Bloomberg

August 25, 2024 | bloomberg.com

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The interview with CRH's Jim Mintern

by Nina Trentmann
August 25, 2024

Jim Mintern has worked for Irish construction and building materials firm CRH for the past 16 years, including more than three of those as CFO. Two-thirds of the company's business are in the US, which led CRH to move its primary stock market listing from London to New York. Mintern, a former auditor, talked about reshoring and its impact on business, his plan to increase capital spending and the outlook for dealmaking. His answers have been edited for length and clarity.

Jim Mintern. *Photo credit: CRH*

Looking at your company's finances, what's the most important metric for you?

Publicly funded infrastructure, both in the US and Europe. The increase in federal funds in the US through the Infrastructure Investment and Jobs Act and the Inflation Reduction Act has really been coming through in activity levels for us. But that's only the start of the investment that's needed. For the past 30 years, the US has invested about half of what the EU has invested in infrastructure as a percentage of GDP.

You serve a range of industries. What's your outlook?

Ten years ago, we deliberately set out to make sure that publicly funded infrastructure was our biggest exposure because it's less cyclical. Residential is a headwind - it's not a demand issue, it's an affordability issue. Retail, office and warehouses are poor, but the whole complex around onshoring and reshoring is very strong. If you take Intel in Ohio, which is a project we are working on, they are talking about spending $100 billion over 10 years. You take Micron over in Boise, Idaho, that's another site we are working on. A lot of these onshoring or reshoring projects are multi-year, complex projects. We get in and help with the design and then we're able to pull through a lot of our different products.

CRH is constantly doing deals. Talk about the strategy behind that.

We've done over 1,200 acquisitions. We do one every two weeks. The Southern and Western states of the US and Central and Eastern Europe, that's really where we're making a lot of those investments. We try to deploy capital in regions of the world that are growing faster than normal levels of GDP. We also do a lot of divestments. Half of the assets that were in the group ten years ago aren't in the group today. We have a saying, "Never fall in love with the business." If we can't improve the business further, then we recycle that capital into faster growing areas.

What are your capital allocation priorities?

We are targeting about $16 billion in M&A and about $8 billion in growth capex over the next five years. In the past five years, we deployed 60% of capital into M&A and growth capex and returned 40% to shareholders. We're changing that toward 70%, maybe higher than that, to the growth side of the equation. We feel that's the best deployment of capital from our shareholders' perspective.

Why did you move your listing to New York?

I think it's the logical place for CRH, given that well over three-quarters of our business is in the US. Now US domestic investors have the opportunity to invest in the company. After that switch, our US shareholder base moved very quickly from the mid-twenties percent up to the majority. Over 50% of our shareholders are now US-based.