 830.0
Net Income	32.0	34.0
Adjusted EBITDA ⁽¹⁾	88.0	91.0

Note: Annual data represent a September 30 fiscal year end.

1) Adjusted EBITDA is a non-GAAP financial measure. For a reconciliation to Net Income, the most directly comparable GAAP financial measure, to Adjusted EBITDA, see slides 19 - 21.



MORE THAN 2,300 GREAT PEOPLE PAVING THE WAY TO SUCCESS

APPENDIX

NON-GAAP FINANCIAL MEASURES - ADJUSTED EBITDA AND ADJUSTED EBITDA MARGIN

Adjusted EBITDA represents net income before, as applicable from time to time, (i) interest expense, net, (ii) provision (benefit) for income taxes, (iii) depreciation, depletion and amortization, (iv) equity-based compensation expense, (v) loss on extinguishment of debt and (vi) certain management fees and expenses, and income recognized in connection with a legal settlement between certain of the Company's subsidiaries and a third party that did not directly relate to the Company's business and that has not, and is not expected to, reoccur (the "Settlement"). Adjusted EBITDA Margin represents Adjusted EBITDA as a percentage of revenues for each period. These metrics are supplemental measures of our operating performance that are neither required by, nor presented in accordance with, GAAP. These measures should not be considered as an alternative to net income or any other performance measure derived in accordance with GAAP as an indicator of our operating performance. We present Adjusted EBITDA and Adjusted EBITDA Margin, as management uses these measures as key performance indicators, and we believe they are measures frequently used by securities analysts, investors and other parties to evaluate companies in our industry. These measures have limitations as analytical tools and should not be considered in isolation or as substitutes for analysis of our results as reported under GAAP.

Our calculation of Adjusted EBITDA and Adjusted EBITDA Margin may not be comparable to similarly named measures reported by other companies. Potential differences between our measure of Adjusted EBITDA compared to other similar companies' measures of Adjusted EBITDA may include differences in capital structures, tax positions and the age and book depreciation of intangible and tangible assets.

The table on the following page presents a reconciliation of net income, the most directly comparable measure calculated in accordance with GAAP, to Adjusted EBITDA, and the calculation of Adjusted EBITDA Margin for each of the periods presented.

GAAP TO NON-GAAP RECONCILIATION

(\$ in thousands)

	Twelve Months Ended September 30,			Three Months Ended March 31,		Twelve Months Ended March 31,
	2017	2018	2019	2019	2020	2020
Net Income	\$26,040	\$50,791	\$43,121	\$4,212	\$1,537	40,753
Interest expense, net	3,960	1,270	1,861	379	1,834	3,082
Provision for income taxes	14,742	10,525	13,909	1,488	531	12,620
Depreciation, depletion and amortization	21,072	25,321	31,231	7,501	9,593	35,624
Equity-based compensation expense	513	975	957	-	390	1,743
Loss on extinguishment of debt	1,638	-	-	-	-	-
Settlement income (1)	-	(14,803)	-	-	-	-
Management fees and expenses (2)	1,309	1,457	1,252	387	357	1,282
Adjusted EBITDA	69,274	75,536	92,331	13,967	14,242	95,104
Revenues	568,212	680,096	783,238	164,304	168,679	808,600
Adjusted EBITDA margin	12.2%	11.1%	11.8%	8.5%	8.4%	11.8%

Note: Annual data represent September 30 fiscal year end.

1) Represents pre-tax income recognized in connection with the Settlement.

2) Reflects fees and reimbursements of certain out-of-pocket-expenses under a management services agreement with an affiliate of SunTx Capital Partners, the Company's controlling stockholder.

GAAP TO NON-GAAP RECONCILIATION CONT'D

Fiscal Year 2020 Updated Outlook (unaudited, in thousands)

	For the Fiscal Year Ending			
	September 30, 2020			
	<u>Low</u>		<u>High</u>	
Net income	\$	32,000	\$	34,000
Interest expense, net		3,300		3,300
Provision for income taxes		10,700		11,400
Depreciation, depletion and amortization		39,000		39,300
Equity-based compensation expense		1,600		1,600
Management fees and expenses ⁽¹⁾		1,400		1,400
Adjusted EBITDA	\$	88,000	\$	91,000

Note: Annual data represent September 30 fiscal year end.

1) Reflects fees and reimbursements of certain out-of-pocket-expenses under a management services agreement with an affiliate of SunTx Capital Partners, the Company's controlling stockholder.

Investor Relations Contact:

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